



City of Tuscaloosa

POLICIES & PROCEDURES MANUAL

Community Development Block Grant – Disaster Recovery

BINDER 1

Department of Recovery Operations
Office of the Mayor

2201 University Boulevard, Tuscaloosa, Alabama, 35401 • (205) 248-5700 • www.tuscaloosa.com

City of Tuscaloosa Policies & Procedures

Part One

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City of Tuscaloosa Policies & Procedures

June 30, 2015 Created S. Howell

August 9, 2016 Amended S. Howell

June 5, 2017 Amended S. Howell

June 6, 2018 Amended S. Howell

- Close-outs
- National Objectives
- Subrogation Agreements
- Conflict of Interest Provisions
- Independent Internal Audit
- Public Engagement/Website
- Procurement
- Citizen Comment Process
- Environmental Review
- Housing Action Plan Activities
- Infrastructure Action Plan Activities
- Economic Development
- Economic Development Action Plan Activities

June 3, 2019 Amended S. Howell

- General grammatical errors
- Acronyms legend added
- Reference to numbered pages
- Organizational Chart
- Organization Chart Descriptions
- Governmental Structure
- Allocations – Extensions
- National Objectives
- Quality Assurance
- Expenditure of Funds
- Citizen Comment Process
- Environmental Review
- Use of Real Property
- Promoting the Mitigation of Flood Risk

- Section 3
- Street Reconstruction Infrastructure Activity
- 8th Street East Infrastructure Activity
- Juanita Drive Phase II Infrastructure Activity
- The Downs Drainage Infrastructure Activity
- The Edge Economic Development Activity
- Invoice/Pay Request Processing
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- Edge Membership Agreement
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- How to Setup a Budget
- How to do a drawdown
- How to review an invoice
- How to track Program Income

City of Tuscaloosa Policies & Procedures

June 30, 2015	Created	S. Howell
August 9, 2016	Amended	S. Howell
June 5, 2017	Amended	S. Howell
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- Close-outs
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- Housing Action Plan Activities
- Infrastructure Action Plan Activities
- Economic Development
- Economic Development Action Plan Activities

Policies and Procedures Common Acronyms

ADECA	Alabama Department of Economic and Community Affairs
AHFA	Alabama Housing Finance Authority
ALDOT	Alabama Department of Transportation
ATRIP	Alabama Transportation Rehabilitation and Improvements Program
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant Disaster Recovery
CENST	Categorically Excluded Not Subject To
CEST	Categorically Excluded Subject To
CFR	Code of Federal Regulations
CWHSSA	Contract Work Hours and Safety Standards Act
DRGR	Disaster Recovery Grant Reporting system
EA	Environmental Assessment
EIS	Environmental Impact Statement
ESG	Emergency Solutions Grant
FEMA	Federal Emergency Management Agency
FFATA	Federal Funding Accountability and Transparency Act
FF&E	Furniture, Fixtures, and Equipment
FIRM	Flood Insurance Rate Map
FLSA	Fair Labor Standards Act
FONSI	Finding Of No Significant Impact

FSRS	Federal Funding Accountability and Transparency Act Subaward Reporting System
GFRFFI	General Fund Reserves For Future Improvements
HMIS	Homeless Management Information System
HOME	HOME Investment Partnerships
HUD	U.S. Department of Housing and Urban Development
IPS	Infrastructure and Public Services
LEED	Leadership in Energy and Environmental Design
LMI	Low Moderate Income
LOCCS	Line Of Credit Control System
MBE/DBE/WBE	Minority Business Enterprise/Disadvantaged Business Enterprise/ Woman Business Enterprise
MOU	Memorandum Of Understanding
NAICS	North American Industry Classification System
NFIP	National Flood Insurance Program
NOI/RROF	Notice Of Intent/Request Release Of Funds
OMB	Office of Management and Budget
PARA	Tuscaloosa County Park and Recreation Authority
RFP	Request For Proposals
RFQ	Request For Qualifications
SBA	Small Business Administration
SCA	Service Contract Act
SFHA	Special Flood Hazard Areas

THA	Tuscaloosa Housing Authority
UDAG	Urban Development Action Grant
URA	Uniform Relocation Act
USACE	United States Corp of Engineers
WHD	Wage and Hour Division
WSRFFI	Water and Sewer Reserve For Future Improvements

SUSPENDED

RESOLUTION

**RESOLUTION AUTHORIZING ADOPTION OF POLICIES AND
PROCEDURES FOR THE COMMUNITY DEVELOPMENT
BLOCK GRANT DISASTER RECOVERY PROGRAMS**

WHEREAS, the City of Tuscaloosa has received two allocations through the U.S. Department of Housing and Urban Development related to the April 2011 Presidentially declared disaster; and,

WHEREAS, the City of Tuscaloosa was previously approved through the U.S. Department of Housing and Urban Development for 2012 Community Development Block Grant Disaster Recovery (CDBG-DR) funds totaling approximately \$16.6 million; and,

WHEREAS, the City of Tuscaloosa was previously approved for a second allocation through the U.S. Department of Housing and Urban Development for 2013 CDBG-DR funds totaling approximately \$43.9 million; and,

WHEREAS, policies and procedures for the administration of these funds have been developed under the guidance of applicable federal register notices, U.S. Department of Housing and Urban Development issued guidance, and other applicable guidance for referral as noted in the aforementioned federal register notices; and,

WHEREAS, the City of Tuscaloosa has received guidance from the U.S. Department of Housing and Urban Development Birmingham Field Office that these policies and procedures should be incorporated into a manual; and,

WHEREAS, as future guidance in the administration of CDBG-DR funds is released, new policies and procedures shall be incorporated; and,

WHEREAS, the adopted Policies and Procedures Manual shall apply to any future allocations of CDBG-DR funds to the City of Tuscaloosa; and,

WHEREAS, the City of Tuscaloosa now desires to create and adopt a Policies and Procedures Manual for the Community Development Block Grant Disaster Recovery Programs.

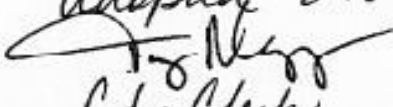
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUSCALOOSA as follows;

Suspended Rules Resolution Prepared by S. Howell

A-1

SUSPENDED

1. That the City of Tuscaloosa is authorized to create a Policies and Procedures Manual for the Community Development Block Grant Disaster Recovery Programs and the administration of CDBG-DR funded activities;
2. That the Policies and Procedures Manual for the Community Development Block Grant Disaster Recovery Programs shall be adopted;
3. That the Policies and Procedures shall be amended as needed to conform to rules and regulations that govern the use of CDBG-DR funds and activities;
4. That the Policies and Procedures Manual shall apply to any future allocations of CDBG-DR funds to the City of Tuscaloosa.

(Ty/T-y) M absent
Adopted 8-16-16

City Clerk

APPROVED

City Attorney

Prepared By: J. Woodson III
Requested: Admin. Comm.
Presentation on: 08-08-15
Suspension of Rules: No

ORDINANCE NO. 8276

AN ORDINANCE AUTHORIZING THE CHANGE OF THE
RECOVERY OPERATIONS DEPARTMENT TO
OFFICE OF RESILIENCE AND INNOVATION

(A15-1042)

WHEREAS, the City of Tuscaloosa is dedicated to becoming more resilient to physical, social, environmental and economic challenges that are a growing part of the 21st century; and,

WHEREAS, the City desires to create a department that not only evaluates the impact of shocks such as tornadoes and flooding, but also the stresses that weaken the fabric of a city on day to day or cyclical basis – such as unemployment, poverty, chronic homelessness; or inadequate housing; and

WHEREAS, the Administration Committee has recommended the change of title for the Recovery Operations Department to more correctly state the services provided by the said department; and,

WHEREAS, it is the recommendation of the Administration Committee to change the title for the Recovery Operations Department to Office of Resilience and Innovation.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF TUSCALOOSA that the title of the City of Tuscaloosa Recovery Operations Department be changed to Office of Resilience and Innovation.

BE IT FURTHER ORDAINED that all references of City of Tuscaloosa Recovery Operations Department in the Code of Tuscaloosa, Alabama be amended to mean and refer to City of Tuscaloosa Office of Resilience and Innovation.

FUNDING REQUIRED: ☐ Yes ☒ No

Published 9.14.15
Tuscaloosa News

COUNCIL ACTION	
Resolution	<u>Intro: (Ty/T-y)</u>
Ordinance	<u>Unan: (Ty/T-y)</u>
Introduced	<u>Adopted 9.8.15</u>
Passed	<u>Dist. K. Clement</u>
2 nd Reading	<u>Asst. City Clerk</u>
Unanimous	<u>47</u>
Failed	

**SYNOPSIS
TUSCALOOSA CITY COUNCIL MEETING
September 8, 2015**

CONVENED: 6:00 p.m.

MEMBERS PRESENT

Mayor Walt Maddox

President Pro Tem Taylor

Councilmembers Odom, Almond, Tyner, Pugh and McKinstry

ABSENT

Councilmember Calderone

BUSINESS CONDUCTED: All votes are unanimous unless otherwise indicated.

Approved minutes of previous meeting (T/Ty)

PROCLAMATIONS AND STATEMENTS BY MAYOR AND COUNCIL

Mayor Maddox presented a proclamation declaring September 8 to be "POW-MIA Recognition Day".

AGENDA ITEM COMMENTS BY CITIZENS

UNFINISHED BUSINESS

CONSENT AGENDA

Approved items "a through n" on the consent agenda. (Ty/T)

- a. Approved request and agreement for water service to the Grove at Tuscaloosa; total: \$266,289.40.
- b. Granted permit for Campus Crest at Tuscaloosa, LLC to construct water lines for the Grove at Tuscaloosa.
- c. Authorized an adjustment and refund of excess deposit to Frances M. Harris for installation of water mains and services for 1400 Block 9th Street Apartments water main extension; total: \$4,120.02.
- d. Authorized an adjustment and refund of excess deposit to Russo Corporation for installation of water mains and services for UA south parking deck water main relocation; total: \$13,354.33.
- e. Authorized an adjustment and refund of excess deposit to Doug Hollyhand Realty, Inc. for installation of water mains and services for John England Manor fire line; total: \$2,218.75.

- f. Authorized an adjustment and refund of excess deposit to McNelly Building and Construction LLC for installation of water mains and services for 466 Meador Drive fire line; total: \$693.80.
- g. Authorized request for street lighting system modifications.
- h. Awarded competitive bid(s) for the purchase, etc. of bulk water treatment chemicals for a one year period. (bid no. 30010-082615-1)
- i. Authorized the filing of a lien at 2914 Gresham Circle pursuant to Section 13-69(b), Code of Tuscaloosa and Section 11-47-140, Code of Alabama, 1975; total: \$204.50. (15-0154; Harvey Hill)
- j. Authorized change order no. 1 for the Neighborhood Lakes Cleanout; total: \$14,650.00. (A15-0201; Double Diamond Construction Co.)
- k. Authorized the filing of a lien at 934 21st Avenue E. pursuant to Section 13-69(b), Code of Tuscaloosa and Section 11-47-140, Code of Alabama, 1975; total: \$204.50. (13-0315; Marshall Kelly Puckett, Jr.)
- l. Authorized the filing of a lien at 3011 3rd Place E. pursuant to Section 13-69(b), Code of Tuscaloosa and Section 11-47-140, Code of Alabama, 1975; total: \$204.50. (14-0506; Nathaniel Williams)
- m. Authorized the filing of a lien at 3423 7th Street E. pursuant to Section 13-69(b), Code of Tuscaloosa and Section 11-47-140, Code of Alabama, 1975; total: \$204.50. (15-0180; Donald P. and Mary L. Smith)
- n. Authorized the filing of a lien at 4483 Monte Vista Circle pursuant to Section 13-69(b), Code of Tuscaloosa and Section 11-47-140, Code of Alabama, 1975; total: \$193.59. (15-0181; Ina D. Simpson)

PUBLIC HEARINGS

Granted the first amendment to the Master Plan of Pinnacle Park at North River, a planned unit development. (A15-0980/A14-0723) (Ty/T; John McConnell with Planning and Development Services gave a brief report on the proposed amendment. The petitioner was present to answer questions from the Council. No one else spoke in favor of or in opposition to the amendment.)

Approved the ABC application of Wal Mart Stores East LP for alcohol licenses at Wal Mart #5256; 4201 Hargrove Road E.; 35405: (Vincent Brown with the Revenue Department and Captain Rodney Gilliam with the Tuscaloosa Police Department each gave a departmental report. The applicant was present to answer questions from the Council. No one else spoke in favor of or in opposition to the application.)

- 15-041a off premises retail beer license (Ty/P)
- 15-041b off premises retail table wine license (Ty/T)

RESOLUTIONS AND ORDINANCES NOT OF A GENERAL NATURE OR PERMANENT OPERATION

Withdrew the license application for a uniform security guard agency for Robert Michael Zeilner. (P/T)

Rescinded a previous resolution awarding competitive bid no. 32010-061015-1 for the purchase of assorted water supplies and awarding to the next responsible low bidder. (A/M)

Rescinded resolution authorizing an amendment to the City's agreement & authorizing the Mayor to execute the amendment agreement with Habitat for Humanity of Tuscaloosa, Inc. under the 2011 and 2013 HOME funds for the development of affordable housing on August 25, 2015 and authorizing the Mayor to add additional funding to an authorized contract with Habitat for Humanity of Tuscaloosa under the 2011 and 2013 HOME funds for the development of affordable housing. (T/M)

Rescinded a previous resolution approving request and agreement for water service to the Grove @ Tuscaloosa. (P/T)

Authorized execution of Requisitions 1 and 2 for payment from the line of credit with Bank of Tuscaloosa; total: \$2,466.00. (A15-0700) (T/M)

Authorized obtaining stop loss health insurance coverage from Lloyd's of London for Fiscal Year 2016. (A15-1003) (P/T; M-abstain)

Authorized the Mayor to execute contract amendment no. 2 to the agreement between the City of Tuscaloosa and Official Payments Corporation for online credit/debit card and electronic check transaction processing and off-site utility bill payment services. (A13-0323) (M/T)

Authorized the extension of the permit with Tuscaloosa Paddleboard, Inc. for use of city property located at Lake Nicol and Harris Lake. (A15-0939) (M/T)

Authorized a memorandum of understanding with Federal Prison Industries, Inc. (d/b/a Unicor). (A15-0998) (T/M)

Authorized execution of a line clearing easement to Alabama Power Company for the east 10 feet of lots 62-77 Block A Juanita Drive Subdivision and the north 10 feet of Lots 57, 58, 62 and 81 Block A Juanita Drive Subdivision. (A15-0997) (Ty/T)

Authorized an amendment to the engineering and related services contract with the Cassady Company, Inc. for the Country Club Sanitary Sewer Improvements Project. (A14-0921) (T/M)

Authorized the execution of agency contract agreements for the City's 2015 Community Development Block Grant Program and Home Investment Partnership Program. (T/M)

The Council suspended the rules of procedure. (Ty/T)

Authorized the Tuscaloosa Fire and Rescue Service to accept donated exercise equipment. (A15-1074) (P/M)

Authorized the Mayor to execute an agreement with ALDOT for installation of an optimization signal system. (A14-0874) (T/M)

Authorized an engineering and related services contract with the Cassady Company, Inc. for sanitary sewer repair along 4th Street from 20th to 21st Avenue and behind Robertson Towers; total: not to exceed \$54,047.00. (A15-1070) (P/Ty)

Authorized a memorandum of agreement with Robinson Aviation (RVA), Inc. for air traffic control services. (A15-1075) (P/M)

Authorized execution of a contract agreement with Metro Animal Shelter, Inc. for animal shelter services; total: \$742,000.00 per year. (A15-0655) (Ty/T)

Rejected the responses to the RFP for the sale of the downtown parking lot at 2205 4th Street and authorized issuance of anew RFP for a 45 day period. (A14-1262) (Ty/M)

The Council returned to the regular agenda.

ORDINANCES AND RESOLUTIONS OF A GENERAL NATURE OR PERMANENT OPERATION

FOR INTRODUCTION

Adopted Ordinance No. 8274 by reappointing members to various boards. (introduction, T/M; unanimous, Ty/T)

Adopted Ordinance No. 8275 by amending Ordinance No. 8185 establishing temporary building standards for BNU zones. (A15-0134) (introduction, P/T; unanimous, Ty/M)

Adopted Ordinance No. 8276 by authorizing the change of the Recovery Operations Department to Office of Resilience and Innovation. (A15-1042) (introduction, Ty/T; unanimous, Ty/M)

Adopted Ordinance No. 8277 by amending Section 19-201(c) of the Code of Tuscaloosa pertaining to AVAIL carryover. (A15-0827) (introduction, T/M; unanimous, T/A)

Adopted Ordinance No. 8278 by amending Exhibits "A" and "B" of Section 19-42 and 19-60(a) of the Code of Tuscaloosa. (A15-1041; Chief Resilience Officer) (introduction, Ty/T; unanimous, Ty/T)

Adopted Ordinance No. 8279 by amending Section 19-15 of the Code of Tuscaloosa. (A15-1008) (introduction, Ty/T; unanimous, Ty/P)

Introduced Zoning Amendment No. 1333 to amend the text of the Zoning Ordinance pertaining to Section 24-134(e), Signs allowed without permit. (A15-0691) (P/T)

Introduced Zoning Amendment No. 1334 to amend the text of the Zoning Ordinance Section 24-230(b)(5) pertaining to development standards and guidelines. (A15-0987) (P/T)

FOR ADOPTION

Set October 6 as the day for public hearing to consider adoption of Zoning Amendment No. 1333. (A15-0691) (T/M)

Set October 6 as the day for public hearing to consider adoption of Zoning Amendment No. 1334. (A15-0987) (P/T)

AUDITING ACCOUNTS


Authorized the payment of bills; total: \$838.98. (Ty/T)

CITIZENS' COMMENTS AND OTHER COMMUNICATIONS

POLICY IMPLEMENTATION BY MAYOR:

"Subject to the exercise of mayoral veto on ordinances of a general nature or permanent operation, all applicable departments are hereby ordered to otherwise implement council policy this date enacted."

ADJOURNED 6:24 p.m. (Ty/T)

Debby K. Clements 
Assistant City Clerk

Following each item of business are the initials of the Councilmember who introduced the item and the Councilmember who seconded the matter: O-Odom, T-Taylor, A-Almond, C-Calderone, Ty-Tyner, P-Pugh, M-McKinstry. Only "No" votes are distinguished.

**TUSCALOOSA CITY COUNCIL MEETING
AGENDA
September 8, 2015**

1. CALL TO ORDER: 6:00 p.m.

Council Prayer: Dear God, bless our proceedings today. Give us wisdom to know what is just and the strength to do what is right. Amen.

Pledge of Allegiance: I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all

2. APPROVAL OF MINUTES

Council President Pro Tem As the Council has received a synopsis of the previous meeting, I move that we dispense with the reading of the minutes of the same unless there are any deletions, additions, or corrections

3. PROCLAMATIONS AND STATEMENTS BY MAYOR AND COUNCIL

Proclamations

- Mayor Maddox will present a proclamation declaring September 8 to be "POW-MIA Recognition Day"

Mayor Announcements

Department Announcements

4. AGENDA ITEM COMMENTS BY CITIZENS

Citizens are encouraged to sign in with the City Clerk in order to assure that their comments which relate to a specific agenda item are received prior to the consideration by the City Council of that specific agenda item. Speakers are limited to five (5) minutes each.

5. UNFINISHED BUSINESS

Council Committee Reports

Clerk's Report of Mayor's Veto

- 6. CONSENT AGENDA:** (items "a through n") All matters listed on the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion and vote. There will be no separate debate, amendment, or substitution of these items. If the same is desired by the Mayor and/or any member of the

Council, upon request made on the record, that item will be removed from the Consent Agenda and considered separately under the regular Order of Business

- a Approving request and agreement for water service to the Grove at Tuscaloosa, total: \$266,289.40 P6
- b Granting permit for Campus Crest at Tuscaloosa, LLC to construct water lines for the Grove at Tuscaloosa. P7
- c Authorizing an adjustment and refund of excess deposit to Frances M Harris for installation of water mains and services for 1400 Block 9th Street Apartments water main extension; total \$4,120.02. P8
- d. Authorizing an adjustment and refund of excess deposit to Russo Corporation for installation of water mains and services for UA south parking deck water main relocation, total: \$13,354 33 P9
- e Authorizing an adjustment and refund of excess deposit to Doug Hollyhand Realty, Inc. for installation of water mains and services for John England Manor fire line, total: \$2,218 75. P10
- f. Authorizing an adjustment and refund of excess deposit to McNelly Building and Construction LLC for installation of water mains and services for 466 Meador Drive fire line, total: \$693 80 P11
- g. Authorizing request for street lighting system modifications. P12
- h. Awarding competitive bid(s) for the purchase, etc. of bulk water treatment chemicals for a one year period (bid no. 30010-082615-1) P13
- i Authorizing the filing of a lien at 2914 Gresham Circle pursuant to Section 13-69(b), Code of Tuscaloosa and Section 11-47-140, Code of Alabama, 1975, total \$204.50 (15-0154; Harvey Hill) P14
- j Authorizing change order no 1 for the Neighborhood Lakes Cleanout, total: \$14,650.00. (A15-0201, Double Diamond Construction Co.) PP15-16
- k. Authorizing the filing of a lien at 934 21st Avenue E. pursuant to Section 13-69(b), Code of Tuscaloosa and Section 11-47-140, Code of Alabama, 1975, total: \$204 50 (13-0315; Marshall Kelly Puckett, Jr.) PP17-18
- l. Authorizing the filing of a lien at 3011 3rd Place E pursuant to Section 13-69(b), Code of Tuscaloosa and Section 11-47-140, Code of Alabama, 1975, total: \$204 50. (14-0506, Nathaniel Wilhams) P19
- m Authorizing the filing of a lien at 3423 7th Street E pursuant to Section 13-69(b), Code of Tuscaloosa and Section 11-47-140, Code of Alabama, 1975, total: \$204.50. (15-0180; Donald P and Mary L. Smith) PP20-21
- n. Authorizing the filing of a lien at 4483 Monte Vista Circle pursuant to Section 13-69(b), Code of Tuscaloosa and Section 11-47-140, Code of Alabama, 1975; total \$193 59. (15-0181, Ina D. Simpson) P22

7. PUBLIC HEARINGS

Granting the first amendment to the Master Plan of Pinnacle Park at North River, a planned unit development (A15-0980/A14-0723) P23

Approving the ABC application of Wal Mart Stores East LP for alcohol licenses at Wal Mart #5256; 4201 Hargrove Road E , 35405

- > 15-041a off premises retail beer license P24

➤ 15-041b off premises retail table wine license P25

8. RESOLUTIONS AND ORDINANCES NOT OF A GENERAL NATURE OR PERMANENT OPERATION

Approving the license application for a uniform security guard agency for Robert Michael Zeilner P26

Rescinding a previous resolution awarding competitive bid no 32010-061015-1 for the purchase of assorted water supplies and awarding to the next responsible low bidder P27

Rescinding resolution authorizing an amendment to the City's agreement & authorizing the Mayor to execute the amendment agreement with Habitat for Humanity of Tuscaloosa, Inc under the 2011 and 2013 HOME funds for the development of affordable housing on August 25, 2015 and authorizing the Mayor to add additional funding to an authorized contract with Habitat for Humanity of Tuscaloosa under the 2011 and 2013 HOME funds for the development of affordable housing. P28

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Authorizing the extension of the permit with Tuscaloosa Paddleboard, Inc. for use of city property located at Lake Nicol and Harris Lake. (A15-0939) P33

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If necessary, Council rules of procedure will be suspended at this time.

9. ORDINANCES AND RESOLUTIONS OF A GENERAL NATURE OR PERMANENT OPERATION

FOR INTRODUCTION

Reappointing members to various boards. (may be adopted by unanimous consent following introduction.) P39

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Authorizing the change of the Recovery Operations Department to Office of Resilience and Innovation (A15-1042) (may be adopted by unanimous consent following introduction.) P41

Amending Section 19-201(c) of the Code of Tuscaloosa pertaining to AVAIL carryover. (A15-0827) (may be adopted by unanimous consent following introduction.) P42

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Introducing Zoning Amendment No 1333 to amend the text of the Zoning Ordinance pertaining to Section 24-134(e), Signs allowed without permit. (A15-0691) P48

Introducing Zoning Amendment No 1334 to amend the text of the Zoning Ordinance Section 24-230(b)(5) pertaining to development standards and guidelines. (A15-0987) PP49-50

FOR ADOPTION

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Authorizing the payment of bills; total \$838 98 P53

11. CITIZEN'S COMMENTS AND OTHER COMMUNICATIONS

12. EXECUTIVE SESSION

13. POLICY IMPLEMENTATION

Mayor: Subject to the exercise of mayoral veto on ordinances of a general nature or permanent operation, all applicable departments are hereby ordered to otherwise implement council policy this date enacted

14. ADJOURN

09/04/2015

Debby K. Clements

Assistant City Clerk



Following each item of business is the page number of the item as it appears in the full agenda presented to council members. Should you have questions about a particular item, you may contact the Office of the City Clerk at (205) 248-5010 or by email to tcroom@tuscaloosa.com or dclements@tuscaloosa.com. Please refer to the page number of the item in question so it can be more quickly accessed.

APPROVED AS TO FORM

GDW
Office of the City Attorney

Prepared By: GDW
Requested: Admin. Comte
Presentation on: 04/25/2017
Suspension of Rules: No

ORDINANCE NO. 8613

AN ORDINANCE AUTHORIZING THE CHANGE OF THE DEPARTMENTAL
RESPONSIBILITY FOR GRANT ADMINISTRATION: OFFICE OF RESILIENCE
& INNOVATION TO INFRASTRUCTURE & PUBLIC SERVICES
ADMINISTRATION DIVISION
(A17-0531)

WHEREAS, the City of Tuscaloosa has undertaken a restructuring of certain departments as has been recommended by the Administration & Policy Committee including change of administration of certain grants from the Office of Resilience & Innovation to more correctly state the services provided by said department and that of Infrastructure and Public Services; and,

WHEREAS, it is the recommendation of the Administration & Policy Committee to change the administration of certain grants from the Office of Resilience & Innovation Department to Infrastructure and Public Services Administration Division.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF TUSCALOOSA that the departmental responsibility of administration of those certain grants administered by the City of Tuscaloosa Office of Resilience & Innovation Department be changed to "City of Tuscaloosa Infrastructure & Public Services Administration Division" and that the appropriate officials are hereby authorized to take all necessary actions to re-designate the administration of certain grants from the current City of Tuscaloosa Office of Resilience & Innovation Department to that of City of Tuscaloosa Infrastructure & Public Services Administration Division.

FUNDING REQUIRED: ☐ Yes ☐ No

By: _____

Finance Director

COUNCIL ACTION

Resolution _____
Ordinance Intro: (Tg/P-y)
Introduced _____
Passed unan. (Tg/P-y)
2nd Reading _____
Unanimous Adopted 4-25-17
Failed _____
Tabled Debt of Clement
Amended _____
Comments: Acting City Clerk

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Department of Recovery Operations
City of Tuscaloosa

P.O. Box 2089 Tuscaloosa, AL 35403
205-248-5700

MEMORANDUM

RE: City of Tuscaloosa's Transition to 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in regard to CDBG-DR Awards

On December 26, 2013, The Office of Management and Budget published the final Uniform Requirements, which are codified as 2 CFR part 200 (OMB Super circular). The uniform guidance supersedes, consolidates, and streamlines requirements from eight OMB Circulars: A-21, A-87, A-89, A-102, A-110, A-122, A-133, and A-50 (Audit Follow-up on Single Audit Act). HUD adopted these new Uniform Requirements for all Federal awards made by HUD.

Per HUD's notice CPD-16-04, *Additional Transition and Implementation Guidance for Recipients of Community Planning and Development (CPD) Funds for 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* dated April 13, 2016, CDBG funded programs (including CDBG-DR) are not subject to the 2 CFR Part 200 requirements until January 6, 2016. Therefore, beginning January 6, 2016, any references to 24 CFR Part 84 or Part 85, OMB A-21, OMB A-87, OMB A-89, OMB A-102, OMB A-110, OMB A-122, OMB A-133, OMA A-50 (Audit Follow-up on Single Audit Act) and any other previously applicable standards will be void as referenced in the Policies and Procedures Manual and the City will use 2 CFR Part 200 and any other applicable OMB Super circular regulations for reference and guidance and will apply to the administration of CDBG-DR funds except for the exception noted below for 2 CFR parts 200.317-200.326 which will become effective fiscal year October 1, 2017. Therefore, any mention of the aforementioned 24 CFR Part 84 or Part 85 and OMB circulars in the Policies and Procedures document should be considered to be void and referenced as 2 CFR Part 200 beginning January 6, 2016.

The Uniform Requirements regulation authorizes all non-Federal entities, which includes the City of Tuscaloosa per 2 CFR 200.69, to delay implementation of the procurement requirements in 2 CFR 200.317-200.326 for one year after the regulations would otherwise apply. Additionally, if the non-federal entity so chooses to use Part 84 or Part 85 standards for an additional two fiscal years before implementing the procurement standards in part 200, the non-federal entity must document this decision in its internal procurement regulations. Therefore, a memorandum has been issued by the City of Tuscaloosa's internal auditor (attached and within the Policies and Procedure manual) to document the City's internal procurement policy update until October 1, 2017 when the permanent policy will be updated to reflect 2 CFR 200.317-200.326 regulations. The memorandum in its entirety will explain how the City came to this decision.

Attachments:

Memorandum on Implementation of 2 CFR 200.317-200.326 for CDBG Disaster Recovery Grants

HUD's Notice SD-2015-01, *Transition to 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, dated February 26, 2015

HUD's Notice CPD-16-04, *Additional Transition and Implementation Guidance for Recipients of Community Planning and Development (CPD) Funds for 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, dated April 13, 2016.



Memorandum

PHYLLIS W. ODOM
DISTRICT 1

HARRISON TAYLOR
DISTRICT 2, PRESIDENT PRO TEM

CYNTHIA ALMOND
DISTRICT 3

MATTHEW CALDERONE
DISTRICT 4

KIP TYNER
DISTRICT 5

EDDIE PUGH
DISTRICT 6

SONYA Y. MCKINSTRY
DISTRICT 7

To: Savannah Howell, Community Development Program Manager

From: Carly Standridge, Internal Auditor

CC: Glenda Webb, City Attorney; Tera Tubbs, Executive Director of Infrastructure and Public Services

RE: Implementation of 2 CFR 200.317-200.326 for CDBG Disaster Recovery Grants

Date: August 8, 2017

The City of Tuscaloosa received On-Site Technical Assistance for from the U.S. Department of Housing and Urban Development (HUD) Birmingham Office on the dates of June 13-17, 2016. Per Technical Assistance exit interview dated June 17, 2016, advice was given related to City of Tuscaloosa staff related to adoption and implementation of procurement standards of 2 CFR 200.317-200.326 (exit interview information was also transmitted in a letter and Technical Assistance Report both dated July 14, 2016). City staff conducted research on this topic and noted the following information:

- On December 26, 2013, The Office of Management and Budget published the final Uniform Requirements, which are codified as 2 CFR part 200. HUD adopted these new Uniform Requirements for all Federal awards made by HUD.
- The Uniform Requirements applies to all new grant awards and non-competing continuations (as well as any administrative actions or supplements made to those awards) made on or after 12/26/2014. It does not apply to grant awards made before 12/26/2014. Per HUD's Notice: CPD-16-04, HUD intended that existing non-competing CDBG Disaster Recovery Grant agreements and the resulting programs would be subject to the new part 200 requirements as of the effective date listed above.
- Implementation and compliance for the new Uniform Guidance must start with the recipient's first fiscal year starting on or after 12/26/2014. For the City of Tuscaloosa, this would be the fiscal year ending 9/30/2016.
- The Uniform Requirements regulation authorizes all non-Federal entities, which includes the City of Tuscaloosa per 2 CFR 200.69, to delay implementation of the procurement requirements in 2 CFR 200.317-200.326 for one year after the regulations would otherwise apply.
- Per OMB in its Frequently Asked Question as posted to their website at <https://cfo.gov/wp-content/uploads/2015/09/9.9.15-Frequently-AskedQuestions.pdf> if the non-federal entity chooses to use part 84 or part 85 standards for an additional two fiscal years before implementing the procurement standards in part 200, the non-federal entity must document this decision in its internal procurement policies.

Due to all information noted above and the fact that one fiscal year after implementation date listed above in point 3 would be the fiscal year ending September 30, 2017, the City of Tuscaloosa will implement 2 CFR 200.317-200.326 for all programs using CDBG Disaster Recovery Grant monies on October 1, 2016 (the beginning date of the fiscal year ending September 30, 2017). This memo will serve as documentation of our internal procurement policy update until October 1, 2017 when the permanent procurement policy will be updated to reflect 2 CFR 200.317-200.326 regulations.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE DEPUTY SECRETARY
WASHINGTON, DC 20410-0560

Special Attention of:

NOTICE: SD-2015-01

Issued:

FEB 26 2015

HUD Regional Directors
HUD Field Office Directors
HUD Offices of Community Planning and Development (CPD),
Fair Housing and Equal Opportunity (FHEO),
Housing,
Native American Programs (ONAP),
Lead Hazard Control and Healthy Homes (OLHCHH),
Public and Indian Housing (PIH),
Policy Development and Research (PD&R)
HUD Grant Administrators, Grant Officers, Government Technical Monitors (GTMs), and
Government Technical Representatives (GTRs) and Recipients of HUD Federal Financial
Assistance

This notice remains effective until amended,
superseded or rescinded

SUBJECT: Transition to 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Guidance*

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1. BACKGROUND

On December 26, 2013, the Office of Management and Budget (OMB) published (at 78 Federal Register 78590; <https://federalregister.gov/a/2013-30465>) final guidance on the above subject, which is codified at 2 CFR part 200. OMB and the Federal awardmaking agencies published a joint interim final rule implementing the final guidance as requirements for recipients of Federal financial assistance on December 19, 2014 (at 79 Federal Register 75871; <https://www.federalregister.gov/articles/2014/12/19/2014-28697-federal-awarding-agency-regulatory-implementation-of-office-of-management-and-budgets-uniform>). OMB also made technical corrections to part 200.

The purpose of 2 CFR part 200 is to streamline the Federal government's guidance on administrative requirements, cost principles, and audit requirements to more effectively focus Federal resources on improving performance and outcomes, while ensuring the financial integrity of taxpayer dollars in partnership with non-Federal stakeholders. The uniform guidance supersedes, consolidates, and streamlines requirements from eight OMB Circulars:

- A-21, *Cost Principles for Educational Institutions*,
- A-87, *Cost Principles for State, Local and Indian Tribal Governments*,
- A-89, *Catalog of Federal Domestic Assistance*,
- A-102, *Grants and Cooperative Agreements With State and Local Governments*,
- A-110, *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations*,
- A-122, *Cost Principles for Non-Profit Organizations*,
- A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and
- The guidance in OMB Circular A-50, *Audit Followup*, on Single Audit Act follow-up.

HUD adopted this guidance at a new part, 2 CFR part 2400. The uniform guidance also removed: 2 CFR parts 215, 220, 225, and 230. HUD amended 24 CFR parts 84 and 85, which had codified OMB Circulars superseded by 2 CFR part 200, by removing all substantive provisions and including a saving provision that provides that Federal awards made prior to December 26, 2014, will continue to be governed by parts 84 or 85 as codified in the 2013 edition of the Code of Federal Regulations (CFR) or as provided under the terms of the Federal award.

Major Reforms and Policy Changes

The policy reforms brought about by OMB's consideration of public comments and efforts to streamline federal grant-making processes are identified as the following:

- Eliminate duplicative/conflicting guidance;
- Focus on performance over compliance for accountability;
- Encourage efficient use of information technology (IT)/shared services;
- Provide for consistent treatment of costs;
- Limit allowable costs for the best use of Federal resources;
- Incorporate standard business processes using data definitions;
- Strengthen oversight; and
- Target audit requirements on risk of waste, fraud, and abuse.

In addition to the consolidation of the OMB Circulars, major audit changes include the following:

- The Single Audit threshold is raised from \$500,000 to \$750,000, which eliminates the need for more than 5,000 audits, with a cost savings estimated at \$250 million;
- The questioned cost limit in Single Audits is raised from \$10,000 to \$25,000;
- Assessment of government-wide audit quality is to be conducted every six years (beginning in 2018).

The uniform guidance, which provides a government-wide framework for grants management, is designed to reduce administrative burden for non-Federal entities receiving Federal awards.

2. EFFECTIVE DATE AND APPLICABILITY TO HUD

The uniform guidance was applicable for Federal agencies, including HUD, effective December 26, 2013. Federal agencies, including HUD, adopted 2 CFR part 200 as requirements for Federal financial assistance programs by the interim final rule published December 19, 2014. It was made applicable to non-Federal entities (recipients of Federal financial assistance) effective December 26, 2014, with one exception: §200.110(a) was revised to give a one year grace period for implementation of the procurement standards. As will be detailed in the 2015 OMB Compliance Supplement, non-Federal entities choosing to delay implementation for the procurement standards will need to specify in their documented policies and procedures that they continue to comply with OMB Circulars A-87 or A-110 for one additional fiscal year which begins after December 26, 2014. For example, the first full fiscal year for a non-Federal entity with a June 30th year would be the year ending June 30, 2016. See also the General Transition Rules section of this Notice.

3. PURPOSE

The purpose of this Notice is to identify and explain significant changes made in 2 CFR part 200, and provide transition guidance and links to additional resource materials for HUD and its grant program stakeholders and other recipients of Federal financial assistance from HUD. This Notice is broken out by the six subparts in 2 CFR part 200:

- Subpart A – *Acronyms and Definitions*;
- Subpart B – *General Provisions*;
- Subpart C – *Pre-Federal Award Requirements and Contents of Federal Awards*;
- Subpart D – *Post-Federal Award Requirements*;
- Subpart E – *Cost Principles*; and
- Subpart F – *Audit Requirements*.

Appendix A of this Notice provides the table of contents for 2 CFR part 200. HUD highly recommends that recipients familiarize themselves with 2 CFR part 200 in its entirety. This Notice is intended to highlight major changes and topical areas that may apply across all HUD programs or be of general interest.

4. SUBPART A – ACRONYMS AND DEFINITIONS: HIGHLIGHTS

Subpart A of 2 CFR part 200 lists definitions and acronyms for key terms found throughout the uniform guidance. Each definition is in its own section so that the reader can look at the table of contents to see defined terms. Since the uniform guidance originated in eight different Circulars, there are numerous conforming changes made to provide consistency for the terms used. In particular, part 200 uses “non-Federal entity” and “pass-through entity.” “Non-Federal entity” means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient. “Pass-through entity” means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Policy decisions are reflected in some definitions, including: §200.18, *Cognizant agency for audit*, §200.23, *Contractor*, §200.33, *Equipment*, §200.73, *Oversight agency for audit*, and §200.94, *Supplies*. Section 13.b of this Notice provides a link to a crosswalk developed by OMB from the existing OMB Circulars to the final uniform guidance in 2 CFR part 200.

Definition of Indian Tribe: The definition of Indian tribe in §200.54 differs from the definition in the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4013, et seq.). The definition of Indian tribe in §200.54 has no effect on programs with statutory definitions of “Indian tribe.”

5. SUBPART B – GENERAL PROVISIONS: HIGHLIGHTS

Subpart B covers general provisions, including the basic purpose of 2 CFR part 200 and its applicability to different types of Federal awards to non-Federal entities, and states that

Federal agencies, including HUD, may apply subparts A-E to for-profit entities. Exceptions to the applicability of the rule are listed in 2 CFR 200.101(d) and (e) and 2 CFR 200.102. This subpart makes clear that part 200 does not supersede any existing or future authority under law or by executive order or the Federal Acquisition Regulation (FAR). As an example, for public housing, the disposition statute at Section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p) supersedes the disposition instructions in §200.311(c). Subpart B also covers Authorities, Effect on other issuances, Agency implementation, OMB responsibilities, Inquiries, Effective date, English language, Conflict of interest, and Mandatory disclosures. Highlights are discussed below.

Applicability: Section 200.101 includes a table that summarizes how the guidance applies to types of Federal awards. This table must be read along with the other provisions of section 200.101:

The following portions of Part 200:	Are applicable to the following types of Federal Awards (except as noted in paragraphs (d) and (e) of section 200.101):	Are NOT applicable to the following types of Federal Awards:
Subpart A—Acronyms and Definitions.	—All.	
Subpart B—General Provisions, except for §§200.111 English Language, 200.112 Conflict of Interest, 200.113.Mandatory disclosures	—All.	
§§ 200.111 English Language, 200.112 Conflict of Interest, and 200.113. Mandatory Disclosures	—Grant agreements and cooperative agreements.	<ul style="list-style-type: none"> —Agreements for: loans, loan guarantees, interest subsidies, and insurance. —Cost-reimbursement contracts awarded under the Federal Acquisition Regulation and cost-reimbursement subcontracts under these contracts. —Fixed-price contracts and subcontracts awarded under the Federal Acquisition Regulation whenever cost analysis is performed or the contract requires the determination or negotiation of costs.
Subparts C–D, except for Subrecipient Monitoring and Management.	—Grant agreements and cooperative agreements	<ul style="list-style-type: none"> —Agreements for: loans, loan guarantees, interest subsidies, and insurance. —Cost-reimbursement contracts awarded under the Federal Acquisition Regulation and cost-reimbursement subcontracts under these contracts. —Fixed-price contracts and subcontracts awarded under the Federal Acquisition Regulation whenever cost analysis is performed or the contract requires the determination or negotiation of costs.
Subpart D—Post Federal Award Requirements, Subrecipient Monitoring and Management.	—All.	
Subpart E—Cost Principles.	<ul style="list-style-type: none"> —Grant agreements and cooperative agreements, except those providing food commodities. —Cost-reimbursement contracts awarded under the Federal Acquisition Regulation and cost-reimbursement subcontracts under these contracts in accordance with the FAR. —Fixed price contracts and subcontracts awarded under the Federal Acquisition Regulation whenever cost analysis is performed or the contract requires the determination or negotiation of costs. 	<ul style="list-style-type: none"> —Grant agreements and cooperative agreements providing food commodities. —Fixed amount awards. —Agreements for: loans, loan guarantees, interest subsidies, insurance. —Federal awards to hospitals (see Appendix IX to Part 200—Hospital Cost Principles).
Subpart F—Audit Requirements.	—All.	

Exceptions:

- Section 200.102(a) allows OMB to make exceptions to 2 CFR part 200 for certain classes of Federal awards or for certain non-Federal entities, but only in unusual circumstances and if such exceptions are not prohibited by law. Where the provisions of Federal statutes or regulations differ from the provisions of part 200, the provisions of the Federal statutes or regulations take precedence.
- Section 200.102(b) allows HUD to make certain exceptions on a case-by-case basis except where otherwise required by law or where OMB or other approval is expressly required by 2 CFR part 200. Under §200.102(c), HUD may apply more restrictive requirements to a class of Federal awards or non-Federal entities when approved by OMB or required by Federal statutes or regulations. HUD may also apply less restrictive requirements when making fixed amount awards as defined in Subpart A, §200.45.
- Exemptions from Subpart F, Audit Requirements, are not permitted under any circumstances.

English Language: Section 200.111 makes clear that all HUD financial assistance announcements, HUD award information (e.g., Notices of Funding Availability), and applications must be in the English language. Non-Federal entities may translate the Federal award and other documents into another language, however, in the event of any inconsistency, the English language meaning would control. Where a significant portion of the non-Federal entity's employees working on the award are not fluent in English, the non-Federal entity must provide the HUD award in English and the language(s) with which the employees are more familiar.

Conflict of Interest: Section 200.112 requires HUD to establish conflict of interest policies for Federal awards and requires non-Federal entities to disclose in writing any potential conflict of interest to HUD or the pass-through entity in accordance with HUD's policy. The general procurement standards in §200.318 require non-Federal entities to maintain written standards of conduct covering conflicts of interest, including organizational conflicts of interest. "Organizational conflicts of interest" means that, because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

6. SUBPART C – PRE-FEDERAL AWARD REQUIREMENTS AND CONTENTS OF FEDERAL AWARDS: HIGHLIGHTS

Subpart C prescribes the instructions and other pre-award information to be used in the funding announcement and application process.

Selecting the Instrument for Award: Section 200.201 requires the Federal awarding agency or pass-through entity to decide on the appropriate instrument for the Federal award (i.e., grant agreement, cooperative agreement, or Federal contract under the Federal Acquisition Regulation) in accordance with the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6301-08). The program statute or pass-through entity may have another name for

the document (e.g., annual contributions contract), but the choice is limited to these three instruments, in accordance with the Federal Grant and Cooperative Agreement Act.

Fixed Amount Awards: Section 200.201(b) allows for “fixed amount” awards under which the amount is negotiated using the cost principles (or other pricing information) as a guide. Fixed amount awards generally may be used if the project scope is specific and if adequate cost, historical, or unit pricing data are available to establish a fixed amount award based on a reasonable estimate of actual cost. Accountability is based on performance. There is no governmental review of the actual costs incurred by the non-Federal entity in performance of the award. Payments may be based on milestones, on a unit price basis, or in a single payment upon completion of the Federal award. The non-Federal entity is required to provide a certification regarding completion. Periodic reports may be required.

Funding Announcements and Award Agreements: Sections 200.202, 200.203, 200.210, and Appendix I require funding opportunities to be available for at least 60 days and impose standard requirements on HUD’s notices of funding opportunities, on application requirements, and Federal award requirements. HUD will include with each Federal award any program-specific or other terms and conditions, and will share both the general and the program-specific or other requirements on a public website and in Notices of Funding Availability (NOFAs).

Risk-Based Awards: Sections 200.204 and 200.205 require Federal agencies to design and execute a merit review process for competitive applications using a risk-based approach that relies, in part, on HUD review of OMB-designated repositories of government-wide eligibility qualification or financial integrity information (such as the Federal Awardee Performance and Integrity Information System (FAPIS), “Do Not Pay” lists, etc.)¹. This assessment can include, for example:

- financial stability,
- the quality of management systems and ability to meet the management standards in 2 CFR part 200,
- history of performance,
- reports and findings from audits, and
- the applicant’s ability to effectively implement statutory, regulatory, or other requirements, and debarment and suspension guidelines.

HUD must also comply with the debarment and suspension guidelines in 2 CFR part 180.

¹ FAPIS is a database that has been established to track contractor misconduct and performance. The database contains Federal contractor criminal, civil, and administrative proceedings in connection with federal awards; suspensions and debarments; administrative agreements issued in lieu of suspension or debarment; non-responsibility determinations; contracts terminated for fault; defective pricing determinations; and past performance evaluations (see: <https://www.fapis.gov/fapis/index.jsp>). The “Do Not Pay” Business Center was developed for programs administered and/or funded by the Federal government to help prevent, reduce and stop improper payments while protecting citizens’ privacy, and partner with agencies to identify potential fraud, waste, and abuse while protecting citizens’ privacy (see: <http://donopay.treas.gov/index.htm>).

Section 200.207 authorizes Federal agencies and pass-through entities to impose additional specific award conditions on applicants or recipients who have a history of failure to comply with terms and conditions, or failure to meet performance goals, or are not otherwise responsible. The conditions include requiring reimbursements rather than advance payments, requiring additional, more detailed reports, additional monitoring, etc. If such additional requirements are imposed, HUD or the pass-through entity must notify the applicant or non-Federal entity as to the nature of, and reasons for, the requirements, actions needed, and timeframe, if applicable. Special conditions must be promptly removed once the causal conditions have been corrected.

7. SUBPART D – POST-FEDERAL AWARD REQUIREMENTS: HIGHLIGHTS

Subpart D describes the requirements standards for managing and administering HUD awards. It includes standards for financial and program management, property and procurement standards, performance and financial monitoring and reporting, subrecipient monitoring and management, record retention and access, remedies for noncompliance, the provisions of the Federal Funding and Accountability Transparency Act (FFATA)² and closeout. NOTE: There will be exceptions to the items listed below and they will be published by regulation. See also Section 5 of this Notice.

Performance Measurement: Section 200.301 requires, as appropriate and in accordance with OMB information collection requirements, recipients to relate financial data to performance accomplishments of the Federal award and provide cost information to demonstrate cost effective practices (e.g., through unit cost data). This is in line with the shift in 2 CFR part 200 from compliance to performance. It also requires Federal agencies to use only OMB-approved forms for performance reports. Non-Federal entities must comply with FFATA. A recipient's performance should be measured in a way that will help HUD and other non-Federal entities improve program outcomes, share lessons learned, and spread the adoption of promising practices.

Internal Controls and Protected Personally Identifiable Information: Section 200.303 sets forth requirements for internal controls. This section reflects requirements that were previously in the A-133 audit requirements. It also addresses the non-Federal entity's responsibilities to take reasonable measures to safeguard protected personally identifiable information and other information designated as sensitive by the Federal awarding agency or the pass-through entity, consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

Payment: Section 200.305 describes cash management requirements applicable to states and other non-Federal entities to minimize the time elapsed between agencies' advance

² FFATA, signed September 26, 2006, requires information on Federal awards (Federal financial assistance and expenditures) to be made available to the public via a single, searchable website, which is www.USASpending.gov. The intent is to empower every American with the ability to hold the government accountable for each spending decision. The end result is to reduce wasteful spending in the government. Amendments to FFATA have expanded its scope. See also <http://www.fars.gov/>.

payments of funds to the non-Federal entity and the entity's disbursement of funds for direct program or project costs.

Interest Earned on Federal Advances: Section 200.305(b)(8) requires non-Federal entities to maintain advance Federal payments in interest-bearing accounts (with some exceptions). Interest amounts up to \$500 per year may be retained by the non-Federal entity for administrative expenses. Under §200.303(b)(9), interest earned in excess of \$500 must be remitted annually to the Department of Health and Human Services' Payment Management System (either electronically through the system, or by check to the Department of Health and Human Services to the Treasury-approved lockbox: HHS Program Support Center, P.O. Box 530231, Atlanta, GA 30353-0231).

Program Income: Section 200.307 generally encourages recipients to earn income to offset program costs. This section has several provisions that include, but are not limited to, the following:

- Proceeds from the sale of property or equipment are not program income; such proceeds will be handled in accordance with the requirements of §200.311, *Real property*, and §200.313, *Equipment*, or as specifically identified in Federal statutes, regulations, or the terms and conditions of the Federal award.
- If the Federal awarding agency does not specify in its regulations or the terms and conditions of its award, or give prior approval for how program income is to be used, then, ordinarily, program income must be deducted from total allowable costs to determine the net costs. Program income must be used for current costs unless HUD authorizes otherwise. Program income that the recipient did not anticipate at time of the Federal award must be used to reduce the award rather than to increase the funds committed to the project.

Revision of Budget and Program Plans: Section 200.308 requires, among other things, recipients to obtain Federal agency approvals for budget and program or project scope revisions.

Property Standards: Sections 200.310-200.316 set forth standards for real property, equipment, supplies, and intangible property. The regulations cover title, insurance, property trust relationships, and disposition. When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from HUD that provides for: 1) retention of title after compensation to HUD, 2) sale of the property and compensation to HUD, or 3) transfer of title to HUD or a third party approved or designated by HUD.

Procurement: §§200.317- 200.326 cover procurement standards. The standards are generally consistent with the requirements in 24 CFR part 85 for all non-Federal entities. For governmental recipients, the regulations have not substantially changed.

- The regulations require non-Federal entities to maintain written standards of conduct covering conflicts of interest, including organizational conflicts of interest, and governing the performance of their employees engaged in the selection, award and administration of contracts. "Organizational conflicts of interest" means that,

because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization (§200.318(c)(2)).

- The non-Federal entity's procurement procedures must be designed to avoid acquisition of unnecessary or duplicative items and the non-Federal entity is encouraged to enter into intergovernmental or inter-entity agreements to procure or use common goods and services (§200.318(d) and (e)).
- Non-Federal entities, in conducting procurements, must conduct them in a manner providing full and open competition and are prohibited from using state or local geographical preferences in evaluating bids or proposals (except where applicable Federal statutes expressly mandate or encourage geographical preferences, such as HUD's Section 3 requirements in 24 CFR part 135) (§200.319).
- Methods of procurement now include a micro-purchase option, which is the acquisition of supplies or services that do not exceed \$3,000 (or \$2,000 for acquisitions for construction subject to the Davis-Bacon Act) (§200.320(a)).
- "Supplies" includes computing devices if the acquisition cost was less than the lesser of the capitalization level established by a non-Federal entity for financial statement purposes or \$5,000, regardless of the length of their useful life (§200.94).
- The Simplified Acquisition Threshold for small purchase procedures, which are those relatively simple and informal procurement methods for securing services, supplies or other property, is now \$150,000. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. The Simplified Acquisition Threshold is set by the Federal Acquisition Regulation (FAR) at 48 CFR Subpart 2.1 and will be periodically adjusted for inflation (§200.88 and §200.320(b)).
- The non-Federal entity's contracts must contain certain provisions which are included in Appendix II of 2 CFR part 200 (§200.326).
- Non-Federal entities have one full fiscal year after the effective date to comply with the revised procurements standards (see *Implementation Dates* in the December 19, 2014, Federal Register at <https://www.federalregister.gov/articles/2014/12/19/2014-28697/federal-awarding-agency-regulatory-implementation-of-office-of-management-and-budgets-uniform>).

Bonding Requirements: Section 200.325 permits the Federal agency to accept the recipient's bonding policy and requirements if the Federal agency has determined that the Federal interest is adequately protected, and if not, the minimum requirements (abbreviated) are as follows:

- A bid guarantee equal to five percent of the bid price.
- A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment

as required by law of all persons supplying labor and materials in the execution of the work provided for in the contract.

Performance and Financial Monitoring and Reporting: Sections 200.327-328 address the frequency, standards, and OMB approval requirements for agency collection of recipient performance and financial data and monitoring of recipient performance.

Real Property Reporting: Section 200.329 requires annual reporting on real property for which there is a Federal interest, but permits an option for various and less stringent multi-year reporting periods where the Federal interest extends beyond 15 years.

Subrecipient or Contractor: Section 200.330 provides guidance for determining whether an entity is a subrecipient or contractor, in order to apply the appropriate oversight of the Federal funds.

Requirements for Pass-Through Entities: Section 200.331 requires pass-through entities to comply with certain requirements in order to meet their own responsibility to the Federal awarding agency. Many of these requirements were in OMB Circular A-133. Pass-through entities are required to identify certain, clearly identified subaward information. This includes an indirect cost rate if the subrecipient has indirect costs. Pass-through entities must consider risks associated with subawards. The evaluation of a subrecipient's risk of noncompliance with Federal statutes and regulations is used to determine the appropriate level of subrecipient monitoring. Specific subrecipient monitoring tools are outlined, giving pass-through entities flexibility to adjust their oversight framework based on that consideration of risk.

Record Retention: Section 200.333 continues the existing record retention period of generally three years, with some exceptions and caveats. Federal agencies and non-Federal entities should, whenever practicable, collect, transmit and store Federal award-related information in machine-readable formats instead of closed formats or on paper.

Remedies for Noncompliance: Sections 200.338-200.342 cover remedies for noncompliance, including termination and notices of termination. Section 200.338 permits conditions to be imposed on the award if the non-Federal entity fails to comply with the requirements of the award. Previously, only pre-award conditions were authorized.

Closeout: Section 200.343 describes specific closeout actions that are required for all Federal awards at the end of the period of performance and should be completed no later than one year after receipt and acceptance of all required final reports. The non-Federal entity must submit all required final reports within 90 days after the end of the period of performance. The period of performance, defined at §200.77, means from the start to the end dates in the Federal award.

Post-closeout Adjustments and Continuing Responsibilities: Section 200.344 limits the period during which any post-closeout adjustments can be made. The Federal awarding agency or pass-through entity must make any cost disallowance determination and notify

the non-Federal entity within the record retention period. However, amounts due can be collected after this period.

8. SUBPART E – COST PRINCIPLES: HIGHLIGHTS

Subpart E covers the principles that must be used in determining the allowable costs of work performed by a non-Federal entity under a Federal award and in the pricing of fixed-price contracts and subcontracts where costs are used in determining the appropriate prices. It covers exemptions (§200.401(c)) and basic considerations (§§200.402-200.411). The application of the cost principles should require no significant changes in the internal accounting policies and practices of non-Federal entities. The Basic Considerations for costs are largely unchanged. Changes have been made to some select items of cost.

Profit: Section 200.400(g) states that non-Federal entities may not earn or keep any profit resulting from the Federal financial assistance (unless explicitly authorized by the terms and conditions of the Federal award). This is not new.

Prior Approval: In recognition of the difficulty in determining the reasonableness and allocability of certain items of cost, non-Federal entities may seek the prior written approval of the cognizant agency for indirect costs or the Federal awarding agency in advance of incurring unusual or special costs. Prior approval is specifically required for allowability under certain circumstances as described in §200.407.

Direct Costs: Direct costs are covered in §200.413. This section is largely unchanged from previous OMB cost principles.

- Direct costs are identified specifically with the Federal award or can be easily and accurately assigned to activities of the award. Typical direct costs include employee compensation, fringe benefits, materials and other items attributable to the award.
- If directly related to a specific award, certain costs that would otherwise be included with an indirect cost rate can be direct charged, such as extraordinary utility consumption, cost of materials supplied from stock or services from specialized facilities or other institutional service operations.

Indirect Costs: Indirect costs are addressed in §200.414. This section is largely unchanged from previous OMB cost principles.

- Negotiated indirect cost rates must be accepted by all Federal awarding agencies unless certain conditions are met. A Federal awarding agency must implement and make publicly available (e.g., via the Federal Register) the policies, procedures, and general decision-making criteria the programs would follow in seeking and justifying deviations from negotiated rates.
- Pass-through entities must accept a federally recognized indirect cost rate between a subrecipient and the Federal government or, if no such rate exists, either negotiate a rate between the entity and the subrecipient or establish a de minimis indirect cost rate (see also §200.331(a)(4)).

- If a non-Federal entity has never received a negotiated indirect cost rate, it may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) as defined in §200.68, which may be used indefinitely (§200.414(f)). (Exceptions for some non-Federal entities are listed in Appendix VII, paragraph (d)(1)(B).)
- Non-Federal entities that are able to allocate and charge 100% of their costs directly may continue to do so. Charging the Federal award for indirect costs is never mandatory; a non-Federal entity may conclude that the amount it would recover thereby would be immaterial and not worth the effort needed to obtain it.
- Non-Federal entities that have a federally negotiated indirect cost rate may apply for a one-time extension of the current rate for a period up to four years, subject to the review and approval of the cognizant agency for indirect costs. At the end of the four-year extension period, the non-Federal entity must negotiate a rate. This rate may be extended.

Certifications: Section 200.415 addresses certifications, which are required to be submitted with annual and final fiscal reports, vouchers for payment, and proposals to establish a cost allocation plan or indirect cost rate. Specific language is included acknowledging the statutory consequences of false certifications.

Special Considerations: Special considerations for states, local governments, and Indian tribes for identification and assignment of central service costs are included in §§200.416 and 200.417. Special considerations for institutions of higher education are covered in §§200.418 and 200.419.

General Provisions for Selected Items of Cost: General provisions for 56 selected items of cost are covered in §§200.420-200.475; this section uses language from three Circulars, A-21 (2 CFR part 220), A-87 (2 CFR part 225), and A-122 (2 CFR part 230). These principles apply whether a particular item is properly treated as either a direct or indirect cost. These selected items include two additions (§200.428, *Collections of Improper Payments*, and §200.440, *Exchange Rates*), some changed provisions (including the deletion of *Communications*, which OMB thought could be addressed through "Basic Considerations," §§200.402 – 200.411), and some clarifications.

- **Audit Services:** Any costs when audits required by the Single Audit Act have not been conducted or costs of auditing grantees or recipients that are not required to have a single audit are not allowable (§200.425). This provision was in OMB Circular A-133.
- **Collections of Improper Payments:** Costs of recipients to recover improper payments may be charged as direct or indirect, and may be used in accordance with cash management standards described in §200.305 (§200.428).
- **Compensation – Personal Services:** §200.430 requires non-Federal entities to maintain a strong system of internal controls over their records to justify costs of salaries and wages and provides additional flexibility in the processes they use to meet these standards.
- **Conferences:** Allowable conference costs paid by non-Federal entities must be necessary and reasonable for successful performance under the award and may include facilities rentals, speakers' fees, costs of meals and refreshments, local

transportation, and other incidental items, unless further restricted by the terms and conditions of the Federal award (§200.432).

- **Contingency Provisions:** Contingency definitions, allowances, and disallowances are set forth in §200.433.
- **Fines, Penalties, Damages, and Other Settlements:** Costs resulting from a recipient's violations of, alleged violations of, or failure to follow Federal, State, local, tribal, or foreign laws or regulations are unallowable (§200.441).
- **Lobbying:** The cost to influence activities associated with obtaining grants, contracts, cooperative agreements or loans is unallowable (§200.450).
- **Organization Costs:** Costs for items such as incorporation fees, attorneys, or accountants in connection with establishment or reorganization of an entity are unallowable except with prior approval of the Federal awarding agency (§200.455).
- **Pre-award Costs:** Are only allowable to the extent that they would have been approved if incurred after the date of the Federal award and only with prior approval of the Federal awarding agency (§200.458).

9. **SUBPART F – AUDIT REQUIREMENTS: HIGHLIGHTS**

Subpart F sets forth the standards for audits of non-Federal entities expending Federal awards.

Increased Audit Threshold: One of the significant changes is the raised threshold which requires a non-Federal entity to have a single or program-specific audit conducted for any year in which the non-Federal entity expends \$750,000 or more (up from \$500,000) (§200.501(a)).

Making Audits Publicly Available: Auditees must make copies of their audit available for public inspection, ensuring that protected personally identifiable information is not included. Audit reports must be submitted to the Federal Audit Clearinghouse (FAC) and all Federal agencies, pass-through entities, and others interested in an audit report must obtain it from the FAC. Indian tribes may opt out of authorizing the FAC to publish the reporting package on the Web, but are then responsible for providing the reporting package directly to any affected pass-through entities and also making it available for public inspection (§200.512(b)(2)).

Federal Agency Responsibilities: §200.513 requires Federal agencies, including HUD, to:

- Appoint a Single Audit Accountable Official (SAAO) and a Single Audit Liaison;
- Participate in a government-wide project to determine the quality of single audits;
- Use cooperative audit resolution mechanisms to improve Federal program outcomes through better audit resolution follow-up and corrective action; and
- Develop a baseline, metrics, and targets to track, over time, the effectiveness of the Federal agency's process to follow up on audit findings and the effectiveness of Single Audits in improving non-Federal agency accountability and their use in making award decisions.

Audits and GAGAS: Audits must be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) (§200.514(a)).

Higher Threshold for Known Questioned Costs: The threshold for known questioned costs has been increased to \$25,000 from \$10,000. As before, in evaluating the effect of questioned costs on its opinion on compliance, the auditor must consider the best estimate of total costs questioned (likely questioned costs), not just the questioned costs specifically identified (known questioned costs). The higher threshold amount is also used in several related aspects of auditing (§200.516(a)).

Major Program Determinations and Low-Risk Auditees: Changes have been made to the auditor's risk-based approach for determining which Federal programs are major programs (§200.518). Auditees that meet the criteria for a low-risk auditee are eligible for reduced audit coverage (§200.520).

Transition Guidance: To ensure the uniform application of the requirements of Subpart F for all Federal programs, the requirements will be effective for audits of fiscal years starting December 26, 2014, or later. These revised audit requirements are not applicable to fiscal years beginning before that date.

10. 2 CFR PART 200 APPENDICES: A BRIEF DESCRIPTION

2 CFR part 200 contains 11 Appendices, briefly described here:

- Appendix I: This Appendix provides the full text of the notice of funding opportunities as required by §200.203, along with application and submission information, application review information, Federal award administration information, and Federal awarding agency contact(s) requirements.
- Appendix II: This Appendix contains required contract provisions for all contracts made by a non-Federal entity under a Federal award. The description of each provision should be sufficient for a non-Federal entity to determine if the provision needs to be included in a specific contract.
- Appendix III: This Appendix provides criteria for identifying and computing indirect cost rates at institutions of higher education (IHEs).
- Appendix IV: This Appendix provides guidance for identifying and assigning indirect costs and making rate determinations for nonprofit organizations.
- Appendix V: This Appendix provides guidance on a process for state and local governments to identify and assign central service costs to benefitted activities on a reasonable and consistent basis.
- Appendix VI: This Appendix extends requirements by the Department of Health and Human Services (HHS) on developing, documenting, submitting, negotiating, and approving public assistance cost allocation plans to all Federal agencies whose

programs are administered by a state public assistance agency. (Most such programs are funded by HHS; few, if any, are funded by HUD.)

- Appendix VII: This Appendix provides guidance to state and local governments and Indian tribes on developing, submitting and documenting indirect cost rate proposals.
- Appendix VIII: This Appendix lists those nonprofit organizations that are exempted from the requirements of Subpart E, *Cost Principles*.
- Appendix IX: This Appendix makes clear that existing principles at 45 CFR Part 74 Appendix E, *Principles for Determining Cost Applicable to Research and Development under Grants and Contracts with Hospitals*, remains in effect until OMB implements revised guidance for hospitals.
- Appendix X: This Appendix states that the Data Collection Form SF-SAC for Single Audits is available on the Federal Audit Clearinghouse (FAC) website. The FAC website address <http://harvester.census.gov/sac/>, given in §200.36, *Federal Audit Clearinghouse (FAC)*, for accessing the FAC, was valid as of the issuance of this Notice.
- Appendix XI: This Appendix states that the audit compliance supplement for Single Audits cited by §200.21, *Compliance supplement*, is available on OMB's website, and provides an address (<http://www.whitehouse.gov/omb/circulars>) that was valid for accessing the supplement as of the issuance of this Notice.

11. GENERAL TRANSITION RULES

HUD's regulations adopting the requirements of 2 CFR part 200 for HUD programs were published in the Federal Register on December 19, 2014

(<https://www.federalregister.gov/articles/2014/12/19/2014-28697/federal-awarding-agency-regulatory-implementation-of-office-of-management-and-budgets-uniform>).

Questions have been raised about the applicability of these requirements. The following applies:

- Federal awards made before December 26, 2014, will continue to be governed by the terms and conditions of the Federal award. The grant agreements for some HUD programs (e.g., Community Development Block Grant, HOME Investment Partnerships, Emergency Solutions Grants, Indian Housing Block Grants, Native Hawaiian Block Grants, Indian Community Development Block Grants) incorporate the regulations "as now in effect and as may be amended from time to time" and, therefore, 2 CFR part 200 will be applicable to these grants.
- New Federal awards made on or after December 26, 2014, are governed by 2 CFR part 200, including formula awards.

- For Federal agencies that consider incremental funding action on previously made awards to be opportunities to change award terms and conditions, 2 CFR part 200 applies to the first funding increment issued on or after December 26, 2014, and any subsequent funding increment. Awards made before then that have been modified on or after that date in ways that do not increase the funding amount (such as a no-cost extension, or more frequent reporting) will continue to be governed by the terms and conditions of the Federal award. As a result, 2 CFR part 200 will not apply to such awards unless there is another requirement that makes that part apply to them.
- For Federal agency incremental funding actions that are subject to 2 CFR part 200, non-Federal entities are not obligated to segregate or otherwise track old funds and new funds but may do so at their discretion. For example, a non-Federal entity may track the old funds and continue to apply the Federal award flexibilities to the funding awarded under the old rules (e.g., local ability to issue fixed price subawards, non-Federal entity determination of the need to incur administrative and clerical salaries based on major project classification).
- For Federal awards made with modified award terms and conditions at the time of incremental funding actions, Federal awarding agencies may apply 2 CFR part 200 to the entire Federal award that is uncommitted or unobligated as of the Federal award date of the first increment received on or after December 26, 2014.
- Existing negotiated indirect cost rates will remain in place until they are due to be re-negotiated. HUD and indirect cost negotiating agencies will use 2 CFR part 200, both in generating proposals and negotiating new rates (when the rate is due to be re-negotiated) for non-Federal entities' fiscal years that start on or after December 26, 2014.
- The effective date of 2 CFR part 200 for subawards is the same as the effective date of 2 CFR part 200 for the Federal award from which the subaward is made. The requirements for a subaward, no matter when made, flow from the requirements of the original Federal award from the Federal awarding agency.
- Subpart F, Audit requirements, applies to audits of non-Federal entity fiscal years beginning on or after December 26, 2014. The revised audit requirements are not applicable to fiscal years beginning before that date.

OMB provided additional guidance on the effective dates in its Frequently Asked Questions updated November 2014:

Q.110-13 (Previously Q II-2) Effective Dates and Federal Awards Made Previously

Will this apply only to awards made after the effective date, or does it apply to awards made earlier?

•Once the Uniform Guidance goes into effect for non-Federal entities, it will apply to Federal awards or funding increments after that date, in cases where the Federal agency considers funding increments to be an opportunity to modify the terms and conditions

of the Federal award. It will not retroactively change the terms and conditions for funds a non-Federal entity has already received.

•We would anticipate that for many of the changes, non-Federal entities with both old and new awards may make changes to their entity-wide policies (for example to payroll or procurement systems). Practically speaking, these changes would impact their existing/older awards. Non-Federal entities wishing to implement entity-wide system changes to comply with the Uniform Guidance after the effective date of December 26, 2014 will not be penalized for doing so.

12. CONFORMING PROGRAM REGULATIONS AND GUIDANCE

HUD will publish conforming rule changes for its programs and will provide notification of these changes when they are made. These changes will update the program regulations to revise the sections that refer to the OMB Circulars and HUD regulations in 24 CFR parts 84 and 85, as well as to reflect the provisions of 2 CFR part 200 that are not applicable because they are inconsistent with a program statute or because OMB has given an exception to specific requirements.

HUD recognizes that there may be uncertainty pending publication of the conforming program regulations. The provisions of 2 CFR part 200 apply, consistent with the exceptions given to the HUD program for requirements which are detailed in the 2013 edition of the Code of Federal Regulations in 2 CFR parts 215, 220, 225, and 230, 24 CFR parts 84 and 85, and OMB Circulars. HUD will notify recipients through program regulations, grants or cooperative agreements, or other guidance, which subparts are applicable to specific programs.³

13. ADDITIONAL RESOURCE MATERIALS

Grant recipients are strongly encouraged to review this information to obtain a better understanding of the uniform guidance and its implications for their Federal awards. The Council on Financial Assistance Reform (COFAR) has provided additional tools to assist in the transition including:

- a. Frequently Asked Questions for New Uniform Guidance at 2 CFR 200:
[The FAQFor 2 CFR 200 \(https://cfo.gov/wp-content/uploads/2014/11/2014-11-26-Frequently-Asked-Questions.pdf\)](https://cfo.gov/wp-content/uploads/2014/11/2014-11-26-Frequently-Asked-Questions.pdf).
- b. Uniform Guidance Crosswalk from Existing Guidance to Final Guidance:
<http://www.whitehouse.gov/sites/default/files/omb/fedreg/2013/uniform-guidance-crosswalk-from-predominate-source-in-existing-guidance.pdf>.

³ Separate guidance will be issued as necessary to identify and clarify whether all provisions of part 200 apply to the Section 8 project-based and tenant-based programs, particularly with respect to financial management concerns and alternative requirements. This guidance will be based, in part, on the treatment of this assistance in CMS Contract Management Services et al v. Massachusetts Housing Finance Agency v. United States for which the Solicitor General has sought certiorari from the Supreme Court (745 F.3d 1379 (Fed. Cir. 2014)).

- c. COFAR Webcast Trainings & Slides:
 - i. Uniform Guidance 1-27-14 Training Webcast
COFAR Training Intro 1-27-14
<http://youtu.be/SOET4b-7mV8>
 - ii. COFAR Training Administrative Requirements 1-27-14
<http://youtu.be/BP3I3PjIJQ>
Link to the Training Webcast Presentation Slides
<https://cfo.gov/wp-content/uploads/2014/01/COFAR-Uniform-Guidance-Training-Administrative-Requirements-Public.pptx>
 - iii. COFAR Training Cost Principles 1-27-14
<http://youtu.be/q0rWXdlv2ICM>
Link to the Training Webcast Presentation Slides
<https://cfo.gov/wp-content/uploads/2014/01/COFAR-Uniform-Guidance-Training-Cost-Principles-Public.pptx>
 - iv. COFAR Training Audit Requirements 1-27-14
<http://youtu.be/g-U8HGbbC-Y>
Link to the Training Webcast Presentation Slides
<https://cfo.gov/wp-content/uploads/2014/01/COFAR-Uniform-Guidance-Audit-Requirements-Public.pptx>
 - v. Uniform Guidance Implementation: A Conversation Presented by the Council on Financial Assistance Reform; October 2, 2014
<https://www.youtube.com/channel/UCL7wVVxWl4pRHL6cHgJ0vVQ/videos>

14. UPCOMING TRAINING AND ADDITIONAL GUIDANCE

Additional upcoming training and/or guidance by COFAR will be publicized on its website; recipients of Federal financial assistance, and their subrecipients and contractors, are encouraged to periodically check <https://cfo.gov/cofar/>. HUD is also planning program-specific guidance and additional training, including an on-line financial management curriculum that integrates and highlights the requirements of 2 CFR part 200, and will provide notification of such when developed. In addition, we have established an internal Frequently Asked Questions (FAQ) Outlook mailbox in the Grants Management and Oversight Division of the Office of Strategic Planning and Management to which HUD employees may address implementation questions. Questions can be sent to the email address: **2 CFR 200 Administrative Requirements@hud.gov**.

15. CONTACTS FOR QUESTIONS

Questions from grant recipients, subrecipients and contractors should be directed to their HUD Headquarters or Field Office contacts, Government Technical Representatives (GTRs) or Government Technical Monitors (GTM).

For HUD Headquarters and field office staff, operational questions should be directed to the Office of Strategic Planning and Management's Grants Management and Oversight Division at (202) 402-3964 (this is not a toll-free number), or Loyd.LaMois@hud.gov, and policy questions should be directed to the Office of the Chief Financial Officer's Financial Policy & Procedures Division at (202) 402-2277 or Scott.Moore@hud.gov. Persons with hearing or speech impairments may access the number above through TTY by calling the toll-free Federal Relay Services at (800) 877-8339.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Community Planning and Development

Special Attention of:

HUD Offices of Community Planning and
Development (CPD)
Recipients of CPD Federal Financial Assistance

NOTICE: CPD-16-04

Issued: 04-13-2016
Expires: This Notice is effective until
it is amended, superseded, or rescinded.

**SUBJECT: Additional Transition and Implementation Guidance for Recipients of
Community Planning and Development (CPD) Funds for 2 CFR Part 200,
*Uniform Administrative Requirements, Cost Principles, and Audit Requirements
for Federal Awards***

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1. PURPOSE.

This Notice provides additional guidance for CPD program grant recipients and responds to questions about implementation of 2 CFR part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Requirements). This Notice discusses the December 7, 2015, conforming amendments to CPD's program regulations that replaced citations to the superseded requirements with citations to the Uniform Requirements in part 200. It also addresses issues specific to CPD programs that were not discussed in HUD's Notice SD-2015-01, *Transition to 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, dated February 26, 2015 (<http://portal.hud.gov/hudportal/documents/huddoc?id=15-01sdn.pdf>).

2. APPLICABILITY.

The guidance in this Notice applies to the following programs:

- Community Development Block Grant (CDBG) Program (24 CFR part 570).
- CDBG Disaster Recovery Grants (applicable Federal Register Notices available at: <https://www.hudexchange.info/cdb-dr/cdb-dr-laws-regulations-and-federal-register-notices/>).
- HOME Investment Partnerships (HOME) Program (24 CFR part 92).
- Housing Trust Fund (HTF) Program (24 CFR part 93).
- Housing Opportunities for Persons With AIDS (HOPWA) Program (24 CFR part 574).
- Emergency Solutions Grants (ESG) Program (24 CFR part 576).
- Continuum of Care (CoC) Program (24 CFR part 578).
- CPD Programs awarded by Notice of Funding Availability (NOFA).

3. BACKGROUND.

On December 26, 2013, the Office of Management and Budget (OMB) published (at 78 Federal Register 78608; <https://federalregister.gov/a/2013-30465>) the final Uniform Requirements, which are codified at 2 CFR part 200. The Federal award-making agencies implemented the Uniform Requirements by an interim rule on December 19, 2014 (at 79 Federal Register 75871; <https://www.federalregister.gov/articles/2014/12/19/2014-28697/federal-awarding-agency-regulatory-implementation-of-office-of-management-and-budgets-uniform>). HUD adopted the Uniform Requirements for all Federal awards made by HUD at 2 CFR part 2400.

The Uniform Requirements superseded, consolidated, and streamlined requirements from eight OMB Circulars:

- A-21, *Cost Principles for Educational Institutions*,
- A-87, *Cost Principles for State, Local and Indian Tribal Governments*,
- A-89, *Catalog of Federal Domestic Assistance*,
- A-102, *Grants and Cooperative Agreements With State and Local Governments*,
- A-110, *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations*,
- A-122, *Cost Principles for Non-Profit Organizations*,
- A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and
- The guidance in OMB Circular A-50, *Audit Followup*, on Single Audit Act follow-up.

When OMB published the Uniform Requirements, it also removed 2 CFR parts 215, 220, 225, and 230 (the OMB regulations implementing A-21, A-87, A-110, and A-122). OMB has published several technical corrections and amendments to the Uniform Requirements:

- July 22, 2015 (80 Federal Register 43301, <https://www.gpo.gov/fdsys/pkg/FR-2015-07-22/pdf/2015-17753.pdf>).

- July 30, 2015 (80 Federal Register 45395; <https://www.gpo.gov/fdsys/pkg/FR-2015-07-30/pdf/2015-18745.pdf>);
- August 14, 2015 (80 Federal Register 48683; <http://www.gpo.gov/fdsys/pkg/FR-2015-08-14/pdf/2015-20044.pdf>);
- September 10, 2015 (80 Federal Register 54407; <https://www.federalregister.gov/articles/2015/09/10/2015-22074/universal-identifier-and-system-of-award-management-corrections>); and
- November 9, 2015 (80 Federal Register 69111; <https://www.gpo.gov/fdsys/pkg/FR-2015-11-09/pdf/2015-28441.pdf>).

The Uniform Requirements with all amendments to 2 CFR part 200 are available in the electronic Code of Federal Regulations at www.ecfr.gov.

In addition to adopting the Uniform Requirements at 2 CFR part 2400, HUD also amended 24 CFR parts 84 and 85, which had implemented A-102 and A-110 for HUD programs. The revisions to parts 84 and 85 removed all substantive provisions, and added a saving provision covering existing Federal awards. This provision, in 24 CFR 84.1(b) and 85.1(b), states that Federal awards made before December 26, 2014, will continue to be governed by the 2013 edition of 24 CFR part 84 or 85, *or as provided under the terms of the Federal award*. The regulations further provide that “Where the terms of a Federal award made prior to December 26, 2014, state that the award will be subject to regulations as may be amended, the Federal award shall be subject to 2 CFR part 200.”

HUD published conforming changes to its program regulations on December 7, 2015 (80 Federal Register 75931; <https://www.gpo.gov/fdsys/pkg/FR-2015-12-07/pdf/2015-29692.pdf>). The rule substituted references to appropriate sections of 2 CFR part 200 for the references to the requirements that were superseded by 2 CFR part 200. The effective date of HUD’s conforming rule is January 6, 2016.

4. EFFECTIVE DATE.

Questions have been asked about when the Uniform Requirements are effective. As a general rule, new requirements in 2 CFR part 200 are not retroactive.

- a. Competitive Grants (except HOPWA) - The Uniform Requirements apply to CPD program grants that were subject to the General Section for HUD’s FY 2014 NOFA because the FY 2014 General Section was amended to include language referencing compliance with 2 CFR part 200.

NOTE: FY 2014 Continuum of Care grants were awarded under the requirements of the General Section for the FY 2013 NOFA and, therefore, are not subject to 2 CFR part 200.

NOTE: Unlike other CDBG Disaster Recovery grants, National Disaster Resilience Competition grants were competitively awarded and are subject to the FY 2014 General Section. The grants are subject to 2 CFR part 200.

All FY 2015 CPD program grants that are subject to the General Section of the FY 2015 NOFA must comply with 2 CFR part 200.

- b. CDBG, ESG, and HOME Programs – The CDBG, ESG, and HOME programs, plus non-competitive CDBG Disaster Recovery Grants (because the requirements for disaster grants are based on the CDBG Program), have grant agreements that require compliance with the program regulations “as now in effect and as may be amended from time to time” or similar language. HUD’s Transition Notice intended that existing grant agreements for these programs would be subject to part 200 requirements as of the December 26, 2014, effective date. Section 11 of Transition Notice SD-2015-01 stated:

The grant agreements for some HUD programs (e.g., Community Development Block Grant, HOME Investment Partnerships, Emergency Solutions Grants, Indian Housing Block Grants, Native Hawaiian Block Grants, Indian Community Development Block Grants) incorporate the regulations “as now in effect and as may be amended from time to time” and, therefore, 2 CFR part 200 will be applicable to these grants.

However, there was confusion about applicability of part 200 to grant agreements for FY 2014 and earlier fiscal years, in particular, where grant recipients made funding decisions before December 26, 2014, but did not sign contracts or agreements obligating funds until after that date. In addition, the CDBG, ESG, and HOME regulations contained many cross-references to sections of parts 84 and 85. Although parts 84 and 85 were revised in December 2014 to reflect the applicability of 2 CFR part 200, many grant recipients were, nonetheless, unclear on how part 200 would apply. More confusion ensued from the timing of the publication of program conforming regulations, which were not published until December 7, 2015, and did not become effective until January 6, 2016. In recognition of the confusion that may have existed, HUD will not make findings of noncompliance with the Uniform Requirements (i.e., the part 200 requirements) if a grantee used CDBG, CDBG-DR, ESG, or HOME funds in accordance with comparable requirements under parts 84 or 85 (2013 edition) between December 26, 2014 and January 6, 2016.

c. HOPWA

Fiscal Year 2015: 2 CFR part 200 applies.

- Competitive renewals:

- o Notice CPD-15-01 (“Standards for Fiscal Year 2015 HOPWA Permanent Supportive Housing Renewal Grant Applications”) provided that “the Office of Management and Budget (OMB) has published a final rule entitled “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” which supersedes the OMB Circulars identified in 24 CFR 574.605 and replaces them with a uniform set of requirements at 2 CFR part 200, which was effective December 26, 2014. These requirements apply to FY 2015 (Permanent Supportive Housing) PSH renewal grant awards made under this notice. HUD will publish conforming amendments to the HOPWA regulations soon to remove outdated references to the OMB Circulars.” (See: <http://portal.hud.gov/hudportal/documents/huddoc?id=15-01cpdn.pdf>.)

- Formula:
 - o The FY 2015 Formula Grant Agreement provides in Article III: "The Grantee shall comply with all applicable program requirements, as they may be amended from time to time. Such program requirements include the Act, Regulations, program directives, HUD Handbooks and Notices, Executive Orders and any other applicable Federal requirements. Other applicable Federal requirements include, but are not limited to, 2 CFR part 200 ("Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards")...." Accordingly, these HOPWA grants are subject to Part 200. (See: <https://www.hudexchange.info/resources/documents/2015-HOPWA-Operating-Instructions-for-Formula-Grants.pdf>.)

Fiscal Year 2014: 2 CFR part 200 applies as of December 26, 2014.

- Competitive renewals:
 - o Attachment 4 of the Grant Agreement required compliance with "OMB recently published Guidance for Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards which supersedes several OMB Circulars, including A-87 and A-122. HUD is preparing regulations to implement the guidance in Departmental programs, including HOPWA. Grantee agrees to comply with the HUD implementing regulations when they become effective." The Operating Instructions explained: "Competitive grants, unlike formula grants, are subject to the regulations as they are in effect at the time of the application unless otherwise provided in the grant agreement. Please note, however, that FY14 renewal competitive grants will be subject to HUD rules implementing the new OMB guidance entitled "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards". (See: <https://www.hudexchange.info/resources/documents/2014-HOPWA-Operating-Instructions-for-Competitive-Grants.pdf>.)
- Formula:
 - o The operating instructions provided: "OMB recently published Guidance for Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards which would supersede the Circulars listed here. HUD is implementing regulations in accordance with the guidance and expects the new regulations will become effective December 26, 2014. FY 2014 grant recipients will be required to comply with the HUD implementing regulations when they become effective, but shall not use them before the effective date." The Grant Agreement provided, "This Agreement shall be governed and controlled by the Act, the applicable regulations, as may be amended from time to time, program directives, and any other applicable federal requirements, including those set forth in Executive Orders and Office of Management and Budget Circulars, as currently established and may be amended from time to time." (See: <https://www.hudexchange.info/resources/documents/2014-HOPWA-Operating-Instructions-for-Formula-Grants.pdf>.)

Fiscal Year 2013 and prior grants:

- Competitive renewals:
 - o HOPWA competitive grants awarded in FY 2013 and prior years are not subject to 2 CFR part 200. HOPWA competitive grants awarded in FY 2013 and earlier remain subject to 24 CFR part 84 or 85 in place at the time of the award in accordance with the terms and conditions of the award.
- Formula:
 - o The FY 2013 HOPWA formula grant agreement contained the following language: "Regulations; Approved Application: This Agreement shall be governed and controlled by the Act, the Regulations, program directives, and any other applicable federal requirements, including those set forth in Executive Orders and Office of Management and Budget Circulars, as currently established and may be amended from time to time." Accordingly, FY 2013 HOPWA formula grants (and formula grants from earlier years with language incorporating requirements as "may be amended from time to time") are subject to 2 CFR part 200 as of December 26, 2014.

5. PROCUREMENT STANDARDS; PROCUREMENT EXCEPTION.

The Uniform Requirements provided one exception to the general effective date for the revised procurement standards. A non-federal entity (defined in 2 CFR §200.69 as "a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient") may delay implementation of the revised procurements standards.

Rather than implementing the procurement standards in 2 CFR §§200.317 - 200.326 as described above in Section 4 of this Notice, the non-Federal entity may continue to comply with the procurement standards in 24 CFR parts 84 or 85 (2013 edition), as applicable, for two additional fiscal years. As explained by OMB in the *Frequently Asked Questions* (posted on <https://cfo.gov/wp-content/uploads/2015/09/9.9.15-Frequently-Asked-Questions.pdf>), "two additional fiscal years after this part [part 200] goes into effect" means the first fiscal year of the non-federal entity beginning after December 26, 2014, and the second fiscal year of the non-federal entity beginning after December 26, 2014. If a non-Federal entity chooses to use part 84 or part 85 standards for an additional two fiscal years before implementing the procurement standards in part 200, the non-Federal entity must document this decision in its internal procurement policies."

As an example, if a grant recipient with a local fiscal year that started on July 1st and ended June 30th wanted to take advantage of this exception for the two-year period, the two additional years would cover the period July 1, 2015, through June 30, 2017, after which point it would be required to comply with the procurement standards of 2 CFR part 200. (Note that this applies to the grant recipient's fiscal year, which may be different from its Consolidated Plan program year.)

Contract procurement actions initiated on or after December 26, 2014, must be undertaken in compliance with 2 CFR 200.317-326, unless the recipient has invoked the two-year delay described above. A contractor who is hired to provide goods or services (such as a construction contract or an IT services contract) is not required to comply with any of the Uniform Requirements (including the previously-cited procurement regulations) in carrying out the contract work. However, the work performed by the contractor may require compliance with part 200 in its own right. (An example of the latter might be a city contracting with a private firm to prepare and advertise construction bids on its behalf.) If a recipient procures a contractor to undertake grant administration work on the recipient's behalf, both the procurement process itself and the contractor's work will be subject to part 200 requirements if the procurement was initiated on or after December 26, 2014. (An example of this would be a city that contracts with a private for-profit company to serve as its grant administrator.)

6. EFFECT ON AGREEMENTS BETWEEN THE RECIPIENTS OF CDBG, CDBG DISASTER RECOVERY, ESG, AND HOME GRANTS AND OTHER ENTITIES, INCLUDING SUBRECIPIENTS.

Agreements between a recipient and another entity which constitute a sub-award of funds to that entity must contain language requiring the entity to comply with the Uniform Requirements. Examples of such agreements include:

- Subrecipient agreements.
- Funding/grant agreements between a State and a unit of local government or other recipient, when the State has adopted part 200 requirements in whole or in part as its requirements.
- Funding agreements between a CDBG Urban County and participating local governments.
- Agreements between a grant recipient and a Community-Based Development Organization (CBDO).
- Intergovernmental agreements between units of local government or governmental entities.
- Agreements governing CDBG Revolving Loan Funds.

Any new subrecipient or similar agreements which are executed on or after December 26, 2014, must incorporate and apply the part 200 requirements to the sub-award. Any funds covered by an existing agreement between a recipient and another entity that were obligated by that entity on or after December 26, 2014, are subject to the part 200 requirements. (This includes program income received and retained by a sub-awardee.) Whether a recipient must amend an existing subrecipient or similar agreement that was executed prior to December 26, 2014, in order to incorporate part 200 requirements, will depend on the wording of the current agreement and the status of the agreement.

Situations in which a recipient may not need to amend an existing subrecipient or comparable agreement to incorporate part 200 requirements include the following:

- If the existing agreement contains language stating that the agreement “is subject to the current Federal regulations as may be amended” (or similar language), it is not necessary to amend the agreement because such language automatically makes the part 200 requirements applicable as of the effective date of the regulation. The recipient must treat the 2 CFR part 200 requirements as being applicable to that agreement as of December 26, 2014.
- If the existing agreement specifically references the prior (part 84 or 85) requirements, the agreement need not be amended to apply the part 200 requirements, providing that no further obligation of funds by the sub-awardee occurs under this agreement after December 26, 2014. (This would cover situations in which all the funds were expended or obligated for activities before December 26, 2014, but the sub-awardee has not completed all activity steps or has not submitted a final report.) A recipient may grant a no-cost time extension to such agreements without amending the agreement to apply part 200, but a grantee may not add additional funding to such an agreement.
- If all activities under the agreement are completed, all funds have been expended, and the sub-awardee’s only remaining obligations are ongoing performance reporting, completion of an audit, complying with reversion of assets or deed restriction requirements, etc., there is no need to amend the agreement.

Situations in which a recipient must amend an existing subrecipient or comparable agreement include the following:

- The regulations and grant agreements for the CDBG, ESG, and HOME programs (and non-competitive CDBG Disaster Recovery Grants) require compliance with the program regulations “as now in effect and as may be amended from time to time” or similar language. All subrecipient or similar sub-award agreements must also contain such language. If a recipient’s agreements do not currently contain such “subject to current regulations” language, existing agreements must be amended to include such language, thus requiring compliance with the Uniform Requirements.
- If a grantee amended, renewed or extended an existing agreement on or after December 26, 2014, in order to add new funds to the agreement, or to authorize the sub-awardee to continue obligating funds, the agreement must be amended to apply part 200 requirements unless the agreement contains “subject to current regulations” language (as described above).
- If an entity is in the midst of implementing activities under an existing agreement which only cites part 84 or part 85 requirements, the agreement must be amended to apply the part 200 requirements to all obligations of funds on or after December 26, 2014.
- If an existing agreement lacks an end date, or fails to apply the Uniform Requirements to the sub-awardee, it is considered deficient and must be amended to reflect the Uniform Requirements as well as to ensure the inclusion of an end date, as required by program regulations.

Grantees are given 120 days from the date of this Notice to amend agreements to incorporate and apply the part 200 requirements, where the agreement must be amended as described above.

Grant recipients are encouraged to be explicit with respect to including the new requirements, in order to promote a clear understanding and enhanced compliance by sub-awardees. For example, instead of simply stating that a subrecipient must comply with the requirements of 2 CFR part 200, the agreement should list the specific provisions (and the regulatory citations) that apply to the entity.

The above guidance also will apply to situations in which a recipient has elected, for its own purposes, to incorporate or reference the Uniform Requirements into other types of agreements which govern the participation of other entities in the program but which do not specifically obligate funds to sub-awardees. Examples of such agreements may include:

- CDBG or HOME cooperation agreements between urban counties and participating local jurisdictions.
- Joint agreements between a CDBG urban county and a metropolitan city.
- HOME Consortia agreements.
- Interdepartmental or intralocal agreements which spell out which grant administration duties will be handled by which departments/offices of the local government.

7. PROGRAM INCOME

Questions have been raised about what rules apply to program income.

- a. For formula programs (except HOPWA), the Part 200 requirements (as included in the conforming changes to program regulations) will apply to any program income which is obligated by the grant recipient on or after January 6, 2016, regardless of when the program income was received, and regardless of what year's Action Plan the program income is associated with. This is consistent with the general principles expressed in Section 4 regarding the effective date.
- b. For competitive programs (except HOPWA), the applicability of the Uniform Requirements to program income will be governed by the Notice of Funding Availability (NOFA) for the grant which generated the program income. If, however, program requirements allow a grant recipient to treat program income from a competitive grant as program income to a formula grant program, then the Uniform Requirements will apply to the use of program income as described in the previous paragraph.
- c. For HOPWA grant recipients, the HOPWA formula and competitive grant agreements provide direct instruction for the use of program income. This action is authorized under 2 CFR 200.307(e). HOPWA grantees should reference their grant agreement requirements regarding the use of program income.

8. SINGLE AUDITS.

Questions have been asked about the auditors' test for compliance against program requirements. 2 CFR 200.110(b) states the following: "The standards set forth in Subpart F—Audit Requirements of this Part and any other standards which apply directly to Federal agencies will be effective December 26, 2013 and will apply to audits of fiscal years beginning on or after December 26, 2014." Auditees are advised to share the guidance in Section 4 with auditors, should issues arise in the course of a single audit with respect to whether the new requirements in 2 CFR part 200 are applicable.

9. INDIRECT COST ISSUES

A number of questions have been raised with respect to indirect costs.

- a. What is the difference between overhead expenses, the cost of doing business, and service delivery costs in relation to indirect costs?

Answer: All of the above terms represent different ways of classifying costs. The term *indirect costs* is defined at 2 CFR 200.56 as "those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved...." Since most people do not typically deal with the concept of a *cost objective*, *indirect costs* can more plainly be defined as any costs incurred by a grant recipient or subrecipient that cannot be identified directly with a HUD award, project, or activity (without disproportionate effort).

The above terms, other than *indirect costs*, are not defined under part 200 and should not be used interchangeably. For example, the term *overhead* is often used as a shorthand reference to *indirect costs* – however, the expenses commonly thought of as *overhead* (such as utility expenses) could be classified as either direct or indirect costs, depending on whether the cost can be identified directly with a cost objective (such as a HUD award, project, or activity) without disproportionate effort. Thus, if the purpose of classifying a cost is to determine whether it must be charged on a direct or indirect basis, the term *indirect costs* must be used.

Some HUD awards may allow program funds to be used to pay *service delivery costs* or *activity delivery costs* that are included in the costs of carrying out an activity. These terms typically refer to costs that may include both direct and indirect components and, thus, apply more broadly than *indirect costs*.

- b. Is there a defined list of indirect costs? If so, can HUD provide a list or description?

Answer: There is no list that defines specific items of cost as *indirect* since costs are not intrinsically direct or indirect. As noted above, classifying a particular item of cost as direct or indirect depends on whether it can be identified directly with a cost objective (such as a HUD award, project, or activity) without disproportionate effort. All costs, however, must comply with 2 CFR Part 200, "Subpart E—Cost Principles." Subpart E contains principles for selected items of cost at 2 CFR 200.420 – 200.475. These principles apply whether or not a particular item of cost listed in the Uniform

Requirements is properly treated as a direct cost or an indirect cost. Recipients should look to these principles and selected items of cost for guidance in determining the allowability of the items of cost included in the indirect cost pool for a cost allocation plan.

- c. When/how and to whom should an agency with a HUD direct grant request an Indirect Cost Rate determination?

Answer: Procedures for negotiation and approval of indirect cost rates are specified in the applicable appendix to 2 CFR part 200. For example, Appendix IV contains requirements for *indirect cost rate proposals* prepared by nonprofit organizations and Appendix VII contains requirements for states and local government and Indian tribe indirect cost proposals. (*Indirect cost rate proposal* means the documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate.)

It should first be noted that every organization is not required to submit an indirect cost proposal to its cognizant agency for negotiation and approval of an indirect cost rate. A governmental department or agency unit that receives more than \$35 million in direct Federal funding must submit its indirect cost rate proposal to its cognizant agency for indirect costs. Other governmental departments or agencies must develop indirect cost proposals in accordance with the requirements of this Part and maintain the proposal and related supporting documentation for audit. These governmental departments or agencies are not required to submit their proposals, unless they are specifically requested to do so by the cognizant agency for indirect costs.

As discussed in more detail below, non-Federal entities that recover indirect costs through the use of a 10% de minimis rate also are not required to obtain approval from their cognizant agencies for such use. (See 2 CFR 200.414(f).)

In the case of an entity that is required to obtain prior approval (e.g., a larger governmental entity or nonprofit organization), the *indirect cost proposal* must be submitted to its *cognizant agency* for indirect costs. In most cases, the Federal agency with the largest dollar value of Federal awards with an organization will be the *cognizant agency* with responsibility for the negotiation and approval of the indirect cost rates. If the *cognizant agency* is determined to be HUD, and submission of an indirect cost proposal for the CPD program is required, the request should be submitted by the grant recipient to the CPD Division in the appropriate field office. The field office should forward the request to HUDCPDIndirectCostRates@hud.gov for submission to the Department of Health and Human Services (HHS). See the next question for guidance on the HHS review procedure.

- d. What is HUD's/Department of Health and Human Services' (HHS') specific process for approving an indirect cost plan?

Answer: HUD contracts with HHS to review and negotiate indirect costs on HUD's behalf. The contract gives HHS six months to review and negotiate the indirect cost rate.

- e. Can HUD and HHS work together to communicate the timeliness of approving the indirect cost proposals?

Answer: We will work with HHS to see if timeliness can be improved, but timeliness may be affected by the availability of funding.

- f. Can HUD/HHS provide templates for non-federal agencies to create an indirect cost proposal?

Answer: Given the diverse categories of organizations that charge indirect costs to Federal awards and, within a particular category, the varying degrees of complexity possible, it would be extremely difficult to develop useful templates. However, guides for indirect cost determination are available on websites of agencies that are more actively involved in the review and approval of indirect cost rates (e.g., the Department of Labor).

- g. If a grant recipient has an approved indirect cost rate (ICR) that is above the expenditure limit (i.e., ICR is 13 percent; administration limit is 10 percent), can a grant recipient recover indirect costs?

Answer: This question is based on a common misconception: the indirect cost rate (or de minimis rate, if applicable) is NOT applied to the grant award amount. It is applied to the direct cost base (such as direct salaries or "modified total direct cost" as defined at 2 CFR 200.68). Since the direct cost base is only a subset of the total grant amount, it's entirely possible for a grant recipient to charge indirect costs at a rate higher than the administration percentage and still be within the cap.

- h. What documentation is required to support the 10% de minimis rate and who approves this rate?

Answer: The provision in part 200 that allows recovery of indirect costs through the use of a de minimis rate (2 CFR 200.414(f)) specifies that entities "may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely." If chosen, this methodology, once elected, must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time. Thus, provided that a non-Federal entity has not received a negotiated rate and meets the other criteria specified in 2 CFR 200.414(f), it may use the de minimis rate without HUD approval in the absence of some other statutory or regulatory provision requiring such approval.

- i. Does the existence of a de minimis indirect cost rate provision require a grant recipient to permit a subrecipient to charge indirect costs to the subaward? What if the grant recipient has a policy of not allowing any charges for indirect costs, or not allowing a subrecipient to charge administrative costs, e.g., it will only pay activity delivery costs or require administrative costs to be a "local match"?

Answer: As noted in the Frequently Asked Questions (FAQs) published by OMB on the Council on Financial Assistance Reform (COFAR) website (see link in Section 11 below), cost principles specified in part 200 are designed to provide that the Federal

awards pay their fair share of the costs recognized under these principles except where restricted or prohibited by statute (e.g., the statutory restrictions on the amount of program administrative costs that may be charged to the CDBG program). (See section 200.100(c).) This stated intent applies whether costs are charged on a direct or indirect basis. Further, whether indirect costs are recovered through the use of the de minimis rate or through an indirect cost rate specified in an indirect cost proposal is irrelevant.

With respect to whether a pass-through entity may prohibit a subrecipient from charging indirect costs, the guidance published on the COFAR website is clear. It is not permissible for a pass-through entity to prohibit a subrecipient from charging indirect costs to a subaward unless the restriction is statutorily based (such as limiting indirect costs if the charges would result in non-compliance with a cap on administrative costs). Further, the imposition of a local match requirement solely for the purpose of precluding use of grant funds for indirect costs would also be impermissible. As with any instance where a non-Federal entity does not comply with the guidance, the pass-through entity will be vulnerable to any of the measures available in sections 200.338-200.342, Remedies for Non-Compliance, depending on the Federal awarding agencies' oversight of their Federal awards.

10. MONITORING FOR COMPLIANCE WITH THE NEW REQUIREMENTS.

CPD monitoring for compliance with the Uniform Requirements will be based on the part 200 effective date for the program being monitored. However, CPD's monitoring guidance (Handbook 6509.2) has not yet been updated so CPD may not monitor expenditures against the Uniform Requirements until after its monitoring Exhibits are amended to reflect the 2 CFR part 200 requirements. As stated in Section 4 of this Notice, because the conforming regulations were not published until December 7, 2015, HUD will not make findings of noncompliance with the Uniform Requirements (i.e., the part 200 requirements) if a grantee used CDBG, CDBG-DR, ESG, or HOME funds in accordance with comparable requirements under parts 84 or 85 (2013 edition) between December 26, 2014 and January 6, 2016.

11. FOR ADDITIONAL INFORMATION.

Grant recipients should contact their Field Office or Headquarters Representatives. CPD Field Offices should contact their Headquarters Program Office contacts. Additionally, recipients can obtain additional information by accessing the FAQ at the COFAR website at: <https://cfo.gov/wp-content/uploads/2015/09/9.9.15-Frequently-Asked-Questions.pdf>.

Executive Summary

Introduction

This document is designed to assist with implementing the Community Development Block Grant Disaster Recovery Grants (CDBG-DR) and any other disaster recovery related funds as necessary. It is to be used as a reference for the City of Tuscaloosa and agencies that are responsible for the administration of CDBG-DR initiatives and funds. The Policies and Procedures Handbook was originally adopted on August 16, 2016 with the authorization to amend as needed.

The City of Tuscaloosa, Infrastructure and Public Services (IPS) Administration Division, is responsible for coordinating the development of these guidelines to ensure consistency of the information, the coordination of revisions/additions from the U.S. Department of Housing and Urban Development (HUD), Alabama Department of Economic and Community Affairs (ADECA), other federal granting agencies, or the City, the implementation of applicable federal regulations, and the distribution of the information. It is the responsibility of the agencies to disseminate information pertinent to their respective initiatives and ensure that their staff and partner agencies are aware of, understand and comply with policies and procedures in this guide.

Furthermore, it should be noted that on September 8, 2015 an ordinance (see page ix of this Policies and Procedures Manual) passed by the City Council of Tuscaloosa authorized the name change of the Recovery Operations department to the Office of Resilience and Innovation. Additionally, the City of Tuscaloosa went through a comprehensive citywide reorganization and the grants management for disaster recovery related grants was transitioned to a new division called Infrastructure and Public Services (IPS) Administration. On April 25, 2017, an ordinance (see page xx of this Policies and Procedures Manual) passed by the City Council of Tuscaloosa authorized the changed noted above. Therefore, any mention of the Recovery Operations department, Office of Resilience and Innovation or Disaster Recovery Division in this document should be considered as one and the same as the IPS Administration Division.

****All applicable Federal Register notices (included herein this Policies and Procedures Handbook) and related guidance in regard to CDBG-DR shall be adhered to by the City of Tuscaloosa in the administration of CDBG-DR funds and any other disaster recovery related funds as necessary. ****

Program Description

The Community Development Block Grant for Disaster Recovery was implemented by the U.S. Department of Housing and Urban Development to assist states, counties, cities, and entitlement communities that have endured a presidentially declared disaster. The CDBG-DR program is focused on restoring housing, infrastructure, and economic development in these areas that have suffered a monumental disaster. While addressing these needs, the programs implemented with CDBG-DR funds are designed to benefit one of three groups: low-to-moderate income groups, urgent need, and slum

and blight. Although CDBG-DR funds are meant to revitalize a community after tragic events, they are also meant to restore the community in such a way that increases resilience against future disasters.

Organizational Structure

All disaster recovery funded activities are administered and managed by the City of Tuscaloosa's IPS Administration Division. To ensure proper administration and use of these funds, oversight and support of the disaster recovery program administered as part of the IPS Administration Division is given by the Offices of the Internal Auditor and the Mayor. The IPS Administration Division works with multiple City Offices to ensure that a project moves from conception to implementation while adhering to all applicable local, state, and federal laws and regulations. Some of these City offices include the Office of the City Attorney, Office of the City Engineer, Accounting and Finance, Federal Programs, Logistics and Asset Management, and Urban Development among others.

Part of the development of internal controls surrounding disaster recovery funding activities was creating an organizational chart that displays the personnel, as well as their job title involved in the administrative and financial transactions of carrying out the grants. A written definition of duties for each of the personnel is included, as well as in the documentation to ensure the adequate separation of duties so that one person does not have sole responsibility for all the functions related to executing the expenditures. An organizational chart including the narrative defining the definition of duties for each of the personnel begins on page 1 of this Policies and Procedures manual.

Governmental Structure

The City of Tuscaloosa is governed by a body of elected City Council members and Mayor. There is a designated City Council representative for each of the City of Tuscaloosa's seven districts. Authorization of Action Plan amendments including creation of activities, budgets, and allocation changes among activities as well as the selection and award of professional services, contractors, and vendors require City of Tuscaloosa City Council authorization. Concerning Action Plan amendments, the proposed amendments are presented at a City Council Committee meeting (generally either Community Development Block Grant or Projects Committee). If approved in the City Council Committee meeting by a majority vote of the chairpersons and members, then the Action Plan amendment will go before the full City Council, as a resolution, for a majority vote at a regularly scheduled City Council meeting. Once a disaster recovery activity is created or a reallocation of funds occurs in an approved Action Plan amendment, the budget changes are presented at either a City Council Finance Committee meeting or presented as a resolution directly to the full City Council at a regularly scheduled City Council meeting. If approved in the City Council Finance Committee meeting by a majority vote of the chairpersons and members, then the budget amendment will go before the full City Council, as a resolution, for a majority vote at a regularly scheduled City Council meeting. Professional services related to disaster recovery activities are first procured through a RFP/RFQ (request for proposals/request for qualifications) process. Once a professional service provider has been identified based off of the results of the RFP/RFQ, approval to negotiate a scope and fee with the service provider is presented to the City Council Projects Committee. Generally, once a scope and fee has been identified it will be presented to

the City Council Projects Committee again for approval. If approved in the City Council Projects Committee meeting by the chairpersons and members, approval to award contract to the professional service provider will go before the City Council, as a resolution, for a majority vote at a regularly scheduled City Council meeting. At times, once the approval to negotiate a scope and fee has been granted, the item may bypass the City Council Projects Committee meeting and appear on the City Council agenda for majority Council vote. Award to contractors goes through a bidding process, generally a sealed bid process. Once all bids are received, generally the lowest, most responsible bidder is selected. Award of bid to the lowest, most responsible bidder is presented at a City Council Projects Committee meeting for approval. If approved in the City Council Projects Committee meeting by the chairpersons and members, then the bid award will go before the City Council, as a resolution, for a majority vote at a regularly scheduled Council meeting. Many times, vendors are a part of the State of Alabama Bid List or the National Cooperative Agreements that the City utilizes to purchase goods and materials at an approved governmental rate which the City of Tuscaloosa City Council has approved. If not, then vendors are handled in the same manner mentioned above for professional service providers with the exception of negotiating scope and fee.

Change order and amendments to agreements, contracts, etc. are handled in much the same way as the agreements and contracts mentioned above; requiring a majority City Council vote for approval.

In regard to all agreements, contracts, etc. the resolutions that are approved by Council authorize the City of Tuscaloosa Mayor to execute any and all documents related to the agreements, contracts, etc. In the Mayor's absence, the President Pro Tem of the City Council may execute.

All resolutions are authorized as true and correct by the City of Tuscaloosa City Clerk or Assistant City Clerk. If funding is required for City Council action, then it is attested by the City of Tuscaloosa Chief Financial Officer.

Allocations

To date, the City of Tuscaloosa has received \$69,136,702 in CDBG-DR funds; \$60,566,702 in direct allocation funds and \$8,570,000 in State of Alabama funds. CDBG-DR funding came through two separate allocations: a 2012 allocation (FR-5628-N-01) in the amount of \$20,104,702 (\$16,634,702 in direct allocation and \$3,470,000 in State funds) and a 2013 allocation (FR-5696-N-03) in the amount of \$49,032,000 (\$43,932,000 in direct allocation and \$5,100,000 in State funds). These funds will be used accordingly to address the housing, infrastructure, and economic development needs in the City of Tuscaloosa. The 2013 CDBG-DR funds are allowed to be allocated in rounds per FR-5696-N-03 so activity funds are allocated at various times as needed after HUD's approval of the Action Plan amendment.

Per Federal Register Notices, those entities awarded CDBG-DR funds under P.L. 113-2 were allowed to request an extension on funds that would exceed the two-year expenditure deadline as identified in the approved Action Plans. Authorization was granted to allow activity funds to be extended until September 30, 2022. Initially, Federal Register Notice 80 FR 26942 published on May 11, 2015, only administration, infrastructure, economic development, and housing activity funds were allowed to

receive an extension. Federal Register Notice FR-6136-N-01 published on February 19, 2019 allowed entities to request an extension for planning activities. The City of Tuscaloosa submitted an expenditure deadline extension request to HUD on July 17, 2018 for Round 9 Infrastructure, Round 11 Administration, Round 11 Economic Development, and Round 11 Infrastructure; the extension request was granted on September 17, 2018. On January 31, 2019, the City of Tuscaloosa submitted an expenditure deadline extension request to HUD for Round 11 Planning (in anticipation of a waiver); the extension request was granted on March 18, 2019. It should be noted that the amount requested for extension by the City of Tuscaloosa and the amount granted from HUD somewhat differs due to the amount of time lapse between submission and approval and that drawdowns for activities were completed in that timeframe. The expenditure requests and approval letters can be found in the Policies and Procedures Manual beginning on page 159.

Administrative Policies and Procedures

The City of Tuscaloosa strategy for administration of the disaster recovery programs funded with Community Development Block Grant Disaster Recovery (CDBG-DR) funds will be governed by federal, State, and local regulations. In the case of a discrepancy of these regulations, the more binding of the regulations will take effect. The City of Tuscaloosa will be the primary entity responsible for carrying out the tasks involving all aspects of the grant cycle, including exercises necessary to secure funds and ensuring award and utilization of these funds in accordance with all requirements of by the U.S. Department of Housing and Urban Development (HUD), Office of Management and Budget (OMB), and any other agency rules in effect or promulgated especially accommodated to disaster recovery funds.

The City of Tuscaloosa disaster recovery programs will typically be comprised of four primary components – Federal Fund Award, Execution of Activities, Post Award Activities, and Closeout. Each component can be broken down in to the following subcomponents:

Federal Funds Award

1. Examine and comprehend the Federal Register Notice for applicability and specificity of eligible activities between the regular CDBG program and the CDBG-DR program.
2. Identify activities that address the disaster recovery needs in the City of Tuscaloosa, more specifically housing, infrastructure, and economic development needs.
3. Develop a draft Action Plan describing the disaster recovery activities.
4. Request necessary waivers from HUD unless provided in the Federal Register Notice.
5. Request City Council approval to advertise for comment and submit Action Plan to HUD.

6. Ensure citizen participation at least meets the minimum requirements of the applicable Federal Register Notice.
7. Advertise for public hearing and public comments for the Action Plan in the local newspaper and on the City's website.
8. Hold a public hearing and provide the time frame for public comments.
9. Modify the Action Plan based on public comments and incorporate the comments in the Action Plan.
10. Submit the Action Plan to HUD for approval.
11. Once approved, the Action Plan will be published on the City's website, placed in the Tuscaloosa Public Library, and entered in the DRGR (Disaster Recovery Grant Reporting) system.

Should Partial Action Plans or substantial amendments to Action Plans be submitted, the above steps or comparable applicable steps will be followed.

Execution of Activities

As previously mentioned, the City of Tuscaloosa will ensure fair and equitable distribution of grant funds across the disaster recovery activities to address housing, infrastructure, and economic development needs. Administration of activities will be carried out by City of Tuscaloosa staff to ensure that all applicable regulations are being followed. Project activities will be carried out by both the City of Tuscaloosa (grantee), contractors, and subrecipients. Whenever contractors are used, the applicable procurement regulations at 24 CFR 85.36 (2 CFR 200) and applicable State of Alabama and City of Tuscaloosa procurement regulations will be followed (see procurement section of this document for further explanation) for selection. *On December 26, 2013, The Office of Management and Budget published the final Uniform Requirements, which are codified as 2 CFR part 200 (OMB Super circular). HUD adopted these new Uniform Requirements for all Federal awards made by HUD. Therefore, any references to 24 CFR Part 84 or Part 85, OMB A-21, OMB A-87, OMB A-89, OMB A-102, OMB A-110, OMB A-122, OMB A-133, and any other previously applicable standards will be void, and the City will use 2 CFR part 200 and any other applicable OMB Supercircular regulations for reference and guidance and will apply to the administration of CDBG-DR funds except for the exception noted below for 2 CFR parts 200.317-200.326 which will become effective fiscal year October 1, 2017. Therefore, any mention of the aforementioned 24 CFR Part 84 or Part 85 and OMB circulars in this document should be considered to be void and now referenced as 2 CFR Part 200.

The Uniform Requirements regulation authorizes all non-Federal entities, which includes the City of Tuscaloosa per two CFR 200.69, to delay implementation of the procurement requirements in 2 CFR 200.317-200.326 for one year part after the regulations would otherwise apply. Additionally, if the non-federal entity so chooses to use part 84 or part 85 standards for an additional two fiscal years before

implementing the procurement standards in part 200, the non-federal entity must document this decision in its internal procurement regulations. Therefore, a memorandum has been issued by the City of Tuscaloosa's internal auditor (included on page xxi of this Policies and Procedure Manual) to document the City's internal procurement policy update until October 1, 2017 when the permanent procurement policy will be updated to reflect 2 CFR 200.317-200.326 regulations. The memorandum in its entirety will explain how the City came to this decision. *

Additionally, when the City moves to implementation, HUD's notice SD-2015-01, *Transition to 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, dated February 26, 2015 and HUD's notice CPD-16-04, *Additional Transition and Implementation Guidance for Recipients of Community Planning and Development (CPD) Funds for 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, dated April 13, 2016 (attached hereto in the Policies and Procedures beginning on page xxiii).*

All sub-recipients, developers, etc. will be required to sign an agreement with the City of Tuscaloosa, which will reference all applicable federal requirements including duplication of benefits, Davis-Bacon, equal opportunity, etc. Monitoring of program participants will be executed to ensure that all funds are being used properly and all applicable regulations are being followed. All of the aforementioned items associated with the execution of activities will be described in greater detail in this document.

Post Award Activities

Upon award of disaster grants, the actual task of grant implementation begins. At this stage, the City's main concern is to ensure that the City (grantee) or sub-grantee carries out the grants in accordance with the approved Action Plan in an expedited manner in compliance with all applicable federal, state, and local laws, regulations, and policies.

1. The City (grantee) or sub-grantee is issued a grant agreement, which upon execution enables the grantee to expend or obligate funds. However, an environmental review must be conducted and release of funds must be granted by either HUD or ADECA before funds may be drawn for the activity.
2. Upon release of funds, the grantee or subgrantee will proceed to implement the grant. The grant implementation will typically entail procurement of professional services such as engineering, architectural services, etc. (if not already completed) and bid preparation and bid awards, construction, inspections, and final construction notice. During the procurement and construction phase, the grantee and/or subgrantee will ensure compliance with requirements regarding debarred status, duplication of benefits, bidding requirements, labor compliance, compliance with civil rights laws, etc.
3. As the City progresses with the approved activities, they will submit drawdown requests in DRGR or to ADECA for State CDBG-DR funds to cover eligible activities. The drawdown requests will only be submitted once the invoice has been paid by the City and the payment has been

cleared by a financial institution. The City keeps all drawdown information including all invoices paid in the corresponding drawdown on file in the DRGR system, in an electronic filing system, and a paper filing system.

4. The City of Tuscaloosa Community Development Program Manager and any other requested City staff will schedule a monitoring visit to the project site. The meeting is scheduled by a formal letter or email at least two weeks in advance of the anticipated visit. The request indicates the items that City staff will be looking for in the visit. With construction projects, the monitoring visit will be scheduled, at a minimum, after thirty percent of the awarded funds have been requested for payment. The thirty percent will serve as a threshold but not an absolute requirement. For example, visits are generally scheduled a few weeks after start of construction to ensure that all applicable Davis-Bacon and wage rate determination documentation is posted at the job site. Monitoring visits for housing and economic development projects are generally monitored along the same lines and thresholds, but are also monitored to ensure that the applicable national objective has been met through housing of individuals and creation/retention of jobs. Sample monitoring checklists for each of the types of programs can be found within this document. The monitoring checklists allow the City to determine if the recipient is in compliance with all federal, state, and local regulations as referenced in the funding agreement. Upon completion of the monitoring visits, within thirty days, the City of Tuscaloosa provides a formal letter and a copy of the monitoring checklist to the recipient monitored that identifies the outcome of the monitoring. This letter identifies areas that need to be improved by a certain date or if any areas of substantial non-compliance or findings are found, corrective actions should be taken. Corrective actions may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, reimbursement of disallowed costs, or other sanction. Upon resolution of corrective actions, the finding(s) will be released. Frequency of monitoring visits will be determined on a number of factors including the size of the activity, the amount of funding associated with the activity, the complexity of the activity, and past performance on monitoring visits. A mixture of desk and on-site monitoring visits shall be completed.

Closeouts

The final stage in the grant implementation will be the closeout of the grant and/or activities funded through the grant. In the case of all activities funded, in whole or part, with CDBG-DR funds, under no circumstances shall an activity be considered for closeout until the national objective for the activity has been achieved which will also signify completion of the activity.

Infrastructure: In the case of grants that include public infrastructure, upon completion of such infrastructure activities, the grantee will require the project engineer to complete a final inspection certification. In addition, the project engineer or construction manager will advertise a completion in the local newspaper. Closeout documents will be submitted; these generally will include a final payment request (if any), release of liens and claims, release of warranty, Form 7 (City's MBE/DBE/WBE –

minority business enterprise/disadvantaged business enterprise/woman business enterprise participation form) and any other requested documentation.

Housing: If a multi-family housing activity is funded, then close-out documents will include a list of applicants and/or tenants including race, gender, indication whether female head of household and income verification of households applying for assistance, and of those, a list of households that received assistance. To be considered for closeout, all multi-family housing developments must be fully occupied. For single family activities, the name of the household, indication whether it is a female head of household, race, gender, and income verification shall be provided as well as proof that the household is in fact occupied. Additionally, to be considered for closeout the single-family activity must be fully occupied dependent on the number of single-family units as identified in the Action Plan.

Economic Development: Closeout documentation for economic development activities generally will include documentation of the creation and retention of jobs and that 51% or more of those jobs benefitted low-to-moderate income individuals. However, a provision in FR-5628-N-01 and FR-5696-N-01 waives the public benefit standards set forth for individual economic development activities and activities in the aggregate which limits the amount of assistance per job created or retained or the amount of CDBG assistance per low and moderate income person to which goods or services are provided by the activity. These dollar thresholds can impede recovery by limiting the amount of assistance the grantee may provide to a critical activity. The waiver allows grantees to 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; the North American Industry Classification System (NAICS) code for each business assisted; and the types of jobs. For standard economic development activities, closeout shall be triggered when the job creation and/or retention for the respective activity has been accomplished and sufficient documentation for job creation has been provided. Examples of sufficient documentation include, but are not limited to, new hire documentation worksheet and payroll records. In regard to the forgivable loan programs, the activity shall be considered for close-out once all compliance items as identified in the forgivable loan agreement (job creation, eligible use of funds, etc.) are satisfied and all funds are expended as well as completion of the close-out monitoring visit. In regard to the repayable loan programs, the activity shall be considered for close-out once all compliance items as identified in the loan agreement (job creation, eligible use of funds, etc.) are satisfied as well as completion of the close-out monitoring visit. Additionally, all payments must be received for the repayment of the loan to the City of Tuscaloosa.

The City will follow a standard closeout procedure to close out the activities/grant. The monitoring checklist that has been created for each activity type (housing, infrastructure, economic development) includes a closeout checklist portion. The City may modify this checklist as it becomes necessary to ensure the required information is captured. *Sample monitoring checklists can be found in this Policies and Procedures Manual (see Table of Contents). *

Upon satisfaction of all closeout requirements, the City will submit its request and any required documentation to HUD to closeout activities/grant. As is known at this time, the final closeout of CDBG-DR grants with HUD will happen after 100% of the funds are expended in the Disaster Recovery Grant

Reporting (DRGR) system and/or if projects have been deemed for closeout after satisfying the national objective, performance measures, and other items as identified as part of the activity. Additionally, all performance measures (linear feet, job creation/retention, area benefit, housing units occupied, etc.) will be reported as completed in the DRGR system.

If an activity has been completed and closed out and funds remain in the activity, an Action Plan amendment shall be made to allocate funds to another eligible activity. The standard protocol for an Action Plan amendment shall be followed – approval of amendment from Tuscaloosa City Council, advertisement of amendment, addressing of comments (if any received), HUD approval of amendment, entering of amendment in DRGR, and HUD approval of DRGR amendment.

Additional Program Guidance

The following guidance is incorporated for the City of Tuscaloosa to address other issues as they relate to the City's role in meeting its responsibility to ensure that all appropriate regulations and an eligible use of funds is met under the CDBG-DR program as referenced in Federal Register Notices and any other applicable federal documentation in relation to disaster recovery programs.

National Objectives

A national objective shall be met with each of the activities funded with CDBG-DR funds. As cited in the federal regulations at 24 CFR 570.200 and 24 CFR 570.208 respectively, one of three national objectives must be met in activities implemented: low-moderate income benefit, urgent need, and slum and blight. For low-moderate income benefit, income verification on individuals/families is verified using current year HUD Income Limits for Tuscaloosa County. For low-moderate area benefit, at least 51% or more of the area will serve low-moderate income beneficiaries; this will be determined using the most current U.S. Census data. Under FR-5628-N-01 and FR-5696-N-01, 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 to identify 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. A presumption will be granted that all jobs benefit low-moderate income persons if the conditions listed at 24 CFR 570.208 (a) (4) (iv) or (v) are met. Per a waiver at FR-5696-N-01 (A)(1) (f) certification requirements for the documentation of urgent need located at 24 CFR 570.208 (c) and 24 CFR 570.483 (d) is waived for two years after the date HUD obligates funds to a grantee for an activity. The national objective of slum and blight shall be met if the objective at 24 CFR 570.208 (b) is met.

Generally, 70% of a CDBG program's funds must be used to support activities benefitting low-and-moderate income (LMI) persons, but due to the possible difficulty of meeting this threshold as it relates to disaster recovery, disaster grantees are required that at least 50% of funds benefit LMI persons (FR-5628-N-01 and FR-5696-N-01).

The trigger point for achievement of a national objective will be dependent on the national objective and the type of activity. While each CDBG-DR funded activity is different, listed below are the trigger points for achievement on some more common activities as it relates to the national objective. Applicable requirements, in its entirety, as listed at 24 CFR 570, FR-5696-N-01, and FR-5628-N-01 will be used when determining the achievement of a national objective as well.

- Low-moderate income benefit
 - Single- family housing – National objective will be achieved once the unit is housed with an eligible low-moderate person/family based on the applicable income guidelines for Tuscaloosa County
 - Multi-family housing – National objective will be achieved once the units are fully leased and housed with 51% or more eligible low-moderate persons/families based on the applicable income guidelines for Tuscaloosa County
 - Job Creation/Retention – National objective will be achieved once 51% of more of the jobs will be created/retained by low-moderate income persons as defined by HUD established Tuscaloosa County Income Limits and all the applicable job creation/retention requirements listed at 24 CFR 570.208 (4), FR-5696-N-01, and FR-5628-N-01. The job must be retained/held for a reasonable length of time, as determined by the nature of the activity funded, to be considered for national objective achievement. The threshold of one full-time equivalent job created/retained for every \$50,000 loaned or funded will apply except in the case where jobs are measured in the aggregate and creation and/or retention of one full-time equivalent job is required for every \$35,000 funded (24 CFR 570.209 (b)(a)(1)(i). However, a provision in FR-5628-N-01 and FR-5696-N-01 waives the public benefit standards set forth for individual economic development activities and activities in the aggregate which limits the amount of assistance per job created or retained or the amount of CDBG assistance per low and moderate person to which goods or services are provided by the activity. These dollar thresholds can impeded recovery by limiting the amount of assistance the grantee may provide to a critical activity. The waiver allows grantees to 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; the North American Industry Classification System (NAICS) code for each business assisted; and the types of jobs.

Additionally, national objective documentation has been waived to allow the grantees to identify 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. The person will be considered 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. (FR-5696-N-01 D. Economic Revitalization. 36. National Objective Documentation for Economic Development Activities.)

FR-5696-N-01 D. Economic Revitalization. 38. Clarifying note on Section 3 income documentation requirements establishes exceptions for Section 3 documentation for

economic development activities. The referenced federal register notice authorizes grantees to determine that an individual is eligible to be considered a Section 3 resident if the annual wages or salary of the person are at, or under, the HUD established income limit for a one-person family for the jurisdiction.

- Low-moderate income area benefit – National objective will be achieved when the infrastructure, facility, or other improvement is complete and can be utilized by the low-moderate income area as defined by at least 51% of the residents are low – moderate income persons. This includes acquisition of property using CDBG-DR funds; the national objective will not be considered as achieved until the infrastructure, facility, or other improvement (regardless of funding source) is complete and can be utilized by low-moderate income area. The criteria listed at 24 CFR 570.208 will be used when determining whether an area is considered to benefit low-moderate income persons.
- Slum and Blight (Area Basis) – National objective will be achieved when the infrastructure, facility, or other improvement has addressed the prevention or elimination of slum and blight as described in 24 CFR 570.208 is complete and can be utilized by the public/community. Documentation will be maintained on the boundaries of the area and the conditions and standards used that qualified that area at the time of its designation. The designation of an area as slum or blighted will be redetermined every 10 years for continued qualification.
- Slum and Blight (Spot Basis and Urban Renewal Area) – National objective will be achieved when the infrastructure, facility, or other improvement has addressed the prevention or elimination of slum and blight as described in 24 CFR 570.208 is complete and can be utilized by the public/community.
- Urgent Need – National objective will be achieved when the infrastructure, facility, housing, or other improvement is complete and can be utilized by the public/community.

Eligible Activities

Each activity funded with CDBG-DR funds will be an eligible activity as defined at 24 CFR 570.201, 570.202, and 570.203. In addition, all eligible planning and program administrative activities will be performed in accordance with the regulations at 24 CFR 570.205 and 570.206. No more than 5% of funding under each allocation shall be used for administrative costs and no more than 15% of funding under each allocation shall be used for planning costs. Each funded activity will also address needs in the housing, infrastructure, or economic development areas.

Additionally, eligibility determination sheets have been created by the City of Tuscaloosa for each disaster recovery funded activity. These determination sheets list general information about the project as well as the national objective met, eligible activity met, and the activity's relation to the disaster. Back-up documentation to support the national objective is included in the eligibility determination; this documentation is kept on file in the City's electronic filing system and paper filing system.

Preventing Fraud, Abuse of Funds, and Duplication of Benefits

In order to ensure the proper disbursement of grant funds, the City of Tuscaloosa plans to remain in compliance with applicable CDBG rules and regulations, as well as other applicable federal regulations such as Office of Management and Budget Circulars A-87, A-133, Federal Register Notice FR-5582-N-01 *Clarification of Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees* (published November 16, 2011), *HUD Guidance of Duplication of Benefit Requirements and Provision of CDBG Disaster Recovery (DR) Assistance* (published July 25, 2013), 24 Code of Federal Regulations Part 570, and 24 Code of Federal Regulations Part 85 (Uniform Administrative Requirements [2 CFR Part 200]). The City of Tuscaloosa will particularly emphasize mitigation of fraud, abuse and mismanagement related to accounting, procurement and accountability, which may also be investigated. In addition, the City will adhere to the conflict of interest provisions referenced at 24 CFR 570.611. In order to mitigate these issues, the City of Tuscaloosa will perform routine reviews by independent City staff members with the review team consisting of employees from the accounting and finance department as well as other City departments as needed. The City of Tuscaloosa has procured a local accounting firm to conduct a yearly audit of all City of Tuscaloosa records, including CDBG-DR funds. The City of Tuscaloosa also employs one internal auditor, which carefully reviews all transactions made as a part of the CDBG-DR activities. The internal audit function as well as the policy and procedure set in place can be found in the Independent Internal Audit section of this Policies and Procedures Manual beginning on page xcvi. If the City should no longer employ an internal auditor, for the purposes of P.L. 113-2 funds specifically, and other disaster recovery related funds as necessary, the City shall contract out the internal audit function. The City of Tuscaloosa will monitor the compliance of applicants and HUD will monitor the Disaster Recovery Division of the Office of the Mayor's compliance. The City of Tuscaloosa reserves the right to take appropriate action in instances of noncompliance, fraud and mismanagement including, but not limited to, disallowing ineligible costs, terminating contracts/agreements and requiring repayment of funds. Any illegal acts committed by the subrecipient, contractor, developer, etc. will be reported to the HUD Field Office in Birmingham, Alabama. The HUD Field Office will be consulted for guidance on how to pursue enforcement. After the necessary internal procedures are taken to address illegal acts undertaken by the subrecipient, contractor, developer, etc. and the issues remain unresolved, the City of Tuscaloosa and HUD Field Office will contact HUD headquarters.

Monitoring Standards and Procedures

The City of Tuscaloosa, through the Disaster Recovery Division of the Office of the Mayor, is committed to a comprehensive program of monitoring and evaluating the process of disaster recovery activities and will oversee all activities and expenditures of the CDBG Disaster Recovery Program. The goal is to ensure long-term compliance with the applicable regulations and standards such as OMB Circular A-122 (now 2 CFR 200), and particularly those requirements of the CDBG Disaster Recovery Program. In compliance with such, the City will employ the internal audit function and policies and procedure, for P.L. 113-2 and other disaster recovery funds as needed, as outlined in the Independent Internal Audit section of this Policies and Procedures Manual beginning on page xcvi. The City of Tuscaloosa, or other entity as assigned by the City of Tuscaloosa, will review expenditures, while independent auditors will audit activities for program

and financial compliance. The City of Tuscaloosa's procedures will ensure that there is no duplication of benefits that have otherwise been covered by FEMA (Federal Emergency Management Agency), SBA (Small Business Administration), private insurance, any other federal assistance, or any other funding source whether it is local or state funding. Only expenditures that are eligible CDBG activities, address disaster-related needs directly related to the approved natural disaster and meet at least one of the national CDBG objectives will be funded. At a minimum, the City will monitor to ensure that nondiscrimination, fair housing, environmental regulations, procurement regulation at Part 85 (2 CFR Part 200) and labor standards are met internally and by each subrecipient. If a contract has been funded but is determined to not meet the previously listed criteria or any other applicable criteria per HUD guidelines or agreement provisions, the contract awardees shall be required to refund the amount of the grant that was awarded to said awardee. Regardless of the type of eligible activity (infrastructure, housing, economic development, etc.), all agreements between the City of Tuscaloosa and any such person, business, entity, organization, or otherwise identified awardee of CDBG-DR funds shall require a repayment of funds for any assistance later received for the same purpose as the CDBG-DR funds. Particular attention will be given to situations where future assistance is highly likely, but the amount of assistance is uncertain. In these situations, there is a higher risk of duplication of benefit and; therefore, monitoring of these activities will occur more frequently. The City of Tuscaloosa reserves the right to take appropriate action in instances of noncompliance, fraud and mismanagement including, but not limited to, disallowing ineligible costs, terminating contracts/agreements and requiring repayment of funds. Any illegal acts committed by the subrecipient, contractor, developer, etc. will be reported to the HUD Field Office in Birmingham, Alabama. The HUD Field Office will be consulted for guidance on how to pursue enforcement. After the necessary internal procedures are taken to address illegal acts undertaken by the subrecipient, contractor, developer, etc. and the issues remain unresolved the City of Tuscaloosa and HUD Field Office will contact HUD headquarters.

The City of Tuscaloosa will determine the areas to be monitored, the number of monitoring visits and their frequency based on a number of factors including, but not limited to, previous performance, the scope and complexity of the project, and previous audit findings if any. Particular attention will be given to situations where future assistance is highly likely, but the amount of assistance is uncertain. In these situations, there is a higher risk of duplication of benefit and; therefore, monitoring of these activities will occur more frequently. These circumstances may also trigger the monitoring of second tier recipients dependent on the type of activity, type of possible future assistance, and other factors. To ensure all aspects of the project are being properly executed, the City will employ a variety of methods to monitor each project including desk reviews and on-site visits. A checklist, using HUD's Disaster Recovery Monitoring Checklist as a template, will be developed with a specific emphasis on certain criteria depending on the project being monitored. In order to demonstrate the capacity of the City of Tuscaloosa, as well as ensure that each aspect of each funded project is being properly executed and monitored, the City of Tuscaloosa has added several staff members including a Community Development Program Manager for compliance and grant management, Community Development Program Manager for minority participation, engineers, and accountants. As previously stated, monitoring will address subjects such as national objective, eligible activities, environmental regulations, equal opportunity standards, fair

housing, labor standards, Davis-Bacon Act, procurement standards, program income, and any other applicable HUD and contract provisions.

The City of Tuscaloosa Community Development Program Manager and any other requested City staff will schedule a monitoring visit to the project site. The meeting is scheduled by a formal letter or email at least two weeks in advance of the anticipated visit. The request indicates the items that City staff will be looking for in the visit. With construction projects, the monitoring visit will be scheduled after thirty percent of the awarded funds have been requested for payment. The thirty percent will serve as a threshold but not an absolute requirement. For example, visits are generally scheduled a few weeks after start of construction to ensure that all applicable Davis-Bacon and wage rate determination documentation is posted at the job site. Monitoring visits for housing and economic development projects are generally monitored along the same lines and thresholds, but are also monitored to ensure that the applicable national objective has been met through housing of individuals and creation/retention of jobs. Sample monitoring checklists for each of the types of programs can be found in this document. The monitoring checklists allow the City to determine if the recipient is in compliance with all federal, state, and local regulations as referenced in the funding agreement. Upon completion of the monitoring visits, within thirty days, the City of Tuscaloosa provides a formal letter and a copy of the monitoring checklist to the recipient monitored that identifies the outcome of the monitoring. This letter identifies areas that need to be improved on by a certain date or if any areas of substantial non-compliance or findings are found, corrective actions should be taken. Corrective actions may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, reimbursement of disallowed costs, or other sanction. Upon resolution of corrective actions, the finding(s) will be released. Frequency of monitoring visits will be determined on a number of factors including the size of the activity, the amount of funding associated with the activity, the complexity of the activity, and past performance on monitoring visits.

Prevention of Duplication of Benefits

The principles of the Stafford Act, no entity will receive duplicative assistance from another source, and OMB Cost Principles that all costs shall be necessary and reasonable in addition to the guidance issued in Federal Register Notice FR-5582-N-01 (November 16, 2011) *Clarification of Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees*, and HUD Guidance of Duplication of Benefit Requirements and Provision of CDBG Disaster Recovery (DR) Assistance (published July 25, 2013) will be employed by the City of Tuscaloosa in the administration and award of all CDBG-DR funds. Additionally, as a best practice, technical assistance will be provided to all subrecipients for activities funded with CDBG-DR funds.

Stafford Act - As stated in the Stafford Act, duplication of benefits is strictly prohibited. The City of Tuscaloosa will continuously monitor program applicants for compliance in this matter; CDBG-DR funds will be used only to supplement other forms of assistance and not supplant it. As such, a fact specific inquiry into assistance received by each person, household, or entity proposing receipt of CDBG-DR funds shall be investigated. Receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have

not been provided. Thus, to comply with the Stafford Act, the City of Tuscaloosa will 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.

OMB Cost Principles - OMB Cost Principles state that all costs shall be necessary and reasonable for proper and efficient performance and administration of federal awards. A cost is deemed necessary if it is for an eligible CDBG-DR activity and meets the standards of the CDBG-DR program. A cost is deemed reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made. Other factor related to the reasonableness of the cost are described in 2 CFR Part 200 and will be referenced. OMB Cost Principles requirements will apply to both the costs of the administration of the disaster recovery program and the ultimate uses of funds for activities. Decisions about which types and amounts of cost items are necessary and reasonable given the applicable federal laws, terms, and conditions of the federal award, or other governing regulations will be made on a case-by-case basis. The City of Tuscaloosa will conduct an individualized review of each beneficiary and the purpose for which CDBG-DR funds are provided.

Benefits from Federal Emergency Management Agency (FEMA), Small Business Administration (SBA), private insurance, National Floodplain Insurance Program (NFIP), any other federal, state, or local assistance, and other agencies including non-profits, private, or charitable organizations will be assessed and weighed against their unmet needs prior to the applicant's approval for CDBG-DR program funds as well as throughout the duration of the applicant's agreement with the City of Tuscaloosa.

The City of Tuscaloosa has a bank of FEMA information that lists each awardee of assistance, award amount, and type of award from the April 2011 tornado. A direct line with a SBA representative has been established for information concerning applicants' SBA application and assistance. A duplication of benefits analysis will be specific to each applicant and these agencies will be contacted to ensure that there is no duplication of benefits occurring within the various programs. In addition, a duplication of benefit calculation with supporting documentation will be included in each activity file. If a duplication of benefits arises in the duration of the agreement, the City of Tuscaloosa will adhere to the guidelines set forth in OMB Circular A-87 (2 CFR 200) and the Stafford Act (chapter 37 of title 31) for the recapturing of funds.

Framework for Determining CDBG-DR Assistance – The City of Tuscaloosa has developed a framework for determining CDBG-DR assistance and whether a duplication of benefits has/will occur. The framework is outlined below.

- A. Assessment of need prior to assistance – The first step will be to determine the applicant's total post disaster need in the absence of any duplicative benefits or program caps. Identification of need will differ somewhat among housing, infrastructure, and economic development activities. Generally, identification of need for a housing or infrastructure activity will be determined through cost estimates. Dependent on the nature of the housing or infrastructure activity, these cost estimates will be provided by engineers, architects, or other certified professionals. If a

recovery activity does not involve physical building, such as an economic development activity to provide an affected business with working capital, the potential award for need will be determined by the CDBG-DR program and be guided by standard underwriting principles; however, it must still be determined to be cost reasonable.

Specifically, the City will consider the sources to document need to be including, but not limited to:

- i. Cost estimates (engineer/architect/contractor, etc.)
- ii. Insurance claims
- iii. Revenue loss
- iv. Certified Bid tabs
- v. Change Orders
- vi. Appraisals
- vii. Physical Inspections

As the need for an activity may change, the duplication of benefit calculation will be revisited by the City of Tuscaloosa to ensure no duplication of benefit and the need for recapture of funds. Additionally, it should be noted that the CDBG-DR need may differ from an amount identified by another agency.

- B. Identify all available assistance to a person or entity – The second step will be to identify all assistance/benefits available to the person/entity including, but not limited to:
- i. Insurance;
 - ii. FEMA;
 - iii. SBA;
 - iv. NFIP;
 - v. other federal, state, or local assistance;
 - vi. non-profit, private, charitable organizations;
 - vii. SBA loans, private loans, and lines of credit.

The type and amount of assistance may be inquired about either in the application process or as the City processes the application and begins gathering information for the duplication of benefit calculation.

The City of Tuscaloosa shall also identify any reasonably anticipated assistance such as future insurance claims or approved SBA loan proceeds. For example, assume a business was approved to receive a SBA loan for \$50,000, but had only received \$35,000 when it applied for CDBG-DR assistance for the same purpose. The City will identify the full amount of assistance for which the applicant was approved (\$50,000). Funds are not reasonably anticipated when the source and/or amount is indefinite, or the applicant/entity is unaware that he/she may be eligible to receive additional funds at a later date. For this reason and to address any later potential duplication, the

beneficiary will enter into a signed subrogation agreement with the City of Tuscaloosa to repay any assistance later received for the same purpose as the CDBG-DR funds. Methods and checklists for compliance for each type of activity (housing, infrastructure, and economic development) have been established by the City of Tuscaloosa and within each subrogation agreement, monitoring of compliance will be established for a reasonable period of time. Again, the reasonable period of time will be established on a case by case basis due to the type of activity (housing, infrastructure, economic development) and other factors as required. Additionally, it should be noted that if through a subsequent calculation, additional need is established, subsequent funds would not be considered a duplication.

C. Exclusion of non-duplicative assistance – Once the City of Tuscaloosa has determined the potential award and the total assistance received or to be received by the applicant/entity, the City can exclude for duplication of benefit purposes, assistance that was: (1) provided for a different purpose; (2) used for a different, eligible purpose; (3) not available to the applicant; (4) a private loan not guaranteed by SBA; or (5) any other asset or line of credit available to the applicant/entity. * These categories of non-duplicative assistance excluded from final benefit calculation were taken from FR-5582-N-01 *Clarification of Duplication of Benefit Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees*. * Below, each of these categories is explained in greater detail.

1. *Funds provided for a different purpose.* Any funds provided for a different purpose, or a general, non-specific purpose (disaster relief/recovery), may be excluded from the final award calculation if they were not used by the applicant/entity for the same purpose. Again, each activity type (housing, infrastructure, economic development) must be assessed on a case by case basis to determine whether funds were provided for a different purpose than the use of proposed CDBG-DR funds.

Housing - Funds provided to a homeowner typically fall under replacement housing, rehabilitation assistance, or interim housing. Funds provided for replacement housing are general easy to identify – they assist an individual or household to secure a replacement home in the event their disaster-affected home cannot be rehabilitated. This includes, but is not limited to, down payment assistance, acquisition of the damaged property, and interim mortgage assistance. While these types of funds may be delivered through separate programs, they all have a uniform purpose – to equip an individual or homeowner or household with the funds necessary to gain replacement housing.

Rehabilitation includes repair and reconstruction. If a homeowner receives rehabilitation funds from CDBG-DR, all other assistance provided to address that home's rehab must be included. If award amounts are related to a property's value or estimated cost of repair/reconstruction, then the City and HUD will consider them to be for the purpose of rehab or replacement housing.

Funds provided for interim housing, which would be provided if a household is temporarily unable to reside in its permanent resident, are considered to have a

different purpose than rehab or replacement housing. As an example, if FEMA funds were eligible used for interim housing, and CDBG-DR funds were provided for home rehab, there is no duplication of benefit because the funds were provided for different purposes. However, any FEMA funds eligibly used for housing replacement or rehab must be considered for that purpose.

Economic Development - Economic development programs may address many unique purposes. Thus, careful attention to the design of any proposed CDBG-DR funded program must be implemented with clear, identified purposes of the funds.

Infrastructure - Funds for the repair, replacement, rehab, or new construction of public facilities or infrastructure improvements must be addressed to determine whether other sources of funds are available for the same purpose and for the specific activity proposed to be taken out because funds used directly by all CDBG-DR grantees, including the City of Tuscaloosa and other government entities, are also subject to the duplication of benefits prohibitions under the Stafford Act.

2. *Funds for same purpose, different, eligible use.* Funds for a different eligible purpose may also be excluded from the final award calculation. In some instances, funds provided for the same general purpose as the CDBG-DR funds will have been used by the applicant/entity for a different specific eligible purpose. In these circumstances, if the applicant/entity can provide documentation to the City that the funds received were used for a different eligible purpose, then the funds are not duplicative. The City will work with HUD on a case by case basis to determine what documentation is appropriate. In general, acceptable documentation may include, but is not limited to, receipts as well as sworn statements and certifications that can be verified or substantiated.

Whether the funds are used for an eligible purpose is dependent upon the program that provided the funds. For example, assume the City is administering a homeowner rehabilitation program and an applicant to the program previously received housing assistance from FEMA. If the applicant can document that the FEMA funds were used for eligible interim housing costs (such as rent) and not housing replacement or rehab (which may also be an eligible use of the funds), then the applicant's CDBG-DR award should not be reduced by the amount of FEMA assistance used for interim housing. Should a situation arise, where the City of Tuscaloosa is not familiar with other federal programs and allowable uses of funds, the City will contact the HUD Field Office for guidance. Furthermore, the City will clearly define the purpose and intended use of funds under each CDBG-DR funded activity as to make the identification of the eligible uses of funds as easy as possible.

3. *Funds not available to the applicant.* Funds that are not available to an applicant/entity may also be excluded from the final award calculation. A benefit is available if a person or entity: (1) would receive it by acting in a commercially reasonable manner; and (2) has received it, and has legal control over it.

Commercially reasonable efforts refer to efforts that use a standard of reasonableness as defined by what a similar person would do as judged by the standards of the

applicable community. Commercially reasonable efforts will be consistent with good faith business judgements. For example, it may be commercially reasonable for a person to elect to receive a lump sum insurance settlement based on estimated cost of repairs to avoid transaction costs associated with the alternative of receiving reimbursement based on actual replacement cost; any additional benefits that theoretically might have been received under another settlement option do not reduce eligibility for assistance. Funds are not available to the person or entity if the person/entity does not have legal control of the funds when they are received and are used for a non-duplicative purpose. For example, if a homeowner's mortgage requires any insurance proceeds to be applied to reduce the lien balance, then the bank/mortgage holder (not the homeowner) has legal control over those funds. Therefore, the homeowner is legally obligated to use insurance proceeds for that purpose and does not have a choice in using them for any other purpose, such as to rehabilitate the home. Under these circumstances, insurance purposes do not reduce assistance eligibility. Alternatively, if a disaster-affected homeowner chooses to apply insurance proceeds to reduce an existing mortgage, or requests that the lender demand payment, insurance proceeds reduce the amount of disaster assistance eligibility. In addition, if a mortgage requires insurance proceeds to be used for rehab of the property, those proceeds must be considered as assistance for that purpose.

An applicant/entity does not need to possess cash assistance to be considered as being in legal control over receiving benefits for a particular purpose. For example, it is common for homeowners to choose to apply to local or state administered housing repair or reconstruction programs where the program administrator acts directly to complete the repairs for the homeowner. In this case, the person asks/applies for say \$10,000 worth of repairs and the benefit they receive is \$10,000 in repair work to the home. The person does not need to have personally possessed the \$10,000 in order to be in legal control over receiving that benefit for that specific purpose.

4. *Private loans.* Private loans may be excluded from the final award calculation. Unlike SBA loans (or any other subsidized loan or federal loan guarantee program that provides assistance after a major disaster or emergency), private loans not guaranteed by SBA need not be considered duplicative assistance. Congress provided for SBA loans (both direct and guaranteed) as part of the overall statutory scheme for disaster recovery. As such, SBA loans are made pursuant to a government program. Since private loans are not provided under a government program, they will not be considered as potentially duplicative assistance. However, when making final award determinations, necessary and reasonable cost principles such as OMB Circular A-87 (2 CFR part 225) apply. While private loans need not be considered for duplication of benefit purposes, the City of Tuscaloosa will have the right, considering loans for other purposes, to ensure underwriting. Private loans are non-federal loans and applies whether the borrower is a business or an individual.
5. *Other assets or lines of credit.* Other assets or lines of credit available to an applicant/entity need not be included in the final award calculation. This includes, but is

not limited to: checking or savings accounts, stocks, bonds, mutual funds, pension or retirement benefits, credit cards, mortgages or lines of credit, and life insurance. The City will consider that these items may be held in the name of an individual or in the name of a business.

- D. Calculation of the CDBG-DR Award – Generally the calculation for CDBG-DR award will: (1) Identify total post-disaster need prior to any assistance; (2) Identify potentially duplicative assistance; (3) Subtract all assistance found to be duplicative, resulting in the maximum potential award amount, or unmet need considering program caps are necessary. The basic framework for calculating disaster recovery awards example is shown below. This basic framework will be used for calculating disaster recovery awards for housing, infrastructure, and economic development activities and will be adjusted as necessary. A similar method may be used for most programs, so long as Item 1 (Total Need Prior to Assistance) is reflective of the program.

City of Tuscaloosa staff, including but not limited to, IPS Administration staff including Director, Deputy Director, Community Development Program Manager, accountants, Accounting and Finance Department Chief Financial Officer, and Office of the Mayor Internal Auditor, will prepare the Duplication of Benefit calculation worksheets as shown below and in a complete sample form with supporting documentation as found later in this Policies and Procedures Manual on page 630.

Each duplication of benefit calculation shall be prepared by one staff member and reviewed by one staff member with signatures attesting to the information stated. Additionally, the Duplication of Benefit Verification of Sources, which attests to the different funding sources available for the activity, is prepared by one staff member and concurred with by either the Accounting and Finance Chief Financial Officer or the Office of the Mayor Internal Auditor, with supporting documentation. In the absence of the concurrence of the Accounting and Finance Chief Financial Officer of the Office of the Mayor Internal Auditor, the IPS Administration Capital Projects accountant shall review and provide concurrence on the duplication of benefit calculations.

1. Total Need Prior to Any Assistance	\$8,711,369
2. All Potentially Duplicative Assistance	
a. Insurance	\$0
b. Federal Emergency Management Agency (FEMA)	\$0
c. Small Business Administration (SBA)	\$0
d. National Flood Insurance Program (NFIP)	\$0
e. Other Federal	\$0
f. Other State	\$0
g. Other Local	\$124,600 * see below for sources and attached for documentation
h. Non-profit, private sector, charitable	\$15,000 *see below for sources and attached for documentation
TOTAL	\$139,600
3. Deduct Assistance Determined to be Duplicative	
a. Other Local	\$124,600
b. Non-profit, private sector, charitable	\$15,000
c.	\$0
TOTAL	\$139,600
4. Initial Award (Item 1 less Item 3)	\$8,571,769
5. Program Cap (if applicable)	N/A
6. Final Award (lesser of Items 4 and 5)	\$8,571,769

- E. Unmet Need – Disaster recovery needs are calculated at a point in time; a subsequent change in circumstances may affect need. If, after needs are initially calculated and/or a CDBG-DR award has been made, an applicant/entity for CDBG-DR assistance can demonstrate a change in circumstances, such as vandalism, contractor fraud, an increase in the cost of material and/or labor, subsequent damage to a home or business that was partially repaired, or a change in local zoning law or building code, the City may subsequently reevaluate the calculation of the award by taking into account the increased need. However, any reevaluation must be done before the initial need for which the assistance was granted has been fully met (i.e. before the damaged house is fully repaired). In effect, once the house is fully repaired, the need resulting from the disaster impact will have been fully met; but the actual costs to the point of completion are eligible.

Oftentimes, unmet need does not become apparent until after CDBG-DR assistance has been provided. For example, a subsequent storm or disaster may affect the unrepaired house or business of an individual/entity that was previously assisted with CDBG-DR funds for a prior disaster. Therefore, to the extent that an original disaster recovery need (i.e. rehab of a house or business) was not fully met, but was exacerbated by other factors beyond the government's and individual/business's control (i.e. lack of contractor availability or vandalism), additional CDBG-DR assistance can be provided to meet the outstanding need. Discretion will be practiced to

determine, identify, and verify additional or unmet need. Examples of these practices include but are not limited to physical inspections and professional appraisals. If a subsequent appraisal demonstrates that the CDBG-DR award is in excess of the formerly identified need, the City will evaluate whether a duplication of benefits has occurred or whether the applicant's award should be reduced based upon program eligibility criteria.

Below is an example of a calculation that would be made if a CDBG-DR award had already been made, however, additional unmet needs were identified subsequent to the award. This example considers the scenario for additional unmet need for homeowner rehabilitation. The same general framework would be used in the case of an economic development or infrastructure activity with adjustments as necessary.

1. Total Need Prior to Any Assistance (rehab cost estimate)	\$60,000
2. All Potentially Duplicative Assistance	
a. FEMA Housing Grant (assumes interim housing is eligible use)	
Interim Housing (rent)	\$5,000
Permanent Housing (repair/rehab)	\$15,000
b. SBA Loan	\$20,000
c. Insurance (structure, not contents)	\$15,000
TOTAL	\$55,000
3. Deduct Assistance Determined to be Duplicative	
a. FEMA Housing Grant (assumes interim housing is eligible use)	
Permanent Housing (repair/rehab)	\$15,000
b. SBA Loan	\$20,000
c. Insurance (structure, not contents)	\$15,000
TOTAL	\$50,000
4. Initial Award (Item 1 less Item 3)	\$10,000
5. Program Cap (if applicable)	\$50,000
6. Initial Final Award (lesser of Items 4 and 5)	\$10,000
7. Demonstrated Additional Unmet Need (one year later)	
a. Actual cost ultimately greater than initially estimated cost	\$5,000
8. Amount Eligible for Additional Award	\$5,000
9. Program Cap (if applicable)	\$50,000
10. Additional Award (Item 8 if lesser of Items 6+8 and Item 9)	\$5,000

Documentation must be provided to substantiate the amounts determined, in particular for Item 5 and Item 7. Activity files will explain why the original CDBG-DR award was insufficient, and/or why additional funds are necessary to complete the activity. On a case-by-case basis, the City will determine what

documentation is sufficient to demonstrate the cause for additional unmet need. Ultimately, required documentation depends on each particular fact pattern.

****An example DOB calculation on a 2013 CDBG-DR calculation is provided as part of this Policies and Procedures Handbook on page 630.****

Use of CDBG-DR Funds

The City of Tuscaloosa shall ensure that CDBG-DR funds will be used for eligible purposes of the program or activity for which they have been provided. That is CDBG-DR funds provided for the sole purpose of repairing homes should be used strictly for the repair of that home; they should not be used for any other purpose. Similarly, funds provided to a business for equipment replacement, or structural repair, should be used only for those purposes. While some business assistance programs may provide for-profit entities with working capital, if the City of Tuscaloosa enacts a business assistance activity to include provisions for working capital, the purposes of the funded activity will be clearly identified from the outset of the program so as not to duplicate other program or working capital assistance.

CDBG-DR funds will not be used to pay down a SBA home or business loan. In cases where initial SBA loan amounts approved based on estimated costs are later determined to be inadequate relative to the actual costs to complete home repairs or reconstruction, the City will work with SBA to consider re-evaluating an applicant's maximum eligibility to explore if additional assistance may be provided. This will also apply to recipients of SBA business loans. If need remains after all SBA eligibility has been exhausted, supplemental CDBG-DR funds may be used to address that need. SBA loans are among the federal government's primary and standard forms of disaster assistance. As CDBG-DR funds are provided by Congress through supplemental appropriations only in extraordinary circumstances, these funds are intended to supplement rather than supplant SBA assistance. The City of Tuscaloosa has the discretion on rare occasion and in extraordinary circumstances to contend that the payment of SBA loans with CDBG-DR funds for a beneficiary is justified in keeping with all associate laws and regulations. In such an instance, the City will contact the HUD Field Office for guidance.

Monitoring of Activities with Higher Chance of Duplication of Benefit

All activities funded with CDBG-DR funds will be monitored in alignment with the standards mentioned previously in the *Monitoring Standards and Procedure* portion of this document on page lxxii. However, particular attention will be given to situations where future assistance is almost certain but the amount of assistance is uncertain. In these situations, there is a higher risk of duplication of benefit and; therefore, monitoring of these activities will occur more frequently. In these cases, the subrecipient will receive thorough technical assistance from the City of Tuscaloosa in regard to duplication of benefit, including the need to contact the City in advance of any potential additional assistance. These circumstances may also trigger the monitoring of second tier recipients dependent on the type of activity, type of possible future assistance, and other factors.

Recovery Mechanism for City of Tuscaloosa

For CDBG-DR funded activities in which the City of Tuscaloosa is the responsible entity and no subrogation agreement exists, the City will employ a recovery mechanism should funds for an activity become available that can supplant CDBG-DR funds. First, as with any potential duplication of benefit, the City will reassess need using the same procedure prior to funding of the activity and as described herein this Policies and Procedures document. If additional need is not demonstrated, CDBG-DR funds will be recaptured to the extent they are in excess of the need.

In the case that funds for an activity become available that can supplant CDBG-DR funds and the CDBG-DR funds have not yet been spent, the City will pursue an Action Plan amendment to reallocate the CDBG-DR funds to another eligible activity. In the case that funds for an activity become available that can supplant CDBG-DR funds and the CDBG-DR funds have already been spent, in whole or in part, the spent funds will be recaptured. Per City of Tuscaloosa code, Section 2.25 (f), the City shall maintain within the general fund for reserve for future improvements fund (GFRFFI) of the City an undesignated fund balance which, as of September 30 of each fiscal year, must be a minimum of ten percent of the final prior year general fund operating budget. Per City of Tuscaloosa code, section 2.25 (h), the City shall maintain within the water and sewer reserve fund for future improvement fund (WSRFFI) of the City an undesignated fund balance consisting of any funds in excess of the minimum required for the water and sewer reserve fund undesignated balance requirement. Which, as of September 30 of each fiscal year, must be a minimum of thirty percent of the audited final prior year water and sewer operating expenses. The City of Tuscaloosa can speak to its capacity to utilize these funds if needed by displaying the history of the GFRFFI undesignated reserves for years past.

FY 2014	\$11,031,998
FY 2015	\$18,146,753
FY 2016	\$27,718,919

Regarding the recapture of CDBG-DR activity funds, the City will employ the GFRFFI or WSRFFI undesignated reserves funds (dependent of type of activity) for payment back to the CDBG-DR account. The CDBG-DR account will then pay back the required payment to the U.S. Treasury. Approval of these transactions would follow the normal City Council approval process (i.e. presentation and approval through Council Committee, Council approval through resolution, Accounting and Finance processing of payment, etc.).

Recapture of Funds

If a potential duplication is discovered after CDBG-DR assistance has been provided, the City of Tuscaloosa will reassess need at that time. If after need is reassessed, an additional need is not demonstrated, the CDBG-DR funds will be recaptured to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose and eligible use. However, it may depend on what funds were provided last. A recapture of funds may also occur if a recipient

defaults on the terms set forth in the funding agreement. All recaptured funds are CDBG-DR funds and will be treated as such under the appropriate and applicable policies and regulations.

As stated in the Stafford Act, a federal agency that provides duplicative funds must collect those funds. FEMA regulations (44 CFR 206.191) set forth a hierarchy of delivery that determines the order in which beneficiaries should receive federal assistance. This hierarchy is based on which agency has the primary responsibility for providing assistance following a disaster, not which agency actually delivers the assistance first. As an example, in most situations, FEMA and SBA assistance is provided to individuals before supplemental CDBG-DR assistance is available to be delivered. However, there may be cases in which, prior to receiving FEMA or SBA assistance, an applicant receives CDBG-DR assistance for a purpose for which they are FEMA and/or SBA eligible. In this latter case, subject to the agreement that the City of Tuscaloosa has in place with the applicant, the applicant will reimburse the City in an amount equal to all duplicative FEMA and/or SBA funds subsequently received for purposes for which CDBG-DR funds were initially used.

The regulations at 44 CFR 206.191(d) go on to say that, a duplication of benefits occurs when an agency provides assistance which was the primary responsibility of another agency, and the agency with primary responsibility later provides assistance. When the delivery sequence has been disrupted, the disrupting agency is responsible for rectifying the duplication. Since CDBG-DR funds provide long-term recovery assistance via supplemental congressional appropriations, and falls lower in the hierarchy of delivery than FEMA or SBA assistance, it is intended to supplement rather than supplant these sources of assistance. If CDBG-DR funds or non-federal funds were provided last and unknowingly create a duplication, the method of recapturing the CDBG-DR funds and the timeframe will be set forth by the City of Tuscaloosa. The City's recapture method and timeframe will be consistent with OMB Circular A-87 (2 CFR Part 225) or other applicable cost principles, any guidance issued by HUD, and the Stafford Act.

Recapture Priorities

1. The City has authority, and shall consider recapturing the full amount of ineligible assistance, regardless of City staff or recipient responsibility in errors.
2. If recipients cannot repay ineligible grant funds, the City may be able to waive repayment under terms of the signed Promissory Note, Grant Agreement, or similar document.
3. Recapture priority levels are based on ineligible amounts of funds received. In all cases, the City will assess the recovery amount, recipients' ability to repay, cost effectiveness, and other mitigating circumstances, in order to make a determination. Each priority level has a progressively higher threshold for waiver consideration. Recipient case files shall include documentation noting consideration factors and final results.

Grant Recovery Amount	Priority Level
>\$5,000	High Priority
\$1,000 - \$5,000	Medium Priority
<\$1,000	Low Priority

Determining Costs Effectiveness of Recapture

It is estimated to take at least four hours of management and 4 hours of administrative time to complete a recapture; including letters, follow-up, phone calls, determining applicant's financial condition and ability to repay, development and implementing a repayment agreement, potential collection agency involvement, potential legal actions, check receipt and processing, etc. If legal action becomes necessary, more than four hours of management level work shall be performed. Using a conservative billing rate of \$40-\$140 per hour for upper level management and consultant rates, it would be ineffective to recapture less than \$1,000.

Subrogation Agreements

A subrogation agreement, clause, or similar agreement must be signed by every beneficiary prior to the receipt of assistance. Below is the excerpt of the subrogation clause that is included in all agreements funded with CDBG-DR funds.

Recovery Mechanism for City of Tuscaloosa

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In the case that funds for an activity become available that can supplant CDBG-DR funds and the CDBG-DR funds have not yet been spent, the City will pursue an Action Plan amendment to reallocate the CDBG-DR funds to another eligible activity. In the case that funds for an activity become available that can supplant CDBG-DR funds and the CDBG-DR funds have already been spent, in whole or in part, the spent funds will be recaptured. Per City of Tuscaloosa code, Section 2.25 (f), the City shall maintain within the general fund for reserve for future improvements fund (GFRFFI) of the City an undesignated fund balance which, as of September 30 of each fiscal year, must be a minimum of ten percent of the final prior year general fund operating budget. Per City of Tuscaloosa code, section 2.25 (h), the City shall maintain within the water and sewer reserve fund for future improvement fund (WSRFFI) of the City an undesignated fund balance consisting of any funds in excess of the minimum required for the water and sewer reserve fund undesignated balance requirement. Which, as of September 30 of each fiscal year, must be a minimum of thirty percent of the audited final prior year water and sewer operating expenses. The City of Tuscaloosa can speak to its capacity to utilize these funds if needed by displaying the history of the GFRFFI undesignated reserves for years past.

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Regarding the recapture of CDBG-DR activity funds, the City will employ the GFRFFI or WSRFFI undesignated reserves funds (dependent of type of activity) for payment back to the CDBG-DR account. The CDBG-DR account will then pay back the required payment to the U.S. Treasury. Approval of these transactions would follow the normal City Council approval process (i.e. presentation and approval through Council Committee, Council approval through resolution, Accounting and Finance processing of payment, etc.).

For subrecipient housing agreements:

COMPLIANCE WITH THE STAFFORD ACT AND 24 CFR 570

The Agency shall assist the City in complying with the Stafford Act, as amended, (42 U.S. 5121 through 5207) and the applicable sections of 24 CFR Part 570 to prevent fraud, abuse, and duplication of benefits and shall assist in recapturing duplication, if such is determined.

For individual homeowner assistance agreements:

That as a purchaser of this property, funds being utilized from the City are not being used in excess of funds received from SBA, FEMA, insurance, or any other assisting agency for the purchase of the property; and if during the monitoring process said funds are found to have been provided then I will be in default and will issue immediate repayment to the City.

For economic development agreements (Commercial Revolving Loan, Small Business Revitalization Loan, Edward K. Aldag Jr. Business Competition, and Innovate Tuscaloosa):

Failure to notify the City of any additional disaster assistance received subsequent to the funds as loaned in this agreement, including but not limited to, SBA, FEMA or HUD where such additional funds are in excess of the need for repairs or improvements and to return the excess of any such funds to the City as set forth in paragraph 7.

Paragraph 7: Borrower agrees that if Borrower or Borrowers business should receive any additional disaster assistance (including but not limited to SBA, FEMA, insurance, etc.) that is subsequent to the award of the City of Tuscaloosa's loan funds which are in excess of the amount needed for business repairs and improvements (directly related to the disaster), Borrower agrees to and shall immediately return any such excess funds to the City of Tuscaloosa.

Additionally, for the Commercial Revolving Loan, Small Business Revitalization Loan Program, Edward K. Aldag Jr. Business Plan Competition, and Innovate Tuscaloosa, the events of default and recapture are outlined in the recipient agreements as below:

Events of Default: The City in its discretion may require the entire balance of the outstanding principle of the Loan shall become immediately due and payable upon:

- i. Failure to make any installment payment as stipulated above of principal.
- ii. Falsifying information, improper use of funds

- iii. Bankruptcy, reorganization, syndication, dissolution, or liquidation of the Borrower, or upon the sale, partial sale, refinancing, exchange, transfer, sale under foreclosure, or other disposition of Project Elements without notice and express written permission of the City or any part thereof.
- iv. Any failure to perform any of the covenants or conditions contained in this Loan and Inducement Agreement or other Municipal, State or Federal regulations.
- v. Borrowers Non-compliance at any time or point during the monitoring period of any Housing and Urban Development (HUD) requirements including any low/moderate job eligible activity requirement.
- vi. Failure to surrender titles or other means of security to secure the collateral.
- vii. Sale, encumbrance or disposal of any secured collateral without the City's knowledge or consent.
- viii. Failure to notify the City of any additional disaster assistance received subsequent to the funds as loaned in this agreement, including but limited to, SBA, FEMA, HUD where such additional funds are in excess of the need for repairs or improvements and to return the excess of any such funds to the City as set forth in paragraph 7.
- ix. Failure to insure and maintain insurance on any property, real or otherwise, equipment or vehicles as required herein and/or allowing said policies of insurance to lapse and/or failure to provide policies and renewal policies to the City.

For infrastructure agreements:

The Agency shall assist the City in complying with the Stafford Act, as amended, (42 U.S. 5121 through 5207) and the applicable sections of 24 CFR Part 570 to prevent fraud, abuse, and duplication of benefits and shall assist in recapturing duplication, if such is determined.

The City of Tuscaloosa has made every effort to ensure that all grants have been awarded and disbursed according to grant Action Plans and HUD regulations. Certain situations arise, however, where incorrect third party data, errors by contactors or the applicant and in some cases, fraud have resulted or may result in an overpayment to a grant recipient. Default of a recipient on terms outlined in the agreement between the recipient and the City must also be considered. Beneficiaries of CDBG-DR program funds will be informed of the recapturing of funds through a subrogation clause in each agreement executed with the City.

Recapturing of funds shall take place when:

- (a) an ineligible applicant has received a grant
- (b) an eligible applicant received a grant amount in excess of need;
- (c) an applicant defaulted on the terms of the agreement.

Once a duplication has been discovered and a determination is made that the root cause of the duplication requires collection the City of Tuscaloosa will initiate the following process. Recapturing of funds will differ somewhat among the type of activity (housing, infrastructure, economic development) but the following general steps will be taken:

1. Determine if the applicant is eligible to receive additional grant funds based on additional need determined by an additional need calculation, and if so, apply the additional funds to the amount overpaid.
2. If a duplication of benefit is determined to exist after Step One is completed, per the executed funding agreement, the City will require all duplicated funds to be returned to the City from non-federal funds. Notify the applicant with a certified letter, giving them thirty (30) days to respond to inform them that their case is under review and if necessary, they will have to repay some or all of the grant funds that they have received. The applicant may also be contacted via email and phone.
3. Present the analysis of the incident along with a recommendation including the amount of the overpayment and results of the root cause to the Director of the IPS Administration Division and the Office of the City Attorney who will direct the Community Development Program Manager to take one of the following actions:
 - i. If, the duplication of benefit calculation yields that there is additional need, the additional need will be taken into consideration and applied to the possible overpayment.
 - ii. If this is not the case or an overpayment still exists after the scenario in i., the City of Tuscaloosa will attempt to collect the amount of the duplication as follows:
 - a) A certified letter will be sent to the applicant, giving them thirty (30) days to respond, and requesting repayment of the grant, in full or by using a repayment plan. Terms of the repayment, whether in full or through a payment plan will be at the discretion of the City. If the City decides a payment plan is the best route, the City will work with the recipient to set up a reasonable and feasible payment plan.
4. If this is unsuccessful or the recipient has not responded within the period of time designated in the certified letter sent in a), and/or has vacated the property and all attempts to locate the recipient have been exhausted, the City of Tuscaloosa will attempt to recover the duplication as follows:
 - i. With the approval of the Director of the IPS Administration Division and the Office of the City Attorney, the City of Tuscaloosa will, at its sole discretion, employ any collection efforts allowed under local, state, and/or federal law as necessary, and including that the City of Tuscaloosa may choose to ensue a lawsuit. The City of Tuscaloosa may also choose to refer the case to the Office of the Attorney General.
 - ii. If the lawsuit is unsuccessful or if pursuit of a lawsuit is not approved as noted above, the City of Tuscaloosa will make a determination on whether to proceed with collection efforts or charge off the duplication to program expense according to the policy below under the heading Charge-Off Policy.
5. Failure to comply with repayment of duplicated benefits will result in suspension of the recipient from payments related to state and federal grants granted by the City of Tuscaloosa.
6. After suspension, if lack of repayment continues, debarment of the recipient from state and federal grants granted through the City of Tuscaloosa will be pursued.

7. As a final resort, the City will turn the issue over to the Attorney General's Office for prosecution.
8. Weekly updates will be provided to the Director of the IPS Administration Division and the Office of the City Attorney regarding the status of the resolution efforts on each case.

The following steps for recapturing of funds for the City of Tuscaloosa's economic development Commercial Revolving Loan, Small Business Revitalization Loan Program, Edward K. Aldag Jr. Business Plan Competition, and Innovate Tuscaloosa will be administered. Recapturing of funds under these programs will take place if: (a) a duplication of benefit occurs; or (b) the recipient defaults on the terms of the agreement.

STEPS FOR NON-COMPLIANCE	
The Process	
STEP 1:	Pursue the typical monitoring visit.
STEP 2:	If non-compliant, give a month to satisfy our follow-up requests. The awardee will be contacted via email, mail, and telephone of the requests that are made.
STEP 3:	If follow-up requests are not satisfied, give two weeks to meet requirements.
STEP 4:	Send a non-compliant status letter that gives the awardee 30 days within the mailing of the notice to satisfy requirements and meet with the IPS Administration Division and the Office of City Attorney.
STEP 5:	Contact the awardee and set up an in-house appointment to discuss their non-compliant status and the requirements that are to be met.
STEP 6:	If requirements are not met again, inform Office of City Attorney of the situation and send the awardee a default letter by email and certified mail.
STEP 7:	The awardee then has a week to provide the immediate (re)payment or forfeiting, surrendering, and signing over their collateral (if applicable).
STEP 8:	If (re)payment is ensued, the City has the right to work with the recipient to set-up a reasonable and feasible payment plan.
STEP 9:	If payment is not submitted, turn file over to the City attorney for legal matters and assist with the process. Notify HUD Field Office of situation.

Members of the City of Tuscaloosa IPS Administration Division department, largely the Community Development Program Manager responsible for compliance, will be responsible for ensuring no duplication of benefits.

*Sample letters to subrecipients if recapture is necessary are included in this Policies and Procedures Manual beginning on page 656. Additionally, sample letters for loan recipients that have been found in default are included in this Policies and Procedures Manual beginning on page 658. *

Charge-Off Policy

1. To be considered as a program charge off, the following conditions must be met:
 - a. The loss was not the result on intentional disregard for laws or regulations by the City of Tuscaloosa;
 - b. Efforts to recoup funds have been made without complete success;
 - c. The success of additional efforts to recoup or recover funds have been determined not to be cost effective because one or more of the following factors:
 - i. The amount of the funds to be recovered is less than \$10,000;
 - ii. Recipient of the funds has little or no means to repay the City of Tuscaloosa and has no assets that can be garnished;
 - iii. Collection, recovery, and legal expenses would exceed the value of the funds to be recovered;
 - iv. The recipient of the funds cannot be located despite reasonable and documented efforts;
 - v. The root cause of the loss has been identified and steps have been taken to prevent future occurrences.
2. In the case of fraud or suspected fraud, the case will have been turned over to the State of Alabama Auditors for further action.
3. Documentation required for City of Tuscaloosa charge off of a grant duplication of benefit or default of recipient on agreement terms:
 - a. A charge off justification memorandum created by the IPS Administration Division team and the Office of the City Attorney addressing one or more of the five conditions described above;
 - b. Copies of all documentation related to collection efforts;
 - c. Any supporting documentation showing that ongoing collection efforts are unlikely to be cost effective;
 - d. In the case of fraud, evidence of the referral of the case to the State Auditor's office;
 - e. Any other documentation deemed appropriate by the IPS Administration Division and the Office of City Attorney.
4. Process for charge off of a grant duplication of benefit or default of recipient on agreement terms:
 - a. The justification memorandum and other supporting documentation outlined above are submitted to the Director of the IPS Administration Division, Office of City Attorney, and the City Council of Tuscaloosa.
 - i. If approved by all three, the charge off will be processed.
 - ii. If not approved, the IPS Administration Division will be instructed on what further actions should be taken.
 - b. Any charge off involving fraud or illegal activities or for an amount greater than \$10,000 must also be approved by the IPS Administration Division Director, Office of the City Attorney, and the City Council of Tuscaloosa.

- c. After approval, documentation will be retained by the IPS Administration Division and the Office of the City Attorney, which will update their records and reports accordingly.
- d. The City of Tuscaloosa Accounting and Finance Department will provide a regular update on charge offs to the IPS Administration Division, the Office of the City Attorney, the Mayor, City Council, and other parties as directed.

Treatment of SBA Declined Loans

Should a household or business apply for or be considered for funding through City of Tuscaloosa CDBG-DR funds that has been declined a SBA loan, the City of Tuscaloosa shall follow the HUD guidance issued on July 25, 2013, *HUD Guidance on Duplication of Benefit Requirements and Provision of CDBG Disaster Recovery (DR) Assistance* and the Federal Register Notice (FR-5582-N-01), issued on November 16, 2011, *Clarification of Duplication of Benefit Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees*. Specifically, if a household or business has declined a SBA loan the City may assist the household or business, but must analyze the circumstances under which the assistance was declined and demonstrate why providing CDBG-DR funds is necessary and reasonable. If such circumstance shall arise, the City is allowed to provide funding to the household or business in a variety of ways including, but not limited to, grant and loans. If the applicant has not formerly declined the SBA assistance and /or does not have documentation to support the decline of SBA assistance, the City of Tuscaloosa will have to incorporate the SBA assistance toward the duplication of benefit calculation.

For all individual assistance programs, households and businesses, the City of Tuscaloosa has a direct line of communication (by way of MOU- Memorandum of Understanding) with SBA to determine whether an applicant applied for, received, or declined SBA funds. The City of Tuscaloosa may collect this information through the application process or as the City assesses the applicant's information to prevent a duplication of benefit. All applications for assistance include a section that asks whether disaster recovery assistance has been received. The following questions will be asked by the City of Tuscaloosa to determine whether an applicant applied for, received, and/or declined SBA funds.

Have you received disaster recovery assistance from SBA?	Yes_____	No_____
If yes, what is the amount of the loan?	\$_____	
If no, did you apply for a SBA loan?	Yes_____	No_____
Did you decline a SBA loan?	Yes_____	No_____
What was the amount of the loan?	\$_____	
Why was the loan not accepted?	_____	

The City also employs this method for FEMA assistance, insurance, and other forms of assistance. If a loan was declined, the City will then contact the applicant, and if needed SBA, for additional explanation and back-up documentation to support the reason for decline.

If an applicant has declined SBA assistance, the City of Tuscaloosa must determine whether the circumstances that applicant denied assistance is viable and whether necessary costs still exist for CDBG-DR assistance. Specifically, the City will identify the circumstances under which the applicant declined the SBA assistance; establish why CDBG-DR assistance is appropriate for the applicant; and determine through underwriting the amount of CDBG-DR assistance that is necessary and reasonable to assist the applicant.

An applicant must explain the circumstances why he/she/entity denied the SBA loan as a form of assistance. The City realizes that the circumstances for each applicant will vary on a case-by-case situation. The circumstances may include, but are not limited to the following scenarios:

- i. Applicant has a high debt-income ratio
- ii. Applicant is unable to repay the interest on the SBA loan
- iii. Applicant is unemployed due to their place of work being destroyed as a result of the disaster and is; therefore, unable to make the SBA payments
- iv. Applicant may be a small business owner and due to the disaster, income has not fallen off because business activity is not as previously productive
- v. Applicant has high cost emergency medical needs as a result of the disaster or previous medical needs that were magnified by the disaster.

The City will also request documentation to support the applicant's need and request for CDBG-DR funds. This documentation may come in the form of but is not limited to documentation of damage through photos, cost estimates, proof of revenue loss, verification of unemployment, and proof of other exacerbating costs that are deterring the applicant from addressing their needs.

Depending on the reason for the decline of the SBA loan, the need demonstrated for CDBG-DR funds, and the use of requested CDBG-DR funds, the City would determine whether or not to fund the applicant. The funds requested by the applicant must also be deemed necessary and reasonable as defined at 2 CFR part 255. Per the definition at 2 CFR Part 255, a cost is defined as reasonable if "*...in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.*". Specifically, the City will consider the following when determining which types and amount of costs items are necessary and reasonable, including, but not limited to:

- a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of a disaster recovery program;
- b. The restraints or requirements imposed by such factors as sound business practices; arm's length bargaining; federal, state and other laws and regulation; and terms and conditions of the CDBG-DR program;
- c. Whether the cost and its intended use is an eligible CDBG-DR activity;
- d. Market prices for comparable goods or services;
- e. Whether the City would be acting with prudence by making an offer for CDBG-DR assistance in the circumstances considered their responsibilities to the City, its employees, its citizens, general public, and the federal government;

- f. Significant deviations from the established practices of the governmental unit, which may unjustifiably increase the cost to the CDBG-DR program.

In the event that an applicant has previously declined a SBA loan, the aforementioned procedure will be followed and sufficient documentation to attest to the decline and decision to provide CDBG-DR funding (if applicable) will be present in the activity file. A determination form will be completed for each applicant that has previously declined a SBA loan and will be documented in each file with the supporting documentation for the decision that was made based on the circumstances for denial, the need for CDBG-DR assistance, and whether the cost was both necessary and reasonable. An example of the determination form is below.

The City of Tuscaloosa has determined that the following reasons establish that the CDBG-DR award to the applicant is necessary and reasonable given that the applicant declined a SBA loan offer: [insert applicant's circumstances for denial of the SBA loan here].

Based on my review of [insert applicant name]'s file, I have determined that the award is necessary and reasonable as defined above. Yes _____ No _____

If no, provide an explanation: _____

Name: _____

Title: _____

Signature: _____

Date: _____

*Attach supporting documentation to this determination form.

Furthermore, it should be noted that the City of Tuscaloosa does not require applicants to apply for SBA assistance as prerequisite to receiving CDBG-DR assistance.

Use of CDBG as Match

Per the applicable federal registers and specifically, FR- 5628-N-01 (dated April 16, 2012 for 2012 CDBG-DR Allocation) and FR-5696-N-01 (dated March 5, 2013 for 2013 CDBG-DR Allocation), CDBG-DR funds may be used as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by the Federal Emergency Management Agency (FEMA) or the U.S. Army Corps of Engineers (USACE). USACE funds used for the non-federal match are restricted to \$250,000 or less. However, in the case that an activity funds made be available by or are cost reimbursable through FEMA or USACE, the activity is not eligible to be funded in whole or in part for funding with CDBG-DR funds.

Quality Assurance

Quality assurance will be accomplished through effective team communication and review with City staff, partners, and subject matter experts as well as a strong focus on monitoring of implemented activities.

Necessary efforts will be employed to increase the capacity of staff, applicants, subrecipients, contractors, and any other entities responsible for implementing resiliency activities to ensure that the activities and projects will have high quality results that meet resiliency goals and are consistent with all legal requirements. City staff managing, monitoring, and administering CDBG-DR funds shall attend conferences and meetings on relevant areas such as HUD Problem Solving Clinics, DRGR training, and general topic training on CDBG-DR programs, including webinars. At the onset of all disaster recovery related funds, for all projects, weekly comprehensive meetings, led by The IPS Administration Division, are held and attended by all multi-disciplinary partners to ensure that the design, implementation and progress of activities are being achieved; this same method will be employed to ensure that resiliency initiatives and goals are met in accordance with the quality standards adopted by the City of Tuscaloosa. Increased quality assurance is obtained by establishing benchmarks for performance, such as procurement standards and timeliness, in all contracts. Any entity administering an activity funded with CDBG-DR funds will be monitored not less than once during the contract period. At a minimum, the City will monitor to ensure that all benchmarks established to achieve resiliency through the activity are accomplished, as well as the applicable federal requirements such as national objective, nondiscrimination, fair housing, environmental regulations, procurement regulation at Part 85 (2 CFR Part 200) and labor standards are met by each subrecipient. The City of Tuscaloosa determines the areas to be monitored, the number of monitoring visits and their frequency based on a number of factors including, but not limited to, previous performance, the scope and complexity of the project, and previous audit findings. To ensure all aspects of the project are being properly executed, the City employs a variety of methods to monitor each project including desk reviews and on-site visits. The monitoring will address program compliance with contract provisions, including national objectives, financial management, and the requirements of 24 CFR Part 58.

Conflict of Interest Provisions

In regard to CDBG-DR funds, and other federal funding as applicable, the City of Tuscaloosa will adhere to the following conflict of interest provisions stated at OMB 2 CFR 200.112 and 24 CFR 570.611.

OMB 2 CFR 200.112

The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

24 CFR 570.611

(a) Applicability.

- (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 2 CFR 200.317 and 200.318 shall apply.
- (2) In all cases not governed by 2 CFR 200.317 and 200.318, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its sub recipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation,

preservation, and other improvements of private properties or facilities pursuant to Section 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to Section 570.203, 570.204, 570.455, or 570.703(i)).

- (b) *Conflicts prohibited.* The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG (Urban Development Action Grant) program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.
- (c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.
- (d) *Exceptions.* Upon the written request of the recipient, HUD may grant an exception to the provision of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.
 - (1) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation:
 - (i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
 - (ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.
 - (2) Factor to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:
 - (i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
 - (ii) Whether an opportunity was provided for open competitive bidding or negotiation;
 - (iii) Whether the person affected is a member of a group or class of low-or-moderate persons intended to be the beneficiaries of the assisted activity, and the

- exception will permit such persons to receive generally the same interest or benefits as are being made available or provided to the group or class;
- (iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
 - (v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;
 - (vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
 - (vii) Any other relevant considerations.

[60 FR 56919, Nov. 19, 1995, as amended at 80 FR 75938, Dec. 7, 2015]

Investigation

The City of Tuscaloosa reserves the right to launch an investigation through a third party if the administrative head of the Disaster Recovery Division of the Office of the Mayor has reasonable cause to believe that money received through the CDBG Disaster Recovery Grant has been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the contract awardee.

Independent Internal Audit

The City of Tuscaloosa employs a Certified Public Accountant as part of the Internal Audit Division (an operating division of the Mayor's Office independent of Infrastructure and Public Services). The following information details the services that the division will be providing to IPS Administration as part of the comprehensive program of monitoring and evaluating the processes of disaster recovery activities. All internal audit services are designed to promote and contribute to continuous improvement of all City operations.

Internal Audit will not assume ownership or overall operation of the supporting processes and policies. Internal Audit will provide guidance and education along with evaluation of the overall effectiveness of the processes and policies.

Internal Audit of 2013 CDBG-DR Grant Awards

At a minimum, annually, the City of Tuscaloosa's Internal Audit Division (an operating division of the Mayor's Office independent of Infrastructure and Public Services) will conduct a risk based audit over all grants issued under Federal Register Notice Volume 78, No. 43 at 14329 and any other disaster recovery related grant funds as necessary, with the purpose of providing objective assurance and advice on continuous improvement governing program and financial compliance with laws, regulations and the provisions of contracts or grant agreements. The Internal Audit Division will use guidance under Federal

Register Notice Volume 78, No. 43 at 14329, 2 CFR 200.303, and any related guidance to carry out the internal audit function. The audit will consist of:

- Documentation of an audit plan including audit scope and dates of review
- Documentation of risk assessment and environment
- Tests of internal controls implemented to detect fraud waste and abuse of funds
- Review of CDBG-DR policies and procedures manual and confirmation through both verbal recognition by operational staff and examination of transactional documentation that all policies and procedures are implemented and operating as intended
- A report generated by Internal Audit staff that will review all findings and be submitted to both the Mayor and IPS Administration Division
- The IPS Administration Division shall have an opportunity to address any and all concerns and findings as part of the audit report
- All findings will be reviewed with staff through an exit interview to confirm understanding of all points made in the report
- Upon request, reports shall be made available to HUD or other funding agency

Internal Audit staff are acknowledged to and are authorized to:

- Have complete independence and will not be restricted in the scope, performance or communication of its work
- Have unrestricted access to all records, physical properties, functions and personnel necessary to effectively discharge its responsibilities under this policy
- Allocate resources, determine scope of work and apply techniques required to accomplish audit objectives
- Obtain the necessary assistance of personnel within all City departments where audit procedures are necessary to be performed

Review of Subrecipient Single Audit

The City of Tuscaloosa's Internal Audit Division will annually review the single audits of subrecipients that have received funds from the City of Tuscaloosa's CDBG-DR grant over and above the \$750,000 threshold through the following procedures:

The City of Tuscaloosa has partnered with various subrecipients to carry out its disaster recovery programs under CDBG-DR. A subrecipient is a public or private nonprofit agency, authority or organization, or community-based development organization, receiving CDBG funds from the grantee to undertake CDBG eligible activities (see 24 CFR 570.500(c)). The subrecipient is placed under contract. Within the contract it states the subrecipient is "required to submit to the City a financial compilation prepared by an independent CPA firm, an annual report that describes the activities provided by the agency, certification from the subrecipient's director showing that the financial compilation and annual report are on file at the Tuscaloosa Public Library and other life information that may be requested." Each contract also states that "if the subrecipient receives \$750,000 or more in Federal funds per calendar year, it (the subrecipient) shall also have an audit made of all Federal funds received under this agreement and shall be performed in accordance with OMG Circular A-110, OMB Circular A-133, and

OMB Circular A-122.” Note: contracts entered into prior to December 26, 2014 will state that the Single Audit threshold is \$500,000 as it was prior to the OMB adopting 2 CFR part 200, subpart F. Contracts with subrecipients are in the process of being amended to reflect all changes made with the new OMB Supercircular regulations.

The City will request a copy of the financial compilation or audit from the subrecipient annually via e-mail or written correspondence. Once the audit is received, the City’s Internal Auditor Division of the Mayor’s Office will conduct a full review using the Single Audit Monitoring checklist as a guideline. Items specifically reviewed in this process will include the auditor’s opinion on each major federal program, the auditor’s report on internal control over compliance especially if any deficiencies in internal control were identified, the narrative describing each finding in the Schedule of Findings and Questioned Costs and any response to each finding. The Internal Audit Division will forward their report along with the Single Audit Monitoring Checklist to IPS Administration for file maintenance. Should the subrecipient be found to have any audit findings or to be non-compliant, IPS Administration monitoring staff will work with the subrecipient to set clear policies and procedures surrounding any deficient areas. Once monitoring staff determine that each finding area has been properly mitigated with functioning internal controls, a memo will be drafted and filed in the subrecipient file detailing all steps taken in the process with an accompanying opinion note on the future functioning of each mitigating internal control. As stated within the contract document, “no payment shall be made under the agreement until the City’s staff has determined that all the requirements have been met.” All documentation and correspondence between City staff (both from the Internal Audit Division and IPS Administration) and subrecipient shall be documented to support the action taken to resolve any and all issues. Once a resolution has been met, a letter will be sent to the subrecipient to let them know that they are in good standing with the City and can continue to gain the City’s support in their requests for future funding.

Should City staff find that the subrecipient is non-compliant and cannot resolve the issues found during the audit review, the contract/agreement between the City and the subrecipient should be terminated with a thirty (30) day written notice. In the event of termination, the subrecipient shall refund the City an amount in excess of the total amount appropriated over an amount which bears the same ratio to the total amount appropriated as the services actually performed bear to the total services covered by the agreement.

Below is an example of the checklist that will be utilized by the Internal Auditor when reviewing Single Audits for recipients of CDBG-DR funds:

**CITY OF TUSCALOOSA
COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY**

SUBRECIPIENT AUDIT MONITORING CHECKLIST

Subrecipient: _____
Contract #: _____

Period of Review: _____
Contract Amount: _____

-
- 1) Was the City provided with the most recent copy of the financial compilation or audit review? Yes/No

(a) If yes, what was the date it was last conducted? _____

(b) What type of opinion was rendered?
Qualified Unqualified Adverse Going Concern

- 2) Has the subrecipient expended \$750,000 or more in federal funds for the period of review?

(a) If yes, was the City provided with the most recent copy of the Grant Compliance Audit? Yes/No

(i) If yes, are there any significant deficiencies or material weaknesses denoted in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Yes/No

- If yes, please list in a separate report along with any client response and current status

(ii) Are there any non-significant deficiency or material weakness findings that relate to the CDBG-DR activities carried out by the subrecipient?

Yes/No

- If yes, please list in a separate report along with any client response and current status

- 3) Assess and note areas of risk and/or subject areas for particular focus during on-site visit.

Audit Status: APPROVED NOT APPROVED

<If not approved, see plan of action in accompanying letter to the subrecipient and possible resolution>

Signature of City Staff: _____

Date: _____

Attached in this Policies and Procedures Manual on page 664 is a copy of the Audit Certification Form provided to subrecipients acknowledging whether their entity is subject to the Single Audit requirements or not.

Review and Concurrence of Duplication of Benefit Determination

As part of the initiative for continuous improvement and creation of added value, the City of Tuscaloosa's Internal Audit Division (Chief Financial Officer or other as described previously in this policy and procedures manual) will review and sign off on all duplication of benefit calculations made by IPS Administration staff during the course of the CDBG-DR funding determination process. IPS Administration staff will compile all information as outlined in the Prevention and Duplication of Benefit section of this Policies and Procedures Manual through the use of internal documentation forms as shown in the provided sample. Once all forms have been completed, reviewed by responsible IPS Administration management and then signed by required IPS Administration management and staff members, all information packets including but not limited to compilations and signed forms will be submitted for review and concurrence by Internal Audit staff. Internal Audit staff will review, make necessary adjustment or update notes and return the information packets to the responsible IPS Administration staff member. Once all adjustments are made to satisfaction and it is determined that all documentation governing duplication of benefit determination is complete and accurate, Internal Audit staff will sign off on all necessary forms as concurring with all conclusions stated within the forms.

Increasing Capacity of Implementation and Compliance

The City of Tuscaloosa's Disaster Recovery Division staff will be provided with all training necessary to ensure that activities funded under this Action Plan are correctly administered. As contracts are executed, necessary efforts to increase the capacity of applicants, sub recipients, contractors and any other entity responsible for administering funding under this Action Plan will be implemented to ensure they have the specific skills needed to successfully oversee the activity. As mentioned before, the City has increased its capacity to manage the CDBG-DR funds through the hiring of a Community Development Program Manager for grant compliance and management, Community Development Program Manager for minority participation, accountant, and engineers.

Should fraud, abuse of funds, or a duplication of benefits be made by subrecipients, the City of Tuscaloosa will first reach out to the subrecipient to remind them of the regulations and/or laws that have not been adhered to; the City will reference Federal Register Notice FR-5582-N-01 *Clarification of Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees* (published November 16, 2011), *HUD Guidance of Duplication of Benefit Requirements and Provision of CDBG Disaster Recovery (DR) Assistance* (published July 25, 2013) for this guidance. The City will then require that the amount of funding that has been compromised be returned; if necessary payment plans will be implemented. Failure to work with the City on any matters and repayment of funds, if necessary, will result in suspension of funding. Depending on the seriousness of the infraction, it may be necessary for the City to contact the local HUD representative and if applicable, HUD Headquarters

regarding any illegal acts or irregularities as it relates to the use of and/or administration of CDBG-DR funds.

Documentation and Reporting

As required by HUD and outlined in the Federal Register notice, the City of Tuscaloosa will enter its Action Plan for Disaster Recovery, including performance measures, into HUD's DRGR system. As the City identifies more detailed information about uses of funds, it will enter the sufficient detail into DRGR, as the basis for acceptable performance reports.

A quarterly performance report will be submitted to HUD no later than 30 days following the end of each quarter after grant award and continuing until all funds have been expended and all expenditures have been reported. Each quarterly report will include information about the uses of funds during the applicable quarter including (but not limited to) the project name, activity, location, and national objective; funds budgeted obligated, drawn down and expended; the funding source and total amount of any non-CDBG Disaster Recovery funds to be expended on each activity; beginning and completion dates of activities; achieved performance outcomes; and the race, gender, and ethnic status of persons assisted under direct-benefit activities. For awards funded through the 2013 appropriation (FR-5696-N-01), a contract reporting template will be submitted as part of the quarterly report to identify the contractor on an activity, date on of contract execution, amount of CDBG-DR funds, and total contract amount of other things. Quarterly reports to HUD will be submitted using the DRGR system and within 3 days, the City of Tuscaloosa will post the submitted report to its official website.

Annually, the City of Tuscaloosa will submit a Section 3 report to HUD to identify the amount of CDBG-DR funded projects that have benefitted Section 3 individuals and businesses. In addition, all subrecipients of CDBG-DR funds will be entered in the FFATA Subaward Reporting System (FSRS); this system will allow HUD and the City to keep track of funds sub-awarded to other agencies/entities. All contractors, subcontractors, subrecipients, and so forth are required to hold an active status in the sam.gov system. When a subrecipient or the lowest responsible bidder is identified, the City ensures that the subrecipient or contractor has an active status (i.e. is not debarred) in the sam.gov system. The procurement files for each project contain the sam.gov page verifying an active status. Payment is not made to the subrecipient or contractor until the active status in sam.gov is verified. SF-425s are prepared, executed by the certifying official, and submitted quarterly for each CDBG-DR allocation to the HUD Field Office. The SF-425 verifies the funds expended in the quarter by the City, the amount of funds drawn quarterly, and the difference.

As part of the 2013 appropriation (FR-5696-N-01), the City of Tuscaloosa is required to submit projected expenditures and performance measures for all approved activities every 90 days or after the approval of a partial Action Plan, whichever is sooner. The submission of this report serves as a guideline to ensure that all funds for activities are fully obligated within two years of their approval date. Internally, the City of Tuscaloosa maintains a master recovery timeline that breaks each funded activity out by phases such as environmental phase, advertisement for bids, construction phase, etc. A master funding allocation spreadsheet that identifies each source of funding for an activity is also internally maintained and provides for an easy crosscheck for information and funding sources.

Initially, to ensure that all City staff involved directly in the implementation of disaster recovery activities stay informed, a bi-monthly briefing is held to discuss all activities. At this briefing, the Mayor, City staff, and consultant engineers on disaster recovery projects update the status of activities and any concerns and issues are discussed as a group. Now that the CDBG-DR awards and activities are established, engineers meet weekly to discuss all projects, IPS Administration meets monthly, and all parties involved in the disaster recovery activity have open lines of communication. Additionally, all proposed changes (i.e. Action Plan amendments, amendments to agreement, change orders, etc.) are presented to Council and Mayor and are discussed in detail before approval.

The City of Tuscaloosa maintains an exhaustive filing system to keep track of all disaster recovery activities and all pertinent documentation. In addition to a hard copy filing system, the City of Tuscaloosa has purchased a licensed software application called City Law. City Law is an electronic filing system that allows all documentation to be sorted by activity and recalls information based on key words; this system has proved invaluable to the IPS Administration Division department and allows the department to quickly and accurately retrieve information as needed. At a minimum, the follow records will be maintained:

General Project Information

- Action Plans
- CDBG-DR Controls
- Procurement Policies
- Needs Assessment
- Grant Agreements
- General Correspondence
- Action Plan Amendments

Citizen Participation

- Citizen Participation Plan
- Public hearing details

National Objective and Eligibility

- Eligibility Determination Sheets
- Census Data (if applicable)

Professional Services

- Copies of all newspaper ads (RFPs)
- Copies of City website ads (RFPs)
- RFP evaluation materials
- Resolution selecting professional services firm
- Executed Contracts (with any amendments)
- Debarred Status

Environmental

Environmental Review Record
Letters from concurring agencies
Environmental Assessment (if applicable)
Level of Clearance Finding
Finding of No Significant Impact/Notice of Intent to Request Release of Funds
Proof of Advertisement (Newspaper and City website)
Citizen comments (if applicable)
Request for Release of Funds
Release of Funds

Bidding and Contracting

Proof of Bid Ads
Procurement Documentation (sealed bids, competitive bids, certified bid tab, etc.)
Bid Documents
MBE/DBE/WBE Documents
Plans and Specifications
Public Bid Opening details
Executed Contracts
Change Orders (if applicable)
Debarred Status
Notice to Proceed
Notice of Completion

Labor Standards

Wage Determination
Payrolls
Posting of Federal Labor Laws

Civil Rights/Equal Opportunity & Fair Housing

Fair Housing Plan
Analysis of Impediments
Four Factor Analysis
Section 3 Reports
MBE/DBE/WBE Solicitation List
Proof of Tuscaloosa Builds- MBE/DBE/WBE Contractor Education Series

Housing

Fair Housing Plan
Affirmative Marketing Plan
Procurement (if applicable)
Executed Contract

Income Documentation
Race and Gender Documentation
Lead- Based Paint Compliance

Demolition

Appraisal/Review Appraisal
Offer Letters
Settlement Information (agreements, copies of checks, etc.)

Public Engagement/Website

The City of Tuscaloosa maintains a dedicated disaster recovery web page (www.tuscaloosa.com under the Business tab) to inform the public and any other interested parties on how the City is managing all CDBG-DR funds. This page contains links to all action plans, action plan amendments, performance reports, citizen participation requirements, notices of public meetings, activity/program information for activities described in the action plan and other information relevant to the CDBG-DR program funds. All executed contracts for disaster recovery activities are also posted as well as applications for individual assistance. The Infrastructure and Public Services – Administration division, in conjunction with the City's Communications division, manages the website as well as all other forms of media to inform the public. Updates to the dedicated disaster recovery website are made in conjunction with any new activity associated with the CDBG-DR program action plan and funds. This includes, but is not limited to, posting of amended Action Plans, environmental reviews, executed contracts, quarterly performance reports, requests for proposals, and legal notices, etc. as updates and new information related to the disaster recovery grants are made.

Specifically, the following is completed to ensure that Tuscaloosa citizens and the public are aware of the recovery progress.

Website

- Maintain updated action plans and legal documents pertaining to recovery funding and projects
- Upload assets and resources pertaining to recovery projects
- Content management for 12 sub-pages including: recovery area progress, commercial loans, residential programs, news, action plans, legal notices, Tuscaloosa Forward, policies and procedures 2012 & 2013, early warning system, minority contracting participation and inclusion program, videos

News Blog

- Operate WordPress site with information regarding recovery news
- Manage interactive form request site so citizens can access public documents

Social Media

- Create and implement social media plans for all recovery projects
- Coordinate social media on news blog and recovery website

Photography

- Track recovery progress through aerial photos of recovery zone
- Photograph recovery events including groundbreaking, ribbon cuttings, open houses, etc.

Paid Advertising

- Research, create and implement advertising plans including: digital media, billboards, television ads, radio ads, print ads and direct mail pieces
- Establish target audience for each campaign, coordinate with local and regional media partners
- Develop messaging and creative assets to accompany campaigns

Public and Media Relations

- Issue press releases regarding recovery updates and projects
- Write stories, blog pieces for relevant publication
- Compose media kits with pertinent recovery information
- Coordinate media interviews with program managers and City staff regarding recovery projects
- Distribute printed materials at local clubs, organizations, church groups, etc.
- Speak at meetings of local clubs and organizations

Graphic Design

- Web design
- Printed material design (direct mail pieces, flyers, applications, postcards, brochures, booklets, fact sheets, etc.)
- Billboard design
- Graphics to accompany social media posts

Quarterly Progress Reports

As mentioned before, a quarterly performance report will be submitted to HUD no later than 30 days following the end of each quarter after grant award and continuing until all funds have been expended and all expenditures have been reported. Each quarterly report will include information about the uses of funds during the applicable quarter including (but not limited to) the project name, activity, location, and national objective; funds budgeted obligated, drawn down and expended; the funding source and total amount of any non-CDBG Disaster Recovery funds to be expended on each activity; beginning and completion dates of activities; achieved performance outcomes; and the race and ethnic status of persons assisted under direct-benefit activities. For awards funded through the 2013 appropriation (FR-5696-N-01), a contract-reporting template will be submitted as part of the quarterly report to identify the

contractor on an activity, date of contract execution, amount of CDBG-DR funds, and total contract amount among other things. Quarterly reports to HUD will be submitted using the DRGR system and within 3 days, the City of Tuscaloosa will post the submitted report to its official recovery website (www.tuscaloosa.com).

Per 24 CFR 570.490 (d) all records and supporting documentation on projects and activities funded with CDBG- DR funds shall be retained for at least 3 years from closeout or the period required otherwise by other applicable laws. Records of activities funded with State of Alabama funds shall be retained for at least 5 years from closeout or as otherwise defined by State of Alabama law.

Expenditure of Funds

Per the notice published in Federal Register notice FR-5696-N-03, CDBG-DR funds must be expended in a two-year time frame beginning on the date the grant agreement is signed by HUD. Per Federal Register Notices, those entities awarded CDBG-DR funds under P.L. 113-2 were allowed to request an extension on funds that would exceed the two-year expenditure deadline as identified in the approved Action Plans. Authorization was granted to allow activity funds to be extended until September 30, 2022. Initially, Federal Register Notice 80 FR 26942 published on May 11, 2015, only administration, infrastructure, economic development, and housing activity funds were allowed to receive an extension. Federal Register Notice FR-6136-N-01 published on February 19, 2019 allowed entities to request an extension for planning activities. The City of Tuscaloosa submitted an expenditure deadline extension request to HUD on July 17, 2018 for Round 9 Infrastructure, Round 11 Administration, Round 11 Economic Development, and Round 11 Infrastructure; the extension request was granted on September 17, 2018. On January 31, 2019, the City of Tuscaloosa submitted an expenditure deadline extension request to HUD for Round 11 Planning (in anticipation of a waiver); the extension request was granted on March 18, 2019. It should be noted that the amount requested for extension by the City of Tuscaloosa and the amount granted from HUD somewhat differs due to the amount of time lapse between submission and approval and that drawdowns for activities were completed in that timeframe. The expenditure requests and approval letters can be found in the Policies and Procedures Manual beginning on page 159.

The City of Tuscaloosa, or other entity as assigned by the City of Tuscaloosa, will review in-house expenditures and beneficiary expenditures to ensure that funds are spent on eligible costs and in a timely manner. Project funds and schedules will be monitored by the City of Tuscaloosa's IPS Administration Division, Accounting and Finance department, planning consultant for all CDBG-DR projects, and Community Development Program Managers. With its current allocation of CDBG-DR funds, the City of Tuscaloosa's IPS Administration Division keeps detailed spreadsheets monitoring the expenditure of funds and project schedules. Program beneficiaries and contractors will be required to provide detailed reports concerning expenditure of funds and project progress to the City upon its request. Most likely, these materials will be requested monthly but, due to the varying nature of each project, specific projects may be asked to provide those materials more frequently. When contracting with a subrecipient, contractor, etc., the City will establish certain benchmarks that the subrecipients, contractors, etc. are required to meet. Awardees will be required to present the City with a plan on how they will implement procedures to reach the determined benchmarks. Each contract with awardees will require that penalties will be

implemented for failure to reach benchmarks. In addition to ensuring that awardees are meeting project timelines, these benchmarks will allow the City to project expenditures for each individual project.

The City of Tuscaloosa has developed the Tuscaloosa Forward Generational Plan, a comprehensive plan developed with citizen input, which outlines the citizen's vision for a revitalized community. Many of the projects in Tuscaloosa Forward Generational Plan have been implemented using funds from the City's 2012 and 2013 CDBG-DR allocation. In order to expedite projects funded through the 2013 CDBG-DR allocation, the City intends to fund projects in areas where environmental reviews are currently underway, and in some instances, engineering and architectural services have already been procured and in progress. Should funded activities become stalled, the City will reprogram funds to another eligible activity (most likely a project outlined in the Tuscaloosa Forward Generational Plan).

To satisfy HUD guidance (FR 78 32264 and FR 78 14337) on performance metrics, the City of Tuscaloosa will amend its Action Plan within 90 days using the guidelines provided at HUD's CPD Disaster Recovery website. The performance metrics will be based on expected quarterly outcomes and expenditures. Factors that may affect performance measures such as weather, completion of federally required environmental reviews, etc. will be considered in the construction of the performance metrics.

Procurement

The City of Tuscaloosa has adopted specific procurement standards to adhere to the guidelines in 24 CFR 85.36. For each service and project funded by CDBG-DR funds, the City will adhere to either the State of Alabama or federal procurement regulations, whichever is stricter, while staying in compliance with the procurement standards identified in 24 CFR 85.36. Adopted procurement standards for the City of Tuscaloosa are located in this document beginning on page 200. The procurement standards adopting applicable sections of Part 85 and at a later date, Part 200 are both included. *On December 26, 2013, The Office of Management and Budget published the final Uniform Requirements, which are codified as 2 CFR part 200 (OMB Super circular). HUD adopted these new Uniform Requirements for all Federal awards made by HUD. . Therefore, any references to 24 CFR Part 84 or Part 85, OMB A-21, OMB A-87, OMB A-89, OMB A-102, OMB A-110, OMB A-122, OMB A-133, and any other previously applicable standards will be void, and the City will use 2 CFR part 200 and any other applicable OMB Supercircular regulations for reference and guidance and will apply to the administration of CDBG-DR funds except for the exception noted below for 2 CFR parts 200.317-200.326 which will become effective fiscal year October 1, 2017.

The Uniform Requirements regulation authorizes all non-Federal entities, which includes the City of Tuscaloosa per 2 CFR 200.69, to delay implementation of the procurement requirements in 2 CFR 200.317-200.326 for one year after regulations after the regulations would otherwise apply. Additionally, if the non-federal entity so chooses to use part 84 or part 85 standards for an additional two fiscal years before implementing the procurement standards in part 200, the non-federal entity must document this decision in its internal procurement regulations. Therefore, a memorandum has been issued by the City of Tuscaloosa's internal auditor (included in Policies and Procedure Manual) to document the City's internal procurement policy update until October 1, 2017 when the permanent

procurement policy will be updated to reflect 2 CFR 200.317-200.326 regulations. The memorandum in its entirety will explain how the City came to this decision.

Additionally, when the City moves to implementation, HUD's notice SD-2015-01, *Transition to 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, dated February 26, 2015 and HUD's notice CPD-16-04, *Additional Transition and Implementation Guidance for Recipients of Community Planning and Development (CPD) Funds for 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, dated April 13, 2016 (both are attached hereto in the Policies and Procedures beginning on page xxiii).*

In regard to the General Procurement Standards, stated at 2 CFR 200.318, which address standards of conduct and conflicts of interest, the City of Tuscaloosa has incorporated into Section 2-80.1 of the Code of Tuscaloosa (found herein this Policies and Procedures Manual) the following:

Standards of conduct; conflicts of interest. Elected officials, staff or agents of the City are prohibited from personally benefitting from procurements under this Section. No employee, officer, or agent of the City shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest as defined in 2 CFR § 200.318 (c)(1), real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, or any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ, any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The City's officers, employees or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontracts. Violations of such standards by the officers or employees of the City of Tuscaloosa, Alabama, or agents, or by contractors or their agents shall be reported to the Alabama Ethics Commission pursuant to Ala. Code § 36-25-17.

It is also the policy of the City for any one elected official, staff, or agent of the City that receives a gift that exceeds twenty-five dollars (\$25) to return to the party, which gifted the item.

Specifically, 2 CFR 200.318 reads as follows:

General procurement standards.

The Non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities,

favours, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agent of the non-Federal entity.

For more on conflict of interest, please see the Conflict on Interest Provisions section on page xcv of this Policies and Procedures Manual.

In addition to the adopted procurement standards attached in this Policies and Procedures Manual, the following internal procedures are used in the procurement of professional services and construction. A list of the items documented for procurement purposes are also included as an attachment in this Policies and Procedures Manual on page 757.

For Professional Services:

- Identify scope of services
- Draft RFQ including scoring criteria
- Advertise RFQ
- Establish RFQ review team
- Receive RFQ responses
- Review team scores each response individually and then compiles scores to determine the most qualified
- Recommend award of the most qualified to City Council committee and full Council
- Council tentatively awards to most qualified firm/individual
- Staff negotiates fees with tentatively selected firm/individual
- Staff recommends negotiated fees to Council committee and full Council
- Council awards contract based upon negotiated fees to selected firm/individual and authorizes Mayor to execute contract
- Contract award contingent upon proof of sufficient insurance, licensing, e-verify, sam.gov, etc.
- Notice to proceed issued if conditions met

For Construction:

- Bid specifications created by engineer/architect
- Advertisement for bid
- Receive bids at specified time
- Bids reviewed by engineer/architect and recommendation given as to the lowest responsive, responsible bidder after verification of unit prices and required bonds, licenses, etc.
- Recommendation of the lowest responsive, responsible bidder is presented to Council committee and full Council
- Council awards bid to lowest responsive, responsible bidder and authorizes Mayor to execute contract

- Contract award contingent upon proof of sufficient insurance, licensing, e-verify, sam.gov, etc.
- Notice to proceed issued if conditions met

In addition to the procurement of professional services and construction, at times the City utilizes its national cooperative purchasing agreement or the State bid list for the purchase of items. In these cases, the items for purchase have already been through the bidding process and are identified as the most reasonable and efficient price for the item type. An example of the type of items purchased in this manner are security cameras, computers, other technology items, furniture, etc.

For more on how the procurement process flows through the Tuscaloosa City Council for approval, please see the Governmental Structure section on page lxii of this Policies and Procedures Manual.

Action Plan

Once federal register notices for funding are released, the City of Tuscaloosa will prepare an Action Plan to outline the use of funds. The eligible activities identified in the Action Plan will address housing, infrastructure, and economic development needs while meeting one of three national objectives (low-moderate benefit, urgent need, or slum and blight). To date, the activities defined in CDBG-DR Action Plans have been modeled after the Tuscaloosa Forward Plan. The Tuscaloosa Forward Plan is a result of several public meetings that were held after the April 27, 2011 tornado to receive citizen input on the ideas, projects, etc. that they would most like to see accomplished as the City of Tuscaloosa recovered from the tornado.

After the Action Plan is completed, the application for CDBG-DR funds must be presented to the City of Tuscaloosa City Council for approval to apply for funding and advertisement of the Action Plan. Per the guidelines set forth in the City of Tuscaloosa CDBG-DR Citizen Participation Plan (located within this document on page 523) and the Federal Register Notice, the Action Plan must be advertised for citizen comment for 7 days in the circulation of a local newspaper. The City of Tuscaloosa also holds two public meetings to receive citizen comments on the Action Plan. Notification of the public hearing is also advertised in a local newspaper to provide the public with ample time of notice; information in the advertisement includes purpose, time, and location of the hearing. The hearings are held at a time and location with accommodations for persons with disabilities. Additionally, the advertisement and Action Plan is placed on the City's dedicated webpage as well as placed at the Tuscaloosa Public Library for viewing. As mentioned before, citizens have 7 days following the advertisement to submit comments to the City. Any comments submitted will be considered and addressed before submittal of the Action Plan to the U.S. Department of Housing and Urban Development (HUD). The Action Plan is submitted to HUD both electronically and by mail in hard copy form.

Once notified that the Action Plan has been approved by HUD, a resolution is presented to the City of Tuscaloosa City Council to execute an agreement for the funding amount. Approval from the City Council allows the Mayor to execute the funding agreement, which is submitted to HUD. Several days following HUD's receipt of the Action Plan, the funds become available through LOCCS (line of credit control system) in the DRGR system. At this point, the activities in the hard copy Action Plan are entered

in the DRGR system and are submitted to the local HUD Field Office representative for approval. The approved Action Plan is posted to the City's dedicated webpage and is updated with the amended versions as approved.

Action Plan Amendments

From time to time, amendments will need to be made to the CDBG-DR Action Plan. The amendments will be identified in the hard copy Action Plan. Amendments, non-substantial or substantial, will be presented to the City of Tuscaloosa City Council at a regularly scheduled City Council Committee meeting for approval (at times, dependent on the nature, non-substantial amendments may not be presented to City Council). A resolution identifying the amendments will be presented to the City of Tuscaloosa City Council for approval. If the amendment is considered a substantial amendment, the resolution will also request approval for advertisement of the amendment.

If any of the following events occur, a substantial amendment may result:

- The addition or deletion of allowable activities described in the Action Plan;
- A change in program benefit or eligibility criteria;
- A change in the planned, allowable beneficiaries;
- A change of more than five percent (5%) in the funding allocation between the activity categories described or the allocation or reallocation of more than \$1 million whichever is greater;
- The implementation of an additional HUD-authorized "waiver" of any major programmatic rules or regulations; and
- Any action that HUD deems to be a significant amendment that needs public input prior to enacting.

For non-substantial amendments, the City of Tuscaloosa will notify the local HUD Field Office at least five days prior to the amendment becoming effective. Non-substantial amendments are not required to be advertised and receive public comment, but as a best practice, the City will generally advertise and receive public comment on non-substantial amendments as well.

If advertisement is necessary, the City of Tuscaloosa will follow the guidelines set forth in the Citizen Participation Plan. These guidelines include advertisement in a local newspaper, posting of the advertisement and proposed amended Action Plan to the City's disaster recovery website, and placement of the Action Plan at the Tuscaloosa Public Library. Following the advertisement, citizens will have 7 days to comment on the amended Action Plan. Any comments received, either orally or in writing, will be reviewed and addressed before submittal of the amended Action Plan to HUD. The amended Action Plan is submitted to HUD both electronically and by mail in hard copy form.

Once notified that HUD has approved the Action Plan, a resolution is presented to the City of Tuscaloosa City Council to execute an agreement for the funding amount (if applicable and relevant only to PL-113 funds). Approval from the City Council allows the Mayor to execute the funding agreement which is submitted to HUD (if applicable and relevant only to PL-113). Several days following HUD's receipt of the Action Plan, the funds become available through LOCCS in the DRGR system (if applicable and relevant only to PL-113). At this point, the amended activities in the hard copy Action Plan are entered in the

DRGR system and are submitted to the local HUD Field Office representative for approval. The approved amended Action Plan is posted to the City's dedicated disaster recovery webpage with an explanation of the amendment. Every amendment to the Action Plan (substantial and non-substantial) will be numbered sequentially and posted on the City of Tuscaloosa's website.

Citizen Comment Process

As mentioned above, the City will receive citizen comments, at a minimum, on any published Action Plans, any published substantial amendments to the Action Plan, and any non-exempt environmental documents. The advertisement outlining the Action Plan, and amendments if applicable, is advertised via the local newspaper, City of Tuscaloosa website, and the Tuscaloosa Public Library to solicit public comments. Comments are received via a designated email address or by mail to the City of Tuscaloosa's physical address c/o IPS – Administration Division.

All comments will be reviewed and responded to within 24 business hours of receipt via the method the comments were received by IPS Administration staff. For comments from persons with limited or non-English speaking abilities, the City of Tuscaloosa will employ the means necessary to ensure that IPS Administration staff understands the comment and that the person receives a satisfactory answer. The University of Alabama serves as an asset in this area, as it provides language services in 26 languages, and the City will utilize these services from The University of Alabama as needed.

Any citizen comments that are received via email, phone, or writing that are not in direct response to an Action Plan or Action Plan amendment but are concerning a CDBG-DR funded project will be addressed in the same manner as listed above.

Citizen Complaint/Request for Information Process

At any time in which the City of Tuscaloosa is administering, managing, employing, and maintaining activities funded in part or whole with CDBG-DR funds, citizens may submit comments, complaints, or requests for information regarding the respective activity/activities to the City of Tuscaloosa. Comments and complaints shall be handled slightly differently than requests for information.

All comments and/or complaints will be reviewed and responded to within 24 business hours of receipt via the method the comment and/or complaint was received by IPS Administration staff or other City staff involved in the CDBG-DR assisted activity. For comments and/or complaints from persons with limited or non-English speaking abilities, the City of Tuscaloosa will employ the means necessary to ensure that City staff understands the comment and/or complaint and that the person receives a satisfactory answer. The University of Alabama serves as an asset in this area, as it provides language services in 26 languages, and the City will utilize these services from The University of Alabama as needed.

General information requested by a citizen concerning a CDBG-DR assisted activity shall follow the City's Public Records Request process. A public records request can be submitted via the City's website at <https://www.tuscaloosa.com/government/city-attorney/public-records-request>. A hard copy public

records request form can also be requested from the City Clerk's office. Both forms of requests are submitted to the City Clerk's office. Once received by the Clerk, the Clerk contacts the respective department(s) with the request. The department(s) then submit all information to the Clerk and the Clerk compiles the responses and sends to the requestor. It is a best practice to address all requests for information within seven days of request; however, generally the response time is much more timely. As stated above, if the request is submitted by a person with limited or non-English speaking abilities, the City of Tuscaloosa will employ its assets to ensure that the person receives a satisfactory answer.

All citizen comments, complaints, and requests for information as well as the response from City staff are documented.

Green Building Standards

Green building standards will be adopted by the City of Tuscaloosa for all construction projects and the City will require subrecipients to incorporate these standards as well. Specifically, a Green Building Standards clause will be included in all funding agreements between the City of Tuscaloosa and awardees of CDBG-DR funds to be used for construction and building activities. In most cases, the City will adhere to LEED (Leadership in Energy and Environmental Design) standards, but at times will follow ENERGY STAR or other acceptable responsible energy efficient programs. According to the Environmental Protection Agency, green and sustainable building standards lead to environmental, economic, and social benefits such as improved air and water quality, reduced operating costs, and minimized strain on local infrastructures. Embracing this concept will lead to a viable infrastructure system throughout the City.

The City intends to incorporate sustainable methods into infrastructure projects such as water and sewer as well. Research has shown that plants for drinking water and wastewater utilize 30 to 40% of the energy consumed by a municipality; these plants are typically the largest contributor to energy consumption. Water and sewer infrastructure in the recovery area of the City is dated and received substantial damage as of result of the storm and debris removal. Installation of new sustainable infrastructure will not only reduce the energy toll on the City, support residential and commercial development and transportation, but also contribute to an efficient system over many years.

Environmental Review

The City of Tuscaloosa shall adhere to all regulations and procedures set forth at 24 CFR Parts 55 and 58, unless granted an exception, HUD or other applicable federal agency guidance, and applicable federal registers for P.L. 112-8 and P.L. 113-2 funded activities. An environmental review will be performed on each activity and a release of funds granted from HUD before any activity work is performed or any draws are made in the DRGR system. The regulations and procedures set forth at 24 CFR Parts 55 and 58 shall be followed for each activity. Environmental documentation for each activity will be on file at the City of Tuscaloosa including environmental exemption forms. For any activity found to be Exempt, Categorically Excluded Not Subject To (CENST), and in most cases Categorically Excluded Subject To (CEST), a Finding of No Significant Impact (FONSI) and Notice of Intent/Request for Release of Funds (NOI-RROF) is not required; however, proper documentation will be on file in the activity's

environmental review record. For any activity requiring an Environmental Assessment (EA), Environmental Impact Statement (EIS), or otherwise required as notated in 24 CFR Part 58, a Finding of No Significant Impact (FONSI) and Notice of Intent/Request for Release of Funds (NOI-RROF) will be executed by the Mayor. In the case of a Presidentially declared disaster as cited at Part 58.33, a combined Notice of FONSI and NOI/RROF may be issued. The City shall use the guidance at Part 58 regarding the type of environmental document to complete for an activity type. Additionally, an advertisement will be published in the local newspaper, on the City website, and on site at City Hall to encourage citizen review and solicitation of comments for 30 calendar days. The actual environmental review document will be available for viewing at City Hall, Tuscaloosa Public Library, and provided electronically by request. The City shall advertise the environmental document for 15 calendar days for public comment. If comments are received, they will be addressed as outlined in the Citizen Comment Process section on page cxiii of this Policies and Procedures document. After 15 days of the comment period has elapsed, the City shall send the Request for Release of Funds (HUD Form 7015.15) executed by the certifying officer as well as the executed FONSI/NOI-RROF and proof of advertisement to the HUD Field Office for an additional 15 calendar day comment period. In the absence of any receipt of objection to the contrary, except as provided in 24 CFR Part 58, HUD will assume the validity of the certification and RROF and will approve the documents after expiration of the 15 day period prescribed by statute. The City will await the release of funds from the HUD Field Office in the form of HUD Form 7015.16. After a release of funds is received, the City will contact the appropriate agencies, contractors, etc. that a release of funds has been received and the activity may commence. An ERR is kept on file for all activities and is available for public review upon request. Additionally, no funds shall be spent or drawn on in the DRGR system until a release of funds is received.

The following areas, at a minimum and where applicable dependent on the type of environmental document, shall be addressed in the environmental document.

- Historic properties
- Floodplain management and wetland protection
- Coastal Zone Management
- Sole source aquifers
- Endangered species
- Wild and scenic rivers
- Air quality
- Farmlands protection
- HUD environmental standards
- Environmental justice

The City shall consult with the appropriate environmental agencies, State, Federal and non-Federal entities and the public in the preparation of an EIS, EA, or other environmental reviews undertaken under the related laws and authorities cited in Part 58.5 and 58.6. The City will also cooperate with other agencies to reduce duplication between NEPA and comparable environmental review requirements of the State.

FONSI & NOI/RROF Notices

At a minimum, the City will send the FONSI and NOI/RROF notice to individuals and groups known to be interested in the activities, to the appropriate tribal, local, State, and Federal agencies and to the HUD Field Office. The FONSI & NOI/RROF notice shall be published in a newspaper of general circulation in the Tuscaloosa community. The combined notice shall include:

1. Clearly indicate that it is intended to meet two separate procedural requirements; and,
2. Advise the public to specify in their comments which notice their comments address.
3. The City must consider any comments received and make modifications, if appropriate, in response to the comments, before it completes its environmental certification and before the City submits the RROF.

Re-evaluation of environmental assessments and other environmental findings

The City shall reevaluate its environmental findings to determine if the original findings are still valid, when:

1. The recipient proposes substantial changes in the nature, magnitude or extent of the project, including adding new activities not anticipated in the original scope of the project;
 - a. There are new circumstances and environmental conditions which may affect the project or have a bearing on its impact, such as concealed or unexpected conditions discovered during the implementation of the project or activity which is proposed to be continued; or
 - b. The recipient proposes the selection of an alternative not in the original finding.
2.
 - a. If the original findings are still valid but the data or conditions upon which they were based have changed, the City must affirm the original findings and update its environmental review record by including this re-evaluation and its determination based on its findings. Under these circumstances, if a FONSI notice has already been published, no further publication of a FONSI notice is required.
 - b. If the responsibility entity determines that the original findings are no longer valid, it must prepare an EA or an EIS if its evaluation indicates potentially significant impacts.

Executive Order 11988 and Executive Order 11990

Executive Order 11988 – Floodplain Management requires Federal activities, including those undertaken with disaster recovery funds, to avoid impacts to floodplains and to avoid direct and indirect support of floodplain development to the extent practicable. FEMA (Federal Emergency Management Agency) has designated floodplains as geographic zones subject to varying levels of flood risk. Each identified zone reflects the type or severity of potential flooding in the area. 24 CFR Part 55 outlines HUD's procedures for complying with E.O. 11988. As such, Part 55 applies to all HUD actions that could be harmed or cause harm if located in a floodplain, including but not limited to proposed acquisition, construction, demolition, improvement, disposition, and financing actions under any HUD program, including disaster

recovery funds. In any instances where any of the type of special flood hazard areas described below are part of an activity funded in whole or part by disaster recovery funds, the City will follow guidelines and regulations at 24 CFR Part 55, 78 FR 68719, a memorandum issued by HUD on December 17, 2013 *Floodplain Management and Protection of Wetlands Rulemaking*, and Executive Order 11988. The same memorandum addressed Executive Order 11990 (E.O. 11990) in regard to wetlands. There are no identified wetlands within the City of Tuscaloosa disaster recovery proposed activities; however, should an activity arise that does include wetlands, the City shall follow the regulations set forth and referenced in the above mentioned document to take action to minimize the destruction, loss, or degradation of wetlands.

For each activity undertaken with disaster recovery funds, as part of the environmental review, the activity will be assessed to determine whether it lies within any of the Special Flood Hazard Areas (SFHAs) as designated by FEMA as having a heightened risk of flooding. Additionally, Non-Special Flood Hazard Areas will also be assessed; these are areas with moderate to low risk of flooding; however, floods still have the ability to occur frequently in these areas.

Special Flood Hazard Areas

Special Flood Hazard Areas are defined as one of the following:

100- Year Floodplains (or 1 Percent Annual Chance Floodplain) are generally areas near lakes, rivers, streams, or other bodies of water with at least a 1% chance of flood occurrence any given year. For activities in a 100-Year Floodplain, the 8-Step Decision-Making Process must be used to determine whether there are practicable alternative to locating the project in the floodplain, unless an exception in Part 55.12 applies.

A Regulatory Floodway comprises the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. Generally, HUD funds are prohibited for use in floodways unless an exception in 55.12 (c) applies or the project is a functionally dependent use (marinas, dams, ports) or a floodplain function restoration activity.

Coastal High Hazard Areas are areas located along the coast and subject to inundation by the 1% annual chance flood event with additional hazards associated with storm or tidal induced waves. Part 55 prohibits critical actions and new construction in these areas unless an exception in Part 55.12 (c) applies or the activity is a functionally dependent use, and otherwise requires the action to be designed for location in a Coastal High Hazard Area.

Non-Special Flood Hazard Areas are defined as the following:

500-Year Floodplains (or 0.2 Percent Annual Chance Floodplain) are located in areas with at least a 0.2% chance of flood occurrence in any given year. Critical actions, such as hospitals, nursing homes, fire stations, police stations, and roadways provide sole egress from flood-prone areas, are required by HUD to comply with Part 55 when they are located in the 500-Year Floodplain.

Floodplain Determination

In general, the following steps shall be followed to determine whether a floodplain exists, exceptions apply, and if further action is needed.

Step 1: Determine whether any of the exceptions at 55.12 (c) apply.

Under 55.12 (c), certain projects/activities are exempt from Part 55. The projects/activities are not required to complete the 8-Step Process, and they may be able to proceed despite the presence of a floodway or coastal high hazard area. Activities listed in 55.12 (c) include the following:

- Floodplain restoration
- Minor amendments to previously approved actions
- Site where FEMA has issued a final letter of Map Revision or final Letter of Map Amendment
- Actions that are Categorically Excluded Not Subject to 50.4 or 58.5
- Sites where the “incidental floodplain exception” applies

It will be noted that the entire floodplain must be incidental, meaning that this exception will not apply if any buildings or improvements currently exist in the SHFA. Projects/activities may be exempted under the incidental floodplain exception if:

1. No new or existing building or improvements occupy or modify the 100-year floodplain, floodway, coastal high hazard area, or for critical actions, the 500-year floodplain
2. Provisions are made for site drainage that will not adversely affect any wetland, AND
3. A permanent covenant is placed on the property’s continued use to preserve the floodplain.

Step 2: Determine whether the project/activity site contains a floodplain.

If the project/activity is not exempt under Part 55.12 (c), a FEMA Flood Insurance Rate Map (FIRM) will be used to determine whether the project/activity is in or near a floodplain. The different floodplains are designated as follows on FIRMs:

- 100-Year Floodplains = Zone A1-30, AE, A, AH, AO, AR, or A99
- 500-Year Floodplains = Zone B or shaded Zone X
- Floodways = Zone AE hatched
- Coastal High Hazard Areas = Zone V1-30, VE, or V

For areas, which are not mapped by FEMA, the best available information will be used to determine floodplain information. A discussion of why the information used is the best available information shall be included in the documentation.

Step 3: Determine if the 8-Step Process is required.

Under Part 55.12 (c), certain actions must comply with Part 55 but are not required to complete the full 8-Step process.

- Part 55.12 (a) lists activities that must complete the modified 5-Step Process: these actions are not required to provide public notice or consider alternatives, but must complete the other steps in the 8-Step Process. These include the following:
 1. Disposition of properties
 2. Purchase and refinance of existing multifamily housing or healthcare facilities
 3. Minor improvements to multifamily housing and nonresidential structures
- Part 55.12 (b) lists project/activity types that must comply with the basic restriction in Part 55 but which are not required to complete the 5 or 8 Step Processes. These include the following:
 1. Acquisition and refinance of existing single family properties
 2. Minor improvements to single family properties
 3. Leasing

Listed below are the actions that must be undertaken dependent on the type of floodplain (if any) is identified.

- 100-Year Floodplain (Zone A): 8-Step Process is required unless it is inapplicable per Part 55.12 (b) or the 5-Step Process is applicable per Part 55.12 (a)
- 500-Year Floodplain (Zone B or shaded Zone X): 8-Step Process is required for critical actions unless it is inapplicable per Part 55.12 (b) or 5-Step Process is applicable per Part 55.12 (a)
- Floodway: Federal assistance may not be used at this location unless the project is a functionally dependent use or floodplain function restoration activity or a 55.12 (c) exception applies. If it is a functionally dependent use or restoration activity, the 8-Step Process is required.
- Coastal High Hazard Area (Zone V): Federal assistance may not be used at this location if the project/activity is a critical action. For all other actions, financial assistance is prohibited unless the activity is an existing structure, an improvement of an existing structure or reconstruction following a disaster in accordance with 24 CFR 55.1 (c)(3)(i). Refer to Part 55.1(c)(3)(i) and (ii) for construction requirements for projects/activities permitted in coastal high hazard areas. An 8-Step Process must be performed unless an exception applies.

Step 4: Complete the 8-Step Process and identify mitigation requirements.

8-Step Decision Making Process for Floodplains and Wetlands

1. Determine if the proposed action is in the base floodplain.

2. Early public review
3. Identify and evaluate alternatives to locating in the base floodplain (no action alternative, non-floodplain alternative, floodplain proposal)
4. Identify impacts, direct and indirect, of proposed action.
5. Minimize harm, restore, and preserve natural and beneficial values.
6. Reevaluate alternatives (in the base floodplain, no action, limited action - return to step 3)
7. Findings and public explanation.
8. Implement proposed action in compliance with minimization plans and flood insurance requirements.

The City of Tuscaloosa will use the 8-Step Decision Making Process Flowchart found on page 688 of this Policies and Procedures Manual as a tool in determining the need.

For compliance and documentation purposes, the environmental review record will contain one of the following to document floodplain identification.

- Documentation supporting the determination that an exception at Part 55.12(c) applies.
- A FEMA map showing the project/activity is not located in a Special Flood Hazard Area.
- A FEMA map showing the project/activity is located in a Special Flood Hazard Area and an applicable citation to Part 55.12(b) demonstration that the 8-Step Process is not required.
- A FEMA map showing the project/activity is located in a Special Flood Hazard Area, documentation that the 5-Step Process was completed, and the applicable citation to Part 55.12(a).
- A FEMA map showing the project/activity is located in a Special Flood Hazard Area along with documentation of the 8-Step Process and required notices.

The memorandum issued by HUD on December 17, 2013 *Floodplain Management and Protection of Wetlands Rulemaking* makes reference to a rule amendment to 24 CFR 55.26 to make clear that under the executive orders aforementioned, HUD or a responsible entity may adopt previous review processes that were performed by another responsible entity or HUD. This change will prevent duplicative processing in cases where a project or activity may have multiple recipients contributing funding or has funding that may not allow the responsible entity to perform the review. Nothing in the rule or part is binding or applicable to the USCAE or USACE processes. USACE has its own regulations, policies and procedures, which are not impacted by this part.

Use of Real Property

In terms of use of real property, the City of Tuscaloosa will abide by the regulations set forth at 24 CFR 570.505 in regard to property that was acquired or improved in whole or in part using CDBG-DR funds in excess of \$25,000.

The City of Tuscaloosa will also abide by the *Guidance on Options and Conditional Contracts for Purchase of Real Property for Environmental Review Conducted by a Responsible Entity under 24 CFR 58* issued by HUD on August 26, 2011.

Conditional Contracts

Conditional contracts are restricted to the acquisition of existing single family and multifamily residential properties. The use of conditional contracts is restricted to the purchase of existing structure that will be retained for the same use, with or without minor rehabilitation of the structure (or purchase and demolition of single-family properties under limited circumstances). A conditional contract is a legal agreement between the potential buyer of a real estate property and the owner of that property. The conditional contract includes condition(s) that must be met for the obligation to purchase to become binding. Specifically, a conditional contract binds the buyer to purchase the property if and when the condition(s) contained in the sales contract are met.

The responsible entity must complete the environmental review of the property pursuant to HUD regulations at 24 CFR Part 58 and receive approval of a RROF before the responsible entity provides its written determination that the purchase of the property may proceed. For conditional contracts, HUD does not allow for flexibility for a non-refundable deposit; a deposit is nonrefundable; it must be \$1000 or less for single family property and 3% of the purchase price for multifamily projects. If the environmental review requires conditions to mitigate any environmental impact, then the responsible entity (if it is not the purchaser) should enter into an agreement with the purchaser to ensure that the conditions will be undertaken. Under certain conditions, as listed in the *Guidance on Options and Conditional Contracts for Purchase of Real Property for Environmental Review Conducted by a Responsible Entity under 24 CFR 58* memorandum issued by HUD on August 26, 2011, a responsible entity may allow a recipient, subrecipient, or third party to enter into a conditional purchase contract for either an existing multifamily residential property or existing single-family home (one to four units) before the HUD environmental review of the property is complete. If one of the conditions as described in the memorandum are met, then there is particular language that must be included in the purchase contract. The City of Tuscaloosa shall reference the *Guidance on Options and Conditional Contracts for Purchase of Real Property for Environmental Review Conducted by a Responsible Entity under 24 CFR 58* memorandum issued by HUD on August 26, 2011 for a list of conditions and the required language if necessary.

Option Contracts

The option contract does not impose any obligation upon the potential buyer to purchase the property. The option contract does obligate the seller to sell at the specified price if the potential buyer exercises the option to buy in the manner described in the contract.

HUD's regulations at 24 CFR 58.22(d) allow for an option contract for any project prior to the completion of the environmental review when the following requirements are met:

1. The option contract is subject to a determination by the recipient on the desirability of the property for the project as a result of the completion of the environmental review in accordance with 24 CFR Part 58; and
2. The cost of the option is a nominal portion of the purchase price.

The provision allows flexibility regarding the term “nominal” and any reasonable interpretation is acceptable. For instance, it is reasonable to conclude that the nominal amount for option contracts will vary depending upon the local real estate market and the purchase price.

The following chart shall be used as a tool:

	Types of projects/activities	Amount
Option Contract: Obligates Seller only	Any <ul style="list-style-type: none"> • New construction, rehabilitation and/or demolition of single family residential or non-residential structure 	<ul style="list-style-type: none"> • Cost of option must be reasonable – may vary depending upon local real estate market • Usually non-refundable
Conditional Contract: Obligates both buyer and seller after conditions are met	Purchase of existing single family (1-4 units) with or without <ul style="list-style-type: none"> • Demolition of existing single family home, provided that the end use of the property is limited to vacancy, reconstruction of single family house or is unknown at the time of acquisition; or • Rehabilitation when density is not increased beyond four units, the land use is not changed and the footprint of the building is not increased in a floodplain or in a wetland 	<ul style="list-style-type: none"> • \$1,000 or less for non-refundable deposit • Reasonable amount for refundable deposit
	Purchase of existing multifamily residential structure if the structure is not located in a Special Flood Hazard Area with or without <ul style="list-style-type: none"> • Rehabilitation when the unit density is not changed more than 	<ul style="list-style-type: none"> • 3% or less of purchase price for non-refundable deposit • Reasonable amount for refundable deposit

	20%, the project does not involve changes in land use from residential to non-residential, and the estimated cost of rehabilitation is less than 75% of the total estimated cost of replacement after rehabilitation.	
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Floodplain Restrictions

The City of Tuscaloosa will closely monitor floodplain restrictions and will under no circumstances grant and/or loan funds to an individual, agency, or business that has previously received federal assistance where the purchase and maintenance of flood insurance was a requirement and/or has allowed the flood insurance to lapse. The most recent FEMA flood maps will be used as a tool to determine whether a proposed project falls within the floodplain. To date, the City has not used CDBG-DR funds to fund the construction of an activity, residential or non-residential, that is located in an area delineated as a Special Flood Hazard Area (SFHA). However, if such a CDBG-DR property/activity does fall within the SFHA, the City of Tuscaloosa will require the individual, agency, or business to obtain and maintain flood insurance. Additionally, if an activity within a SHFA is to be funded with CDBG-DR funds, the activity will be required to be designed or modified to minimize harm to or within floodplains in accordance with Executive Order 11988 and 24 CFR 55 as mentioned previously in this section.

Furthermore, the City shall require, for all properties located in a flood disaster area, compliance with Section 582(a) of the National Flood Insurance Reform Act of 1994 [42 USC Part 5154a(a)]. Specifically, the City will check to determine whether the application at any time has received flood disaster assistance that was conditional on the person first having obtain flood insurance on the same property, but the person failed to obtain and maintain flood insurance as required under applicable federal law on such property. If the person has failed to obtain and maintain flood insurance, then no CDBG-DR assistance, or other federally funded assistance, shall be made available in the flood disaster area to make a payment (including loan assistance payments) to that person for repair, replacement, or restoration for damage to personal, residential, or commercial property.

Promoting the Mitigation of Flood Risk

Although some of the impacted areas are in a flood zone, no proposed housing or commercial buildings are located within those zones. There were no cases of flooding reported during or immediately following the April 27, 2011 tornado. The City has implemented a Noah's Arc program that has been very successful in handling property at risk of flooding. The City will continue to rely on this program as the main aspect of promoting the mitigation of flood risk to citizens. Per the Federal Register (FR-5710-N-01) published on April 19, 2013, the City of Tuscaloosa will comply with the elevation of residential and non-residential

structures to at least one foot higher than the FEMA issued base flood elevation. FEMA Flood Insurance Rate Maps (FIRM) will be used as the source to reference the latest base flood elevation. Per the notice, only structures that lie within a Special Floodplain Hazard Area or 100-year Floodplain, as determined through the latest FEMA data source, including preliminary Flood Insurance Rate Maps and Advisory Base Flood Elevation Maps, are subject to the elevation or floodproofing requirement. New construction or substantial rehabilitation of structures located outside of the 100-year floodplain are not required to adhere to the rule. Furthermore, residential new construction and substantial rehabilitation must be elevated to one foot higher than base flood elevation. Any non-residential new construction or substantial rehabilitation may be floodproofed to one foot higher than base flood elevation except those deemed critical actions as defined at 24 CFR 55.2(b)(2)(3) or structures located in Coastal High Hazard Areas (V Zones). Critical actions must be elevated to at least one foot higher than the latest FEMA-issued base flood elevation. Critical action structures include flammable/explosive materials production or storage, essential or irreplaceable utilities or records storage, nursing homes, hospitals, etc. Mixed use structures may be floodproofed so long as only non-residential uses are located below one foot higher than base flood elevation. Currently, the City of Tuscaloosa has adopted laws that require all residential and non-residential structures, whether new construction or improvement, to be elevated at least two feet above the highest adjacent grade.

Davis Bacon

All applicable regulations at 29 CFR Part 5 in regard to Davis Bacon and related acts provisions and procedures will be followed in the execution of CDBG-DR funded activities including but not limited to The Davis-Bacon Act, Copeland Act, The Contract Work Hours and Safety Standards Act (CWHSSA) and Fair Labor Standards Act (FLSA). Compliance with The Davis-Bacon Act and related acts are a requirement for all contractors and subcontractors and are included as provisions in all contracts. The prime contractor is responsible to ensure inclusion of wage rates and labor standards provisions in all subcontracts.

Wage determinations are identified for each activity based on the location (Tuscaloosa County, AL) and classification as either highway, residential, building or heavy. The application of multiple wage determinations shall be applicable for separate construction types if at least 20% of the total project and/or at least \$1,000,000 in cost. Wage determinations shall be applicable to all employees including laborers, mechanics, apprentices, helpers, trainees, and journeymen. Should there be work performed that is not part of the wage determination, then proper procedure for conformance actions will be enacted. In the case of general wage determination modifications, all actions modifying the wage determination shall be effective for any project to which the determination applies, if notice of such action is published before contract award (or the start of construction where there is no contract award), except as follows: In the case of contracts entered into pursuant to competitive bidding procedures, modifications, notice of which is published less than ten days before the opening of bids shall be effective unless HUD finds that there is not a reasonable time available before bid opening to notify bidders.

However, where a general wage determination applies, if the contract is not awarded within 90 days after bid opening, modifications of the wage determination(s) must be incorporated into the contract up to award, unless the City requests and obtains an extension of the 90-day period.

Wage determinations are included in all pre-bid documents, discussed at the pre-construction conference and included as part of the contract documents. Additionally, the wage determinations are checked at least ten days prior to the bid opening to make sure no modifications to the original wage determination have been made. The Community Development Program Manager ensures that all wage determinations and fair labor standards are posted at all job sites. Additionally, all certified payrolls are submitted weekly (on the proper WHD – Wage and Hour Division form) with a Statement of Compliance and reviewed to ensure wage rates, and fringe benefits if applicable, are followed and made payable to each employee. Certified payrolls are also reviewed for overtime hours worked and to make sure that the appropriate wages are compensated through overtime pay including fringe benefits. After review of the certified payrolls, a letter is sent to the subrecipient or contractor noting whether the certified payrolls were acceptable or included deficiencies. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of four years (five years for State funded projects) thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project).

For workers who are tipped employees (pursuant to 20 U.S.C. 203(t)), the hourly cash wage that must be paid by an employer to such workers shall be at least the minimum wage per hour. If the tipped workers do not receive a sufficient amount of tips, when combined with the hourly cash wage to equal the minimum wage, the employer must increase the cash wage paid.

In the case of service contracts, the regulations for the Service Contract Act (SCA) at 29 CFR 4 shall be followed. Payment of wages shall be established through the SCA wage determination. If there is no SCA wage determination, the FLSA minimum wage will be applied in addition to the applicable fringe benefits. SCA does not require overtime pay, but recognizes that FLSA or CWHSSA overtime pay requirements may apply.

Fair Labor Standards at 29 U.S.C. are applicable.

In the case of non-compliance with Davis-Bacon regulations and any other applicable federal labor standards requirements, the City of Tuscaloosa will first contact the contractor and/or subcontractor in regard to the violation. If inappropriate wages are paid to the laborer, mechanic, helper, etc. as determined by the applicable wage determination, the contractor/subcontractor will be given an opportunity to correct the underpayment. If the contractor/subcontractor does not compensate the employee for the appropriate wages, the HUD Field Office will be contacted as well as the Wage and Hour Division, which may lead to possible debarment of the contractor/subcontractor. All cases of non-compliance in regard to Davis-Bacon and any other applicable federal labor standards requirements will be reported, at a minimum, to the HUD Field Office in Birmingham, Alabama. Additionally, the Semi-

Annual Labor Standards Enforcement Reports (HUD Form 4710i) is submitted by the City of Tuscaloosa's Federal Programs department.

Section 3

It is the intent of the City of Tuscaloosa to meet the Section 3 goals set forth by HUD for new hires (30%), construction (10%) and non-construction (3%) contracts through the inclusion of Section 3 qualified residents or Section 3 business concerns. However, documentation of good faith efforts will be evident when such goals cannot be met. Examples of good faith efforts are attempts of outreach to register and certify residents and businesses, sponsored job fairs, partnerships with local community colleges, partnership with local business organizations, such as the Chamber of Commerce of West Alabama and the Minority Business Council, discussion of Section 3 requirements at mandatory pre-bid meetings, and inclusion of Section 3 requirements in all CBDG-DR funded contracts.

Per FR-5696-N-01 (published May 29, 2013) that allocated P.L. 113-2 CDBG-DR funds to the City of Tuscaloosa, the guidance issued at FR-5696-N-01 (published May 5, 2013) regarding clarification on Section 3 income documentation requirements. Per the U.S. Housing Act of 1937 (42 U.S.C. 1437 a(b)(2)) and 24 CFR 135.5, the Secretary is authorized to establish income limits to consider an individual to be a Section 3 resident. The referenced notice authorizes that grantees (i.e. the City of Tuscaloosa) to determine that an individual is eligible to be considered a Section 3 resident if the annual wages or salary of the person are at, or under, the HUD established income limit for a one-person family for the jurisdiction, in this case Tuscaloosa County.

To support Section 3 efforts, as well as the participation of MBE/DBE/WBE, the City of Tuscaloosa voluntarily adopted a Minority/Disadvantaged Business Enterprise (MBE/DBE/WBE) Program designed to encourage the participation and development of minority and disadvantaged business enterprises and to promote equal business opportunities in the City to the fullest extent allowed by state and federal law. The City has officially named this program Tuscaloosa Builds.

It is the intent of the City to foster competition among contractors, suppliers, and vendors that will result in better quality and more economical services rendered by the City. Under this policy, the City of Tuscaloosa has established a goal of ten to twenty percent inclusion of minority and disadvantaged business enterprises for all services required to deliver City projects. In no case shall the stated percentage be the determining factor in contract awards. Rather, contractors must demonstrate a good faith effort to attain the desired percentage goal.

Some of the specific program goals include:

1. To ensure non-discrimination in the award and administration of City contracts.
2. To help remove barriers to the participation of MBE/DBE/WBEs in competing for City contracts.
3. To ensure a level playing field exists on which MBE/DBE/WBEs can compete fairly for City contracts.

The City requires contractors and subrecipients to demonstrate a good faith effort to attain the MBE/DBE/WBE goals. Specifically for the Public Works contracting process, contractors shall document their efforts to obtain minority and disadvantaged business participation in the bid documents. Pre-bid meetings for all bids are mandatory and contractors must submit all required MBE/DBE/WBE documents (located within Policies and Procedures Handbook on page 283) no later than seven days prior to the bid or at the pre-bid conference, whichever is earlier. If contractors fail to document a good faith effort to the satisfaction of the City, the bid is subject to rejection for non-responsiveness.

Additionally, the City holds monthly Tuscaloosa Builds Contractor Education Series with different topics each month such as Contracting Basics, Bidding and Estimating, Bonding and Insurance, and Forming Partnerships and Joint Ventures. These series are meant to educate existing/prospective MBE/DBE/WBE business with the resources needed to prepare them for bidding on City projects, connect them with Tuscaloosa's general contractors, or contribute overall to the economic welfare of the Tuscaloosa, its business owners and citizens. Outreach to MBE/DBE/WBEs has also been accomplished through radio interviews and ads, newspaper ads, networking events, and appearances on local television. An automated phone call, email, and text are released to each MBE/DBE/WBE on the City's distribution list prior to a bid advertisement to encourage attendance at mandatory pre-bid meetings. A database with active Tuscaloosa Builds participants can be found on the City's website.

Contractors are required to submit a monthly and project closeout report notating the MBE/DBE/WBE utilized on the project as well as the contract amount. In terms of Section 3 compliance on economic development programs, the City's Community Development Program Manager monitors each business assisted with CDBG- DR funds. The business is required to submit an income verification form for each new or retained employee; the form specifically asks questions, which allow the Community Development Program Manager to determine whether they are a Section 8 resident. For housing development programs assisted with CDBG-DR funds, Section 3 forms are submitted to the City of Tuscaloosa by each subrecipient annually. According to FR-5696-N-01 published March 5, 2018, *D. Economic Revitalization 38. Clarifying note on Section 3 income documentation requirements*, the following shall apply. Pursuant to the U.S. Housing Act of 1937 (42 U.S. C. 1437a(b)(2)) and 24 CFR 135.5, the Secretary is authorized to establish income limits to consider an individual to be a Section 3 resident. The above mentioned Notice authorizes grantees to determine that an individual is eligible to be considered a Section 3 resident if the annual wages or salary of the person are at, or under, the HUD established income limit for a one-person family for the jurisdiction.

HOUSING

HOUSING – In addition to the aforementioned Policies and Procedures that will apply to any CDBG-DR funded housing activity, the policies and procedures for CDBG-DR funded housing activities are designed for both single-family and multi-family units/developments as well as renters and owners of housing funded through CDBG-DR dollars. The City of Tuscaloosa will ensure compliance with all applicable Fair Housing laws in activities funded by CDBG- DR funds. In furtherance of the City of Tuscaloosa's

commitment to non-discrimination and equal opportunity in housing, the City of Tuscaloosa has established procedures to affirmatively market units acquired, rehabilitated, constructed or otherwise assisted under the HOME, CDBG, CDBG-DR, and ESG (Emergency Solutions Grant) funds in the City's Affirmative Marketing Policy for Affordable Housing Programs. The City of Tuscaloosa is also committed to the goals of increasing housing opportunities for persons with limited English proficiency, low-income residents and underrepresented racial and ethnic groups. These goals will be achieved through the implementation of the City's Affirmative Marketing Policy for Affordable Housing Programs. In addition, the City has a Fair Housing Plan, which is used to provide guidance for both the City and any subrecipients of CDBG-DR funds. Updated Analysis of Impediments and Four Factor Analysis documents are utilized by the City to determine the housing needs including locations of public transportation and access to commodities like grocery stores in relation to housing developments.

Record keeping and implementation of CDBG-DR funded housing programs shall be governed in whole by applicable regulations at 24 CFR 570.506, 24 CFR 570.490, FR-5696-N-03, FR-5628-N-01, any applicable federal register notices and HUD issued guidance and any other regulations found to be applicable to the documentation of programs, projects, and activities funded in whole or part by CDBG-DR funds.

The annually (HUD) published Income Limits Documentation System is used to determine eligibility of individuals for CDBG-DR funded programs based on the relevant income thresholds for household size. If a CDBG-DR funded housing program is funded directly through the City of Tuscaloosa, the Community Development Program Manager determines before award of funding that the individual(s) meet(s) the income limit thresholds based on household size. A verification of employment document from the employer, which typically also includes a copy of a W-2 and paystubs, is used to determine income eligibility. If a subrecipient/developer receives CDBG-DR funds for a housing program, the IPS Administration Division Community Development Program Manager makes routine visits to the subrecipient/developer and requires documentation be provided to determine the income eligibility of the individual or household. For fair housing and equal opportunity purposes, records will also include, at a minimum, race, gender, and ethnic data for all persons who are applicants for, participants in, or beneficiaries of the housing program. For housing programs that are carried out through a subrecipient or developer, the subrecipient or developer will document, at a minimum, the race, gender, and ethnic data for all persons that are applicants for, participants in, or beneficiaries for a housing program, but will supply the City with this same data for beneficiaries of the housing program for direct reporting purposes in the DRGR system. Documentation to support the eligibility of an individual/household is on file at City Hall and if applicable retained by the subrecipient/developer as well.

Non-Discrimination and Equal Access in Accordance with the Individual's Gender Identity

The City of Tuscaloosa implements policy to ensure that its core programs Community Development Block Grant (CDBG), Community Development Block Grant –Disaster Recovery (CDBG- DR), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG) and Homeless Management Information System (HMIS) are open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status.

Applicability

This section applies to assistance provided under Community Planning and Development (CPD) programs, including assistance under the following CPD programs: HOME Investment Partnerships program (24 CFR part 92), Housing Trust Fund program (24 CFR part 93), Community Development Block Grant program (24 CFR part 570), Housing Opportunities for Persons With AIDS program (24 CFR part 574), Emergency Solutions Grants program (24 CFR part 576), Continuum of Care program (24 CFR part 578), or Rural Housing Stability Assistance Program (24 CFR part 579). The requirements of this section apply to recipients and subrecipients, as well as to owners, operators, and managers of shelters and other buildings and facilities and providers of services funded in whole or in part by any CPD program.

Equal access in accordance with gender identity:

- (a) The admissions, occupancy, and operating policies and procedures of recipients, subrecipients, owners, operators, managers, and providers identified in paragraph (a) of Section 7.2 Applicability, including policies and procedures to protect privacy, health, safety, and security, shall be established or amended, as necessary, and administered in a nondiscriminatory manner to ensure that:
 - (1) Equal access to CPD programs, shelters, other buildings and facilities, benefits, services, and accommodations is provided to an individual in accordance with the individual's gender identity, and in a manner that affords equal access to the individual's family;
 - (2) An individual is placed, served, and accommodated in accordance with the gender identity of the individual;
 - (3) An individual is not subjected to intrusive questioning or asked to provide anatomical information or documentary, physical, or medical evidence of the individual's gender identity; and
 - (4) Eligibility determinations are made and assisted housing is made available in CPD programs as required by §5.105(a)(2).

Placement and accommodation in temporary, emergency shelters and other buildings and facilities with shared sleeping quarters or shared bathing facilities:

- (a) Placement and accommodation. Placement and accommodation of an individual in temporary, emergency shelters and other buildings and facilities with physical limitations or configurations that require and are permitted to have shared sleeping quarters or shared bathing facilities shall be made in accordance with the individual's gender identity.
- (b) Post-admission accommodations. A recipient, subrecipient, owner, operator, manager, or provider must take nondiscriminatory steps that may be necessary and appropriate to address privacy concerns raised by residents or occupants and, as needed, update its admissions, occupancy, and operating policies and procedures in accordance with paragraph (b) of this section.

(c) Documentation and record retention. Providers shall document and maintain records of compliance with the requirements in paragraph (b) of this section for a period of 5 years

For each activity that provides or improves housing, which benefits low to moderate-income persons, the following shall apply:

- A copy of a written agreement with each landlord or developer receiving CDBG-DR assistance indicating the total number of dwelling units in each multifamily structure assisted and the number of those units which will be occupied by low and moderate income households after assistance;
- The total cost of the activity, including both CDBG-DR and non-CDBG-DR funds;
- For each unit occupied by a low and moderate-income household, the size and income of the household.

In regard to rental housing:

- The rent charged (or to be charged) after assistance for each dwelling units in each structure assisted;
- Such information as necessary to show the affordability of units occupied (or to be occupied) by low and moderate-income households pursuant to criteria established and made public by the recipient;
- In each agreement for rental housing, the subrecipient/developer must submit upon the City's request, for each unit, a report of the rent charged and the annual income of the tenant household for a pre-determined period, usually twenty years. This statement satisfies a period of affordability for each CDBG-DR assisted rental property.

Displacement, relocation, acquisition, and replacement of housing

24 CFR 570.606 shall be followed for any CDBG-DR funded activities that require the displacement, relocation, acquisition, and replacement of housing. The City previously had funding available for the purposes of relocation assistance for any individuals misplaced by any CDBG-DR funded activity. However, all activities which would have presented a possible need for assistance have been completed. The City underwent the necessary measures to inform all individuals that may have been available for assistance. No individuals requested assistance and after a reasonable amount of time passed after activity completion, the City reallocated the funds for relocation assistance to another CDBG-DR eligible activity. For property that is acquired to provide housing, there must be evidence of commitments ensuring that the criteria listed at 24 CFR 570.2 08 (a) (3) will be met when the structures are built.

In regard to The Uniform Act (URA), usage of Community Development Block Grant for Disaster Recovery (CDBG-DR) funds, and regulations governing relocation assistance provided to individuals upon acquisition of property, HUD granted the City of Tuscaloosa the waiver at Federal Register FR 78 14342 (b) and FR 78 14343 (c) (d) (e) (f) and (g). As a part of the City's recovery plan, housing that was inhabited by tenants or owners on the day of the storm or needed for a designated recovery project may be acquired using CDBG-DR funds for infrastructure improvements, development of low-income housing, etc. The City of

Tuscaloosa intended to provide relocation assistance to affected individuals that qualify and; furthermore, defined demonstrable hardship as having an adjusted family income (as defined by 24 CFR 5.611 as Annual Income minus Deductions) less than or equal to current Federal Poverty Guidelines for a family of four. If an individual can prove demonstrable hardship and that more than 30% of an individual's income was spent on housing costs, then the City of Tuscaloosa considered income when calculating relocation assistance under 49 CFR 24.402 (b) and 24.404.

The City of Tuscaloosa will ensure compliance with all applicable Lead Based Paint regulations set forth in 24 CFR Part 35. As part of the City's Housing Counseling Program, each attendant to the course is provided with a lead disclosure report, notified of the dangers of lead based paint, and given a strong recommendation not to purchase a home prior to 1978 without a lead test. Course attendants must sign the lead disclosure report if they are receiving any type of federally funded assistance for housing through the City of Tuscaloosa. Additionally, clauses concerning lead based paint are included in each of the City of Tuscaloosa's agreements with recipients of direct federal funded housing assistance as well as any agreements with subrecipient or developers for the construction, rehabilitation, etc. of housing.

For individual assistance, applications may be received for housing programs funded with CDBG-DR funds. For applicants that are not eligible or provide insufficient data in their application for processing, the applicants will be notified by the City via letter of their ineligibility for funding. The letter will specifically identify why the application was ineligible and will outline the appeals process should the applicant desire to appeal the City's reasons for ineligibility. Specifically, the appeals process will afford the applicant to appeal to the City of Tuscaloosa City Council. If the City Council approves the appeal, the applicant may resubmit an application for assistance which will then undergo processing by City staff. Additionally, whether the application is funded or not all documentation will be kept on file at City Hall.

New Construction of Housing

Per FR-5628-N-01 (published April 16, 2012; 2012 CDBG-DR Allocation) and FR-5696-N-01 (published March 5, 2013; 2013 CDBG-DR Allocation) construction of new housing is considered an eligible activity. As mentioned previously, the City of Tuscaloosa will adhere to all applicable requirements of Section 504 of the Rehabilitation Act of 1973 and 24 CFR 8.22 of the Fair Housing Act. Specifically, any construction of multi-family projects containing five or more units shall meet the following requirements: minimum of five percent of total dwelling units (but not less than one unit) are accessible for individuals with mobility impairments; an additional two percent of dwelling units (but not less than one) are accessible for persons with hearing or vision impairments; and all any such units are made adaptable on the ground level or can be reached by an elevator.

To date, the City of Tuscaloosa has funded, in full or in part, the following housing activities with 2012 or 2013 CDBG-DR funds. A short description detailing the activity, funding allocated, and beneficiaries is listed below; a complete activity description can be found in the City of Tuscaloosa's hard copy Action Plan, online at tuscaloosa.com and in the DRGR system. All housing activities are monitored in accordance with the City's monitoring policies for compliance as set forth in this Policies and Procedures Manual. Additionally, all funding agreements, contracts, or other legally binding documents between

the City of Tuscaloosa and recipients for housing activities will set forth all technical specifications and requirements for funding. For reference, included are supporting documentation on the City's housing programs including draft agreements, the lead disclosure report, applications, and income limit documentation in the Policies and Procedures manual for CDBG-DR funds.

Rosedale Phase II Housing Development (2012 CDBG-DR Funds): The Rosedale Courts public housing complex consisted of 188 housing units, all but 28 of which were either damaged or destroyed during the April 27, 2011 tornado. Rosedale Courts was owned and managed by the Tuscaloosa Housing Authority (THA). THA was insured on the date of the tornado, however, not fully. THA, in conjunction with their developer Doug Hollyhand Realty, Inc., approached the City of Tuscaloosa regarding a commitment of funds from the City in order to strengthen an application that THA was making to the Alabama Housing Finance Authority (AHFA). The application to AHFA would allow THA access to approximately \$13 million in low-income housing tax credit based funds. These funds were used to build the Rosedale Courts Phase II project. The total number of units built with these funds are 86 with a portion designated for public housing units and the remaining as low-income housing tax credit units.

Eligibility and National Objective: Construction of buildings including housing and direct homeownership assistance for low- moderate-income benefit.

Threshold Criteria: Funds were used to cover the City's commitment to the Tuscaloosa Housing Authority and its developer, Doug Hollyhand Realty, Inc. for the construction of Rosedale Courts Phase II development as well as performance of the needed environmental reviews.

Grant Size Limit: The City of Tuscaloosa allocated a total of \$1,300,000 for the Rosedale Phase II Housing Development. \$1,290,000 was allocated to the Tuscaloosa Housing Authority and its developer, Doug Hollyhand Realty, Inc. for the construction of Rosedale Courts Phase II and \$10,000 was allocated to perform the necessary environmental reviews. Of the \$10,000 allocated for environmental reviews, \$3,631 remained and was reallocated toward the Comprehensive Planning activity in an Action Plan amendment.

Geographic Area: 10th Avenue corridor

This activity was completed on March 17, 2014.

Hurricane Creek Trace Housing Development (2012 CDBG-DR Funds/2012 ADECA CDBG-DR Funds): The City of Tuscaloosa was approached by Doug Hollyhand Realty, Inc., and Community Service Programs of West Alabama (local nonprofit organizations) in a collaborative partnership, regarding a commitment of funds from the City in order to strengthen an application that the development group was making to the Alabama Housing Finance Authority (AHFA) to build a development in the Alberta community that will provide quality housing units for seniors in a subdivision named Hurricane Creek Trace. The application to AHFA allowed the development partners access to approximately \$8 million in low-income housing tax credit based funds. The total number of units built with these funds was 50 with another 20 lots in the subdivision given to Habitat for Humanity Tuscaloosa in order for that organization to build another 20 single-family homes and place families in those homes per their normal operating procedures. Funds

obligated from the City of Tuscaloosa were only used for the development and construction of 50 multifamily units.

Eligibility and National Objective: Construction of buildings including housing and direct homeownership assistance for low- moderate-income benefit.

Threshold Criteria: Funds were used to cover the City's commitment to the development team of Community Service Programs of West Alabama and Doug Hollyhand Realty, Inc. for the development and construction of the Hurricane Creek Trace subdivision as well as the performance of needed environmental reviews.

Grant Size Limit: The City of Tuscaloosa allocated a total of \$760,000 in CDBG-DR funds for the Hurricane Creek Trace project. \$750,000 was allocated to the Hurricane Creek Trace development for development and construction of 50 multi-family units (agreement will be signed with Community Service Programs of West Alabama) and \$10,000 was allocated to perform the necessary environmental reviews. Of the \$10,000 allocated for environmental reviews, \$8,190 was reallocated toward the Comprehensive Planning activity in an Action Plan amendment.

Geographic Area: 6th Street East and 44th Avenue East

*** The City of Tuscaloosa also used \$300,000 of Alabama Department of Economic and Community Affairs (ADECA) 2012 CDBG-DR funds for this housing activity. ***

*This activity was completed on November 30, 2014. *

Homebuyer/Down Payment Assistance Program (2012 CDBG-DR Funds): In order to assist citizens whose homes were destroyed during the tornado and to stimulate the repopulation of the affected disaster area, the City of Tuscaloosa is allocating a portion of the CDBG Disaster Recovery Grant (2012 Allocation) for the purpose of providing incentive for citizens to purchase homes in the Tuscaloosa community.

Eligibility and National Objective: Direct homeownership assistance for low- moderate income housing.

Threshold Criteria: Eligible applicants will include two separate pools of people:

- A person who was occupying a residence (whether owned or rented) within the recovery zone on the day of the storm and whose home is no longer habitable due to storm damage. This pool of applicants is eligible regardless of new home location as long as it is within the Tuscaloosa City limits (whether inside or outside of the recovery zone).
- A person who was living outside of the recovery zone on the day of the storm but who is purchasing a home that is located within the recovery zone.

Participants must meet income requirements and complete a "qualified homebuyer training" homeownership course. The participant must meet the requirements of a participating lending institution and qualify for a mortgage. The property to be purchased must be the participants' principle place of residence.

Grant Size Limit: The maximum award amount per participant will be \$10,000. The award may be used to pay the upfront costs of acquiring a principal residence and the reasonable and necessary costs incurred by the participant, or lender associated with the purchase. If the upfront costs associated with purchasing a home are less than \$10,000, then the remaining amount will be applied directly to the principal mortgage amount. The award will be dispensed at the loan closing. The total amount dispensed through this program will be \$110,000.

Participants that were previously awarded \$5,000 through the program may submit an amended application to apply for the additional \$5,000; the additional \$5,000 will be applied to the principal mortgage and paid directly to the lending institution. *The increase of funding for each eligible applicant from \$5,000 to \$10,000 was approved in an amendment to the 2012 CDGB-DR Action Plan.*

Geographic Area: Tuscaloosa, Alabama

The specific steps taken to process a Homebuyer Down Payment Assistance application from acceptance to approval are described in the narrative below:

Applications were made available online, within public libraries and at entries to City Hall. The program was advertised via direct mail, postings on the City's website, Facebook Page, Twitter and through distribution within Tuscaloosa City Schools. There were numerous news coverings, TV Talk Show discussions, and radio Community Awareness spots to promote the program and share the program policies and procedures for the Down Payment Assistance Program. Upon completion, applications are reviewed for completion and certification of attendance to a homebuyer's education class. Classes are available through the City's HOME Program and Community Service Programs. A lender packet (see attached checklist on page 783) is requested in addition to the program application. Verification of household size and income requirements are verified in addition to home purchase location, duplication of benefits and other requested information as stated in the application or information requested by the City for clarification. The information can be obtained from the applicant or the lending source (w/applicant's permission). If the applicant is displaced, verification is required if locating outside funding margins but within the City limits or if there was evidence of a duplication of funds. Once approved, an environmental is requested and a resolution is prepared for Tuscaloosa City Council Approval. An adopted resolution is sent to the City Accounting and Finance Department with a request for a cashier's check to the Title Company. A grant agreement, mortgage, deed and promissory note is prepared with the City Attorney's Office to be signed by applicant at closing. Closings are typically scheduled as soon as the cashier's check is available.

The Homebuyer/Down Payment Assistance funds become forgivable after a period of five years.

Habitat for Humanity/Purchase of Juanita Drive Lots (2012 CDBG-DR Funds): Juanita Drive is a two-block street that is located in the Alberta community. It was also in the center of the City's most blighted, crime-ridden area before the April 27, 2011 tornado and suffered some of the most damage and destruction from the storm on that day as well. Habitat for Humanity Tuscaloosa approached the City regarding a possible award from this CDBG Disaster Recovery Grant (2012 Allocation) to purchase

24 lots on Juanita Drive for development by that organization. Habitat for Humanity Tuscaloosa has guaranteed that the purchase of these lots will then be used as the highlight feature for a specific fundraising effort. The proceeds from this fundraising will be used to build houses on all 24 lots resulting in a possible housing investment of \$2.1 million. Twelve of the homes along Juanita Drive were funded for construction with 2013 CDBG-DR funds. The City has also earmarked approximately \$600,000 from their regular Community Development Block Grant for infrastructure projects along this same street. With the new homes to be built by Habitat for Humanity Tuscaloosa and the infrastructure improvements to be made by the City, this will be a welcome housing development, taking it from a crime-ridden area to a comfortable neighborhood.

Eligibility and National Objective: Acquisition of real property and activities carried out through nonprofit development organizations for low- moderate-income housing.

Threshold Criteria: Funds were used to cover the City's commitment to Habitat for Humanity Tuscaloosa for the purchase of 24 designated lots on Juanita Drive in the Alberta community and to perform the necessary environmental reviews.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$490,000 to Habitat for Humanity Tuscaloosa. The \$490,000 will be allocated to Habitat for Humanity Tuscaloosa for the purchase of 24 lots on Juanita Drive in the Alberta Community and to perform the necessary environmental reviews. Of the \$490,000 allocated to Habitat for Humanity Tuscaloosa for the purchase of lots and environmental reviews, \$50,173.50 was reallocated toward the Comprehensive Planning activity in an Action Plan amendment.

Geographic Area: Juanita Drive, Tuscaloosa, Alabama

Although purchase of the lots is complete (the eligible activity under 2012 CDBG-DR funds), the City is unable to consider this project as complete until all 24 lots are constructed on and housed with low-mod income individuals per the national objective assigned to this activity.

Relocation Assistance (2012 CDBG-DR Funds): In regard to The Uniform Relocation Act (URA), usage of Community Development Block Grant for Disaster Recovery (CDBG-DR) funds, and regulations governing relocation assistance provided to individuals upon acquisition of property, HUD granted the City of Tuscaloosa the waiver at Federal Register FR 77 22583 (Part D). As a part of the City's recovery plan, housing that was inhabited by tenants or owners on the day of the storm or needed for a designated recovery project may be acquired using CDBG-DR funds for infrastructure improvements, development of low-income housing, etc. The City of Tuscaloosa intends to provide relocation assistance to affected individuals that qualify and; furthermore, defines demonstrable hardship as having an adjusted family income (as defined by 24 CFR 5.611 as Annual Income minus Deductions) less than or equal to current Federal Poverty Guidelines for a family of four. If an individual can prove demonstrable hardship and that more than 30% of an individual's income was spent on housing costs, then the City of Tuscaloosa will consider income when calculating relocation assistance under 49 CFR 24.402 (b) and 24.404.

Eligibility and National Objective: Relocation assistance provided to individuals residing in low-moderate income housing on the day of the storm and who have been displaced as a result of a project funded with CDBG-DR funds.

Threshold Criteria: Funds will only be used to provide relocation assistance to individuals who were directly affected by the storm, can demonstrate demonstrable hardship, and are directly affected as a result of a project funded with CDBG-DR funds.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$10,000 to Relocation Assistance. The \$10,000 will be used provide relocation assistance to individuals who were directly affected by the storm, can demonstrate demonstrable hardship, and are being displaced as the result of a project funded with CDBG-DR funds.

Geographic Area: Lots 12, 14, 18, 19, 23, 24, 25, 31, 33, 36, 46, 50, 54, 62, 63, 65, 71, 72,99,106,107, 108, 111, 115, and 125 located on Juanita Drive, Tuscaloosa, Alabama and Rosedale Phase II located on 10th Avenue, Tuscaloosa, Alabama

This activity was cancelled in 2012 CDBG Action Plan Amendment #11. The activities which Relocation Assistance was set aside for have been completed and no individuals came forth requesting the assistance; therefore, there was no longer a need for the funds.

Rosedale Phase III (2013 CDBG-DR Funds/2012 ADECA CDBG-DR Funds): The Rosedale Phase III housing development constitutes the third phase of the rebuilding of the Rosedale Courts public housing complex that was destroyed by the April 27, 2011 tornado that devastated the City of Tuscaloosa. The property will consist of 128 units and will be restricted to low to moderate-income individuals and elderly residents based on data from the HUD established income limits for Tuscaloosa County. Of the 128 units, 28 will be one-bedroom and 100 will be two bedroom units; a portion will be designated for public housing units and the remaining as low-income housing tax credit units. Rosedale Phase III will be owned and managed by the Tuscaloosa Housing Authority (THA); THA has already secured tax credits for the development. Doug Hollyhand Realty, Inc. served as the developer on the first two phases of Rosedale and will also be the developer for the third phase.

The site lies immediately south of the original Rosedale Courts location and, in conjunction with the first two phases of the redevelopment already completed, will complete the replacement of units in the original Rosedale Courts. As the site lies directly in the path of the tornado, the housing development will be an important piece in the overall redevelopment of the areas of Tuscaloosa destroyed by the tornado.

Eligibility and National Objective: Construction of buildings including housing for the low-moderate area.

Threshold Criteria: Funds will be used for costs associated with the City of Tuscaloosa's commitment to the Tuscaloosa Housing Authority and its developer, Doug Hollyhand Realty, Inc., for the construction of 128 units known as Rosedale Phase III, which will serve the low-moderate income area.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$2,500,000 for the Rosedale Phase III housing development. Funds will be used for costs associated with the construction of 128 units to serve the low-moderate income area. A total investment of approximately \$18,452,058 will be made in this

activity. \$12,000,000 in Alabama Housing Finance Tax Credits along with other various funding sources will be leveraged with 2013 CDBG-DR funds.

Geographic Area: 10th Avenue corridor

*** The City of Tuscaloosa also used \$1,920,000 of Alabama Department of Economic and Community Affairs (ADECA) 2012 CDBG-DR funds for this housing activity. ***

This activity was completed on October 19, 2016.

Habitat for Humanity (2013 CDBG-DR Funds): The City of Tuscaloosa, as part of its 2012 CDBG-DR allocation, funded Habitat for Humanity Tuscaloosa in the amount of \$439,827 for the acquisition of 24 lots along Juanita Drive. Juanita Drive is a two-block street that is located in the Alberta community. It was also in the center of the City's most blighted, crime-ridden area before the April 27, 2011 tornado and suffered some of the most damage and destruction from the storm on that day as well. To strengthen its commitment to a better quality of life for Tuscaloosa residents, the City of Tuscaloosa allocated funding to Habitat for Humanity Tuscaloosa for the construction of safe, affordable single-family homes on the lots Habitat for Humanity Tuscaloosa acquired using City of Tuscaloosa 2012 CDBG-DR funds. Once the homes are constructed, Habitat will screen applicants for eligibility requirements such as the need for adequate housing, ability to pay, and willingness to partner.

Eligibility and National Objective: Construction of buildings including housing for the low-moderate area.

Threshold Criteria: Funds will only be used to cover the City of Tuscaloosa's commitment to Habitat for Humanity Tuscaloosa for the construction of 12 three bedroom, two bath homes along Juanita Drive in the Alberta Community.

Grant Size Limit: The City of Tuscaloosa allocated a total of \$1,000,000 to Habitat for Humanity Tuscaloosa for the construction of single-family homes along Juanita Drive in the Alberta Community. The total cost to construct the 12 homes was estimated to be \$1,044,230. To supplement the \$1,000,000 requested in this Action Plan, Habitat for Humanity will acquire \$44,230 through private donations and the Alabama Housing Finance Authority (AHFA).

Geographic Area: Juanita Drive, Tuscaloosa, Alabama

*This activity (construction of 12 homes) was completed on October 12, 2015. *

Somerville Apartments (2012 ADECA CDBG-DR Funds): Somerville Apartments is new construction of affordable housing options for low to moderate income individuals to address the large unmet needs of the affordable rental housing stock destroyed during the April 27, 2011 tornadoes. West Alabama Affordable Housing Corporation and WDM, LLC will act as the developer and Morrow Realty Company, Inc. will serve as the property management firm once construction is complete. Located on Skyland Boulevard in the City of Tuscaloosa, the development consists of 50 affordable two-bedroom apartment homes. The development also includes a multi-purpose clubhouse with a computer center, community television with cable, laundry facility, gazebo, picnic area with grills and designated garden area. Other in-apartment amenities include energy efficient appliances including refrigerator, stove, dishwasher, garbage disposal, and microwave. Additionally, each unit has energy efficient central heat and air, washer and dryer connections, window blinds, carpet and vinyl plank flooring, and cable and internet connections

throughout the rooms. Onsite management and maintenance staff are available to the residents. The development includes a low maintenance brick exterior and 30-year architectural shingles. Construction was completed using many parts of the Sustainable Green Building Standards along with City codes. Once completed, the units were available for elderly low to moderate-income individuals and families seeking safe and affordable housing options.

Eligibility and National Objective: Construction of buildings including housing for the low-moderate area.

Threshold Criteria: 2012 Alabama Department of Economic and Community Affairs (ADECA) CDBG-DR funds were used to cover the City of Tuscaloosa's commitment to West Alabama Affordable Housing Corporation and WDM, LLC for the construction of 50 two-bedroom units known as Somerville Apartments which will serve the low-moderate income area.

Grant Size Limit: The City of Tuscaloosa allocated a total of \$750,000 for the Somerville Apartments housing development. Funds were used for costs associated with the construction of 50 units to serve the low-moderate income area. Alabama Housing Finance Tax Credits along with other various funding sources will be leveraged with 2012 ADECA CDBG-DR funds.

Geographic Area: 5701 McFarland Boulevard East, Tuscaloosa, Alabama 35405

The activity was completed on July 22, 2015.

INFRASTRUCTURE

INFRASTRUCTURE– In addition to the aforementioned Policies and Procedures that will apply to any CDBG-DR funded infrastructure activity, the following Policies and Procedures will also apply. All CDBG-DR funded infrastructure projects will qualify as an eligible activity defined at 24 CFR 570.201. A national objective shall be met in each activity, but predominantly in low-moderate income area benefit. Low-moderate income area benefit will be determined using the applicable census tracts for the activity. Activities will only be considered to deliver a low-moderate income area benefit if the low-moderate income benefit is 51% or greater or if exception criteria listed at 24 CFR 570.208 (a)(1)(ii) or 24 CFR 570.506 (b)(3)(i-iii) is met. Examples of infrastructure projects undertaken with CDBG-DR funds include but are not limited to water and sewer, drainage, street reconstruction, construction of multi-modal pedestrian pathways and rebuilding of City facilities and park improvements. As described at length previously in this document, the City will follow all federal procurement laws in the selection of contractors, encourage MBE/DBE/WBE participation and inclusion of MBE/DBE/WBE firms as sub-contractors in general contractors' bids, and ensure certain benchmarks are met as the project progresses.

No covered infrastructure projects, as defined in the Federal Register notices published November 18, 2013 and June 3, 2014, have been funded with CDBG-DR funds to date. Additionally, no related covered infrastructure projects have been funded with CDBG-DR funds to date. However, should future infrastructure projects funded with CDBG-DR funds be considered a covered infrastructure project, the procedures outlined in the aforementioned Federal Register notices shall be carried out.

Record keeping and implementation of CDBG-DR funded infrastructure programs shall be governed in whole by applicable regulations at 24 CFR 570.506, 24 CFR 570.490, FR-5696-N-03, FR-5628-N-01, any other applicable federal register notices and HUD issued guidance and any other regulations found to be applicable to the documentation of programs, projects, and activities funded in whole or part by CDBG-DR funds.

All applicable regulations in regard to property acquisition including, but not limited to, the regulations set forth at 49 CFR Part 24 and URA will be applied to any properties acquired for an infrastructure activity funded with CDBG-DR funds. Relocation assistance will also be included as part of the property acquisition. Data indicating the race and gender of households displaced as a result of the CDBG-DR funded activity, as well as the address and census tract of the housing units of each displaced household relocated will be documented.

Wage determinations are included in all pre-bid documents and checked no later than ten days before bid submission to determine whether there has been a modification of the wage determination. In addition, an overview of Davis-Bacon laws, registration in the sam.gov system, MBE/DBE/WBE firm inclusion, and other special conditions for federally funded contracts are covered at the pre-bid conference.

Appropriate wage determinations, Davis-Bacon laws, active registration in the sam.gov system, and liquidated damages among other things are outlined in the Public Works contract (example included in this Policies and Procedures Handbook on page 1133).

The City of Tuscaloosa Federal Programs Community Development Program Manager and any other requested City staff will schedule a monitoring visit to the project site. With construction projects, the monitoring visit will be scheduled after thirty percent of the awarded funds have been requested for payment. The thirty percent will serve as a threshold but not an absolute requirement. For example, visits are generally scheduled a few weeks after start of construction to ensure that all applicable Davis-Bacon and wage rate determination documentation is posted at the job site. All certified payrolls are submitted weekly (on the proper WHD form) with a Statement of Compliance and reviewed to ensure wage rates, and fringe benefits if applicable, are followed and made payable to each employee. Certified payrolls are also reviewed for overtime hours worked and to make sure that the appropriate wages are compensated through overtime pay, including fringe benefits. After review of the certified payrolls, a letter is sent to the subrecipient or contractor noting whether the certified payrolls were acceptable or included deficiencies. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of four years (five years for State funded projects) thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project).

For individual assistance, infrastructure programs funded with CDBG-DR funds applications may be received. For applicants that are not eligible or provide insufficient data in their application for processing, the applicants will be notified by the City via letter of their ineligibility for funding. The letter

will specifically identify why the application was ineligible and will outline the appeals process should the applicant desire to appeal the City's reasons for ineligibility. Specifically, the appeals process will afford the applicant to appeal to the City of Tuscaloosa City Council. If the City Council approves the appeal, the applicant may resubmit an application for assistance, which will then undergo processing by City staff. Additionally, whether the application is funded or not all documentation will be kept on file at City Hall.

To date, the City of Tuscaloosa has funded, in full or in part, the following infrastructure activities with 2012 or 2013 CDBG-DR funds. A short description detailing the activity, funding allocated, and beneficiaries is listed below; a complete activity description can be found in the City of Tuscaloosa's hard copy Action Plan, online at tuscaloosa.com and in the DRGR system. All infrastructure activities are monitored in accordance with the City's monitoring policies for compliance as set forth in this Policies and Procedures Manual. Additionally, all funding agreements, contracts, or other legally binding documents between the City of Tuscaloosa and recipients for infrastructure activities will set forth all technical specifications and requirements for funding. The monitoring checklist for infrastructure projects, including a special checklist for contracted construction managers, have been included in this Policies and Procedures Handbook as well as a draft Public Works Contract executed between the City of Tuscaloosa and contractors.

Alberta Revitalization Infrastructure Project (2012 CDBG-DR Funds/2013 CDBG-DR Funds): The Alberta community represents an area of the City with a high percentage of very low income rental housing, especially in neighborhoods made up of single-family detached housing, a lot of which was either damaged or destroyed by the storm. In order to augment the housing plan that the City has developed for Alberta, the City also proposes a large-scale infrastructure project that incorporates the Citywalk.

The Citywalk route will extend along the South side of the proposed Alberta Parkway (now 7th Street East) and continue until reaching the new site of Alberta Elementary School, where it will branch to the North and South entrances of the school. Within this infrastructure project, the parameters of 7th Street East will be widened and a landscaped median will be put in. Heading West, away from the school, this project will terminate at the site of Jaycee Park (currently an underutilized community facility in Alberta which the Tuscaloosa Forward Generational Plan proposes, and fundraising/sponsorship efforts are already underway, to greatly improve). This project will also incorporate the burying of utility lines and provide for a much-needed upgrade in drainage and sewer improvements for the residents of this area.

The City hopes that this project in conjunction with the Homebuyer/Down Payment Assistance Program, the Habitat for Humanity Tuscaloosa/Juanita Drive project (both funded by the 2012 Disaster Recovery Grant), a newly built Alberta Elementary School, Fire Station #4, Alberta Technology Public Library (The Gateway), and the newly improved and modified Jaycee Park will help spur the re-development of the Alberta community. This infrastructure project not only provides a safe and beautiful centralized boulevard, but it also will engrain a feeling of pride and community to this area, hopefully making the houses that are being and will be built feel more like homes than just structures. A feeling of place and community is built through more than just buildings. It comes from a synergy of homeowners/neighbors that help each other, that provide a healthy environment for children to learn and play, for business

owners to give back to their customers, everyone in a community working together to make it an enjoyable place to live, work and play. The City believes that this boulevard with all of its amenities will be the catalyst for that synergy.

Eligibility and National Objective: Infrastructure, other public facilities and improvements, and sidewalk improvements for low- moderate-income area benefit.

Threshold Criteria: 2012 CDBG-DR funds will be used to pay for costs associated with the engineering, architectural, and design associated with the project as well as any necessary environmental reviews and any other necessary and eligible costs. The construction phase and additional engineering services of the project will be funded through an amendment to the City of Tuscaloosa's 2013 CDBG-DR Action Plan using its 2013 allocation of CDBG-DR funds. 2013 CDBG-DR funds will be used to pay for costs associated with engineering and architectural services, property acquisition and easements, the installation of the Citywalk, landscaping, street widening and alignment, median installation, utility burying and upgrades, and any other eligible costs.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$1,256,486.37 (2012 CDBG-DR) for the Alberta Revitalization Infrastructure Project to pay for costs associated with engineering, architectural, and design services as well as any necessary environmental reviews and other necessary eligible costs. \$124,600 in City of Tuscaloosa water and sewer reserve funds have been allocated to pay for costs associated with engineering and architectural services, necessary environmental reviews, and any other eligible costs. The 2013 CDBG-DR funds, in the amount of \$8,805,314.43 will be used to pay for costs associated with engineering and architectural services, property acquisition and easements, the installation of the Citywalk, landscaping, street widening and alignment, median installation, utility burying and upgrades, technology, and any other eligible costs.

Geographic Area: 7th Street East bordered by Jaycee Park to the west and Alberta Elementary school to the east.

Phase 1A of this activity was completed on May 20, 2015; Phase 1B of this activity was completed on March 26, 2016. Phase 2 is currently underway

University Place and Forest Lake Revitalization Infrastructure Project (2012 CDBG-DR Funds/2013 CDBG-DR Funds): Just as the City is using the CDBG Disaster Recovery allocation to spur a community and neighborhood coming together and new start in the Alberta Revitalization project above, so it will be with the University Place and Forest Lake Revitalization Infrastructure project for the Forest Lake community.

Sitting at the corner of Hargrove Road and 2nd Avenue, immediately in the heart of the devastated Forest Lake community, was the Central Church of Christ campus. The church partnered with the City to build the section of the Citywalk that was outlined to intersect with its campus. From this section built by Central Church of Christ, the City built sidewalks that head North on 2nd Avenue, turn right at University Place Drive and extend up to the University Place Elementary School campus. The Forest Lake Revitalization Infrastructure Project portion then takes over at the North end of the University Place Elementary School campus and continues North along 1st Avenue to the north side of Forest Lake Baptist Church, turning right at Eighteenth Street and then left at Lake Avenue where it extends along the west

side of Lake Avenue using the natural beauty of the lake and surrounding homes as a backdrop. This project ends once the Citywalk reaches 15th Street.

Specifically, the project includes the construction of a concrete and asphalt 10-foot wide pedestrian path with strategically placed benches and trashcans. Installation of lighting, landscaping, and irrigation are also components of this portion of the City Walk and will be uniform with other areas of the City Walk in the City. In addition to the installation of the City Walk, a new street was constructed for easier ingress and egress to an adjoining reconstructed elementary school. The main roadway utilized for this portion of the City Walk was narrowed and became a one-way street to accommodate the pedestrian path.

The City of Tuscaloosa has committed to providing a safe environment for the citizens of Tuscaloosa whether that be at home, at work, or at various spots throughout the City; the City Walk is no exception. Therefore, the City brought technology infrastructure attributes such as 1 GB wireless access points, fiber optics, cameras, LED lighting, digital signs, and GIS components to the City Walk. Security cameras will be placed along the City Walk to detect any suspicious activity as well as LED lighting which can be brightened after a phone call from emergency phones or a personal phone to offer a heightened sense of safety. GIS technology will allow responders to pinpoint the location of a caller should assistance be needed. Digital signs will post emergency phone numbers as well as other pertinent public information. A police presence will be established through a bike patrol; this component will add an additional sense of safety for those utilizing the City Walk. In addition to providing for the safety of its citizens, the City of Tuscaloosa landscaped along the City Walk to begin replacing some of the tree-cover and green space lost during the storm.

The City believes that the construction of this portion of the Citywalk in conjunction with the rebuilt University Place Elementary School, Central Church of Christ and the continued redevelopment of housing will help give the community of Forest Lake an environment from which to rebuild and recover. The landscaping along the Citywalk will begin to replace some of the tree-cover and green space lost during the storm. This rebuilt sense of community plus the central location of the Forest Lake area can be an attraction point for private developers to continue the rebuilding and recovery for this neighborhood.

Eligibility and National Objective: Infrastructure, other public facilities and improvements, and sidewalk improvements for low- moderate-income area benefit.

Threshold Criteria: 2012 CDBG-DR funds were used to pay for costs associated with the engineering, architectural, and design associated for the project as well as any necessary environmental reviews and property acquisition and any other necessary and eligible costs. 2013 CDBG-DR funds were used to pay for the costs associated with engineering and architectural services, property acquisitions, the installation of the City Walk, landscaping, lighting, utility burying and upgrades, technology infrastructure, and other eligible components necessary for the development of the infrastructure. The City of Tuscaloosa Federal Programs department also allocated \$1,184,640 in CDBG dollars to the project for installation of the City Walk, landscaping, lighting, utility burying and upgrades, technology infrastructure, and other eligible components necessary for the development of the infrastructure. Additional technology infrastructure needs are being funded with 2013 CDBG-DR funds through an activity known as Technology Infrastructure. The portion of City Walk built along Central Church of Christ has been completed and was funded through the City of Tuscaloosa's general and water and sewer funds. The architect and engineer on this portion of the City Walk were procured and were used to complete the University Place and Forest Lake City Walk.

Grant Size Limit: The City of Tuscaloosa allocated a total of \$1,898,845.55 (2013 CDBG-DR) for the University Place and Forest Lake Revitalization Infrastructure project. A portion of the costs associated with engineering and architectural services, environmental reviews, and any necessary property acquisition were funded in the amount of \$384,215.78 through the 2012 CDBG-DR allocation. Additionally, CDBG dollars in the amount of \$1,184,640 and City Water and Sewer Reserve Funds in the amount of \$11,888.43 were applied toward this activity. Additional technology infrastructure needs are being funded with 2013 CDBG-DR funds through an activity known as Technology Infrastructure.

Geographic Area: University Place: from the Northeast corner of the Central Church of Christ campus where it borders 2nd Avenue, north along 2nd Avenue turning right at and running along University Place Drive to the University Place Elementary School campus. Forest Lake Revitalization Infrastructure Project: from the University Place Elementary School Campus running North along 1st Avenue to the north side of Forest Lake Baptist Church, turning right at Eighteenth Street, turning left and running North along Lake Avenue ending at 15th Street.

*The construction portion of the activity was completed on July 3, 2015. *

10th Avenue Corridor Revitalization Infrastructure Project (2012 CDBG-DR Funds/2013 CDBG-DR Funds):

One of the City's main focuses with the proposed projects of this Action Plan (and the Tuscaloosa Forward Generational Plan in general) is to create sustainable and interconnected communities throughout the recovery zone. The last of these communities to be addressed here is along the 10th Avenue Corridor. This sector of the City has long been envisioned as a major gateway into Tuscaloosa. This area will house the Rosedale Courts complex along with the recovering historic neighborhoods. To complete this community, the City proposes to install the Citywalk in the sector as well. Tenth Avenue is a major traffic artery into the City of Tuscaloosa and the University of Alabama and with the addition of the Citywalk, and the reinvigorated streetscaping, can become the proper gateway to the City's attractions. It will also provide enhanced walkability and connectivity for the residents of Rosedale and the historic neighborhoods to possible commercial developments to come along this corridor.

It is also the City's hope that the investment in the 10th Avenue Corridor can be greatly increased via a partnership with the University of Alabama. The University of Alabama would be greatly affected by the increased ease of traffic flow and attractiveness that the Citywalk in this area could provide, as one of the major entertainment attractions, Bryant Denny Stadium, sits approximately one mile down 10th Avenue from the end of this sector. Once this project has been greenlit, the City will propose this partnership to University of Alabama administration. With the University of Alabama's additional investment, the amenities of this project could greatly increase in scale.

Eligibility and National Objective: Infrastructure, other public facilities and improvements, and sidewalk improvements for low- moderate-income area benefit.

Threshold Criteria: Funds will be used to pay costs associated with engineering and architectural services, property acquisition, any necessary environmental reviews, and any other necessary and eligible costs. Funds will also be used to pay for costs associated with the installation of the City Walk, street

reconstruction, landscaping, lighting, utility burying and upgrades, technology, and various other amenities such as trash receptacles and benches.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$6,811,231 (2012 CDBG-DR funds) and \$648,118 (2013 CDBG-DR funds) to the 10th Avenue Corridor Revitalization Infrastructure Project. Funding in this allocation will be used to pay the costs associated with engineering and architectural services, property acquisition, and any necessary environmental reviews. Funds will also be used to pay for costs associated with the installation of the City Walk, street reconstruction, landscaping, lighting, utility burying and upgrades, technology, various other amenities such as trash receptacles and benches, and any other necessary and eligible costs. In addition, \$200,000 in City Water and Sewer Reserve Funds are being applied to the activity.

Geographic Area: Starting at Harmon Park on the South side of the Rosedale community, running East along 29th Street, turning left and running North along 10th Avenue until it intersects with Hargrove Road.

Hargrove Road/Hackberry Lane Realignment and Improvements (2012 CDBG-DR Funds/2013 CDBG-DR Funds): Hargrove Road and Hackberry Lane are two heavily traveled roadway segments located in the heart of the recovery zone and are the primary roadways for two established neighborhoods that were heavily damaged from the storm, Hillcrest and Wood Manor. These roadways were severely damaged after the storm due to debris and the removal of debris by heavy equipment. Additionally, this area has attributed to a number of accidents and injuries at the intersection of the two roadways; more specifically 85 in the last ten years. The homes located at the intersection (a severe curve) were completely demolished as a result of the April 27, 2011 storms. Although unfortunate, the destruction of these homes has given the City an opportunity to make roadway improvements in coordination with the rebuilding of the homes. This project is a critical component of the City's long-term disaster recovery plan, and will support the City's initiative to re-construct residential and commercial properties at the intersection of Hargrove Road and Hackberry Lane.

Improvements to the roadways will include road reconstruction to remedy the damage sustained from debris removal. While completing road reconstruction, the City will reduce the degree of the curve to resolve traffic accidents and construct a 6-foot wide sidewalk with street and pedestrian lighting. The addition of sidewalks will allow connection to the City Walk, most closely at the 10th Avenue and University Place/Forest Lake portions.

Eligibility and National Objective: Infrastructure and public facilities and improvements in a low-moderate area.

Threshold Criteria: The City of Tuscaloosa will only use 2012 CDBG-DR funds to pay for the construction of sidewalks, street reconstruction including curb and gutter, landscaping, lighting, utility burying and upgrading, technology, and any other necessary construction costs. The City of Tuscaloosa will use 2013 CDBG-DR funds to pay for the necessary environmental reviews, engineering and architectural services, land acquisition for the Hargrove Road/Hackberry Lane Realignment and Improvements infrastructure project and any other necessary and eligible costs.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$1,798,406 for the construction of sidewalks, street reconstruction including curb and gutter, landscaping, lighting, utility burying and upgrading, and any other necessary construction costs with 2012 CDBG-DR funds. The City of Tuscaloosa is allocating a total of \$752,247 from its 2013 allocation of CDBG-DR funds to be used for the necessary environmental reviews, engineering and architectural services, and acquisition for the Hargrove Road/Hackberry Lane infrastructure project and other necessary and eligible costs. In addition, \$352,000 from the City's General Reserve Fund and \$2,800,000 from the Alabama Transportation Rehabilitation and Improvement Program (ATRIP) is being applied to this activity.

Geographic Area: Hargrove Road and Hackberry Lane

Cedar Crest Drainage Improvements (2013 CDBG-DR Funds): In order to support the businesses rebuilt since the April 27, 2011 tornadoes and the large scale developments planned for the Cedar Crest area, the City of Tuscaloosa proposed improvements to the Cedar Crest drainage ditch. The drainage system is bordered by three heavily traveled roadways, McFarland Boulevard, 13th Street, and Dr. Edward Hillard Drive. It is also directly behind two recently rebuilt businesses and adjacent to the site for a multi-million dollar 250,000 square foot development that will create an estimated 500 jobs. The Cedar Crest drainage improvements minimizes the effects of the floodway while supporting existing economic development and future investment.

The improvements to the Cedar Crest drainage system include the construction of a concrete box culvert to replace the existing concrete flume between Dr. Edward Hillard Drive and McFarland Boulevard and the construction of an alley on top of the newly installed box culvert. The project required the remapping of the flood plain to reflect change in the hydrology.

Eligibility and National Objective: Infrastructure, other public facilities and improvements for low-moderate-income area benefit.

Threshold Criteria: Funds were used to cover the costs associated with engineering and architecture, any necessary environmental reviews, easements and property acquisitions, construction, and any other eligible components of the project.

Grant Size Limit: The City of Tuscaloosa allocated a total of \$1,433,670.59 (2013 CDBG-DR funds) for the Cedar Crest Drainage Improvement infrastructure project. Engineering and architectural services, necessary environmental reviews, easements and property acquisitions, construction, and any other eligible components of the project were funded through this allocation.

Geographic Area: Project boundaries are McFarland Boulevard, 13th Street and Dr. Edward Hillard Drive

*This activity was completed on May 15, 2015. *

Prince Avenue Improvements (2013 CDBG-DR Funds): Prince Avenue experienced heavy debris and destruction on April 27, 2011. Although minimal structural damage was sustained, Prince Avenue was subject to deterioration from the removal of debris. Prince Avenue is a heavily traveled roadway that provides access to several low and moderate-income neighborhoods and churches as well as serving as a connection point to Hargrove Road. With the funding of this project, the City will make improvements to Prince Avenue such as sidewalks, drainage, base and pavement utility relocation, and curb and gutter. As

mentioned before Prince Avenue serves as a connection point to Hargrove Road; with the addition of these improvements, specifically the sidewalks, citizens will have a safe way to travel to Hargrove Road and access the City Walk at University Place and Forest Lake. Improvements to this roadway will provide safer travel for the low and moderate-income residents in the area, safer access to the nearby City Walk, and improvement of utilities while allowing for redevelopment of this area of the City impacted by the storm.

Eligibility and National Objective: Infrastructure, other public facilities and improvements for low-moderate income area benefit.

Threshold Criteria: Funds will be used to cover the costs associated with engineering, necessary environmental reviews, easements and property acquisitions, construction, and any other eligible components of the project.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$996,848.68 (2013 CDBG-DR funds) for the Prince Avenue infrastructure project. Engineering services, necessary environmental reviews, easements and property acquisitions, construction, and any other eligible components will be funded through this allocation. In addition, \$125,000 (City insurance proceeds), \$775,000 (City Water and Sewer Reserve funds), and \$100,000 (City CDBG funds) are being applied toward the activity for a total activity worth of \$1,996,848.68.

Geographic Area: Prince Avenue

This activity was completed on March 21, 2017.

Neighborhood Lakes Clean-Up (2013 CDBG-DR Funds): Approximately 20 bodies of water were in the path of the storm on April 27, 2011 and suffered the after effects of debris. As a result, the City implemented a lake clean-up program to assist both publicly and privately owned lakes with removal of debris and restore the lakes to their optimal state for enjoyment by the citizens of Tuscaloosa. Beautification of these lakes also fostered the protection of aquatic species and other wildlife in the area. Due to the limited amount of funds, an application period was held to determine which lakes are in most need of assistance.

Eligibility and National Objective: Interim Assistance for an area of urgent need.

Threshold Criteria: The City of Tuscaloosa only used funds to cover the necessary environmental reviews and expenses associated with removing debris and restoring lakes in the recovery area.

Grant Size Limit: The City of Tuscaloosa allocated a total of \$180,244 used only for removal of debris and restoration of lakes in the low-moderate recovery area and the necessary environmental reviews.

Geographic Area: City of Tuscaloosa designated recovery areas

This activity was completed on September 11, 2015.

Technology Infrastructure (2013 CDBG-DR Funds): In order to supplement the City Walk, a multi-use pedestrian path that will provide interconnectivity among Tuscaloosa neighborhoods to housing, retail, educational institutions and much more, technology infrastructure will be installed. Technology

infrastructure will provide for a heightened sense of safety for City Walk patrons as well as 1 GB per second internet access. Specifically, the City will bring technology infrastructure attributes such as 1 GB wireless access points, fiber optics, cameras, LED lighting, digital signs, and GIS components to the City Walk. Security cameras will be placed along the City Walk to detect any suspicious activity as well as LED lighting which can be brightened after a phone call from emergency phones or a personal phone to offer a heightened sense of safety. GIS technology will allow responders to pinpoint the location of a caller should assistance be needed. Digital signs will post emergency phone numbers as well as other pertinent public information.

The City of Tuscaloosa has strategically placed other public infrastructure facilities such as the Alberta Technology Center, The Edge: Business Resource Center, and numerous parks along the City Walk that will have public access to the internet. As previously mentioned in the Action Plan, the City Walk traverses through low-moderate neighborhoods that otherwise may not have access to these services if not for the advanced technology infrastructure installed as part of the City Walk.

The network and communications systems that support the technology infrastructure will be housed in hardened structures along the City Walk to help protect against inclement weather. These control rooms are planned to be located at each terminus of the City Walk in the Alberta Technology Center and The Edge: Business Resource Center. Technology infrastructure funds will also be applied toward the purchase and installation of allowable and eligible technology items in the Alberta Technology Center and The Edge: Business Resource Center.

Eligibility and National Objective: Infrastructure and public facilities and improvements in a low-moderate area.

Threshold Criteria: The City of Tuscaloosa will only use funds for costs associated with the purchase and installation of technology infrastructure as well as the control rooms for the network and communications systems in the City Walk activities located at University Place/Forest Lake, Alberta Parkway, Hargrove Road/Hackberry Lane, and 10th Avenue, Alberta Technology Center, and The Edge: Business Resource Center.

Grant Size Limit: The City of Tuscaloosa is allocating 2013 CDBG-DR funds, in the amount of \$3,336,118.87, to be used only for costs associated with the purchase and installation of technology infrastructure as well as the control rooms for the network and communications systems in the City Walk activities located at University Place/Forest Lake, Alberta Parkway, Hargrove Road/Hackberry Lane, and 10th Avenue. The funds will also be used toward the purchase and installation of allowable technology in The Edge: Business Resource Center and the Alberta Technology Center.

Geographic Area: City Walk at 10th Avenue, Hargrove/Hackberry, University Place/Forest Lake, and Alberta Parkway, Alberta Technology Center, The Edge: Business Resource Center

Rosewood Sewer (2013 CDBG-DR Funds): Rosewood Sewer is one of the primary sewer systems that services the tornado affected zones particularly the Alberta area; one of the most poverty-stricken areas in Tuscaloosa. Improvements to the Rosewood Sewer line not only improved the flow in the line but also to connecting sewer lines. This project involved the installation, or replacement, and/or rehabilitation of sanitary sewer mains, manholes and appurtenances between City manholes. The improvements to this line allowed for and support the redevelopment of damaged and/or destroyed

properties in the recovery area. Both residential and commercial redevelopment will increase tax revenues in the City, which will boost the economy and lead to a better quality of life for all Tuscaloosa citizens. Increased capacity of the Rosewood Sewer line and connecting lines ensures that the City is better equipped to respond to damaged and/or destroyed sewer lines in the event of another disaster.

Eligibility and National Objective: Infrastructure and public facilities and improvements in an area of urgent need.

Threshold Criteria: The City of Tuscaloosa only used funds to cover engineering and architectural services, necessary environmental reviews, easements and property acquisitions, construction, and any other eligible costs necessary to complete the project.

Grant Size Limit: The City of Tuscaloosa is allocated a total of \$384,260.32 (2013 CDBG-DR funds) to be used only for engineering and architectural services, necessary environmental reviews, easements and property acquisitions, construction, and any other eligible costs necessary to complete the project. The City of Tuscaloosa Water and Sewer department funded \$750,000 of the project cost for a total project worth of \$1,134,260.

Geographic Area: 13th Street East

This activity was completed on September 24, 2015.

Fire Station #4 (2013 CDBG-DR Funds): Many City of Tuscaloosa facilities were destroyed or severely damaged on the day of the storm including Fire Station #4 located in Alberta, a very low income area of Tuscaloosa. Using its limited resources, the fire station continued to operate in the immediate hours and days following the storm. The fire station was operating out of a temporary location central to the Alberta community, but has now permanently relocated to a municipal hub that includes the fire station and a police station. Previously, the fire station was not able to respond to medical emergencies, but with the enhanced capabilities of the new station, medical personnel are able to respond to emergencies in the area. These City facilities are in close proximity to the Alberta School of Performing Arts, Jaycee Park, and residential and commercial properties. In order to promote sustainability, conservation of resources, and mitigation, Fire Station #4 was built using green standards and serves as a safe room during inclement weather.

Eligibility and National Objective: Public facilities and improvements for the low-moderate area.

Threshold Criteria: The City of Tuscaloosa only used funds to provide for the construction of Fire Station #4 and the necessary environmental reviews. Engineering and architectural services were funded through insurance proceeds.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$2,632,313 (2013 CDBG-DR funds) to the Fire Station #4 project to cover construction costs and the necessary environmental reviews. City insurance proceeds in the amount of \$1,164,223 were also applied to Fire Station #4 for a cost of \$3,796,536.

Geographic Area: 25th Avenue East

*This activity was completed on March 6, 2015. *

PARA Park Improvements (2013 CDBG-DR Funds): In addition to destroying a large portion of residential structures in the low-moderate area in the City of Tuscaloosa, the April 27, 2011 tornado rendered substantial damage on the recreational areas in these low-moderate areas. The Tuscaloosa County Park and Recreational Authority (PARA) approached the City with a proposal for funding park improvements for two parks within the recovery zone, Harmon Park and Jaycee Park. Both Harmon and Jaycee Park are in the heart of two of the most affected low-moderate areas, which continue to serve a large portion of the low-income housing industry. Improvements to these parks will sustain its use as a common place for families to congregate and enjoy recreational activities at no cost.

Eligibility and National Objective: Public facilities and improvements for the low-moderate area.

Threshold Criteria: The City of Tuscaloosa will only use funds to provide for improvements to Harmon Park and Jaycee Park including playground equipment, benches and trashcans, fencing, walking paths, pavilions, and replacement of pre-tornado facilities. Funding will also be used to perform the necessary environmental reviews.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$1,275,217.41 to PARA for park improvements to Harmon Park and Jaycee Park and to perform the necessary environmental reviews. \$1,071,036.75 will be allocated to Harmon Park and \$204,180.66 to Jaycee Park.

Geographic Area: Harmon Park is located along Greensboro Avenue and Jaycee Park is located along 7th Street East

*The Harmon Park activity had various components which were complete at different times – Playground; May 25, 2016, Pavilion; December 15, 2016, Additional Parking; May 31, 2017. *

The Jaycee Park activity was completed on April 28, 2019.

Alberta Technology Public Library (2013 CDBG-DR Action Plan): To facilitate an increased educational level in a low-moderate area and support the Alberta School of Performing Arts, the City built the Alberta Technology Public Library (The Gateway), a 5,000 square foot building. This library, unlike any other in the state, is bookless, but still provides residents in the area, students of the Alberta School of Performing Arts, all Tuscaloosa citizens, and residents in the West Alabama area with the resources to broaden their knowledge. In order to meet the demands of today's technology, books are downloaded to e-readers, which can then be checked out for a certain length of time. To prevent theft, e-reader battery life will expire after a pre-determined length of time. The technology library also offers computer access and meeting space for the public; it is the City's vision that the space will be utilized by low-moderate income individuals in the area as well as students from nearby colleges such as The University of Alabama. In addition to offering technology resources, the library serves as a public shelter during inclement weather.

Eligibility and National Objective: Public facilities and improvements for the low-moderate area.

Threshold Criteria: The City of Tuscaloosa used funds for the Alberta Technology Public Library to cover costs associated with architectural and engineering services, construction, necessary environmental reviews, and any other eligible costs.

Grant Size Limit: The City of Tuscaloosa allocated funds as part of the 2013 CDBG-DR Action Plan to the Alberta Technology Public Library (The Gateway) to cover the costs associated with architectural and engineering services, construction, necessary environmental reviews, and any other eligible costs. Additional technology infrastructure needs are being funded with 2013 CDBG-DR funds through an activity known as Technology Infrastructure. Additionally, a formal name for the activity has been defined and is as follows; The Gateway: Alberta's Innovation and Discovery Center. 2013 CDBG-DR funds in the amount of \$2,828,397.83 were allocated to the activity.

Geographic Area: 25th Avenue East and University Boulevard East

*The construction portion of the activity was completed on June 16, 2016. All technology infrastructure needs were completely fulfilled after the construction portion, and were funded with 2013 CDBG-DR funds Technology Infrastructure activity. *

McFarland Boulevard/15th Street Infrastructure Improvements (2013 CDBG-DR Funds): A large portion of the City's retail sector, primarily located along McFarland Boulevard and 15th Street, was either severely damaged or destroyed on April 27, 2011. Since that day, there has been a large emergence of economic revitalization along these roadways. Businesses committed to Tuscaloosa along the McFarland Boulevard and 15th Street stretch have rebuilt and are thriving, in part due to the economic stronghold in that area. The City's vision for "Building Back. Stronger. Safer. Smarter." has encouraged new economic development in Tuscaloosa, in particular at the intersection of McFarland Boulevard and 15th Street. At the Northeastern portion of the intersection there are several re-established businesses as well as a 13.5 acre large scale mixed use development that includes 1226 beds and 50,000 square feet of retail space currently under construction. To the Northwest are several small restaurants as well as a multi-million dollar 250,000 square foot retail development that will create an estimated 500 jobs once complete. In addition to these new developments, large existing retail centers lie to the Southeast and Southwest of the intersection. The McFarland Boulevard/15th Street Infrastructure Improvements project consists of intersection modification that will improve current traffic flow through the intersection and accommodate additional traffic demand from area development. More specifically, the project will provide additional lanes in all directions, extend left-turn lanes, enhance right-turn lanes, and modify medians to better facilitate traffic flow.

Eligibility and National Objective: Public facilities and improvements for the low-moderate area.

Threshold Criteria: The City of Tuscaloosa will use funds for the McFarland Boulevard/15th Street Infrastructure Improvements for costs associated with necessary environmental reviews, easements and property acquisitions, construction, and any other eligible costs.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$1,927,467.35 (2013 CDBG-DR funds) to the McFarland Boulevard/15th Street Infrastructure Improvements for costs associated with necessary environmental reviews, easements and property acquisitions, and any other eligible costs; these funds will be used as 20% matching funds for a grant through the Alabama Department of Transportation (ALDOT). ALDOT funds in the amount of \$6,480,000 will also be used for costs associated with easements

and property acquisitions, construction, and any other eligible costs. City of Tuscaloosa general fund dollars have been used to cover the engineering costs associated with the project.

Geographic Area: McFarland Boulevard East and 15th Street

Juanita Drive Infrastructure (2013 CDBG-DR Funds): On April 27, 2011, a large portion of low-income housing rental stock was destroyed in the Alberta area including along Juanita Drive. Since then, the efforts of the City, Habitat for Humanity, and other philanthropic organizations in combination with the citizen's commitment to area, housing restoration and promotion of homeownership has been a steady process. Concentrated in an extremely poverty stricken area of Tuscaloosa, the Juanita Drive infrastructure is severely aged and needs to be updated to support the rebuilding in the area. The project will take place in two phases; however, only phase one will be funded with 2013 CDBG-DR Funds. Infrastructure improvements will include at a minimum street reconstruction, curb and gutter, water and sewer improvements, and sidewalks. In close proximity to the new Alberta School of the Performing Arts, Juanita Drive infrastructure improvements will enhance access to the school. The improvements along Juanita Drive will greatly improve the quality life for the low-moderate income homeowners.

Eligibility and National Objective: Public facilities and improvements for the low-mod area.

Threshold Criteria: Funds will be used to pay for costs associated with additional engineering and architectural services, property acquisition and easements, street reconstruction, curb and gutter, water and sewer improvements, landscaping, utility upgrades, and any other eligible costs.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$801,570.40 for the Juanita Drive Infrastructure in this partial 2013 Action Plan to pay for costs associated with additional engineering and architectural services, property acquisition and easements, street reconstruction, curb and gutter, water and sewer improvements, landscaping, utility upgrades, and any other eligible costs. The federal programs department has allocated \$112,497 of CDBG funds to pay for costs associated with engineering and architectural services and property acquisition. \$200,000 in City of Tuscaloosa water and sewer reserve funds have been allocated to pay for costs associated with water and sewer improvements.

Geographic Area: Juanita Drive, Tuscaloosa, Alabama

This activity was completed on September 20, 2016

IT Server Room (2013 CDGB-DR Funds): In the minutes following April 27, 2011, City of Tuscaloosa response personnel and staff were left with only one line of communication to effectively describe the destruction and radio in additional police, fire, medics, and resources. If the data center room that housed all the controls for communication operations been located in a hardened area those operations may not have failed. Currently, the IT Server Room sits on the Southwest corner of City Hall (science tells us that this is the approach direction of a tornado) and it will not take another EF4 tornado to compromise this room. The City's proposed plan will move the IT Server Room inside a hardened structure in the garage area of City Hall; this location will greatly increase its physical security and the ability of the City to continue to be operational in future weather events or man-made threats. Relocation and hardening of the IT Server Room positions the City to be more resilient in weather events in terms of communication with not only City staff and first responders but also with citizens. Additionally, this resiliency will touch

every operation the City performs and every service delivered to our citizens from public safety to the simple task of sending/receiving emails.

Eligibility and National Objective: Public facilities and improvements for the low-mod area.

Threshold Criteria: Funds will be used to pay for costs associated with engineering and architectural services, construction, and any other eligible costs.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$194,073.10 for the IT Server Room in this partial 2013 Action Plan. City of Tuscaloosa matching funds in the amount of \$313,307 have been allocated to pay for costs associated with engineering and architectural services, necessary environmental reviews, construction, FF&E and any other eligible costs.

Geographic Area: City of Tuscaloosa, Alabama City Hall, 2201 University Boulevard, Tuscaloosa, AL 35401

This activity was completed on June 17, 2017.

Salvation Army (2013 CDBG-DR Funds/2013 ADECA CDBG-DR Funds): The Salvation Army Center of Hope housed approximately 15,265 individuals on a yearly basis and provided meals for approximately 31,424 individuals. The Center of Hope was destroyed on the day of the storm and ever since the homeless population has been underserved. With assistance from the City of Tuscaloosa, the Salvation Army was able to rebuild its Center of Hope at its original location, in the heart of a low-moderate area, and has the facilities sufficient to serve more individuals than previously. The new facility not only provides elementary needs such as housing and food, but also programs that educate the homeless on how to provide for themselves and family members and transition to a permanent residence. Specifically, the Salvation Army provides emergency food services, emergency shelter (73 beds including a men's dorm – 46 beds, women's dorm – 10 beds, veteran's quarters – 8 beds, and family apartments – 9 beds), as well as office space that allows for the administration of these programs.

Eligibility and National Objective: Public facilities and improvements for the low-mod area.

Threshold Criteria: 2013 Alabama Department of Economic and Community Affairs CDBG-DR funds and 2013 CDBG-DR funds were used to pay for costs associated with construction of the Salvation Army Center of Hope.

Grant Size Limit: The City of Tuscaloosa allocated a total of \$500,000 (2013 ADECA CDBG-DR funds) for the Salvation Army Center of Hope to pay for costs associated with construction. The City of Tuscaloosa also allocated \$500,000 of 2013 direct allocation CDBG-DR funds for the construction of the Salvation Army Center of Hope. Additional funding through insurance proceeds and private donations were used toward engineering, construction, and any other eligible and necessary costs for the activity. Insurance proceed funds and private donations were expended in full before City of Tuscaloosa 2013 direct allocation or ADECA CDBG-DR funds were used toward the construction costs of the activity.

Geographic Area: Greensboro Avenue, Tuscaloosa, Alabama

*This activity was completed on March 23, 2016. *

Street Reconstruction Phase I and Phase II (2013 CDBG-DR Funds): Following the April 27, 2011 tornado the majority of the City of Tuscaloosa's heavily traveled roadways and neighborhood streets experienced heavy debris and destruction. These streets were subjected to severe deterioration from the removal of debris and damage to the underlying water and sewer systems. The majority of these streets are located within low and moderate-income neighborhoods or provide access points to these neighborhoods. Additionally, these street reconstruction activities will provide easier and safer travel for all of Tuscaloosa, but particularly for the low and moderate-income residents in the area, safer access to public facilities and businesses, and improvement of utilities such as water and sewer, which will allow for continued recovery and redevelopment in the City. Funding of this activity will provide for street reconstruction, minor drainage improvements, sanitary sewer, and water improvements. A list of each street reconstruction activity will be identified below in terms of location and amount of funding. The scope of work and detailed information for each street reconstruction activity can be found in the City's 2013 CDBG-DR Action Plan available at www.tuscaloosa.com. The eligibility and national objective for each of the street reconstruction activities will be the same as listed below. Engineering for all street reconstruction activities, in addition to the actual street reconstruction for several activities will be paid for using City of Tuscaloosa CDBG and CDBG-DR funds.

Eligibility and National Objective: Infrastructure, public facilities and improvements, for the low-mod area.

Threshold criteria: Funds for each of the street reconstruction activities will be used for street reconstruction, minor drainage improvements, sanitary sewer and water improvements, necessary environmental reviews, and any other necessary eligible costs.

Grant Size Limit: The City of Tuscaloosa is allocating 2013 CDBG-DR funds, in the amount of 3,513,753.56, for the Street Reconstruction activities. City of Tuscaloosa CDBG matching funds in the amount of \$2,100,000 have been allocated to pay for costs associated with engineering services, necessary environmental reviews, street reconstruction, minor drainage improvements, sanitary sewer and water improvements, and any other eligible costs. . The list below completes the list of Street Reconstruction Phase I and Phase II activities as well as the associated funding needed for completion with CDBG and 2013 CDBG-DR funds. Specifically, outside of the funding of street reconstruction activities, CDBG-DR funds were used toward \$9,786 of task order directive #3 for engineering, \$22,500 of task order directive #4 for engineering, and \$1,855 for City materials that the general contractor used in the activity and accounted for in a deductive change order.

Street	Total Cost	Funding Source
Exchange Avenue	\$140,736.41	CDBG
28 th Place	\$103,681.01	CDBG
Hackberry Circle	\$168,602.46	CDBG
27 th Street	\$190,233.85	CDBG
11 th Avenue	\$10,709.66	CDBG
The Downs	\$494,088.06	CDBG
9 th Avenue	\$14,395.74	2013 CDBG-DR
23 rd Street	\$7,333.80	2013 CDBG-DR
25 th Street	\$224,676.11	2013 CDBG-DR
Hackberry Lane	\$160,380.60	2013 CDBG-DR
8 th Avenue	\$131,329.00	2013 CDBG-DR

Forest Lake Drive	\$104,892.66	2013 CDBG-DR
5 th Avenue East	\$11,385.10	2013 CDBG-DR
16 th Street East	\$31,775.80	2013 CDBG-DR
10 th Street East	\$88,010.90	2013 CDBG-DR
Valley Hills Drive	\$24,937.10	2013 CDBG-DR
30 th Avenue East	\$162,712.01	2013 CDBG-DR
31 st Avenue East	\$11,183.06	2013 CDBG-DR
34 th Avenue East	\$81,659.96	2013 CDBG-DR
3 rd Street East	\$43,203.66	2013 CDBG-DR
1 st Street East	\$147,338.20	2013 CDBG-DR
Crescent Ridge Road	\$304,520.60	2013 CDBG-DR
14 th Avenue East	\$143,200.38	2013 CDBG-DR
15 th Avenue and 9 th Street East	\$152,358.49	2013 CDBG-DR
17 th Avenue East	\$163,487.21	2013 CDBG-DR
Kicker Road	\$241,458.69	2013 CDBG-DR
20 th Street East	\$231,010.10	2013 CDBG-DR
21 st Avenue East	\$227,369.90	2013 CDBG-DR
22 nd Avenue East	\$168,608.30	2013 CDBG-DR
23 rd Avenue East	\$178,642.15	2013 CDBG-DR
28 th Street East/Alberta Avenue	\$114,366.47	2013 CDBG-DR
24 th Avenue East	\$114,859.88	2013 CDBG-DR
25 th Avenue East	\$66,082.44	2013 CDBG-DR
Fernwood Court	\$128,434.25	2013 CDBG-DR

The Street Reconstruction Phase I activity was completed on June 13, 2017.

Alberta Park (2013 CDBG-DR Funds): In the heart of Alberta, one of the most poverty-stricken areas in Tuscaloosa, lies the Alberta Park. Prior to the tornado, Alberta Park was the gateway to Alberta Elementary School and a green space utilized by the community. The April 27, 2011 tornadoes severely destroyed the park and it has been unusable by the area since that day. The Alberta Park is adjacent to rebuilt and thriving neighborhoods, the rebuilt Fire Station #4, and improved East Police Precinct. It also sits next to the newly constructed Alberta Technology Public Library (The Gateway) in front of the proposed City Walk, and in front of the new Alberta School of Performing Arts. Improvements to the park will include water features, benches, lighting, and creation of an overall greenspace to promote community interaction, health and wellness, and contribute to the overall revitalization of the area.

Eligibility and National Objective: Public facilities and improvements for the low-mod area.

Threshold Criteria: Funds will be used to pay for costs associated with engineering and architectural services, necessary environmental reviews, construction, technology infrastructure, and any other eligible costs.

Grant Size Limit: The City of Tuscaloosa is allocating \$901,027.00 for the Alberta. \$590,656.96 of City of Tuscaloosa dollars from a land swap are being used toward the project as well. The total cost of the project is \$1,491,683.96 to be used for costs associated with engineering and architectural services, necessary environmental review, construction, technology infrastructure, and any other eligible costs.

Geographic Area: University Boulevard East, Tuscaloosa, Alabama

This activity was completed on September 6, 2017.

8th Street East (2012 CDBG-DR Funds/2013 CDBG-DR Funds): The 8th Street East activity is no longer being funded with 2013 CDBG-DR funds. There is limited east to west roadway connections in the Alberta area of Tuscaloosa. Prior to the April 27, 2011 tornado, the only east to west connection was the main thoroughfare of University Boulevard. Residents of the area had to travel to University Boulevard to access other areas of its nearby Alberta community and the Tuscaloosa area. Since the tornado, disaster recovery funds have been used to construct the Alberta Revitalization activity and provide this east to west connection to support not only the growing residential areas and business development, but also to allow for easier evacuation methods in times of crisis and national disasters. In order to support the expanding housing and business development in the Alberta community, the 8th Street East activity is needed.

The 8th Street East activity will consist of construction of roadway and utility improvements between 23rd and 24th Avenue East, paralleling University Boulevard East, and along 24th Avenue East between 7th Street East and University Boulevard East.

Eligibility and National Objective: Infrastructure, public facilities and improvements, for the low-mod area.

Threshold Criteria: Funds for the 8th Street East activity will be used for environmental documents, design and construction of roadway improvements, utility improvements (storm drain, sanitary sewer, and water mains), street lighting, landscaping, and any other necessary eligible costs

Grant Size Limit: The City of Tuscaloosa is no longer allocating CDBG-DR funds to the 8th Street East activity. The funds were intended for design, construction, utility improvements, and any other necessary eligible costs. The funds were are intended to be leveraged with City of Tuscaloosa 2016A Bond (\$900,000), and Water and Sewer Reserve for Future Improvements (WSRFFI) (\$300,000) to cover construction and other necessary eligible components of the project.

Geographic Area: Between 23rd and 24th Avenue East, paralleling University Boulevard East, and along 24th Avenue East between 7th Street East and University Boulevard East.

This activity was cancelled in 2012 CDBG-DR Action Plan Amendment #14 and 2013 CDBG-DR Action Plan Amendment #27.

Juanita Drive Phase II (2012 CDBG-DR Funds/2013 CDBG-DR Funds): Phase I of Juanita Drive is complete. The Juanita Drive Phase II infrastructure development constitutes the second phase of the continuation of Juanita Drive. On April 27, 2011 a large portion of low-income housing rental stock was destroyed in the Alberta area including along Juanita Drive. Since then, the efforts of the City, Habitat for Humanity, and other philanthropic organizations in combination with the citizen's commitment to the area; housing restoration and promotion of homeownership has been a steady process. Concentrated in an extremely

poverty stricken area of Tuscaloosa, the Juanita Drive infrastructure is severely aged and needs to be updated to support the rebuilding in the area. The project will take place in two phases and both phases will be funded in this Action Plan. Infrastructure improvements will include, at a minimum, roadway improvements, streetscaping and utility upgrades, including roadway widening, sidewalks, storm sewers, and water and sewer replacements. In close proximity to the Alberta School of the Performing Arts, Juanita Drive infrastructure improvements will enhance access to the school and support the rebuilding of single family homes in the area. The improvements along Juanita Drive will greatly improve the quality life for the low-moderate income homeowners.

Eligibility and National Objective: Public facilities and improvements for the low-mod area.

Threshold Criteria: Funds will be used to pay for costs associated with engineering and architectural services, roadway improvements, streetscaping, curb and gutter, water and sewer improvements, landscaping, utility upgrades, and any other eligible costs.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$1,369,471.69 in 2013 CDBG-DR funds for the Juanita Drive Infrastructure Phase II to pay for costs associated with engineering and architectural services, roadway improvements, streetscaping, curb and gutter, water and sewer improvements, landscaping, utility upgrades, and any other eligible costs. Funds from 2012 CDBG- DR (\$969,522.45) will be used to pay for construction costs.

Geographic Area: The Northern Loop of Juanita Drive, Tuscaloosa, Alabama (see Appendix R for map of the project location).

The Downs Drainage System Improvements (2012 CDBG-DR Funds): Since the April 2011 tornado, localized flooding has been a problem in The Downs neighborhood. The existing pipes are undersized for conveying storm water. As a result, the City plans to add a capacity drainage system by replacing the existing pipes with larger diameter pipes or reroute the drainage into a new system along the north and west sides of Windsor Drive, which is located in the Downs neighborhood. This will prevent damage to homeowner's private property, increase roadway safety due to reduced roadway overtopping, and reduce localized flooding.

Eligibility and National Objective: Infrastructure, other public facilities and improvements for low-moderate income area benefit.

Threshold Criteria: Funds will be used to pay for costs associated with engineering, the environmental review, and construction.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$250,000 to The Downs Drainage System Improvements activity in 2012 CDBG-DR funds to pay for estimated engineering costs, estimated environmental review costs, and any remainder towards construction.

Geographic Area: The Downs, Tuscaloosa, Alabama 35401.

ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT – In addition to the aforementioned Policies and Procedures that will apply to any CDBG-DR funded economic development activity, the following Policies and Procedures will also apply. All CDBG-DR funded economic development activities will qualify as an eligible activity defined at 24 CFR 570.201 or 24 CFR 570.203. Per federal guidelines, one full-time equivalent job (40 hours unless otherwise determined by HUD) shall be created for every \$50,000 loaned or granted for individual activities. Standards for activities in the aggregate (e.g., business incubator or industrial park) require either the creation or retention of at least one full-time equivalent job for every \$35,000 loaned or granted or the provision of goods or services to residents of an area such that the number of low and moderate income persons residing in the area served by the assisted businesses amounts to at least one low-moderate income person per \$350 of CDBG-DR funds used. Under FR-5628-N-01 and FR-5696-N-01, 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 to identify 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. The City shall use the annually (HUD) published Income Limits Documentation System to determine eligibility of individuals. Payrolls for all employees are submitted for review to ensure that at least 51% or more jobs created and/or retained are held by low-moderate income persons. A presumption will be granted that all jobs benefit low-moderate income persons if the conditions listed at 24 CFR 570.208 (a) (4) (iv) or (v) are met. In certain cases such as where CDBG-DR 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 which locate on the property, provided such businesses are not otherwise assisted by CDBG or CDBG-DR funds. For equal opportunity purposes, records will also include, at a minimum, race, ethnic, and gender data for all persons who are directly employed and/or assisted through CDBG-DR funded economic development activities. Specifically, all applicable equal opportunity records requirements found at 24 CFR 570.506 (g).

Additionally, a provision in FR-5628-N-01 and FR-5696-N-01 waives the public benefit standards set forth for individual economic development activities and activities in the aggregate which limits the amount of assistance per job created or retained or the amount of CDBG assistance per low and moderate income person to which goods or services are provided by the activity. These dollar thresholds can impede recovery by limiting the amount of assistance the grantee may provide to a critical activity. The waiver allows grantees to 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; the North American Industry Classification System (NAICS) code for each business assisted; and the types of jobs.

Record keeping and implementation of CDBG-DR funded economic development programs shall be governed in whole by applicable regulations at 24 CFR 570.506, 24 CFR 570.490, FR-5696-N-03, FR-5628-N-01, any other applicable federal register notices and HUD issued guidance and any other regulations found to be applicable to the documentation of programs, projects, and activities funded in whole or part by CDBG-DR funds.

Recordkeeping Job Creation

When demonstrating that at least 51 percent of the jobs created will be available to low- and moderate-income persons, documentation for each assisted business must include:

- (1) A written commitment by the business that it will make at least 51 percent of the jobs on a full time equivalent basis available to low- and moderate-income persons and will provide training for any of those jobs requiring special skills or education.
- (2) A listing by job title of employees at the time (i.e. retained) the application for assistance is submitted.
- (3) A listing, by job title, of the total permanent jobs to be created, indicating which jobs will be available to low and moderate persons, which jobs require special skills or education, and which jobs are part-time.
- (4) Evidence supporting the estimate of the total number of jobs.
- (5) A description of actions to be taken by the recipient and business to ensure that low- and moderate-income persons will receive first consideration for these jobs.
- (6) A listing, by job title, race, ethnicity, gender, handicapped status, and any other information requested as allowed by federal regulations, of the permanent jobs created, and which jobs were made available to low- and moderate-income persons, and a description of how first consideration was given to such persons for those jobs. That description should include the hiring process used; the number of low- and moderate-income persons considered for each job; and the number of low- and moderate-income persons actually hired.
- (7) A description of how the low- and moderate-income status of those given first consideration was determined.
- (8) A description of how the total number of jobs was determined.

When demonstrating that at least 51 percent of the jobs will be taken by low- and moderate-income persons, documentation for each assisted business must include:

- (1) A written commitment by the business that at least 51 percent of the jobs on a full-time equivalent basis, will be held by low- and moderate-income persons.
- (2) A listing, by job title, of employees at the time (i.e. retained) the application for assistance is submitted.
- (3) A listing, by job title, of the permanent jobs to be created.
- (4) Evidence supporting the estimated total number of jobs to be created.
- (5) A listing, by job title, race, ethnicity, gender and handicapped status of the permanent jobs actually created and those initially taken by low- and moderate-income persons.
- (6) A description of how the low- and moderate-income status of those hired was determined by the business during the review of the recipient.

(7) A description of how the total number of jobs was determined.

Recordkeeping Job Retention

(1) A description of how the total number of jobs was determined

(2) For job retention:

- a. Clear and objective evidence that in the absence of the CDBG assistance the jobs will be lost.
- b. A written commitment by the business to meet the standard for retained jobs involving the employment of low- and moderate-income persons.
- c. A listing, at a minimum, by job title, race, ethnicity, gender and handicapped status of the employees at the time the assistance is provided.

Creation and Retention

(1) A listing of each job which has turned over to date, indicating which of those jobs were either taken by, or made available to, low- and moderate-income persons.

(2) A description of how first consideration was given to persons for whom the job was made available (consistent with the "available to" standard).

(3) A description covering the items identified above as necessary in demonstrating the "taken by" standard.

(4) A description of how the business determined jobs were held by, made available to, or taken by low- and moderate-income persons.

(5) For each activity determined to benefit low- and moderate-income persons based on jobs to be created for or retained by low- and moderate-income persons:

- a. The number of jobs to be created and the number of additional jobs expected to be created, if any.
- b. The nature of the jobs created to date (number skilled, semiskilled, and unskilled, and for semi-skilled jobs, any special education or experience required) and the nature of additional jobs expected to be created.
- c. Any other evidence to support the conclusion that a majority of jobs will be filled by low- and moderate-income persons, such as:
 - Evidence to assure accessibility of the jobs to areas where substantial numbers of low- and moderate-income persons reside.
 - Evidence to support any special outreach and/or training to be directed toward low- and moderate-income persons.

Generally, all businesses must have all retained and new employees complete an income certification form, which includes the employee's date of hire, position, and questions to identify whether or not the employee qualifies as a Section 3 resident. According to FR-5696-N-01 published March 5, 2018, *D. Economic Revitalization 38. Clarifying note on Section 3 income documentation requirements*, the following shall apply. Pursuant to the U.S. Housing Act of 1937 (42 U.S. C. 1437a(b)(2)) and 24 CFR 135.5, the Secretary is authorized to establish income limits to consider an individual to be a Section 3 resident. The above mentioned Notice authorizes grantees to determine that an individual is eligible to be considered a Section 3 resident if the annual wages or salary of the person are at, or under, the HUD established income limit for a one-person family for the jurisdiction.

Businesses must maintain documentation of advertisement for any hiring activities and must give priority to qualified low-moderate income individuals.

Financial Underwriting

When evaluating and selecting economic development activities for funding, the City of Tuscaloosa will to the extent possible and applicable, abide by the underwriting guidelines published at 24 CFR 570.209 (a) as follows:

1. That project costs are reasonable;
2. That all sources of project financing are committed;
3. That to the extent practicable, CDBG-DR funds are not substituted for non-Federal financial support
4. That the project is financially feasible;
5. That to the extent practicable, the return on the owner's equity investment will not be unreasonably high; and
6. That to the extent practicable, CDBG-DR funds are disbursed on a pro rata basis with other finances provided to the project.

Additionally, any economic development activities are required to submit projections that outline the profitability and sustainability of the activity. These projections in combination with a business plan, tax returns (if applicable) and financial statement (if applicable) help the City determine the feasibility of an activity. Specifically, in regard to the City's loan programs, all applications for assistance are reviewed by City staff in The IPS Administration Division, Accounting and Finance, and the Office of the City Attorney as well as a review committee before presented to the City Council for review and approval.

Public Benefit

Per FR-5628-N-01 and FR-5696-N-01 the City of Tuscaloosa has received a public benefit waiver for certain economic development activities. The notices waive the public benefit standards at 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), for economic development activities designed to create or retain jobs or businesses (including, but not limited to, long-term, short-term, and infrastructure projects). 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 (for those funded under FR-5696-N-01 also include the NAICS code for each business assisted). 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.

For individual assistance, economic development programs funded with CDBG-DR funds applications may be received. For applicants that are not eligible or provide insufficient data in their application for processing, the applicants will be notified by the City via letter of their ineligibility for funding. The letter will specifically identify why the application was ineligible and will outline the appeals process should the applicant desire to appeal the City's reasons for ineligibility. Specifically, the appeals process will afford the applicant to appeal to the City of Tuscaloosa City Council. If the City Council approves the appeal, the applicant may resubmit an application for assistance which will then undergo processing by City staff. Additionally, whether the application is funded or not all documentation will be kept on file at City Hall.

CDBG-DR funds for business assistance purposes will be limited to small businesses. Furthermore, no assistance shall be provided to private utilities, small businesses in the liquid fuel supply chain without an award agreement that requires the business to adopt measures to mitigate the impact of future disasters of the liquid fuel supply chain, and any other businesses as denoted an ineligible of funding in the applications for business assistance. Additionally, no assistance shall be provided to any business that was operating in the disaster area before the date of the disaster and located in another state or labor market area to encourage relocation to the affected area.

CDBG-DR funds may be used to fund, in whole or part, business centers or incubators. If funds are used for such a purpose, a funding agreement shall be made between the City of Tuscaloosa and the entity that will be operating and maintaining the facility. Terms of the agreement will hold the entity to provide job creation and retention data as well as race, ethnicity, sex, and other demographic data as needed to ensure that the national objective and reporting requirements are fully met. As mentioned previously, standards for activities in the aggregate (e.g., business incubator or industrial park) require either the creation or retention of at least one full-time equivalent job for every \$35,000 loaned or granted or the provision of goods or services to residents of an area such that the number of low and moderate income persons residing in the area served by the assisted businesses amounts to at least one low-moderate income person per \$350 of CDBG-DR funds used. However, that has been waived in FR-5628-N-01 and FR-5696-N-01. In most cases, the business center or incubator ownership shall lie with the City; while operations and maintenance shall lie with another party.

To date, the City of Tuscaloosa has funded, in full or in part, the following economic development activities with 2012 or 2013 CDBG-DR funds. A short description detailing the activity, funding allocated, and beneficiaries is listed below; a complete activity description can be found in the City of Tuscaloosa's hard copy Action Plan, online at tuscaloosa.com and in the DRGR system. All economic development activities are monitored in accordance with the City's monitoring policies for compliance as set forth in this Policies and Procedures Manual. Additionally, all funding agreements, contracts, or other legally binding documents between the City of Tuscaloosa and recipients for economic development activities

will set forth all technical specifications and requirements for funding. A policies and procedures handbook for the loan programs, applications, and monitoring checklists among other things are included as back-up documentation in this Policies and Procedures Handbook for reference.

Commercial Revolving Loan Program (2012 CDBG-DR Funds): In order to stimulate economic development within the recovery zone, the City of Tuscaloosa is allocating a portion of the 2012 CDBG Disaster Recovery Grant for the purpose of providing incentive and relief for businesses rebuilding/repairing within the recovery zone.

Eligibility and National Objective: Economic development assistance for for-profit business with low-moderate-income job creation and retention.

Threshold Criteria: A revolving loan fund will be set up by the City with the following details for administration.

- Application Deadline: Ongoing. 30 days of open application acceptance starting October 1, 2012. All applications received between October 1, 2012 and October 30, 2012 will be evaluated as one batch. All applications received November 1, 2012 and after will be evaluated in the order that the Disaster Recovery Division of the Office of the Mayor receives them.
- Borrower: All commercial entities whose main operational location is/will be located in the recovery zone (see attached map).
- Use of Proceeds: Land and building purchase or improvement, machinery and equipment purchase, leasehold improvements, working capital, inventory purchase, and refinancing of existing debt.

-For the Commercial Revolving Loan program awarded business, expenditure of funds for eligible operating expenses (working capital) include but are not limited to the following:

- a) Rent payments
- b) Salary of employees
- c) Advertising
- d) License Fees
- e) Accounting expenses
- f) Maintenance and repairs
- g) Office expenses
- h) Supplies
- i) Insurance
- j) Utilities
- k) Property taxes

- Collateral: Adequate collateral position must be secured by assets of receiving business consisting of land, building, or letter of credit. Collateral value will be established by appraisal or cost verification.
- Interest Rate: All loans will be released at an accrual rate of zero percent interest.
- Loan Term/Amortization: Loans will require a monthly payment. Loan amortization time will be no more than five years unless special conditions are agreed upon between the City of Tuscaloosa and business.
- Loan Sizing: Minimum loan of \$20,000 and maximum loan of \$200,000. No project under \$20,000 (total cost) will be considered.

CDBG-DR Loan Review Committee will be established to review/approve all loan applications received in the manner set out above. Loan committee will also be the body that sets all parameters of the loan within the guidelines set out above. Businesses will receive loans in the order that they are approved until the budgeted funds are depleted for the calendar year. Starting January 1, 2013, loan applications for the second revolution of the loan program will begin the evaluation process. All applications received after the entirety of the original revolution is committed will be held for consideration during the second revolution. The CDBG-DR Loan Review Committee may request lease documents, mortgage information or other information they deem appropriate before approving the application. The applicant must submit a detailed project description and project budget. The project must begin within 90 days of receiving the loan payment. The CDBG-DR Loan Review Committee reserves the right to hold the applicant in default if the loan proceeds are not spent in accordance with the approved project description. Those receiving loans must be able to show that at least 51% or more of the job positions at the business are either known to be currently held by low- moderate income persons at the time the loan is received or are not currently held by low- moderate income persons but could be reasonably expected to “turn over” to low- moderate income persons within two years.

Grant Size Limit: The total allocation of program funds for the Commercial Revolving Loan Program is \$2,077,527.77. Program income funds that have been repurposed for the same use have been awarded in the amount of \$1,095,372.10.

Geographic Area: Designated recovery zones in the City of Tuscaloosa, Alabama

The specific steps taken to process a Commercial Revolving Loan application from acceptance to approval are described in the narrative below:

Applications were made available online, within the public libraries and at entries to City Hall. The program was advertised via direct mail, postings on the City’s website, Facebook Page and Twitter. There were numerous news coverings, TV Talk Show discussions, radio Community Awareness spots and Chamber of Commerce seminars and events to inform the public of the availability of funding, program guidelines, policies and procedures for the Commercial Revolving Loan Program. Applications upon receipt are reviewed for location requirements, eligible use of funds, duplication of benefits, jobs created, retained, and other program factors as stated in the application. A complete application consists of program application, business plan, taxes, jobs created, retained and hourly rate/salary,

collateral, use of funds, project budget, and other requested information as stated in the application that may be included within the business plan. The application and supporting documentation is then sent to the members of the review committee which is composed of a representative from the Accounting and Finance department, IPS Administration department, City Attorney's office, and Urban Development department, at a minimum. The application includes a narrative of the business to include the business name, type, location, amount requested, funds use and source of collateral. A majority committee approval is required, after which a resolution is prepared and project/business summary is provided to the City Council via resolution. Resolutions are prepared pending environmental review and acceptable collateral. After Council approval, an environmental is requested and conducted in correlation with the businesses use of funds. Collateral information, application, business plan, job creation/retention information, and executed resolution and repayment terms are submitted to the City Attorney's Office for agreement preparation. Completed agreements are sent to applicants for review. Checks are requested with a copy of adopted resolution, voucher and memo request and submitted to the Accounting and Finance Department. Once checks are received and agreements are prepared, the applicants are contacted for closing. Lastly, closing consists of the signing of the agreements, awarding of funds, and compliance terms, which are covered with the Community Development Program Manager. If collateral includes land/property a mortgage is recorded with the County Courthouse. A recorded copy of all documents are sent to the awardee.

The Edge: Business Resource Center (2013 CDBG-DR Funds/2013 ADECA CDBG-DR Funds/2012 CDBG-DR Funds): As a result of the 2011 tornado, many small businesses, and consequently jobs, were lost and without resources to rebuild which resulted in a downturn of economic stability for many individuals and small businesses. In 2012, The City of Tuscaloosa, in a partnership with the Chamber of Commerce of West Alabama and The University of Alabama created The Edge to provide training and incubation spaces for small businesses wishing to re-establish themselves or small businesses new to the market. Mentoring in the areas of development of financial, management, and technical skills, entrepreneurship, and other fields are offered through training workshops led by key constituents from local educational institutions such as The University of Alabama, Stillman College, and Shelton State Community College. In addition to offering training and mentoring for businesses in the area, The Edge will provide affordable workspace for existing businesses and new and developing businesses with shared resources such as office equipment, administrative staff, and low-cost electronic services. The development and promotion of minority businesses in the Tuscaloosa area will be strengthened at The Edge in a partnership with the Minority Business Council of the Chamber of Commerce of West Alabama. To date, The Edge has offered nearly 70 businesses consultations, half of which were with interested minority entrepreneurs.

Due to its overwhelming success, The Edge has outgrown its current facility and in order to support the growing needs for its services will have to construct a larger building. Simply put, the response to The Edge and its endeavors to promote economic stability and growth for small business owners has been tremendous. Thus far in 2013, 15 businesses have incubated (7 of which are minority owned) and 59 jobs have been created (18 jobs held by minorities). The 2013 projected revenues for the businesses incubating are \$3,714,000 with the addition of another 13 jobs. Following the trend of its success, The Edge has the opportunity to incubate 50 businesses, create 240 jobs, and generate \$32,046,511 in revenue

within the next two years. A special emphasis will be placed upon businesses to encourage job creation for women, veterans, and individuals in the low to moderate-income community; the largest percentage of affected individuals on the day of the storm and nearly 65% of the population of Tuscaloosa. However, in order to facilitate these possibilities, a larger facility is needed.

The City of Tuscaloosa desires to use CDBG-DR funds to acquire the property for the new site of The Edge facility on 10th Avenue, in the heart of the recovery area and a severe low-moderate area of Tuscaloosa. The property is the site of the former Woolsey Finnell Sr. U.S. Army Reserve Center. Prior to the storm, the facility was no longer in operation and on the day of the storm, the on-site facility was destroyed. Since the facility was unoccupied before the storm, the Department of Defense completed a complete environmental assessment on the property and placed it on the market. The City has already begun the negotiations with the Department of Defense and believes that the site is the perfect location for The Edge to spur economic development while supporting the low-moderate income area.

Eligibility and National Objective: Acquisition of property in the low-moderate area. Job creation and retention for low-moderate persons.

Threshold Criteria: Funds will be used to cover the City of Tuscaloosa's commitment to The Edge for land acquisition costs as well as construction, technology, lighting, and any other necessary eligible costs. These funds are intended to be leveraged with grant funding from the U.S. Department of Commerce Economic Development Administration (\$5,061,440), CDBG-DR funds from the Alabama Department of Economic and Community Affairs (\$3,600,000), City of Tuscaloosa 2016A bond proceeds (\$1,600,000) and University of Alabama funds (\$12,047) to cover necessary eligible components of the project.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$150,000 (2012 CDBG-DR) and \$1,264,109.37 (2013 CDBG-DR) for The Edge: Business Resource Center. \$910,000 (2013 CDBG-DR) was used for property acquisition; the remaining funds will be used toward construction, technology, lighting, and any other necessary eligible costs. Other funds include \$3,600,000 of 2013 ADECA CDBG-DR funds, \$5,061,440 of Economic Development Administration (EDA) funds, \$1,600,000 of 2016A Bond funds through the City of Tuscaloosa, and \$12,047 from The University of Alabama.

Geographic Area: 2627 10th Avenue, Tuscaloosa, Alabama 35401

Address: 2627 10th Avenue, Tuscaloosa, Alabama 35401

Budget: \$11,687,596.37

Funding Sources:

- | | |
|--|----------------|
| • Alabama Department of Economic and Community Affairs
2013 Community Development Block Grant Disaster Recovery | \$3,600,000 |
| • 2012 Community Development Block Grant Disaster Recovery | \$150,000 |
| • 2013 Community Development Block Grant Disaster Recovery | \$1,264,109.37 |
| • Economic Development Administration | \$5,061,440 |
| • City of Tuscaloosa 2016A Bond | \$1,600,000 |
| • The University of Alabama – Design Reimbursement | \$12,047 |

Partners: City of Tuscaloosa, The University of Alabama, Chamber of Commerce of West Alabama

Property Location: The Edge facility will be located on the site of the former Woolsey Finnell Sr. U.S. Army Reserve Center. The property was purchased from the Department of Defense.

Quick Stats on the Edge:

- 26,300 square feet of entrepreneur-focused space
- 20 offices with furniture (can accommodate one to four people)
- 100+ workstations with electronic sit-stand desks in most
- Privacy booths for sensitive conversations
- Conference rooms and working lounge
- FEMA 361 safe room
- 80+ parking spaces
- Access control with 24 hour access
- Outdoor patio
- Breakroom
- Color copier and workroom
- Lockers for personal items
- Receptionist and guest waiting area
- Experts in residence to help guide business growth
- Located on the Tuscaloosa City Walk
- Easy access to public transportation and the interstate
- Pipeline to regional university talent and resources
- Regular gatherings to foster connections and collaborations

Currently, The University of Alabama operates the following programs from The Edge and will continue to do so at the new facility. The majority of these programs as well as coaching sessions and learning workshops are offered free of charge to the public.

1. Alabama Entrepreneurship Institute (AEI) with multiple programs and events
2. Culverhouse Learning Initiative and Financial Training (LIFT)
3. Forza Financial (student operated micro-lending business)
4. Multiple UA sponsored student teams exploring commercialization of business concepts (rotating with an average of five to seven teams per semester, with teams consisting of one to five students)
5. Business Plan and Consulting Clinic

Eligible Participants: Tenants at The Edge fall into one of three categories:

- A. Incubation - Traditional offices, where the tenant has a dedicated office, 24/7 access, desk/chair/phone/receptionist/conference room availability/etc. Office rents range from \$500 to \$750 based on location and size of office. An initial determination of a business's potential to join will be made by the AEI staff, and for all office applicants, at least three

people from the Edge advisory board will provide feedback on the candidate. The AEI staff will ask potential tenants to fill out an application; the candidate will interview with AEI staff and other office tenants, and a background check will be done before sending the file on to three of The Edge advisory board members.

B. Co-Working – Essentially cubical space/first come, first served; otherwise, same benefits as those in Incubation. There are several levels of co-working space:

- a. Daily use membership = \$25 per day for use of facility and resources
- b. Co-working membership = \$150 per month for use of facility and resources
- c. Dedicated co-working membership = \$200 per month for a designated desk and file area
- d. Team co-working membership = \$250 to \$450 per month for same offerings as dedicated co-working membership but for multi-business use

Co-working membership is provided to students interested in learning more about entrepreneurship (by working with companies at the Edge or working on their own businesses or being involved in AEI programs held at the Edge) at no cost (for the first year of The EDGE's startup, from January, 2019 to January, 2020).

Co-working membership for non-students is provided to individuals who are starting up a new business, interested in starting up a new business, or part of a growth business (already established) that will benefit from the resources provided by the Edge. Co-working membership is on a month-to-month basis. AEI staff will make decisions on co-working space members based on their application and in-person interviews (with AEI staff and other members). A background check will be done for all non-student co-working membership applicants.

C. Virtual – Access limited to a mail box on site and ability to use The Edge as a street address for business licensing and other purposes requiring such a physical address. Cost is \$75 per month.

D. The Edge has several spaces that are available for meetings. The Edge partners and others in the community can use this space for programs that support the community and or entrepreneurs / small business. The space is not to be used for paid programs (charging participants) other than programs run by the University of Alabama. The open lobby and waiting areas as well as training room are offered to the public and businesses for rental for special events and company trainings. These rates vary dependent on the size and duration of the event. Many community events such as the City's monthly Tuscaloosa Builds meetings (the City's MBE/DBE/WBE program) are held free of charge.

- a. Training Room – Starting at \$100
- b. Open Lobby and Waiting Area – Starting at \$100

Regular office and co-working space fees can be discounted initially for University of Alabama faculty or non-revenue entrepreneurial growth companies. Rates will be negotiated with the Executive Director of AEI and reviewed quarterly.

In terms of incubation space, The Edge caters to start-ups that have a high likelihood of ultimately hiring people. As a general rule, The Edge will not consider companies that engage in retail sales, or might be deemed a competitor to an existing Edge tenant.

Within incubation, there is a sub-category that The Edge calls “Soft Landing”. Such candidates would have to be actively hiring people, though they might not necessarily be start-ups. Two recent examples of companies that utilized The Edge in this way and have been highly successful are a new Chic-Fil-A location (115 new employees) and an Embassy Suites (140 new employees).

For those businesses that are enrolled in any of the co-working or virtual memberships, if their applications are approved, they will execute a membership agreement and acceptable use policy (see EDGE membership agreement in this Policies and Procedures Handbook on page 977). For businesses, that are tenants through the incubation program, they will execute a lease agreement and acceptable use policy (see EDGE lease agreement in this Policies and Procedures Handbook on page 982). Although there is nothing set forth in tenant agreements, it is a best practice that tenants “graduate” from The Edge within three years of their initial occupancy.

How to Apply: Applications are available for an incubator or co-working tenant space via www.tuscaloosachamber.com, Chamber of Commerce of West Alabama office, Edge website or the current Edge facility. Completed applications are submitted and reviewed by The Edge Advisory Committee. Required submission materials, evaluation criteria, and other requirements are outlined in the application (see EDGE application in this Policies and Procedures Handbook on page 973).

Job Creation/Retention: It is difficult to say with certainty the amount of jobs that are created on average by the tenants; job creation could range from one or two to 100+ based on the business entity. However, a reasonable expectation is that two to three jobs per year are created per tenant.

As of the Edge grand opening, 16 tenants were in place in some capacity. The Edge submits quarterly to the City of Tuscaloosa IPS Administration division on the job creation and retention data. Attached to this summary document is a sample spreadsheet that is submitted each quarter for each business. Data reported for each business includes:

- employee identifier (name of assigned ID)
- job title
- date of hire
- created or retained position
- gender
- designation of female head of household
- race
- full-time or part-time position

- if part-time designation the average hours worked per week
- salary/rate of pay
- any additional information the business wants to report about each job

Generally, 24 CFR 570.209 (b)(1),(2),(3)(i),(4) and 24 CFR 570.482(f)(1),(2),(3),(4)(i),(5),and(6) require for businesses in the aggregate either create and retain at least one full-time equivalent, permanent job per \$35,000 of CDBG funds used or provide good and services to residents of an area, such that the number of low and moderate income persons residing in the areas served by the assisted businesses amounts to at least one low and moderate income person per \$350 of CDBG funds used.

Per Federal Register Notice FR-5696-N-01 issued on March 5, 2013 exceptions for job creation in the aggregate were allowed as follows:

D. Economic Revitalization.37. Public benefit for certain economic development activities. The public benefit provisions set standards for individual economic development activities (such as a single loan to a business) and for economic development activities in the aggregate. Currently, public benefit standards limit the amount of CDBG assistance per job retained or created, or the amount of CDBG assistance per low and moderate income person to which goods or services are provided by the activity. These dollar thresholds can impede recovery by limiting the amount of assistance the grantee may provide to a critical activity. This Notice waives the public benefit standards at U.S.C. 5303€(3), 24 CFR 570.482(f)(1),(2),(3),(4)(i),(5), and (6), and 570.209(b)(1),(2),(3)(i),(4) for economic development activities designed to create or retain jobs or businesses (including, but not limited to, long-term, short-term, and infrastructure projects). 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; the North American Industry Classification System (NAICS) code for each business assisted; and the types of jobs. HUD is also waiving 570.482(g) and 570.209(c) and (d) to the extent these provisions are related to public benefit.

In addition, a presumption will be granted that all jobs benefit low-moderate income persons if the conditions listed at 24 CFR 570.208 (a) (4) (iv) or (v) and 24 CFR 570.209 (b)(2)(v)(F) are met. Essentially, these sections establish that for the purposes of determining whether a job is held by a low or moderate income person, the person may be presumed to a low or moderate income person if a census tract (or block numbering area) has a poverty rate of at least 20% as determined by the most recently available decennial census information and provides assistance to businesses that operate within a census tract (or block numbering area) that has at least 20 percent of its residents who are in poverty.

Based on the most recently available decennial census information, the Edge does fall within a census tract that has at least 20 percent of its residents who are in poverty so; therefore, the jobs created by businesses operating from the Edge will be presumed to benefit low or

moderate income persons. The most recently available decennial census information documenting that the census tract has a poverty rate of at least 20 percent can be found in the Edge project files.

Business Incubator Rental: Revenues received from the rental of the business incubator spaces or other means will be used toward the operations and maintenance of the facility. These funds shall not be considered program income as long as the revenue does not exceed the expenses of the facility. Receipt of such fees shall be submitted to the City of Tuscaloosa IPS Administration division quarterly for review.

Recapture Policy: As noted in the City of Tuscaloosa's CDBG-DR Policies and Procedures Manual, for CDBG-DR, or related, funded activities in which the City of Tuscaloosa is the responsible entity and no subrogation agreement exists, the City will employ a recovery mechanism should funds for an activity become available that can supplant CDBG-DR funds. First, as with any potential duplication of benefit, the City will reassess need using the same procedure prior to funding of the activity and as described herein this Policies and Procedures document. If additional need is not demonstrated, CDBG-DR funds will be recaptured to the extent they are in excess of the need.

In the case that funds for an activity become available that can supplant CDBG-DR funds and the CDBG-DR funds have not yet been spent, the City will pursue an Action Plan amendment to reallocate the CDBG-DR funds to another eligible activity. In the case that funds for an activity become available that can supplant CDBG-DR funds and the CDBG-DR funds have already been spent, in whole or in part, the spent funds will be recaptured. Per the City of Tuscaloosa code, Section 2.25 (f), the City shall maintain within the general funds for reserve for future improvements funds (GFRFFI) of the City an undesignated fund balance which, as of September 30 of each fiscal year, must be a minimum of ten percent of the final prior year general fund operating budget. Per City of Tuscaloosa code, Section 2.25(h), the City shall maintain within the water and sewer reserve fund for future improvement fund (WSRFFI) of the City an undesignated fund balance consisting of any funds in excess of the minimum required for the water and sewer fund undesignated balance required. Which, as of September 30 of each fiscal year, must be a minimum of thirty percent of the audited final prior year water and sewer operating expenses. The City of Tuscaloosa can speak to its capacity to utilize these funds if needed by displaying the history of the GFRFFI undesignated reserves for years past.

FY 2014	\$11,031,998
FY2015	\$18,146,753
FY2016	\$27,718,919

Regarding the recapture of CDBG-DR activity funds, the City will employ the GFRFFI or WSRFFI undesignated reserves funds (dependent of type of activity) for payment back to the CDBG-DR account. The CDBG-DR account will then pay back the required payment to the U.S. Treasury. Approval of these transactions would follow the normal City Council approval process (i.e.

presentation and approval through Council Committee, Council approval through resolution, Accounting and Finance processing of payment, etc.).

Small Business Revitalization Loan Program (2012 ADECA CDBG-DR Funds/2013 ADECA CDBG-DR Funds/2012 & 2013 CDBG-DR Funds): The purpose of the loan program is to attract local small businesses to the devastated areas impacted by the storm in the hopes that it will spur both job growth for low to moderate income individuals, as well as economic growth for the businesses. The proposed loan program is one of several programs the City is promoting to assist struggling local businesses to get back to pre-storm operations. Many of the businesses destroyed during the tornado do not have the means to rebuild. This funding will help supplement the cost of returning to their previous locations and maintain or grow their employee base. The City is requiring these funds to directly benefit low to moderate income individuals and businesses while helping promote economic recovery in the tornado impacted areas of the City. Funds will be available to businesses that are located within the designated disaster area.

Economic revitalization and recovery following a devastating storm event can be a major undertaking. It cannot be solved through only one program or strategy. The City is taking a multi-faceted approach to helping both businesses and low to moderate income individuals through several federally and locally funded programs. The goal of the City's recovery planning and the Tuscaloosa Forward Plan for recovery is to bring businesses to tornado impacted areas which can help support and maintain housing growth. By supporting both the business and residential communities, the City is hoping to create sustainable economic growth long into the future.

The loan program will provide much needed funding to businesses who have struggled to regain sustainability since being impacted by the storm. It will also provide an incentive to other businesses to relocate into the storm impacted areas to help support the housing growth in these areas of low to moderate income individuals who are returning to reconstructed housing options. The City does not want to perpetuate a scenario where low to moderate income individuals are unable to grow financially. It benefits both the individuals and the City to have a strong working class with local businesses who can support the local economy and residents.

The City has developed a loan committee comprised of City employees from different departments to review all loan applications and make a recommendation to City Council. Applicants are required to submit financial documents such as tax returns and financial statements which are subject to review by the City's finance director for the applicant's capacity to manage the funds and make repayment should that be necessary in the event of default. If additional underwriting is required, the City will consult with the selected firm(s) in an effort to minimize any risk of default on behalf of the business owner and to provide funding within an acceptable range based on business credit availability.

Application:

Applications will be available on site at City Hall or at www.tuscaloosa.com. Applications will be accepted for the program until all funds have been expended.

Borrower:

Eligible businesses include all commercial entities whose main operational location is or will be located in the designated recovery zone as dictated on maps available in the applications. Zones 1 and 3 are

eligible for up to \$50,000 while Zone 2 is eligible for up to \$20,000.

Use of Proceeds:

Land and building purchase or improvement, machinery and equipment purchase, leasehold improvements, working capital, inventory purchase and refinancing of existing debt.

For the Small Business Revitalization Loan programs awarded business, expenditure of funds for eligible operating expenses (working capital) include but are not limited to the following:

- a) Rent payments
- b) Salary of employees
- c) Advertising
- d) License Fees
- e) Accounting expenses
- f) Maintenance and repairs
- g) Office expenses
- h) Supplies
- i) Insurance
- j) Utilities
- k) Property taxes

Collateral:

Adequate collateral position must be secured by assets of receiving business consisting of land, building or letter of credit. Collateral value will be established by appraisal or cost verification prior to award.

Interest Rate:

All loans will be released at an accrual rate of zero percent interest.

Loan Term/Amortization:

Loans will require a monthly status update with six month and one year borrower interviews at a minimum. Because the loan may be forgivable following the term of the loan, no repayment schedule will be implemented at this time.

Loan Sizing:

The minimum loan amount for this program is \$20,000 with a maximum loan amount of \$50,000 dependent on location within the zones. No project under \$20,000 (total cost) will be considered for participation in this program.

Eligibility and National Objective: Economic development assistance for for-profit business with low-moderate-income job creation and retention.

Grant Size Limit: The City of Tuscaloosa is allocating 2012 ADECA CDBG-DR funds (\$500,000), 2013 ADECA CDBG-DR funds (\$1,000,000), 2012 CDBG-DR funds (\$90,477.11), and 2013 CDBG-DR funds (\$499,583.45)

for the Small Business Revitalization Loan Program for economic revitalization and low-moderate income job creation and retention.

Geographic Area: Designated recovery zones in the City of Tuscaloosa, Alabama

The specific steps taken to process a Small Business Revitalization Loan application from acceptance to approval are described in the narrative below:

Applications were made available online, within the public libraries and at entries to City Hall. The program was advertised via direct mail, postings on the City's website, Facebook Page and Twitter. There were numerous news coverings, TV Talk Show discussions, radio Community Awareness spots and Chamber of Commerce seminars and events to inform the public of the availability of funding, program guidelines, policies and procedures for the Small Business Revitalization Loan Program. Applications upon receipt are reviewed for location requirements, eligible use of funds, duplication of benefits, jobs created, retained, and other program factors as stated in the application. A complete application consists of program application, business plan, taxes, jobs created, retained and hourly rate/salary, collateral, use of funds, project budget, and other requested information as stated in the application that may be included within the business plan. The application and supporting documentation is then sent to the members of the review committee which is composed of representatives of the Accounting and Finance department, IPS Administration, City Attorney's office, and Urban Development department, at a minimum. The application includes a narrative of the business to include the business name, type, location, amount requested, funds use and source of collateral. A majority committee approval is required, after which a resolution is prepared and project/business summary is provided to the City Council via resolution. Resolutions are prepared pending environmental review and acceptable collateral. After Council approval, an environmental is requested and conducted in correlation with the businesses use of funds. Collateral information, application, business plan, job creation/retention information, and executed resolution are submitted to the City Attorney's Office for agreement preparation. Completed agreements are sent to applicants for review. Checks are requested with a copy of adopted resolution, voucher and memo request and submitted to the Finance Department. Once checks are received and agreements are prepared, the applicants are contacted for closing. Lastly, closing consists of the signing of the agreements, awarding of funds, and compliance terms, which are covered with the Community Development Program Manager. If collateral includes land/property a mortgage is recorded with the County Courthouse. A recorded copy of all documents are sent to the awardee.

Edward K. Aldag Jr. Business Plan Competition (2012 CDBG-DR funds): The purpose of this activity is to stimulate economic development. The City of Tuscaloosa is partnering with the University of Alabama and the Edge by allocating a portion of the CDBG Disaster Recovery grant for the purpose of providing assistance to a community business through a competition. A donor, Edward K. Aldag Jr., donated \$50,000 to the University of Alabama to fund a student entrepreneur that is starting or expanding a business. The University of Alabama and the Edge approached the City about adding a community component; funding a community entrepreneur with a start-up or expanding an existing business. The winner of the City's \$50,000 funded through CDBG-DR funds must have a business currently located or

to be located within the City's designated recovery zone in order to continue to spur economic development. Additionally, the funds must be used toward an eligible activity as defined in the threshold criteria and one low to moderate-income job must be created. The winner will, at a minimum, be subject to a one-year compliance term. The competition was held on March 27, 2018. Participants pitched their business plan and concept to a panel of judges with various backgrounds for selection.

Eligibility and National Objective: Economic development assistance for for-profit business with low-moderate income job creation and retention.

Threshold Criteria: Eligible businesses include all commercial entities whose main operational location is or will be located in the recovery zone.

Use of proceeds: Land and building purchase or improvement, machinery and equipment purchase, leasehold improvements, working capital, and inventory purchase.

Collateral: Adequate collateral position must be secured by assets of receiving business consisting of land, building, machinery, equipment, letter of credit, or other acceptable collateral as determined by the Office of the City Attorney. Collateral value will be established by appraisal or cost verification prior to award.

Job Creation: Creation of one full-time equivalent, low to moderate-income job.

Grant Size Limit: The City of Tuscaloosa is allocating \$51,537.50 to the Edward K. Aldag Jr. Business Plan Competition. \$50,000 was allocated toward the business while the \$1,537.50 was for administrative costs associated directly with the activity.

Geographic Area: Locations within the City's designated eligibility map.

Innovate Tuscaloosa (2012 CDBG-DR funds): The purpose of this activity is to stimulate economic development in the 10th Avenue and Alberta areas of Tuscaloosa. The City of Tuscaloosa is allocating a portion of the CDBG Disaster Recovery Grant for the purpose of providing assistance to community businesses that provide a new or missing service to those areas.

Similar to what the City has already put into place with its Commercial Revolving Loan and Small Business Revitalization Loan programs, Innovate Tuscaloosa will encourage business development in the 10th Avenue and Alberta areas; which are still suffering from the economic effects of the April 27, 2011 tornado. This forgivable loan program will spur both job growth for low to moderate-income individuals as well as jumpstart economic growth in those areas. The City is requiring these funds to directly benefit low to moderate individuals and businesses while helping promote economic recovery. Funds will be available to businesses that are located within the disaster area or are looking to be located in the disaster area.

The City has developed a loan committee comprised of City employees from different departments and disciplines to review all loan applications. Applicants are required to submit financial documents such as tax returns and financial statements, which are subject to review, by the City's finance director for the

applicant's capacity to manage the funds and make repayment should that be necessary in the event of default. If additional underwriting is required, the City will consult with the selected firm (s) in an effort to minimize any risk of default on behalf of the business owner and to provide funding within an acceptable range based on business credit availability.

Eligibility and National Objective: Economic development assistance for for-profit businesses with low-moderate income job creation and retention.

Threshold Criteria: Application: The application will be released to the public via the City's website and in hard copy format at City Hall, Tuscaloosa Public Library, and other acceptable public venues. Any document preparation and development support may be available to local businesses through the West Alabama Chamber of Commerce or similar sources.

Borrower: Eligible businesses include all commercial entities whose main operational location is or will be located in the recovery zone.

Use of proceeds: Land and building purchase or improvement, machinery and equipment purchase, leasehold improvements, working capital, inventory purchase, and refinancing of existing debt.

Collateral: Adequate collateral position must be secured by assets of receiving business consisting of land, building, machinery, equipment, letter of credit, or other acceptable collateral as determined by the Office of the City Attorney. Collateral value will be established by appraisal or cost verification prior to award.

Interest Rate: All loans will be released at an accrual rate of zero percent interest.

Loan Term/Amortization: Loans will require a monthly status update with six month and one year monitoring visits, at a minimum. Because the loan may be forgivable following the term of the loan, no repayment schedule will be implemented at this time.

Loan Sizing: Maximum loan amount per business is \$200,000.

Job Creation: Creation of one full-time equivalent, low to moderate income job for every \$50,000 loaned or granted.

After applications are received and reviewed, application will be reviewed by various departments and divisions across the City for technical review. The CDBG-DR Loan Review Committee reviews and recommends to the CDBG Committee the eligible loan applications received in the manner set out above. Loan committee will also be the body that sets all parameters of the loan within the guidelines set out above. Recommended applicants will pitch their purpose to the CDBG Committee. The CDBG Committee will have the final say on the approval of loans. The City may request lease documents, mortgage information or other information they deem appropriate before selecting the application for approval. The applicant must submit a detailed project description and project budget. The project must begin within 60 days of receiving the loan payment. The City reserves the right to hold the applicant in default if the loan proceeds are not spent in accordance with the approved project description. Those

receiving loans must be able to show that at least 51% or more of the job positions at the business are either known to be currently held by low-moderate income persons at the time the loan is received or are not currently held by low-moderate income persons but could be reasonably expected to “turn-over” to low-moderate income persons within two years.

This loan is a forgivable loan and if the awardees spend the loan proceeds in accordance with the rules set forth in the application over a year long period then the awardee will be considered compliant and will not be required to repay the loan amount.

Grant Size Limit: The City of Tuscaloosa is allocating a total of \$200,000 to the Innovate Tuscaloosa activity.

Geographic Area: Locations within the City’s designated eligibility map.

FINANCIAL STANDARDS

The City of Tuscaloosa will oversee all activities and expenditures of the CDBG-DR funding in accordance with applicable CDBG rules and regulations, as well as other applicable federal regulations such as Office of Management and Budget Circulars A-87, A-133 and 24 Code of Federal Regulations Part 84 and 85 and more recently 2 CFR 200 (applicable statutes) and 24 CFR 570. Please see the Execution of Activities on page lxxv of the Policies and Procedures for more detailed information and reference to documentation on the City's transition to adherence to 2 CFR 200. Internal controls have been setup through our staffing plan in order to create accountability in the City's financial management of these funds. Part of the internal controls was creating an organizational chart that displays the personnel, as well as their job title involved in the financial transactions of carrying out the grants. A written definition of duties for each of the personnel is included, as well as in the documentation beginning on page 1 to ensure the adequate separation of duties so that one person does not have sole responsibility for all the functions related to executing the expenditures. All program budgets of eligible activities are approved by council and setup separately in the City's accounting software, MUNIS. Source documentation for all expenditures is maintained within the Accounting and Finance Department and the IPS Administration Division. A monthly reconciliation of accounts is performed by the Accounting and Finance Department, and any irregularities are conveyed via email to the IPS Administration Division. A drawdown of funds is not performed until the City has an actual expenditure of funds; in other words, there are no transfers of CDBG-DR funds to the City as cash advancements of federal funds.

Financial Management System – MUNIS

To be in compliance with HUD guidelines for managing funds, the City of Tuscaloosa utilizes a financial management system known as MUNIS. MUNIS is an accounting system designed by Tyler Technologies, Inc. that allows the City of Tuscaloosa to use various functions in order to be more efficient in meeting the financial needs and streamlines our accounting functions. Within the system we are able to create, a General Ledger that operates through a user-defined chart of accounts in which we can base a program or project's needs. All grant awards, obligations, unobligated balances, assets, liabilities, expenditures, and program income are tracked within the MUNIS accounting system.

General Ledger and Chart of Accounts

The MUNIS accounting system houses our general ledger that operates through a user-defined chart of accounts in which we enter all data associated with the CDBG-DR allocations. Please see the detailed listing of the "MUNIS Chart of Accounts" on page 771 and the accompanying print out from the MUNIS accounting system of the general ledger.

Budget Establishment

The City of Tuscaloosa has received two direct allocations and is a sub-grantee under two of the State of Alabama's direct allocations of CDBG Disaster Recovery funding. Once notice is received of the allocation, projects along with their budgets are submitted to the City Council for approval. After the resolution is approved by Council, the Community Development Program Manager or other applicable

IPS Administration Division personnel submits an Action Plan to HUD. Once the Action Plan is executed by HUD, the IPS Administration accountant or Deputy Director submits to the Accounting Manager within the Accounting and Finance Department, a request via email for any new MUNIS account numbers that need to be established. The IPS Administration accountant or Deputy Director enters a budget amendment MUNIS with the approved documentation attached for approval by the Director of Accounting and Financial Reporting within the Accounting and Finance Department. The Accounting Manager will establish a MUNIS account number for each project within the grant, name the account number, and distinguish the budget and related revenue accounts associated with the expenditures.

All project budgets are also kept internally via excel spreadsheets in a shared file on the server. The City of Tuscaloosa is working towards utilizing the Project Accounting portion of MUNIS, but it is still in the test phase. The IPS Senior Accountant or IPS Accountant is responsible for recording grant awards, obligations, un-obligated balances, assets, liabilities, expenditures and program income on said spreadsheets. Expenditures are detailed to identify the scope of work and to help track the progress of each project. All expenditures are liquidated to contract approved purchase orders by the Accounting Technicians and verified by the Accounts Payable Supervisor. The MUNIS system will not allow payments that exceed the purchase order.

A detailed step-by-step guide on “how to setup a budget” is located within this policy and procedures document on page 762.

Obligation of Funds

Through the RFP, RFQ and competitive bidding processes, contracts are procured to vendors to expend funds. The Office of the City Attorney or another City representative will bring forth the awarding of the contract to a council committee meeting to be voted upon. Following approval, it will be presented via resolution at the following City Council meeting, and if the resolution is passed an executed agreement will be prepared by the Office of the City Attorney and signed by City representatives as well as the vendor (subrecipient) who is awarded the contract.

Once the City Clerk’s office compiles the approved resolutions and the City Council synopsis, it is forwarded out to City staff via email correspondence and placed within the city-wide shared outlook public folders. At this time, the Accounting and Finance Budget Manager will put the appropriate resolution awarding the contract to the vendor associated with a CDBG-DR funded project and enter in a purchase order requisition into the MUNIS accounting system, and attach all backup documentation (such as council approved resolution, executed contracts, email/mail correspondence, equipment forms, etc.) to the requisition within the system. The Purchasing Department which is a division of the Finance Department will then within the MUNIS system work flow be alerted of the purchase order requisition. Once the Purchasing Agent or Associate Purchasing Agent approves the purchase order requisition, it will be converted to a purchase order. They will then email a pdf copy back to the IPS Administration accountant to disperse to the city representative in charge and the vendor the purchase order was cut to.

By issuing a purchase order within the MUNIS accounting system you are encumbering or obligating the funds for that specific contract within a specific project budget. When invoices are paid related to a particular purchase order, the invoice or pay request is liquidated against the purchase order until all funds are liquidated and the purchase order can be closed.

Any amendments or change orders to the contract will follow the same procedures as outlined above, but instead of a purchase order requisition being entered, an email detailing the change and the backup documentation is sent to the Purchasing Department for them to execute a purchase order change order within the MUNIS accounting system.

Once the purchase order has been issued, the IPS Administration accountant will log into the disaster recovery grant reporting system (DRGR) and obligate the portion of the budget associated with the contract award so that the DRGR system reflects the obligated amounts within the MUNIS accounting system. This is a constant change, so both the DRGR system and the MUNIS accounting system may not be in complete sync with each other.

A detailed “How to issue a PO and Obligate Funds” document is located within this policy and procedures manual on page 779 that will describe the steps taken to both encumber a PO and obligate the contract within the DRGR system.

Invoice/Pay Request Processing

Invoices/pay requests are submitted to the IPS Administration Division as stated within the subrecipients contract agreement. Funds are released by the City of Tuscaloosa on a reimbursement basis only with approved documentation of expenses. Approved documentation of expenses may include, but is not limited to, time and attendance records, payrolls, invoices, canceled checks, paid bills, purchase orders, etc. to justify the expenses.

Once the invoice or pay request is received by the IPS Administration Division, it is reviewed by the project manager (if applicable) and Director of Administration or applicable IPS Administration Division personnel for programmatic accuracy and given to the IPS Administration accountant for expenditure processing. The Accounting and Finance Budget Manager will review the expenditure and match it with the contract, purchase order, and sign off on the request once justified. Before the Accounting and Finance Department will approve any expenditure from the IPS Administration Division, it must have final authorization by the notated approvers of the fund associated with the activity. If any deficiencies are found, the subrecipient is notified immediately. If no issues arise with the invoice or pay request, it is forwarded then to the Accounting and Finance Department for processing.

The Accounting and Finance Department holds a citywide policy to receive invoices or pay requests by the close of business day each Wednesday in order for the payment to be processed in the following week's batch of checks. Checks are cut on Mondays and given out after 2:30 PM central. The Accounts Payable Supervisor will send out email correspondence to any department representatives who need to personally pick-up a vendor's check. Otherwise, the checks are mailed via USPS.

A detailed “How to review an invoice” document is located within this policy and procedures manual on page 770 that will describe the steps taken to review an invoice or pay request and submit it for payment to the Finance Department.

Program Income

The City of Tuscaloosa will comply with HUD requirements found at 24 CFR 570.489 and 24 CFR 570.504, making sure that any program income generated by any CDBG-DR program will be used first before requesting or drawing down new funds. Currently, the City has one activity in the 2012 CDBG-DR allocation that generates program income and it is the Commercial Revolving Loan Program. All program income generated from this activity is receipted to Revenue, tracked in the Office of the IPS Administration Division, and is reconciled against MUNIS monthly.

Per FR-5628-N-01 and FR-5696-N-01, program income received (and retained, if applicable) before or after closeout of the grant that generated the program income, and used to continue disaster recovery activities, is treated as additional disaster recovery CDBG funds and may be reallocated to another eligible activity. Additionally, the notice states that grantees may transfer program income before closeout of the grant that generated the program income to its annual CDBG program. Program income received by a grantee, or received and retained by a subgrantee, after closeout of the grant that generated the program income, may also be transferred to a grantee’s annual CDBG award. In all cases, any program income that is not used to continue the disaster recovery activity that generated the program income ceases to be subject to the waivers and alternate requirements of the aforementioned notices.

Additionally, the grantee under FR-5628-N-01 and FR-5696-N-01 is allowed to permit a subrecipient to retain program income.

For any facilities built using CDBG-DR funds, in whole or in part, in which the facility is offered for a fee for rental use or in the case of tenants (i.e. business incubator/business lease), the funds generated for the rental/lease will not be considered program income as long the revenue does not exceed the expenses of the facility. All funds that are generated through rental/lease will be used toward the operations and maintenance of the facility. Receipt of such fees shall be submitted to the City of Tuscaloosa IPS Administration division and reviewed quarterly.

*As of date of print, the only two facilities that are funded with CDBG-DR funds that charge a rental fee/lease fee are the Alberta Technology Public Library (The Gateway) and The Edge: Business Resource Center.

The Office of the City Attorney works with the IPS Administration Division in carrying out the loans. All loan recipients go through a loan application process to which they complete the application, give a project budget, devise a business plan, pledge security or collateral, and give supporting financial documents for the business. Applications are accepted on a continual basis and evaluated by the Commercial Revolving Loan Program Review Committee, which is comprised of various City of Tuscaloosa employees. Once the committee approves a loan application, it is then sent to the

Tuscaloosa City Council for final approval. All loans have a written contract that clearly describe the repayment terms, what would put the borrower in default, and what actions will be taken if the default is not cleared. Loan payments are due on the 15th of each month and are late on the last day of the month. Late payments are subject to a twenty-five dollar late fee.

A detailed “How to Receipt Program Income” document is located within this policy and procedures manual on page 775 that will describe the steps taken to receipt the Program Income.

Interest Earned

Any interest earned on federal grant funds must be reported to HUD and remitted to HUD not less than annually per 24 CFR 570.500(b). All interest earned on the program income cash account will be entered into MUNIS during the monthly bank reconciliation. The IPS Administration accountant will receipt the interest earned into the Disaster Recovery Grant Reporting system (known as DRGR). A resolution will be drawn up by either the IPS Administration Division or the Office of the City Attorney presented to the Tuscaloosa City Council asking for the Finance Director to draft a check in the amount on interest acquired to be paid back to HUD per the federal regulations. Once the resolution has been passed, a check will be cut by Accounting and Finance and mailed to the appropriate party and the funds will be drawn down upon showing where the City of Tuscaloosa repaid HUD.

A detailed document on “Interest Earned on Federal Grants” is located within this policy and procedures manual on page 768 that will describe step-by-step the actions taken to ensure that interest earned as program income is paid back to HUD at least annually per the CFR. There is also an example of the letter submitted to HUD to accompany the check for the interest earned.

Drawdowns

A drawdown of funds is not performed until the City has an actual expenditure of funds; in other words, there are no transfers of CDBG-DR funds to the City as cash advancements of federal funds. All drawdown requests are on a reimbursement basis only.

All drawdowns are prepared by the IPS Administration Division accountant based on actual expenditures in MUNIS by the City of Tuscaloosa. Invoices are pulled and a drawdown receipt is compiled using excel and signed off on by the preparer. Once done, the documents are sent to the Director of IPS Administration for review and signature. Once approved, the IPS Administration Division accountant will enter the request into the HUD DRGR system. An alert is then sent to the Director of the IPS Administration Division based on the drawdown request and requires approval within the DRGR system. Once complete, an email is sent to the Accounting and Finance Department informing them of the incoming wire transfer and for what accounts the transfer is associated with (Cash and Revenue Accounts).

A detailed guide to “how to do a drawdown” is located within this policy and procedures manual on page 764.

Lump Sum Drawdowns

The City of Tuscaloosa does not request lump sum drawdowns.

Indirect Costs

The City of Tuscaloosa does not intend to incur any indirect costs for the CDBG-DR grants.

Planning and Administrative Cap

In compliance with 24 CFR 570.200(g), 570.205 and 570.206, the City of Tuscaloosa has set the planning and administrative cost budget to 20 percent of the sum of the grant that is received. The program administration costs are set at the required 5% for both the 2012 and 2013 disasters. The comprehensive planning is set at 5% as well for both the 2012 and 2013 disasters, and will be adjusted up to 15% if deemed necessary as the City administers both of the direct allocations.

Salaries and Wages

The City of Tuscaloosa utilizes the KRONOS payroll system for time tracking of employees. The system requires a bi-weekly approval of employee's time by department, which is done digitally within the system. The payroll is dumped from KRONOS into MUNIS on a weekly basis, and employees are paid bi-weekly alternating weeks between hourly and salary.

All employees who are considered administrative and support staff of the CDBG-DR grants are required to track their time via excel spreadsheets each day worked. At the end of the quarter, the excel time sheets are emailed to the IPS Administration Division accountant for review and a salary reimbursement is compiled. Salary reimbursements are based on actual hours worked on each grant, and a payroll certification is signed by the Director of the IPS Administration Division who reviews the time being charged to planning and administrative costs. Support staff works on other grants and City business, and therefore their time will not be 100 percent reimbursed by the CDBG-DR funds.

Organizational Chart

As a grantee of CDBG-DR funds, the City of Tuscaloosa is required to be in compliance with HUD regulations and waivers associated with the public notices for our specific direct allocations. Within the compliance, all Grantees are required to setup and be able to present an organizational chart to show the structure of administrative staff for the grants. The IPS Administration Division is in charge of all Disaster Recovery funding. In the event that additional funding is acquired, the City of Tuscaloosa will hire additional staff to support the increase volume of funding and projects associated with the award. All staff are trained internally and sent to associated conferences in order to ensure program compliance.

Financial Document Control – Laserfiche and CityLaw

In compliance with the applicable laws and regulations, all records, applications, and supporting documents that are in relation to the grant/s will be retained for greater of three years (five years for

State funded projects) from the closeout of the grant, final audit acceptance, or any other said period required by other applicable laws.

The City of Tuscaloosa utilizes a document system known as Laserfiche. This documenting software houses all human resources documentation, payroll, revenue, and expenditures. All documents are linked to the MUNIS accounting system by various fields.

The office of The IPS Administration Division also houses its own software for the department called CityLaw. This system allows us to document an electronic copy of everything in our hard copy files. This documenting system is backed up on a server in the event that hard copies are ruined.

Organizational Chart

The following is a listing of the key roles in the City of Tuscaloosa, Alabama's financial management of the CDBG-DR funds and each role's financial procedures for those funds. The listing below follows the organizational chart attached and flows by department and then by individual personnel. Segregation of duties is at a high level in all of the City of Tuscaloosa's financial areas. Management from the top down encourages and creates a working environment that promotes transparency and communication throughout the departmental chain.

1.) The Office of the Mayor

- Top of the hierarchy that monitors the overall duties and responsibilities of the City department's every day functions.
 - Walt Maddox – Mayor
 - Manages and directs IPS-Administration staff in executing CDBG-DR grants.
 - Implements policies and procedures approved by the Tuscaloosa City Council, and provides direction in absence of Council policy.
 - Carly Standridge – Internal Auditor
 - Reports directly to the Mayor.
 - Consults and formulates opinion documents on City financial policies and procedures as well as monitoring the implementation of those policies and procedures.
 - Provides certification of proficient controls, processes and procedures regarding the financial management and expenditure of CDBG-DR funding.
 - General ongoing monitoring and support of all departments' internal control structure and implementation of that structure through processes
 - Formally tests compliance of CDBG-DR operations annually with respect to the 2013 disaster recovery funding awards and compiles compliance reports which affirms the independent internal auditor role in detecting fraud, waste and abuse specific to the March 5, 2013 FR Notice not to be confused with the A-133 audit or single audit process.

2.) Infrastructure and Public Services - Administration

- A division of the Mayor's Office titled Recovery Operations was setup after the April 27, 2011 tornado specifically to manage and conduct all disaster recovery efforts of the City of Tuscaloosa. Today, the IPS Administration division manages the responsibilities of disaster recovery activities and the respective grant funding.
- There are eight current staff members within the IPS Administration division that play key roles in the financial management of CDBG-DR funds.
 - Savannah Howell – Director of Administration
 - Monitors the overall duties of each IPS Administration employee.
 - Provides financial oversight of CDBG-DR funds including monitoring expenditures for eligibility and compliance.
 - Approves invoices and credit memos for all CDBG-DR funds to be processed by the Accounting and Finance staff.
(See Question 7-e on exhibit 3-18)
 - Approves CDBG-DR draws of funds.
 - Conducts annual meeting with agencies operating CDBG-DR funded activities to discuss city and federal requirements; conducts annual monitoring visits with Compliance Monitor during which program activities and related financial records are reviewed. Notifies HUD and federal law enforcement authorities of illegal acts or irregularities found in any standard.
(See Question 9-d and 20 of Exhibit 3-18).
 - Assists accounting firms, HUD financial analyst, HUD field office representative and Internal Auditor with audits/monitoring activities; provide files and information.
 - Is the first line of communication between the City and HUD's CPD Office.
 - Katherine Aikens – Deputy Director of Administration
 - Assists in monitoring the overall duties of each IPS Administration employee.

- Assists in providing financial oversight of CDBG-DR funds including monitoring expenditures for eligibility and compliance.
- Coordinates with the Accounting and Finance department to ensure the budget amendments for CDBG-DR funds are properly reflected within the MUNIS accounting system.
- Michael Crady – Senior Accountant (Capital Projects)
 - Reviews the CDBG-DR invoices for proper coding and approval to ensure federal compliance, corresponds with vendors and generally tracks the overall HUD funded projects.
 - Assists accounting firms, HUD financial analyst, HUD field office representative and Internal Auditor with audits; provide files and information.
 - Serves as a financial liaison between IPS and Accounting and Finance.
 - Works with the project managers during the planning, implementation and evaluation of the budgets for capital projects and process and develops strategies and alternatives that focus on continuous improvement, innovation and change.
- London Jenkins – Accountant (Operations)
 - Manages the tracking of the CDBG-DR funds budgets and program income receipts on a bi-weekly basis. (See Question 3 and 9-a on Exhibit 3-18)
 - Performs accounting for management of state and federal grants, coordinates reimbursements, and files appropriate reports.
 - Reviews the CDBG-DR invoices for proper coding and approval to ensure federal compliance, corresponds with vendors and generally tracks the overall HUD funded projects.
 - Maintains receipts and disbursement ledgers for programs in conjunction with the Community Development Program Manager.
 - Assists accounting firms, HUD financial analyst, HUD field office representative and Internal Auditor with audits; provide files and information.
 - Conducts CDBG-DR fund drawdowns on expenditures (no lump sum drawdowns will occur) and communicates with the Accounting and Finance Department regarding all drawdowns submitted so that they can be tracked and properly accounted for when the wire transfer hits the bank. (See Question 4, 5, 6 and 15 on Exhibit 3-18)
 - Works with the Payroll Division within the Accounting and Finance Department to gather salary and wage data in order to do a salary reimbursement on staff that work on the CDBG-DR funded projects. Each employee who works on CDBG-DR funded projects either maintains an end-user spreadsheet stating their time and documentation of work performed or certifies to a percentage of time allocated to CDBG-DR projects. Payroll Certification is done for each salary reimbursement as well.
(See Question 12 and 14 on Exhibit 3-18)
 - Review of the MUNIS general ledger system for all CDBG-DR expenditures, and the tracking of those expenditures in end user spreadsheets with Accounting and Finance staff.
 - Quarterly compilation and filing of the SF 425 reports, with review from the Director of Administration or the Deputy Director of Administration.
 - Assists Audit Team when necessary. (See Question 7-I on Exhibit 3-18)
 - Ensures proper data entry on all federal accounts and processes all documents to meet federal deadlines.
 - Coordinates and handles payment of vendor invoices; checks for accuracy; obtains signatures and approvals from various parties as required by federal guidelines.
 - Enters Program Income Receipts into the DRGR system and works with Compliance Monitor to track Commercial Revolving Loan payments.
 - Maintains a file system for all invoice/credit memo copies. (See Question 2 of Exhibit 3-18)
 - Coordinates between departments to ensure compliance with financial documents related to federal projects.
 - Serves as a financial liaison between IPS and Accounting and Finance.
- Vacant (K. Aikens still performing duties until hire for position) – Accountant (Capital Projects and Operations)
 - Duties include support and performance of transactional processes outlined in the Senior Accountant (Capital Projects) and Accountant (Operations) above.

- Demitria Lewis – Community Development Program Manager (see Question 8-a on Exhibit 3-18)
 - Conducts annual monitoring visits of activities to review program and financial records. Notifies HUD, and federal law enforcement authorities, of illegal acts or irregularities found in any standard. (See Question 9-d and 20 of Exhibit 3-18)
 - Tracks payments received for the Commercial Revolving Loan Program; notifies and sends out collection notices for individuals in default. (See Question 10 and 11 on Exhibit 3-18)
 - Does the general monitoring of compliance of sub-recipients in all CDBG-DR programs.
 - At this time B-13 programs do not have program income to track, but B-12-MT-01-0002 does have a program for Commercial Revolving Loans (CRL) that is being monitored with this position. No additional sub-recipients generate program income.
 - Assists with special projects when needed. (See Question 9-a, 9-b, 9-c and 18 on Exhibit 3-18)
 - Monitors expenditures for eligibility, and monitors compliance in relation to all CDBG-DR funding.
 - Travels out into the field and works with all CDBG-DR program subrecipients using HUD monitoring guidelines including employee interviews (See Question 19 on Exhibit 3-18).
 - Compiles all Davis Bacon information for participating contractors and travels into the field to perform employee interviews as well as make sure all federal guidelines are upheld to ensure our contractors are in compliance.
 - Assists with audits providing files and information. (See Question 7-I on Exhibit 3-18)
 - Manages, administers, and implements the CDBG-DR projects and program funds as well as compiling the Action Plan and making any Action Plan amendments.
 - Maintains receipts and disbursement ledgers for programs.
 - Each quarter enters the City's QPR into the DRGR system for compliance reporting.
 - Compiles and submits all required reporting information including Section 3, MBE/DBE/WBE participation/FFATA, etc.
 - Conducts annual meeting with agencies operating CDBG-DR funded activities to discuss city and federal requirements; conducts annual monitoring visits with Compliance Monitor during which program activities and related financial records are reviewed. Notifies HUD and federal law enforcement authorities of illegal acts or irregularities found in any standard. (See Question 9-d and 20 of Exhibit 3-18).
 - Assists accounting firms, HUD financial analyst, HUD field office representative and Internal Auditor with audits/monitoring activities; provide files and information.
 - Is the first line of communication between the City and HUD's CPD Office.
- Caramyl Drake – Community Development Program Manager
 - Answers and screens telephone calls; assists walk-in customers; greets and responds to inquiries, problems and complaints from the general public and forwards to other staff members; provides information to the general public regarding department operations and services all in regards to the CDBG-DR grants.
 - Coordinates monthly meetings with Tuscaloosa Builds participants in order to continue grant compliance.
 - Maintains an active MBE/DBE/WBE database and social media platforms for Tuscaloosa Builds
 - Compiles a list of MBE/DBE/WBE businesses that is readily available for contractors to use when bidding on jobs.
 - Ensures that contractors who are bidding on jobs reach out to MBE/DBE/WBE businesses as they gather their subcontractors, and provides the City with the required documentation regarding participation.
 - Conducts media related interviews with local agencies to further the public outreach of the Tuscaloosa Builds program to the local constituents in which they can take advantage of.
 - Works with our Commercial Revolving Loan applicants, Small Business Loan applicants, and other individual assistance programs through their application process and helps coordinate meetings with the City Council for approval.
- Jennifer LeGrone – Secretary, Senior
 - Maintains electronic and paper filing system for all CDBG-DR funded projects.

- Prepares administrative, legal, personnel and financial documents.
- Maintains departmental records.
- Composes records, transcribes, edits, and types correspondence, memoranda, and reports for the division of IPS Administration in regards to state and federal funds.
- Schedules meetings and ensures all involved parties are notified in a timely manner.
- Answers and screens telephone calls, assists walk-in customers; greets and responds to inquiries, problems, and complaints from the general public and forwards to other staff members; provides information to the general public regarding department operations and services all in regards to the CDBG-DR grants.

3.) The Accounting & Finance Department

- This department is responsible for managing all financial affairs of the City of Tuscaloosa, Alabama.
- Coordinates the preparation of and maintains copies of the City's Comprehensive Annual Financial Report and Single Audit Report. (See Question 16-a and 16-b on Exhibit 3-18)
- There are a few key personnel or divisions within this department that play key roles in the financial management of the CDBG-DR funds.
 - Susan Snowden – Chief Financial Officer
 - Provides general oversight of the Accounting & Finance Department, including but not limited to administering the City's accounting, financial reporting, budgeting, cash/debt management, purchasing, payroll functions, and reporting to the Mayor and City Council.
 - Coordinates preparation and distribution of the City's audited Comprehensive Annual Financial Report and Single Audit. (See Question 7-i and 16on Exhibit 3-18)
 - Helps obtain bond coverage for any responsible official. (See Question 7-b on Exhibit 3-18)
 - Structures, plans and coordinates capital financing alternatives and development of plans for various projects or programs.
 - Represents the City to other agencies, developers, consultants, and the public.
 - Works directly with senior management on establishing and monitoring financial policies and procedures.
 - Advises the Mayor, City Council and others on a variety of fiscally related matters.
 - Oversees development of the annual budget; coordinates budget requests, meetings, hearings, Mayor's recommendations, and Council modifications.
 - Vacant– Deputy Chief Financial Officer
 - Provides support to the Chief Financial Officer.
 - Oversees and manages all divisions within the Accounting and Finance department to ensure proper policy and procedures are upheld.
 - Coordinates financial needs between other City departments and Accounting and Finance.
 - Oversees the data entry of Council approved budgets into the MUNIS general ledger system and monitors maintenance of them. (See Question 1 and Question 7-f on Exhibit 3-18)
 - Coordinates preparation and distribution of the City's audited Comprehensive Annual Financial Report and Single Audit. (See Question 7-i and 16on Exhibit 3-18)
 - Ensures that all City revenue laws, ordinances, policies, and procedures are in compliance with applicable codes
 - Cheryl Noland – Accounting Technician, Sr. (Acting as Secretary Principal)
 - Prepares administrative, legal, personnel and financial documents.
 - Maintains departmental records.
 - Scans all proofs of payment into Laserfiche documenting system.
 - Reviews and processes all Travel Settlements for the City staff.

➤ Administration

- Vacant – Accounting Assistant
 - Functions as back-up for the Purchasing division as needed
 - Assists with Accounts Receivable reconciliation
 - Creates fixed asset records for each equipment purchase
 - Processes additions, deletions, or transfers to/from asset inventory records
 - Assists in maintenance of fixed asset module

- Maintains departmental records
- Prepares administrative, legal, personnel and financial documents.
- Corey Fields – Accounting Assistant
 - Functions as back-up for the Purchasing division as needed
 - Assists with Accounts Receivable reconciliation
 - Creates fixed asset records for each equipment purchase
 - Processes additions, deletions, or transfers to/from asset inventory records
 - Assists in maintenance of fixed asset module
 - Maintains departmental records
 - Prepares administrative, legal, personnel and financial documents.

➤ Accounting and Financial Reporting Division

- Becky Scheeff – Director of Accounting and Financial Reporting
 - Coordinates the year-end accounting process with both Accounting and Finance Department staff and staff in other city departments by providing year-end training sessions, monitoring year-end task lists for departments and individuals, and develops and monitors appropriate deadlines for task completion to keep the process on time.
 - Assists the Director of Budgets and Strategic Planning with departmental budget reporting; maintaining fiscal control and accountability for budget expenditures; coordinating grant applications as needed; developing budget forecasts and reports; making oral and written recommendations for fiscal affairs; and supervising service contracts and agreements; and coordinating the development of performance measures and workload indicators.
 - Provides project management expertise to facilitate the financial coordination and implementation of approved capital projects; monitoring of procedures and methods used in recording project data in the Project Management module of the accounting system; preparation of oral and written findings and recommended actions.
 - Responds to financial requests for information from City departments.
 - Monitors internal controls related to the work performed by others inside and outside of the department. If necessary, works with Internal Auditors to help improve internal controls of the city.
 - Monitors and trains City departments on grant management, ensuring City complies with all A-133 requirements.
 - Regarding financial reporting and accounting responsibilities, acts in place of Deputy Chief Financial Officer in his/her absence.
 - Approves various adjusting journal entries and budget revisions citywide.
- Vacant – Grants Manager
 - Assists departments with seeking and applying for grants. Reconciles and reports on federal, state and local grants.
 - When required, assists in the preparation of grant applications and handles details of grant or proposal preparation and administration including contracts with federal, state and local agencies.
 - Monitors financial compliance, with the assistance of applicable City department, and ensures proper accounting procedures are followed for federal and state grant programs.
 - Compiles the annual Schedule of Expenditures and Federal Awards (SEFA) as required by the Uniform Guidance.
 - Coordinates with the external auditor during the annual financial audit and single audit; investigates and reports on questioned transactions; discloses requested information and guides auditors to source documents and the City policies and procedures.
 - Research grants available to the city and make recommendations; prepare grant proposals; prepare budgets for grants; administer various grants.
- Susan Caffee – Accounting Manager

- In coordination with the Purchasing Division, monitors levels of insurance coverage on all City property and necessary employees; recommends adjustments to coverage and reserves.
- Assists the Deputy Chief Financial Officer, Director of Accounting and Financial Reporting and Director of Financial Planning with the preparation of the finance budget, reports, meetings, and other special projects.
- Reviews accounting activities, transactions, and reconciliations; ensures accuracy and compliance with state, federal and local regulations and with generally accepted accounting principles; reviews and approves final documents and transactions; identifies discrepancies; and initiates and/or implements corrective actions to resolve discrepancies and correct errors.
- Works with all City departments to maintain and improve internal controls, including working to resolve any management letter issues communicated by the external auditors.
- Assists with the compilation of reports such as the Comprehensive Annual Financial Report (CAFR), grant, investment, debt or other operational reports required to gauge operational efficiency and/or compliance with Federal, State and Local ordinances or guidelines. (See Question 7-i and 16on Exhibit 3-18)
- Analyzes accounting data, invoices and supporting documentation for current year capital asset activity, including additions, retirements and sales.
- Works with departments to extract additional information, compiling the information into meaningful work papers for capital asset activity.
- Calculates and reviews depreciation expense.
- Supervises duties of the Accounting Assistant responsible for entering asset additions, transfers and retirements in the fixed asset module of the accounting system.
- Calculates capitalized interest for assets under construction.
- Estella Hare – Accounting Manager - Payroll
 - Manager over the payroll division.
 - Functions as the back up to the Accountant/Payroll Supervisor assigned to Payroll.
 - Oversees the maintenance of all related documents and computer files as required by City Code and applicable state and federal laws for payroll and payable disbursements.
 - Pulls related payroll documentation for Infrastructure and Public Services in order to compile salary reimbursements quarterly or when needed.
 - Performs various bank reconciliations.
- Chris Miller – Accountant
 - Produces regular payroll checks and reports: calculates and creates manual checks, and makes special check runs; maintains employee payroll records.
 - Creates forms, solves employee payroll problems, and coordinates employee information needed by Social Security or Welfare.
 - Pulls related payroll documentation for Infrastructure and Public Services in order to compile salary reimbursements quarterly or when needed.
- Tracey Benson – Payroll Supervisor
 - Produces regular payroll checks and reports: calculates and creates manual checks, and makes special check runs; maintains employee payroll records.
 - Creates forms, solves employee payroll problems, and coordinates employee information needed by Social Security or Welfare.
 - Pulls related payroll documentation for Infrastructure and Public Services in order to compile salary reimbursements quarterly or when needed.
- Vacant - Payroll Assistant
 - Ensures work performed complies with payroll procedures and applicable laws and regulations
 - Reviews time entry, conducts audit of time entry to ensure accuracy and completeness
 - Executes payroll and validates paychecks
 - Ensures accurate calculation and emittance of all withholding liabilities for all City employees
- Amanda Gann – Accounts Payable Supervisor; Lisa Johnson – Accounting Technician Sr.; Cheryl Noland – Accounting Technician Sr.; LaTonya Hemphill – Accounting Technician; Geneva Allen – Accounting Technician;

- Matches the approval of each expenditure with the City's master approver list before processing. (See Question 7-e on Exhibit 3-18)
- Processing and payment of all invoices, debts/liabilities and credit memos of the City of Tuscaloosa.
- Keys or posts entry or exit accounting data; maintains journals entries or deposit and receipt records.
- Handles returned checks; generates and maintains all appropriate records for returned checks.
- Maintains copies of all invoices paid and checks produced through a software filing system called Laserfishe. (See Question 2 on Exhibit 3-18)
- Maintains updated vendor numbers with correct remit address, FEIN, W-9 and E-verify information.
- Reviews and processes all Travel Settlements for the City staff.

➤ Budgets and Strategic Planning Division

- Katy Metcalfe - Director of Budgets and Strategic Planning
 - Provides oversight and coordination of the City's annual Citywide operating budget process; managing professional and clerical staff responsible for formulating projections and related management reports; treasury management, debt administration; and accounting for the Fire and Police Pension Plan.
 - Participates in the formulation and administration of financial planning and budget policies and procedures; develops, evaluates and implements internal controls; and oversees the creation and implementation of financial systems to improve the City's fiscal management capabilities and/or compliance with Federal, State, and Local ordinances or guidelines.
 - Assists the Director of Accounting and Financial Reporting with the preparation of the City's Comprehensive Annual Financial Report (CAFR) and the annual external audit. (See Question 7-i and 16on Exhibit 3-18)
 - Prepares all documentation needed for council approval of the budget.
 - Supervises and monitors departmental budget performance; maintains fiscal control and accountability for budget expenditures; develops budget forecasts and reports; makes oral and written recommendations for fiscal affairs; supervises service contracts and agreements; and coordinates the development of performance measures and workload indicators.
 - Directs budget formulation, execution and research: estimates expenditures expected and analyzes records of present and past operations, trends and costs, estimated and realized revenues, administrative commitments, and obligations incurred: develops, installs and maintains budgeting systems which provide control of expenditures made.
 - Regarding financial reporting and accounting responsibilities, acts in place of Deputy Chief Financial Officer in his/her absence.
- Ashley Price – Budget Manager
 - Assists in tracking all encumbrances related to all City capital projects on an end-user spreadsheet in communication with the Purchasing department on all encumbrance and purchase order changes.
 - Assists in the development and expenditure monitoring of all funds, including but not limited to the General Fund and the Water and Sewer Fund.
 - Monitors departmental budget performance; maintains fiscal control and accountability for budget expenditures; develops budget forecasts and reports; makes oral and written recommendations for fiscal affairs; supervises service contracts and agreements; and coordinates the development of performance measures and workload indicators.
 - Reviews and approves various adjusting journal entries and budget revisions city-wide.
 - Assists with citywide budget development and monthly revenue and expenditure monitoring and variance reporting.
 - Assists with the preparation of all documentation needed for council approval of the annual budget and budget revisions as needed.

- Participates in the planning, implementation and evaluation of the budget process and develops strategies and alternatives that focus on continuous improvement, innovation and change.
 - Coordinates the financial management and administration of various contractual agreements, annual financial planning, rate development, and settlement of budget versus actual operating results.
 - Coordinates budget information from all parts of the organization and presents information in a fashion consistent with the intended user; Provides synchronization between budgetary and accounting functions.
 - Caroline Cockrell - Accountant
 - Deposits funds and ensures acceptable balances in all accounts; transfers funds within accounts.
 - Maintains an end-user spreadsheet, which tracks all checks received by the Accounting and Finance Department.
 - Corresponds with banks on all errors or problems; coordinates solutions.
 - Serves as the city's liaison to local financial institutions; verifying and processing travel settlement forms and PaymentNet transactions along with printing travel and payroll vendor checks; making deposits to Revenue; administering the annual Summer Feeding Program; preparing cash and CD summaries as requested; and monitoring and maintaining spreadsheets, databases, reports, invoices, and checking accounts as needed.
- Purchasing Division
 - David Coggins – Purchasing Agent; Jason Fife – Assistant Purchasing Agent
 - Receives and reviews purchase requisitions for completeness, accuracy, approvals, and conformity with established procedures.
 - Verifies funds availability and encumbers all contract and purchase order amounts.
 - Maintain encumbrance module of the MUNIS general ledger operating system.
 - Performs the bidding and tracking of all procurement functions as related to the City's procurement policy. (See Question 16 on Exhibit 3-18)
- Revenue and Financial Services Division
 - Vacant – Director of Revenue Operations
 - Plans, coordinates and oversees daily operations and activities of the Revenue Division of the Accounting and Finance Department
 - Develops and implements delinquent collection policies, procedures and standards (with approval of the Deputy Chief Financial Officer).
 - Verifies and monitors the City's collection procedures to ensure compliance with federal, state and city revenue laws/rulings.
 - Monitors the Accounts Receivable Aging report and payment activity on promissory notes.
 - Negotiates settlements with delinquent taxpayers
 - Maintains a comprehensive, current knowledge of applicable laws/regulations and city/state revenue and tax codes and ordinances
 - Monitors status of pending litigation, proposed legislation and changes in legislation
 - Sharon Clements –Billing and Collections Manager; Cyndi Herren-Sims – Billing and Collections Supervisor
 - Manages the Billing and Collections section of the Revenue and Financial Services Division in the provision of taxpayer services, the collection/processing of returns and licenses, the accounting/recording of revenue, and in the maintenance of taxpayer accounts.
 - Coordinates the general billing and processing of all invoices with applicable departments City-wide.
 - Communicates with various city departments concerning the proper recording, receipting and internal control procedures for all city collections.
 - Helps record/deposit all program income receipts, as well as codes CDBG-DR wire transfers from drawdowns to the correct revenue account.
 - Attaches a copy of all program income checks received along with deposit slips within the MUNIS accounting system. (See Question 2 on Exhibit 3-18)
 - Greta Gates-Lumpkin – Accounting Technician, Senior; Shanikia Hinton – Accounting Technician, Senior

- Performs all roles and assignments required of customer service and senior customer service staff
 - Utilizes utility billing software/database to perform all bill file maintenance and billing processes for each of the current ten billing cycles each month; performs all required QA/QC prior to dispatching billing data to external billing service.
 - Processes all water & sewer deposits on a daily basis;
 - Corrects errors before and after billing
 - Prepares and/or processes a variety of reports, meter readings, work orders, applications, extensions, relief credits, and other documentation associated with water utility operations; maintains, forwards, distributes and/or takes other action as appropriate
- Samyra Snoddy – Secretary Principal
 - Prepares administrative, personnel and financial documents
 - Maintains departmental records
 - Prepares and maintains reports as needed
 - Performs secretarial duties for department staff
 - Assists with special projects
 - Greets and welcomes customers
- Tomekka Johnson – Revenue Officer Senior; Tony Mills – Revenue Officer Senior; Trace Neighbors – Revenue Officer
 - Conducts field investigations of businesses for compliance with revenue ordinances
 - Responds to complaints and investigates businesses for compliance with city revenue ordinances
 - Interviews license applicants to determine the nature of their business activities; explains licensing and tax procedures and requirements.
 - Pursues collection of all delinquent licenses, taxes, penalties and interest that is due.
 - Documents contact with businesses on revenue matters for potential legal action
 - Issues citations/final notices for delinquent accounts
- Vincent Brown – Compliance and Enforcement Manager
 - Applies and enforces all city tax and revenue codes and ordinances.
 - Manages the Compliance and Enforcement section of the Revenue and Financial Services Division in the collection of delinquent licenses/taxes and compliance with city/state laws and ordinances.
 - Manages and oversees collection of delinquent business licenses, audit assessments and taxes
 - Prepares and reviews delinquency/collection reports
 - Investigates businesses for compliance with revenue codes and ordinances
 - Reviews summaries of audit reports and findings provided by the business tax auditors.
 - Attends City Council meetings to answer revenue related questions concerning alcoholic beverage licensing
- Mike Cranmore – Revenue Officer; Vacant – Revenue Officer; Ralona Davis – Revenue Officer, Senior
 - Conducts field investigations of businesses for compliance with revenue ordinances
 - Responds to complaints and investigates businesses for compliance with city revenue ordinances
 - Interviews license applicants to determine the nature of their business activities; explains licensing and tax procedures and requirements.
 - Pursues collection of all delinquent licenses, taxes, penalties and interest that is due.
 - Documents contact with businesses on revenue matters for potential legal action
 - Issues citations/final notices for delinquent accounts
- Vacant – Audit Manager and Revenue Analyst; Trent Smelley – Business Tax Auditor; Tammy Wyatt – Business Tax Auditor; Christian Smitherman – Business Tax Auditor
 - Performs audits by examining financial statements, federal tax returns, general ledgers and other applicable records
 - Completes audits for business licenses, sales tax, use tax, rental tangible tax, liquor tax, residential rental tax, lodging tax and franchise fees.

- Develops and implements audit procedures
- Instructs businesses on requirements of properly filing business licenses and related tax reports

4.) The Office of the City Attorney

- This department provides legal services and representation to the City, City officials, and departments.
- There are a few staff members within this department that play key roles in the implementation of the CDBG-DR grants.
 - Glenda Webb – City Attorney
 - Oversees all Office of the City Attorney functions.
 - Tom Bobitt –Deputy City Attorney, Scott Holmes – Associate City Attorney, Grant Wilson – Associate City Attorney, Kristen Miller – Associate City Attorney
 - Maintains knowledge of federal regulations
 - Negotiates contracts for all federal programs including sub-recipient agreements/contracts and compiles agreements/contracts. (See Question 11 on Exhibit 3-18)
 - General council for all federally funded activities.

5.) The Office of the City Engineer

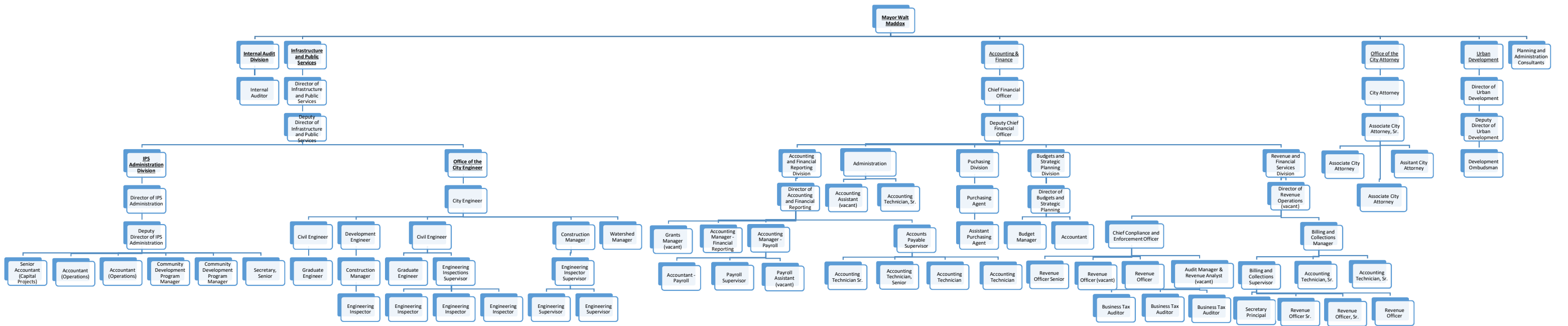
- This department provides engineering services to the City, City officials, and departments.
- There are seventeen staff members within this department that play roles in supporting the implementation of the CDBG-DR grants.
 - Wendy Shelby – City Engineer
 - Prepares plans, specifications and cost estimates; monitors status of work in progress; and coordinates, and oversees state and federal projects.
 - Serves as a liaison between city officials, city departments, department personnel, local businesses, institutions, industries, engineers, developers, the school board, home builders, contractors, utility companies, and other related agencies regarding state and federally funded projects.
 - Reviews CDBG-DR invoices and credit memos for accuracy and contract compliance before sending them to IPS Administration for processing.
 - Plans, coordinates, and oversees daily operations and activities of the Office of the City Engineer.
 - Serves as a liaison between city officials, city departments, department personnel, local businesses, institutions, industries, engineers, developers, the school board, home builders, contractors, utility companies, and other related agencies.
 - Jeremy Jones – Civil Engineer, Tyler Vodopich – Graduate Engineer, Brad Matthews – Development Engineer, Bryan Gurney – Civil Engineer, Calvin Culliver – Graduate Engineer, Case O'Dell – Watershed Manager
 - Prepares plans, specifications and cost estimates; monitors status of work in progress; and coordinates, and oversees state and federal projects.
 - Serves as a liaison between city officials, city departments, department personnel, local businesses, institutions, industries, engineers, developers, the school board, home builders, contractors, utility companies, and other related agencies regarding state and federally funded projects.
 - Reviews CDBG-DR invoices and credit memos for accuracy and contract compliance before sending them to IPS Administration for processing.
 - Coordinates and facilitates the LDP Review for CDBG-DR projects in conjunction with the Urban Development Department.
 - Kevin Turner- Construction Manager, Vacant – Engineer Inspector, Josh Norris – Construction Manager, Jerry Channell – Engineering Inspector Supervisor, Joshua Morrison – Engineering Inspector, Ronald Smith – Engineering Inspector, Ryan Chesnutt – Engineering Inspector Supervisor, Billy Elmore – Engineering Inspector, Michael Thomas – Engineer Inspector, Mickey McCrackin – Engineer Inspector
 - Provide construction engineering and inspection for various disaster recovery activities

7.) Urban Development

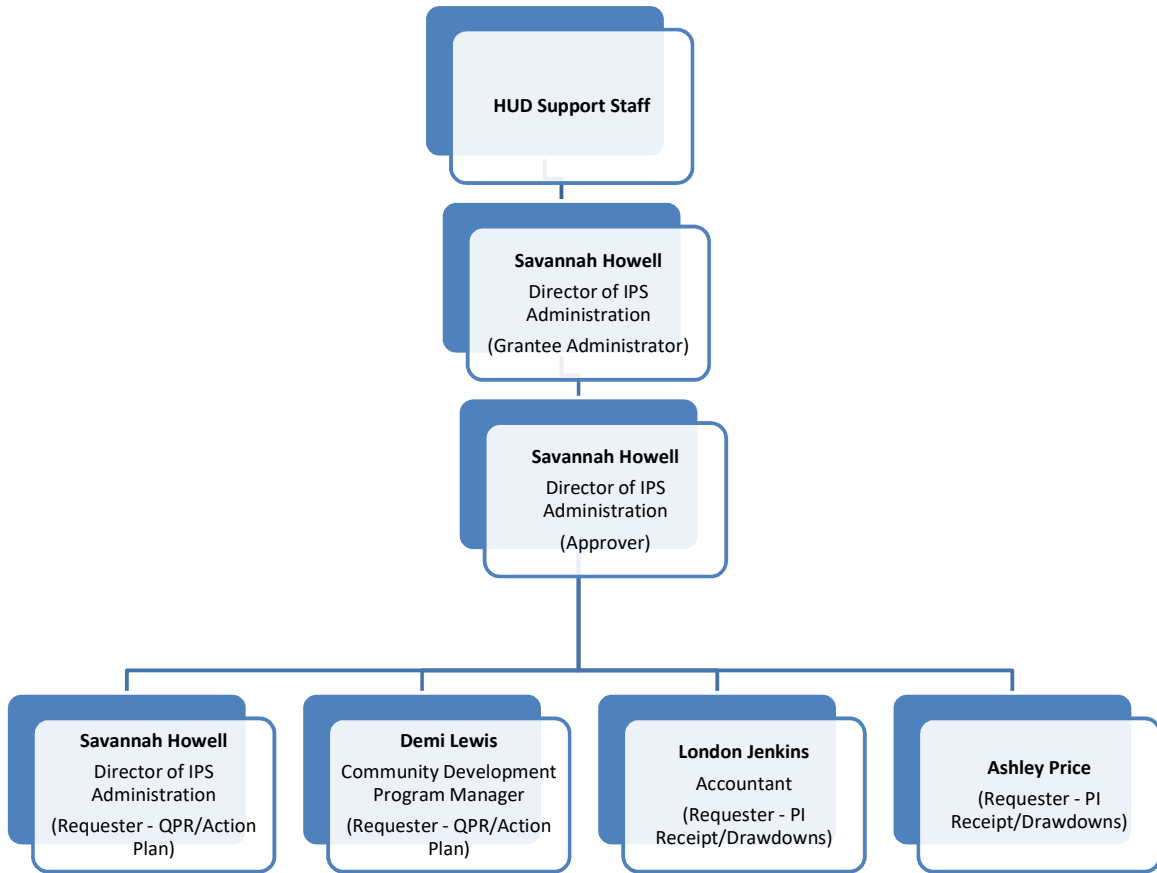
- This department provides economic development services to the City, City officials, and departments.
- There are two staff members within this department that play key roles in the implementation of the CDBG-DR grants.
 - Brendan Moore – Director of Urban Development; Audrey Buck – Deputy Director of Urban Development; Eric Thompson – Development Ombudsman
 - Serves as the city’s liaison to the business community; interacts effectively with individuals from a variety of backgrounds in a positive productive manner; acts as a facilitator between the business community and city service providers; facilitates flow of information between business community and developers and city staff.
 - Facilitates local businesses use of city resources, aiding business retention, and serving as a liaison to businesses in the navigating through the city’s permitting and licensing process.
 - Helps develop and implement strategies to educate organizations and citizens to build support and enhance viability of offered services (i.e. Commercial Revolving Loan Program).

8.) Planning and Administration Consultants

- The City procured for assistance with planning and administration of CDBG-DR funds. Through the procurement process, TTL, Inc. (formerly Walker Associates) was selected.
- TTL, Inc. serves as the project engineer which will plan and administer a multi-year recovery plan for the area of the City of Tuscaloosa granted disaster relief monies.
- TTL, Inc. may manage all phases, including but not limited to, planning, designing, completion of a duplication of benefits analysis, environmental analysis, housing and utility relocation, and bidding and construction of the recovery area.
- TTL, Inc. has a working knowledge of the various environmental, relocation, hazardous materials, noise, traffic, land use, social impact, cultural resources and other studies and regulations as required by federal, state, and local laws.
- TTL, Inc. assists with completion of various reports including projected accomplishments and expenditures, as well as information and studies needed to supplement funding for active disaster recovery activities.
- TTL, Inc. is familiar with procedures and requirements of the associated funding.
 - Jason Walker, Executive Vice President, Transportation and Civil Engineering Services
 - Chris Crawford, Professional Engineer



City of Tuscaloosa - DRGR
Organizational Chart



ENFORCEMENT TESTING TECHNICAL ASSISTANCE

Applicant name	Contact	Region	Award amount
Metropolitan Milwaukee Fair Housing Council, Inc., 600 East Mason Street, Suite 401, Milwaukee, WI 53202-3876.	Mr. William Tisdale, 414-278-1240	5	\$272,990.00

[FR Doc. 2011-29517 Filed 11-15-11; 8:45 am]
BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5582-N-01]

Clarification of Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Notice clarifies the duplication of benefits requirements under the Stafford Act for all active Community Development Block Grant (CDBG) disaster recovery grants, and all future CDBG disaster recovery grants.

DATES: Effective Date: November 21, 2011.

FOR FURTHER INFORMATION CONTACT:

Scott Davis, Director, Disaster Recovery and Special Issues Division, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number (202) 708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at (800) 877-8339. Facsimile inquiries may be sent to Mr. Davis at (202) 401-2044. (Except for the "800" number, these telephone numbers are not toll-free.)

SUPPLEMENTARY INFORMATION:

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I. Applicability

The guidance presented in this Notice is applicable to all active HUD CDBG disaster recovery grants, and will be incorporated by reference into Federal Register notices governing all future CDBG disaster recovery grants. Table 1, below, illustrates the active grants next to the pertinent appropriation law. The following guidance is applicable to all new programs initiated and submitted to HUD in an Action Plan Amendment subsequent to the date of this Notice.

TABLE 1—ACTIVE CDBG DISASTER RECOVERY GRANTS

Appropriation law	Date enacted	Grantee
Public Law 107-73	November 26, 2001	State of New York.
Public Law 107-117	January 10, 2002	State of New York.
Public Law 107-206	August 2, 2002	State of New York.
Public Law 108-324	October 13, 2004	States of Alabama, California, Florida, Maryland, North Carolina, Ohio, Pennsylvania, Puerto Rico, Virginia and West Virginia.
Public Law 109-148	December 30, 2005	States of Alabama, Florida, Louisiana, Mississippi, and Texas.
Public Law 109-234	June 15, 2006	States of Alabama, Florida, Louisiana, Mississippi, and Texas.
Public Law 110-116	November 13, 2007	State of Louisiana.
Public Law 110-252	June 30, 2008	States of Arkansas, Colorado, Illinois, Indiana, Iowa, Maine, Minnesota, Mississippi, Missouri, Montana, Nebraska, Oklahoma, South Dakota, West Virginia, and Wisconsin.
Public Law 110-329	September 30, 2008	States of Arkansas, California, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Mississippi, Missouri, Puerto Rico, Tennessee, Texas, and Wisconsin.
Public Law 111-212	July 29, 2010	States of Kentucky, Rhode Island, and Tennessee; City of Cranston, City of Warwick, City of Memphis, Nashville-Davidson County, and Shelby County.

This guidance applies to all CDBG disaster recovery expenditures, programs, and activities, regardless of whether a grantee or subgrantee administers a program. Although this Notice frequently references the term grantee, the actions described are not limited solely to grantees. Rather, it is ultimately the grantee's responsibility to

ensure no recipient of funds under its CDBG disaster recovery award has received a duplicate benefit.

This Notice does not apply to any funds received annually under the State CDBG program, or the CDBG Entitlement program, unless those funds have specifically been awarded by the grantee for disaster recovery purposes. All uses of the term "CDBG" in this

Notice refer to CDBG disaster recovery allocations.

II. Background

Grantees have requested clarification from HUD regarding the duplication of benefits. This Notice provides information to ensure all active CDBG disaster recovery grantees are in compliance with the Robert T. Stafford

Disaster Relief and Emergency Assistance Act, (42 U.S.C. 5121–5207), as amended, (Stafford Act), and all future CDBG disaster recovery grantees address duplication of benefits issues consistently. This Notice was also developed in consultation with the Small Business Administration (SBA) and the Federal Emergency Management Agency (FEMA).

Most of the CDBG disaster recovery supplemental appropriation laws to date have explicitly required the Secretary of Housing and Urban Development to establish procedures to prevent recipients from receiving any duplication of benefits. In addition, most supplemental appropriation laws also require the Secretary to report quarterly to the Committees on Appropriations with regard to all steps taken to prevent fraud, abuse of funds, and duplication of benefits. Even in the absence of these specific requirements, Stafford Act prohibition on duplication of benefits in section 312 (42 U.S.C. 5155) is applicable to all CDBG disaster recovery grants.

HUD has instituted specific reporting, written procedures, monitoring, and internal audit requirements for each grantee to ensure compliance with program rules for CDBG disaster recovery awards, including rules related to prevention of fraud, abuse, and duplication of benefits. However, HUD has neither designed nor mandated a specific process or method by which grantees must evaluate duplication of benefits; grantees have been encouraged to develop policies and procedures appropriate to their individualized programs. The Department has consistently monitored CDBG disaster recovery grantees to ensure that they are meeting the above requirements and that their policies and procedures are adequately preventing duplication of benefits.

III. Applicable Law

Two authorities form the foundation of duplication of benefit inquiries—the Stafford Act and applicable “necessary and reasonable cost principles in 24 CFR part 570 and in OMB Cost Circulars (codified in title 2 of the Code of Federal Regulations). Supplemental appropriations statutes often reinforce and supplement these authorities.

A. *The Stafford Act.* The Stafford Act directs administrators of Federal assistance to ensure that no “person, business concern or other entity” will receive duplicative assistance and imposes liability “to the extent such assistance duplicates benefits available to the person for the same purpose from another source.” 42 U.S.C. 5155(a) and

(c). Because assistance to each person varies widely based on individual insurance coverage and eligibility for Federal funding, grantees cannot comply with the Stafford Act without completing a duplication of benefits analysis specific to each applicant. The Stafford Act provides the framework for the Federal government’s role in preparing for and recovering from a disaster. Its duplication of benefits requirements apply to all Federal agencies administering a disaster recovery program providing financial assistance, including CDBG disaster recovery grants. Under the Act’s framework, Congress instituted a goal to achieve greater coordination and responsiveness of disaster preparedness and relief programs. 42 U.S.C. 5121.

It also sought to guard against fraud and ineligible uses of taxpayers’ funds. The President makes major disaster declarations only when “response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary.” (42 U.S.C. 5170). Similarly, the prohibition on duplication of benefits ensures that Federal assistance serves only “to supplement insurance and other forms of disaster assistance.” To accomplish these goals, the Stafford Act implies a hierarchy of funding (see section VII of this notice: Collecting a Duplication), and prohibits Federal agencies from providing recovery assistance to the extent another source has covered the same portion of that recovery need.

Specifically, section 312 of the Stafford Act prohibits any person, business concern, or other entity from receiving “any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.” 42 U.S.C. 5155(a). A duplication occurs when a beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular recovery purpose. The amount of the duplication is the amount of assistance provided in excess of need.

The Stafford Act requires a fact-specific inquiry into assistance received by each person, household, or entity. A grantee may not make a blanket determination that a duplication of benefits does not exist for all beneficiaries or recipients under a disaster recovery program. As a result, all disaster recovery funds must be governed by policies and procedures to prevent duplication of benefits.

In disaster recovery, it is common for multiple sources of funds to be used to address a single need. Grantees are advised to coordinate program designs and choices with related funding

sources. Together, grantees and funders can determine the best approaches to minimize or eliminate duplication, increase leverage, and maximize community and individual outcomes. Furthermore, the Stafford Act provides that receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have not been provided. 42 U.S.C. 5155(b). Thus, to comply with the Stafford Act, 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. Any recipient receiving a duplicate benefit may be liable to the Federal government. 42 U.S.C. 5155(c).

B. *Necessary and Reasonable Cost Principles.* Cost principles applicable to all CDBG disaster recovery grantees require that costs are necessary and reasonable. These Federal cost principles are described in OMB Circulars and codified in title 2 of the Code of Federal Regulations. HUD grantees and subrecipients must generally adhere to the cost principles applicable to the specific type of entity (2 CFR part 225 (OMB Circular A–87), *Cost Principles for State, Local, and Indian Tribal Governments*, 2 CFR part 230 (OMB Circular 122), *Cost Principles for Non-profit Organizations*, 2 CFR part 220 (OMB Circular A–21), *Cost Principles for Educational Institutions*, or 45 CFR part 74, *Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals*, as applicable). State grantees are subject to 24 CFR 570.489(d), which requires that states shall have fiscal and administrative requirements which ensure that funds received are only spent “for reasonable and necessary costs of operating programs.”

Federal necessary and reasonable cost principles apply to:

- State grantees (and their state recipients) through 24 CFR 570.489(d);
- Subrecipients of state grantees according to CDBG disaster recovery Notices, which typically require subrecipient agreements to comply with 24 CFR 570.503; and
- Local government grantees receiving CDBG disaster recovery grants directly from HUD (and their subrecipients) through 24 CFR 570.610.

Section 570.489(d) of Title 24 Code of Federal Regulations and the Federal cost principles applicable to all types of entities include reasonableness requirements that prohibit costs that have already been or will be paid from

another source. For example, principles and standards established by 2 CFR part 225 (OMB Circular A-87), *Cost Principles for State, Local, and Indian Tribal Governments*, state that a cost assigned to a grant must be "necessary and reasonable for proper and efficient performance and administration of Federal awards." 2 CFR part 225, Appendix A (C)(1)(a). A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made. Other factors related to the reasonableness of the cost are described in the basic guidelines in 2 CFR part 225, Appendix A (C)(2). This requirement applies to a grantee's costs in administering its disaster recovery program, as well as the ultimate uses of the funds by the grantee.

Grantees must also make decisions about which types and amounts of cost items are necessary and reasonable given the applicable Federal laws, terms, and conditions of the Federal award, or other governing regulations. In the context of the Stafford Act duplication of benefits provision, the grantee must conduct an individualized review of each beneficiary and the purpose for which CDBG disaster recovery funds are provided. Specifically, the grantee must determine whether a cost is necessary and reasonable; if a cost has already been or will be paid from another source, it is presumed to violate the necessary and reasonable standard.

IV. Framework for Determining CDBG Disaster Recovery Assistance

The paragraphs in this section of this Notice illustrate the primary considerations that must be taken into account when analyzing need and duplication of benefits under CDBG disaster recovery. While the Department is providing a suggested framework, grantees have the discretion to develop other methods or procedures to evaluate and address the calculation of need and assessment of duplication of benefits. Grantees are required to establish a duplication of benefits policy that explains and describes all methods and procedures to prevent the duplication of benefits. 42 U.S.C. 5155(a).

Although the potential for duplication of benefits arises most frequently under homeowner rehabilitation programs, it is not limited solely to that program type. Therefore, this Notice seeks to provide general, cross-cutting guidance that can apply to any program.

A grantee that creates several disaster recovery programs should consider whether one program will duplicate

assistance provided by another program, even when the secondary program is funded entirely with non-Federal funds.

A. Assessment of need prior to assistance. A grantee should first determine the applicant's total post-disaster need in the absence of any duplicative benefits or program caps. Following the identification of total need, duplicative assistance can later be subtracted and program caps applied to arrive at a final award. A rebuilding project's cost estimate is often able to serve as the best demonstration of need.

Some recovery programs not involved with physical rebuilding, such as economic development to provide an affected business with working capital, may not necessarily base awards on construction cost estimates. In such scenarios, the potential award may be determined by the program and be guided by standard underwriting principles; however, it must still be determined to be cost reasonable.

B. Total assistance available to the person or entity. Assistance includes all benefits available to the person, including cash and other resources such as insurance proceeds, grants, and SBA loans (private loans not guaranteed by SBA are excepted—see paragraph C). Grantees should identify all assistance received by each person, business concern, or other entity, via insurance, FEMA, SBA, other local, state, or Federal programs, and private or nonprofit charity organizations. See, FEMA Disaster Assistance Policy 9525.3, *Duplication of Benefits—Non-Government Funds*.

Grantees should also identify reasonably anticipated assistance, such as future insurance claims or approved SBA loan proceeds. Reasonably anticipated funds include assistance that has been awarded, but has not yet been received. For example, assume a business was approved to receive an SBA loan for \$30,000, but had only received \$20,000 when it applied for CDBG disaster recovery assistance for the same purpose. The grantee should identify the full amount of assistance for which the applicant was approved (\$30,000).

Funds are not reasonably anticipated when the source and/or amount is indefinite, or the applicant is unaware that he/she may be eligible to receive additional funds at a later date. To address any potential duplication, beneficiaries must enter a signed agreement to repay any assistance later received for the same purpose as the CDBG disaster recovery funds. The grantee must identify a method to monitor compliance with the agreement for a reasonable period, and should

articulate this method in its written administrative procedures. Please note that if additional need is established, subsequent funds would not be considered a duplication. See paragraph E, Unmet Need, for more information on this issue.

C. Non-duplicative assistance excluded from final benefit calculation. Once the grantee has determined the potential award and the total assistance received or to be received, it can exclude for duplication of benefit purposes, assistance that was: (1) Provided for a different purpose; (2) used for a different, eligible purpose; (3) not available to the applicant; (4) a private loan not guaranteed by SBA; or (5) any other asset or line of credit available to the applicant. Below, each of these categories is explained in greater detail.

1. Funds for a different purpose. Any funds provided for a different purpose, or a general, non-specific purpose (e.g., "disaster relief/recovery"), may be excluded from the final award calculation if they were not used by the applicant for the same purpose.

Funds provided to a homeowner typically fall under one of the following categories: Replacement housing, rehabilitation assistance, or interim (i.e., temporary) housing. Funds provided for replacement housing are generally easy to identify—they assist an individual or household to secure a replacement home in the event their disaster-affected home cannot be rehabilitated. This includes, but is not limited to, downpayment assistance, interim mortgage assistance, and acquisition of the damaged property. While these types of funds may be delivered through separate programs, they all have a uniform purpose—to equip an individual or household with the funds necessary to gain replacement housing.

Rehabilitation includes repair and reconstruction. If a homeowner receives rehabilitation funds from CDBG disaster recovery, all other assistance provided to address that home's rehabilitation must be included. If award amounts are related to a property's value or estimated cost of repair/reconstruction, then HUD will consider them to be for the purpose of rehabilitation or replacement housing.

Funds provided for interim housing, which would be provided if a household is temporarily unable to reside in its permanent residence, are considered to have a different purpose than rehabilitation or replacement housing. For example, if FEMA funds were eligible used for interim housing, and CDBG funds were provided for home rehabilitation, there is no

duplication regarding those funds because the funds were provided for different purposes. However, any FEMA funds eligibly used for housing replacement or rehabilitation must be considered for that purpose.

Economic development programs may address many unique purposes. Thus, for a more effective administration of these programs, each should be carefully designed from the beginning with clear, identified purposes of the funds.

Finally, when providing funds for the repair, replacement, rehabilitation, or new construction of public facilities or improvements, a grantee must address whether other sources of funds are available for that same purpose and for that specific project because funds used directly by grantees and other government entities for public facilities or other purposes are also subject to the duplication of benefits prohibitions under the Stafford Act.

2. Funds for same purpose, different eligible use. Funds used for a different eligible purpose may be excluded from the final award calculation. In some instances, funds provided for the same general purpose as the CDBG disaster recovery funds will have been used by the applicant for a different specific eligible purpose. In these circumstances, if the applicant can document that the funds received were used for a different, *eligible* purpose, then the funds are not duplicative. Each grantee can work with HUD to determine what documentation is appropriate. In general, acceptable documentation may include, but is not limited to, receipts as well as sworn statements and certifications that can be verified or substantiated. FEMA requires individuals to keep receipts or bills for three years to demonstrate how all FEMA-funded assistance was used in meeting an eligible, disaster related need. It is advisable for grantees to remind applicants of this requirement when submitting an application for CDBG assistance that supplements FEMA assistance already received.

Whether the funds are used for an eligible purpose is dependent upon the program that provided the funds. For example, assume a grantee is administering a homeowner rehabilitation program and an applicant to the program previously received housing assistance from FEMA. If the applicant can document that the FEMA funds were used for eligible interim housing costs (such as rent, in accordance with FEMA program eligibility), and not housing replacement or rehabilitation (which may also be an eligible use of the funds), then his or her CDBG award for

permanent housing should not be reduced by the amount of FEMA assistance used for interim housing. Because FEMA may allow its recovery funds to be used for multiple purposes, CDBG disaster recovery funds may not duplicate the ultimate use of the FEMA funds.

Because grantees may not be familiar with other Federal programs and allowable uses of funds, should this issue arise, grantees are encouraged to immediately contact their assigned HUD Community Planning and Development (CPD) Representative for further guidance.

This issue may also emerge when a grantee provides multiple homeowner rehabilitation or replacement housing programs, or multiple economic development programs. Thus, grantees are encouraged to clearly define the purpose and intended use of funds under each program.

3. Funds not available to the applicant. Funds that are not available to an applicant may also be excluded from the final award calculation. A benefit is available if a person or entity: (1) Would receive it by acting in a commercially reasonable manner, or (2) has received it, and has legal control over it. Commercially reasonable efforts refer to efforts that use a standard of reasonableness defined by what a similar person would do as judged by the standards of the applicable community. Commercially reasonable efforts should be consistent with good faith business judgments. For example, it may be commercially reasonable for a person to elect to receive a lump sum insurance settlement based on estimated cost of repairs to avoid transaction costs associated with the alternative of receiving reimbursement based on actual replacement cost; any additional benefits that theoretically might have been received under another settlement option do not reduce eligibility for assistance.

Funds are not available to the person or entity if the person does not have legal control of the funds when they are received and are used for a non-duplicative purpose. For example, if a homeowner's mortgage requires any insurance proceeds to be applied to reduce the lien balance, then the bank/mortgage holder (not the homeowner) has legal control over those funds. Therefore, the homeowner is legally obligated to use insurance proceeds for that purpose and does not have a choice in using them for any other purpose, such as to rehabilitate the house. Under these circumstances, insurance proceeds do not reduce assistance eligibility. Alternatively, if a disaster-affected

homeowner chooses to apply insurance proceeds to reduce an existing mortgage, or requests that the lender demand payment, insurance proceeds reduce the amount of disaster assistance eligibility. In addition, if a mortgage requires insurance proceeds to be used for rehabilitation of the property, those proceeds must be considered as assistance for that purpose.

A homeowner does not need to possess cash assistance to be considered as being in legal control over receiving benefits for a particular purpose. For example, it is common for homeowners to choose to apply to local- or state-administered housing repair or reconstruction programs where the program administrator acts directly to complete the repairs for the homeowner. In this case, the person asks/applies for \$10,000 worth of repairs (for example) and the benefit they receive is \$10,000 in repair work to the home. The person does not need to have personally possessed the \$10,000 in order to be in legal control over receiving that benefit for that specific purpose.

4. Private loans. Similarly, for duplication of benefits purposes, private loans may be excluded from the final award calculation. Unlike SBA loans (or any other subsidized loan or Federal loan guarantee program that provides assistance after a major disaster or emergency), private loans not guaranteed by SBA need not be considered duplicative assistance. Congress provided for SBA loans (both direct and guaranteed) as part of the overall statutory scheme for disaster recovery. As such, SBA loans are made pursuant to a government program. Since private loans are not provided under a government program, they do not need to be considered as potentially duplicative assistance. However, when making final award determinations, necessary and reasonable cost principles such as OMB Circular A-87 (2 CFR part 225) apply. While private loans need not be considered for duplication of benefit purposes, a grantee is not prohibited from considering loans for other purposes, such as underwriting. For purposes of this Notice, private loans are non-Federal loans (neither direct nor guaranteed) that are made in a commercial lending transaction for fair market rates with a willing borrower and willing lender, under standard commercial lending terms in which the borrower must repay the full amount of the loan (plus interest, if applicable). This includes private loans for construction and bridge financing, but not forgivable loans. This policy applies regardless of whether the borrower is a business or an individual.

5. *Other assets or lines of credit.* Other assets or lines of credit available to a homeowner or a business owner need not be included in the award calculation. This includes, but is not limited to: Checking or savings accounts, stocks, bonds, mutual funds, pension or retirement benefits, credit cards, mortgages or lines of credit, and life insurance. Please note that these items may be held in the name of an individual, or in the name of a business.

D. *Calculate CDBG disaster recovery award.* The calculation may look as follows: (1) Identify total post-disaster need prior to any assistance; (2) Identify potentially duplicative assistance; (3) Subtract all assistance found to be duplicative, resulting in the maximum potential award amount, or unmet need.

E. *Unmet need.* Long-term recovery is a process, however, disaster recovery needs are calculated at points in time. As a result, a subsequent change in circumstances can affect need. If, after needs are initially calculated and/or a CDBG award has been made, an applicant for CDBG disaster recovery

assistance can demonstrate a change in circumstances, such as vandalism, contractor fraud, an increase in the cost of materials and/or labor, a change in local zoning law or building code, or subsequent damage to a home or business that was partially repaired, the grantee may subsequently reevaluate the calculation of the award by taking into account the increased need. However, any reevaluation must be done before the initial need for which the assistance was granted has been fully met (e.g., before the damaged house is fully repaired). In effect, once the house is fully repaired, the need resulting from the disaster impact will have been fully met; but actual costs to the point of completion are eligible.

Oftentimes, unmet need does not become apparent until after CDBG disaster recovery assistance has been provided. For example, a subsequent storm or disaster may affect the unrepaired house or business of an individual or entity that was previously assisted by CDBG disaster recovery for

a prior disaster. Therefore, to the extent that an original disaster recovery need (e.g., rehabilitation of a home) was not fully met, but was exacerbated by other factors beyond the government's and individual's control (e.g., lack of contractor availability or vandalism), additional CDBG disaster recovery assistance can be provided to meet the outstanding need. Grantees have discretion to determine the best way to determine and verify additional or unmet need. Physical inspection and professional appraisals are highly recommended. If a subsequent appraisal demonstrates that the CDBG award is in excess of need, the grantee should evaluate whether a duplication of benefits has occurred or whether the applicant's award should be reduced based upon program eligibility criteria.

V. Example Frameworks for Calculating Disaster Recovery Awards

The tables below illustrate how a grantee may wish to address the process of making disaster recovery awards.

TABLE 2—BASIC FRAMEWORK FOR CALCULATING DISASTER RECOVERY AWARDS

1. Identify Applicant's Total Need Prior to Any Assistance	\$100,000
2. Identify All Potentially Duplicative Assistance	35,000
3. Deduct Assistance Determined to be Duplicative	30,000
4. Maximum Eligible Award (Item 1 less Item 3)	70,000
5. Program Cap (if applicable)	50,000
6. Final Award (lesser of Items 4 and 5)	50,000

Table 2 illustrates a basic way to calculate an award for CDBG disaster recovery—taking into account any duplication of benefit and reducing the

award since the total unmet need is greater than the program cap set by the grantee. Table 3, below, uses this basic framework to calculate a CDBG disaster

recovery homeowner rehabilitation award:

TABLE 3—BASIC FRAMEWORK—HOMEOWNER REHABILITATION

1. Identify Applicant's Total Need Prior to Any Assistance (e.g., rehabilitation cost estimate)	\$60,000
2. Identify All Potentially Duplicative Assistance:	
a. FEMA Housing Grant (assumes interim housing is eligible use):	
Interim Housing (e.g., rent)	5,000
Permanent Housing (e.g., repair/rehabilitation)	15,000
b. SBA Loan	20,000
c. Insurance (Structure, not Contents)	15,000
	55,000
3. Deduct Assistance Determined to be Duplicative:	
a. FEMA Housing Grant (assumes interim housing is eligible use):	
Permanent Housing (e.g., repair/rehabilitation)	15,000
b. SBA Loan	20,000
c. Insurance (Structure, not Contents)	15,000
	50,000
4. Maximum Eligible Award (Item 1 less Item 3)	10,000

TABLE 3—BASIC FRAMEWORK—HOMEOWNER REHABILITATION—Continued

5. Program Cap (if applicable)	50,000
6. Final Award (lesser of Items 4 and 5)	10,000

A similar method may be used for most programs, so long as Item 1 is

reflective of the program, as for example, illustrated in table 4:

TABLE 4—BASIC FRAMEWORK—INFRASTRUCTURE

1. Identify Applicant's Total Need Prior to Any Assistance (e.g., reconstruction cost estimate)	\$100,000
2. Identify All Potentially Duplicative Assistance:	
a. Insurance	50,000
b. FEMA Public Assistance Funds for Permanent Work	25,000
	75,000
3. Deduct Assistance Determined to be Duplicative	75,000
4. Maximum Eligible Award (Item 1 less Item 3)	25,000
5. Program Cap (if applicable)	50,000
6. Final Award (lesser of Items 4 and 5)	25,000

While tables 2, 3, and 4 illustrate basic ways to calculate a CDBG disaster recovery award taking into account any

duplication of benefit, table 5 below considers a scenario in which a CDBG award has already been made, however,

additional unmet needs were identified subsequent to the award.

TABLE 5—POST-AWARD IDENTIFICATION OF ADDITIONAL UNMET NEED HOMEOWNER REHABILITATION

1. Identify Applicant's Total Need Prior to Any Assistance (e.g., rehabilitation cost estimate)	\$60,000
2. Identify All Potentially Duplicative Assistance:	
a. FEMA Housing Grant (assumes interim housing is eligible use).	
Interim Housing (e.g., rent)	5,000
Permanent Housing (e.g., repair/rehabilitation)	15,000
b. SBA Loan	20,000
c. Insurance (Structure, not Contents)	15,000
	55,000
3. Deduct Assistance Determined to be Duplicative:	
a. FEMA Housing Grant (assumes interim housing is eligible use).	
Permanent Housing (e.g., repair/rehabilitation)	15,000
b. SBA Loan	20,000
c. Insurance (Structure, not Contents)	15,000
	50,000
4. Initial Award (Item 1 less Item 3)	10,000
5. Program Cap (if applicable)	50,000
6. Initial Final Award (lesser of Items 4 and 5)	10,000
7. Demonstrated Additional Unmet Need (e.g., one year later):	
a. Actual cost ultimately greater than initially estimated cost	5,000
8. Amount Eligible for Additional Award	5,000
9. Program Cap (if applicable)	50,000
10. Additional Award (Item 8 if lesser of Items 6 + 8 and Item 9)	5,000

Please note that in the above example, some type of documentation must substantiate the amount determined by

Item 5. That is, the project files should explain why the original CDBG award was insufficient, and/or why additional

funds are necessary to complete the activity. In the above example, the cost of materials may have increased or a

fraudulent contractor may have performed defective construction. In either case, the grantee has the discretion to determine what documentation is sufficient to demonstrate these events. Ultimately, required documentation depends on each particular fact pattern.

VI. Use of CDBG Funds

A. Use of funds for explicit and eligible purposes. CDBG disaster recovery funds must be used for eligible purposes of the program or activity for which they have been provided. That is, CDBG funds provided for the sole purpose of repairing a home should be used strictly for the repair of that home. They should not be used for any other purpose. Similarly, funds provided to a business for equipment replacement, or structural repair, should be used only for those purposes. While some business assistance programs may provide for-profit entities with working capital, this purpose should be clearly identified from the outset of the program so as not to duplicate other programs or working capital assistance.

B. Treatment of SBA Loans. CDBG disaster recovery funds should not be used to pay down an SBA home or business loan. In cases where initial SBA loan amounts approved based on estimated costs are later determined to be inadequate relative to the actual costs to complete home repairs or reconstruction, the SBA will consider re-evaluating an applicant's maximum eligibility to explore if additional assistance may be provided. This also applies to recipients of SBA business loans (including loans for working capital). If need remains after all SBA eligibility has been exhausted, supplemental disaster recovery CDBG funds may be used to address that need.

SBA loans are among the Federal government's primary and standard forms of disaster assistance. As disaster recovery CDBG funds are provided by Congress through supplemental appropriations only in extraordinary circumstances, these funds are intended to supplement rather than supplant SBA assistance. Grantees may, on rare occasion and in extraordinary circumstances, contend that the payment of SBA loans with disaster recovery CDBG for a beneficiary is justified in keeping with all associate laws and regulations. In such an instance, the grantee should contact its CPD representative for guidance.

VII. Collecting a Duplication

If a potential duplication is discovered after CDBG disaster recovery assistance has been provided, the

grantee may reassess need at that time. If additional need is not demonstrated, disaster recovery funds should be recaptured to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose. However, it may depend on what funds were provided last.

Under the Stafford Act, a Federal agency that provides duplicative funds must collect those funds. FEMA regulations at 44 CFR 206.191 set forth a hierarchy of delivery that determines the order in which beneficiaries should receive Federal assistance. This hierarchy is based on which agency has the primary responsibility for providing assistance following a disaster, not which agency actually delivers the assistance first. As an example, in most situations, FEMA and SBA assistance is provided to individuals before supplemental disaster recovery CDBG assistance is able to be delivered. However, there may be cases in which, prior to receiving FEMA or SBA assistance, an applicant receives CDBG assistance for a purpose for which they are FEMA/SBA eligible. In this latter case, subject to the agreement that the grantee should have in place with the applicant, the applicant should reimburse the grantee in an amount equal to all duplicative FEMA or SBA funds subsequently received for purposes which CDBG funds were initially used.

The regulations at 44 CFR 206.191(d) explain that a duplication of benefits occurs when an agency provides assistance which was the primary responsibility of another agency, and the agency with primary responsibility later provides assistance. When the delivery sequence has been disrupted, the disrupting agency is responsible for rectifying the duplication.

Since CDBG disaster recovery provides long-term recovery assistance via supplemental congressional appropriations, and falls lower in the hierarchy of delivery than FEMA or SBA assistance, it is intended to supplement rather than supplant these sources of assistance. If CDBG disaster recovery funds or non-Federal funds were provided last and unknowingly create a duplication, the method of recapturing the CDBG funds, and the timeframe, are the responsibility of the grantee. HUD has no set guidelines or regulations for this process. However, the recapture method and timeframe should be consistent with OMB Circular A-87 (2 CFR part 225) or other applicable cost principles, any relevant guidance or handbook issued by the HUD Office of the Inspector General,

and the Stafford Act, which requires that duplicative assistance shall be collected in accordance with chapter 37 of title 31, relating to debt collection. HUD's CPD representatives are available to provide guidance to grantees setting up or revising their duplication of benefits policies and procedures.

Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this Notice are as follows: 14.218; 14.228.

Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

Dated: November 4, 2011.

Mercedes M. Márquez,
Assistant Secretary for Community Planning
and Development.

[FR Doc. 2011-29634 Filed 11-15-11; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5580-N-02]

HUD Draft Environmental Justice Strategy, Extension of Public Comment Period

AGENCY: Office of Sustainable Housing and Communities, HUD.

ACTION: Notice.

SUMMARY: Through this notice, HUD extends the period by which comments may be submitted on HUD's draft Environmental Justice Strategy, for which the availability of review and the opportunity to submit public comments were announced by notice published in the Federal Register on October 7, 2011.

11 inches, suitable for copying and electronic filing. If you submit comments by mail and would like to know that they reached the Facility, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period and will address them accordingly.

Viewing Comments and Documents

To view comments, as well as documents mentioned in this Notice as being available in the docket, go to <http://www.regulations.gov>, click on the "read comments" box, which will then become highlighted in blue. In the "Keyword" box insert "USCG-2012-0029" and click "Search." Click the "Open Docket Folder" in the "Actions" column. You may also visit the DMF in Room W12-140 on the ground floor of the DOT West Building, 1200 New Jersey Avenue SE., Washington, DC 20590, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

OIRA posts its decisions on ICRs online at <http://www.reginfo.gov/public/do/PRAMain> after the comment period for each ICR. An OMB Notice of Action on each ICR will become available via a hyperlink in the OMB Control Number: 1625-New.

Privacy Act

Anyone can search the electronic form of comments received in dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review a Privacy Act statement regarding Coast Guard public dockets in the January 17, 2008, issue of the *Federal Register* (73 FR 3316).

Previous Request for Comments

This request provides a 30-day comment period required by OIRA. The Coast Guard published the 60-day notice (77 FR 6132, February 7, 2012) required by 44 U.S.C. 3506(c)(2). That Notice elicited no comments.

Information Collection Requests

Title: Coast Guard Exchange System Scholarship Application.

OMB Control Number: 1625-New.

Type of Request: New Collection.

Respondents: Coast Guard dependents.

Abstract: This information collected on this form allows the Coast Guard Exchange System Scholarship Program Committee to evaluate and rank scholarship applications in order to award the annual scholarships.

Forms: CG-5687.

Burden Estimate: The estimated burden is 30 hours per year.

Dated: April 6, 2012.

R. E. Day,

Rear Admiral, U.S. Coast Guard, Assistant Commandant for Command, Control, Communications, Computers and Information Technology.

[FR Doc. 2012-9008 Filed 4-13-12; 8:45 am]

BILLING CODE 9110-04-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5628-N-01]

Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant (CDBG) Disaster Recovery Grantees Under the Department of Housing and Urban Development Appropriations Act, 2012

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Notice advises the public of the allocation of CDBG disaster recovery funds for the purpose of assisting recovery in the most impacted and distressed areas declared a major disaster in 2011 under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*). As described in the **SUPPLEMENTARY INFORMATION** section of this Notice, HUD is authorized by statute and regulations to waive statutory and regulatory requirements and specify alternative requirements upon the request of a grantee. Therefore, this Notice describes applicable waivers and alternative requirements, as well as the application process, eligibility requirements, and relevant statutory provisions for grants provided under this Notice.

DATES: Effective Date: April 23, 2012.

FOR FURTHER INFORMATION CONTACT: Scott Davis, Director, Disaster Recovery and Special Issues Division, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Mr. Davis at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.)

SUPPLEMENTARY INFORMATION:

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- V. Overview of Grant Process
- VI. Applicable Rules, Statutes, Waivers, and Alternative Requirements
- VII. Duration of Funding
- VIII. Catalog of Federal Domestic Assistance
- IX. Finding of No Significant Impact
- Appendix A: Allocation Methodology

I. Allocations

Section 239 of the Department of Housing and Urban Development Appropriations Act, 2012 (Pub. L. 112-55, approved November 18, 2011) (Appropriations Act) makes available up to \$400 million, to remain available until expended, in CDBG funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) in 2011. The law provides that grants shall be awarded directly to a State or unit of general local government at the discretion of the Secretary.

To comply with statutory direction that funds be used for disaster-related expenses in the most impacted and distressed areas, HUD computes allocations based on data that are generally available and that cover all the eligible affected areas. Within states receiving an allocation in this Notice, the Department identified the "most impacted and distressed areas" as those counties that have more than \$10 million in estimated unmet severe housing and business needs. If a CDBG entitlement jurisdiction accounts for \$6 million or more of funds allocated within a state, it receives a direct award (due to its extraordinarily high level of localized unmet need, one non-entitlement jurisdiction (the city of Minot, ND) also receives a direct award under this Notice). Each local jurisdiction receiving a direct award lies within a county that meets the "most impacted and distressed" criterion.

To ensure that funds are dedicated to the most impacted and distressed areas, 80 percent of the combined total of all the funds awarded within a state (this includes funds awarded directly to a State as well as those funds awarded directly to local governments) must be spent in the "most impacted and distressed" counties (*i.e.*, those identified by HUD as having more than

\$10 million in estimated unmet severe housing and business needs). Since a local government receiving a direct grant allocation must spend the entirety of its grant within its jurisdiction, HUD has identified the remaining amount of each grant awarded directly to a State that must be expended within its "most impacted" counties in order to reach the 80 percent threshold (see Table 1). A more detailed explanation of HUD's allocation methodology is provided as Appendix A within this Notice.

The principle behind the 80 percent rule is that each State received their

allocation based on the estimated unmet needs in the most impacted counties (i.e., those counties with more than \$10 million in severe unmet housing and business needs) and thus HUD is requiring that each State direct these limited resources toward those most impacted counties. Nonetheless, HUD recognizes that there may be circumstances where data regarding damage estimates are subsequently revised, highly localized damage may occur outside of the most impacted counties, or overall recovery would otherwise benefit from expenditures

outside of those most impacted counties. As a result, HUD is permitting States to spend the portion of its award in excess of the 80 percent threshold to address recovery needs outside of its "most impacted" counties. However, these funds must still be spent within counties that received a Presidential disaster declaration in 2011.

Based on a review of the impacts from Presidentially-declared disasters occurring in 2011, and estimates of unmet need, HUD is making the following allocations:

TABLE 1—ALLOCATIONS UNDER PUB. L. 112–55

Disaster No.	State	Grantee	Allocation	Minimum amount that must be expended in the "most impacted" counties identified
4020, 4031	New York	State of New York	\$71,654,116	(\$53,011,323) Schoharie, Tioga, Broome, Greene, and/or Orange.
4020, 4031	New York	Orange County, NY	11,422,029	All funds must be spent within jurisdiction.
4031	New York	Town of Union, NY	10,137,818	All funds must be spent within jurisdiction.
1981	North Dakota	State of North Dakota	11,782,684	(\$0) Ward.
1981	North Dakota	City of Minot, ND	67,575,964	All funds must be spent within jurisdiction.
1971	Alabama	State of Alabama	24,697,966	(\$13,584,750) Tuscaloosa, Marion, Jefferson and/or DeKalb.
1971	Alabama	City of Tuscaloosa	16,634,702	All funds must be spent within jurisdiction.
1971	Alabama	Jefferson County	7,847,084	All funds must be spent within jurisdiction.
1971	Alabama	City of Birmingham	6,386,326	All funds must be spent within jurisdiction.
1980, 4012	Missouri	State of Missouri	8,719,059	(\$0) Jasper.
1980	Missouri	City of Joplin, MO	45,266,709	All funds must be spent within jurisdiction.
4025, 4030	Pennsylvania	State of Pennsylvania	27,142,501	(\$17,283,073) Bradford, Dauphin, Columbia, Wyoming, and/or Luzerne.
4025, 4030	Pennsylvania	Luzerne County, PA	15,738,806	All funds must be spent within jurisdiction.
4030	Pennsylvania	Dauphin County, PA	6,415,833	All funds must be spent within jurisdiction.
4029	Texas	State of Texas	31,319,686	(\$25,055,749) Bastrop.
1995, 4001, 4022	Vermont	State of Vermont	21,660,211	(\$17,328,169) Washington and/or Windsor.
4021	New Jersey	State of New Jersey	15,598,506	(\$12,478,805) Passaic.
Total .....	.....	.....	\$400,000,000	

As stated by the Appropriations Act, funds provided in today's Notice shall not adversely affect the amount of any non-disaster formula assistance received by a State or unit of general local government under the Community Development Fund. Unless noted otherwise, the term "grantee" refers to any grantee—whether State, city, or county—receiving a direct award under this Notice.

II. Use of Funds

The Appropriations Act requires funds to be used only for specific disaster-related purposes. The law also requires that prior to the obligation of funds a grantee shall submit a plan detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery. Thus, in an Action Plan for Disaster Recovery, grantees must describe uses and activities that are: (1) Authorized under title I of the Housing and Community Development Act of

1974 (HCD Act) or allowed by this Notice, and (2) a response to a disaster-related impact. To help meet these requirements, the Department expects each grantee to conduct an assessment of community impacts and unmet needs to guide the development and prioritization of planned recovery activities. Allocations of funding in each grantee's Action Plan should reflect the findings of that grantee's needs assessment. For more guidance on the needs assessment and the creation of the Action Plan, see paragraph 1 under section VI of this Notice: "Applicable Rules, Statutes, Waivers, and Alternative Requirements."

Additionally, as provided for in the HCD Act, funds may be used as a matching requirement, share, or contribution for any other Federal program. Funds may not be used for activities reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency (FEMA), the U.S. Army Corps of

Engineers (USACE), or the Small Business Administration (SBA).

III. Prevention of Fraud, Abuse, and Duplication of Benefits

To prevent fraud, abuse of funds, mismanagement, and duplication of benefits under the Appropriations Act, this Notice includes specific reporting, written procedures, monitoring, and internal audit requirements applicable to each grantee. Departmental guidance to assist in preventing a duplication of benefits is provided at 76 FR 71060 (published November 16, 2011) and in paragraph 26 in this Notice. Other reporting, procedural, and monitoring requirements are discussed in paragraphs 1 and 14, under section VI of this Notice: "Applicable Rules, Statutes, Waivers, and Alternative Requirements." In addition, the Department will institute risk analysis and on-site monitoring of grantee management as well as collaborate with the HUD Office of Inspector General to

plan and implement oversight of these funds.

IV. Authority To Grant Waivers

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary, or use by the recipient, of these funds and guarantees, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment (including requirements concerning lead-based paint), upon: (1) A request by the grantee explaining why such a waiver is required to facilitate the use of such funds or guarantees, and (2) a finding by the Secretary that such a waiver would not be inconsistent with the overall purpose of the HCD Act. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

V. Overview of Grant Process

To begin expenditure of CDBG disaster recovery funds, the following expedited steps are necessary:

- Grantee adopts citizen participation plan for disaster recovery in accordance with the requirements of this Notice;
- Grantee publishes its Action Plan for Disaster Recovery on the grantee's official web site for no less than 7 calendar days to solicit public comment;
- Grantee responds to public comment and submits its Action Plan (which includes Standard Form 424 (SF-424) and certifications) to HUD no later than 90 days after the date of this Notice;
- HUD expedites review (allotted 45 days from date of receipt; however, completion of review is anticipated much sooner);
- HUD accepts the Action Plan and sends a cover letter, grant conditions, and signed grant agreement to the grantee;
- Grantee signs and returns the fully executed grant agreement;
- Grantee ensures that the final HUD-accepted Action Plan posted on its official Web site;
- HUD establishes the grantee's line of credit;
- Grantee requests and receives Disaster Recovery Grant Reporting (DRGR) system access (if the grantee does not already have it);
- If it has not already done so, grantee enters the activities from its published Action Plan into DRGR and submits it to HUD. (Funds can be drawn from the line of credit only for activities that are established in DRGR.)
- After the Responsible entity completes applicable environmental

review(s) pursuant to 24 CFR part 58 and, as applicable, receives from HUD or the State an approved Request for Release of Funds and certification, the grantee may draw down funds from the line of credit.

- The grantee must begin to draw down funds no later than 180 days after the date of this Notice.

VI. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The Secretary finds that the waivers and alternative requirements, as described in this Notice, are necessary to facilitate the use of these funds for the statutory purposes, and are not inconsistent with the overall purpose of the HCD Act or the Cranston-Gonzalez National Affordable Housing Act, as amended. Under the requirements of the Appropriations Act and the Department of Housing and Urban Development Reform Act of 1989 (the HUD Reform Act), regulatory waivers must be justified and published in the **Federal Register**.

This section of the Notice describes applicable waivers and alternative requirements granted in response to requests from grantees. The following requirements provide additional flexibility in program design and implementation and implement statutory requirements unique to this appropriation. As a result, they apply only to the CDBG disaster recovery funds appropriated in the Appropriations Act, and not to funds provided under the annual formula State or Entitlement CDBG programs, or those provided under any other component of the CDBG program, such as the Neighborhood Stabilization Program.

Grantees may request additional waivers from the Department as needed to address specific needs related to their recovery activities. The Department will respond to requests for waivers after working with the grantee to tailor its program(s) to best meet its needs. Except where noted, waivers and alternative requirements apply to all grantees under this Notice.

Except as described in this Notice, statutory and regulatory provisions governing the State CDBG program shall apply to any State receiving an allocation under this Notice. Statutory and regulatory provisions governing the Entitlement CDBG program shall apply to any unit of general local government receiving a direct allocation in this Notice. Applicable statutory provisions can be found at 42 U.S.C. 5301 *et seq.* Applicable State and entitlement regulations can be found at 24 CFR part 570.

1. Action Plan for Disaster Recovery waiver and alternative requirement. The traditional requirements for CDBG actions plans, located at 42 U.S.C. 12705(a)(2), 42 U.S.C. 5304(a)(1), 42 U.S.C. 5304(m), 42 U.S.C. 5306(d)(2)(C)(iii), 24 CFR 91.220, and 24 CFR 91.320 are waived for these disaster recovery grants. Instead, grantee must submit to HUD an Action Plan for Disaster Recovery. This streamlined plan will allow grantees to more quickly and effectively implement disaster recovery programs while conforming with statutory requirements. During the course of the grant, HUD will monitor the grantee's actions and use of funds for consistency with the plan, as well as meeting the performance and timeliness objectives therein.

A. Action Plan. The Action Plan must identify the proposed use of all funds, including criteria for eligibility, and how the uses address long-term recovery needs. Due to the need to develop and submit an acceptable Action Plan in a timely manner, a grantee's Action Plan may program or budget a portion of funds toward a particular use with only a broad or general description of that use. However, HUD will not consider an Action Plan substantially complete unless at least 50 percent of grant funds are articulated at the level of detail described in paragraphs (B) or (C) of this subsection, as applicable. Funds dedicated for uses not described in accordance with paragraphs (B) or (C) of this subsection will be restricted on the grantee's line of credit until the grantee submits, and HUD accepts, an Action Plan amendment programming the use of those funds at the necessary level of detail as described in paragraphs (B) or (C) of this subsection. Once the Action Plan amendment is accepted, and the Responsible entity completes an environmental review and obtains HUD approval of a Request for Release of Funds, as applicable, HUD will unblock the restricted funds and the grantee may begin to draw them down immediately. The grantee must program 100 percent of its grant funds at the necessary level of detail within 9 months of the date of this Notice.

The Action Plan must contain:

- (1) An impact and unmet needs assessment. Development of a needs assessment to understand the type and location of community needs will enable grantees to target limited resources to areas with the greatest need. Grantees receiving an award under today's Notice must conduct a needs assessment to inform the allocation of CDBG disaster recovery resources. CDBG-DR funds may be used

to conduct the needs assessment. At a minimum, the needs assessment must evaluate three core aspects of recovery—housing (interim and permanent, owner and rental, single family and multifamily, affordable and market rate), infrastructure, and the economy (*e.g.*, estimated job losses or tax revenue loss due to the disaster). The assessment must also take into account the various forms of assistance available to, or likely to be available to, affected communities (*e.g.*, projected FEMA funds) and individuals (*e.g.*, estimated insurance) to ensure CDBG disaster recovery funds meet needs that are not likely to be addressed by other sources of funds. The assessment must use the best available data and cite data sources.

Impacts should be described geographically by type at the lowest level practicable (*e.g.*, county level or lower if available). Grantees should use the most recent available data (*e.g.*, from FEMA and SBA) and estimate the portion of need likely to be addressed by insurance proceeds, other federal assistance, or any other funding source (thus producing an estimate of unmet need).

Disaster recovery needs evolve over time as the full impact of a disaster is realized and costs of damages transition from estimated to actual. Remaining recovery needs also evolve over time as they are met by dedicated resources. As a result, the needs assessment and Action Plan may be considered as a living document, which grantees may need to periodically update over time.

(2) A description of how the grantee will promote (a) sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management, and (b) how it will coordinate with other local and regional planning efforts;

(3) A description of how the grantee will leverage CDBG disaster recovery funds with funding provided by other federal, state, local, private, and non-profit sources to generate a more effective and comprehensive recovery. Examples of other federal sources are those provided by HUD, FEMA (specifically the Public Assistance Program, Individual Assistance Program, and Hazard Mitigation Grant Program), the Small Business Administration, Economic Development Administration, U.S. Army Corps of Engineers, and the U.S. Department of Agriculture. The grantee should seek to maximize the number of activities and the degree to which CDBG funds are leveraged. Leveraged funds shall be

identified for each activity, as applicable, in the DRGR system;

(4) A description of how the grantee will encourage construction methods that emphasize high quality, durability, energy efficiency, sustainability, and mold resistance, including how it will support adoption and enforcement of modern building codes and mitigation of hazard risk, where appropriate;

(5) A description of how the grantee will encourage the provision of adequate, flood-resistant housing for all income groups, including a description of the activities it plans to undertake to address: (a) Transitional housing needs of homeless individuals and families (including subpopulations), (b) prevention of low-income individuals and families with children (especially those with incomes below 30 percent of the area median) from becoming homeless, and (c) the special needs of persons who are not homeless but require supportive housing (*e.g.*, elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and public housing residents, as identified in 24 CFR 91.315 (e) or 91.215(e) as applicable); grantees should consider how planning decisions may affect racial, ethnic, and low-income concentrations. They should also consider ways to promote the availability of affordable housing in low-poverty, non-minority areas where appropriate and in response to disaster related impacts;

(6) A description of how the grantee plans to minimize displacement of persons or entities, and assist any persons or entities displaced;

(7) A description of how the grantee will handle program income, and the purpose(s) for which it may be used;

(8) A description of monitoring standards and procedures that are sufficient to ensure program requirements, including nonduplication of benefits, are met and that provide for continual quality assurance and investigation. Grantees must also have an internal audit function with responsible audit staff reporting independently to the chief officer or board of the governing body of any designated administering entity;

(9) A description of the steps the grantee will take to prevent fraud, abuse, and mismanagement of funds (including potential conflicts of interest and duplication of benefits). All such steps taken shall be identified quarterly in its performance report to HUD;

(10) A description of how the grantee will provide for increasing the capacity of grant recipients, subrecipients, subgrantees, and any other entity

responsible for administering activities under this grant;

(11) A description of the connection between identified unmet needs and the allocation of CDBG disaster recovery resources by the grantee; and

(12) A performance schedule. The Action Plan must include a performance schedule for carrying out programs and/or activities. The schedule should include projected performance (in terms of both expenditures and outcome measures) for the following activity types (at a minimum): (1) Housing, (2) infrastructure, (3) economic development, (4) planning and administration, and (5) other (if applicable). The Action Plan should also include a projected expenditure schedule for the entirety of the grant amount as a whole. Grantees may revise the performance schedule as needed via an Action Plan amendment to reflect any changes in programs or activities.

B. Funds awarded to a State. A State's Action Plan shall describe the method of distribution of funds to units of local government and/or descriptions of specific programs or activities the State will carry out directly. The description must include:

(1) How the needs assessment informed allocation determinations;

(2) The threshold factors and grant size limits that are to be applied;

(3) The projected uses for the CDBG disaster recovery funds, by responsible entity, activity, and geographic area, when the State carries out an activity directly;

(4) For each proposed program and/or activity carried out directly, its respective CDBG activity eligibility category (or categories) as well as national objective(s).

(5) How the method of distribution to local governments or programs/activities carried out directly will result in long-term recovery from specific impacts of the disaster.

(6) When funds are allocated to units of local government, all criteria used to distribute funds to local governments including the relative importance of each criterion; and

(7) When applications are solicited for programs carried out directly, all criteria used to select applications for funding, including the relative importance of each criterion.

C. Funds awarded directly to a unit of general local government. The unit of local government shall describe specific programs and/or activities it will carry out. The Action Plan must describe:

(1) How the needs assessment informed allocation determinations;

(2) The threshold factors and grant size limits that are to be applied;

(3) The projected uses for the CDBG disaster recovery funds, by responsible entity, activity, and geographic area;

(4) How the projected uses of the funds will meet CDBG eligibility criteria and a national objective;

(5) How the projected uses of funds will result in long-term recovery from specific impacts of the disaster; and

(6) All criteria used to select applications, including the relative importance of each criterion.

D. Clarification of disaster-related activities. All CDBG disaster recovery activities must clearly address an impact of the disaster for which funding was appropriated. Given the standard CDBG requirements, this means each activity must: (1) Be CDBG eligible (or receive a waiver), (2) meet a national objective, and (3) address a direct or indirect impact from the disaster in a Presidentially-declared county. A disaster-related impact can be addressed through any eligible CDBG activity.

(1) *Housing.* Typical housing activities include new construction and rehabilitation of single family or multifamily units. Most often, grantees use CDBG disaster recovery funds to rehabilitate damaged homes and rental units. However, grantees may also fund new construction or rehabilitate units not damaged by the disaster if the activity clearly addresses a disaster-related impact. This impact can be demonstrated by the disaster's overall effect on the quality, quantity, and affordability of the housing stock and the resulting inability of that stock to meet post-disaster needs and population demands. The standard CDBG rehabilitation and reconstruction rules apply.

(2) *Infrastructure.* Typical infrastructure activities include the repair, replacement, or relocation of damaged public facilities.

(3) *Economic Revitalization.* Economic revitalization is not limited to activities that are "special economic development" activities under the HCD Act, or to activities that create or retain jobs. For CDBG disaster recovery purposes, economic revitalization can include any activity that demonstrably restores and improves some aspect of the local economy; the activity may address job losses, or negative impacts to tax revenues or businesses. Examples of eligible activities include providing loans and grants to businesses, funding job training, making improvements to commercial/retail districts, and financing other efforts that attract/retain workers in devastated communities. All economic revitalization activities must address an economic impact(s) caused by the disaster (e.g., loss of jobs, loss of

public revenue). Through its needs assessment and Action Plan, the grantee should clearly identify the economic loss or need resulting from the disaster, and how the proposed activities will address that loss/need.

(4) *Preparedness and Mitigation.* The Appropriations Act states that funds shall be used for recovering from a Presidentially-declared major disaster. As such, all activities must respond to the impacts of the declared disaster. HUD strongly encourages grantees to incorporate preparedness and mitigation measures into rebuilding activities, which helps to ensure that communities recover to be safer and stronger than prior to the disaster. Incorporation of these measures also reduces costs in recovering from future disasters. However, given the limited funding available and the language in the Appropriations Act, CDBG disaster recovery funds may not be used for activities that are solely designed to prepare for and/or mitigate the effects of a future disaster without any tie to rebuilding from the previous disaster.

(5) *Tie to the Disaster.* Grantees must document in each project file how that activity is tied to the disaster for which it is receiving CDBG assistance.

In regard to physical losses, damage or rebuilding estimates are often the most effective tool for demonstrating the connection to the disaster. For economic or other non-physical losses, post-disaster analyses or assessments may best document the relationship between the loss and the disaster.

Note that grantees are not limited in their recovery to returning to pre-disaster conditions. Rather, grantees are encouraged to undertake activities in such a way that not only addresses the disaster-related impacts, but leaves communities better positioned to meet the needs of their post-disaster populations and prospects for growth.

E. *Use of funds for other disasters not covered by the Appropriations Act.* CDBG disaster recovery funds awarded under this Notice may not be used to address an impact or need originating from a disaster not occurring in 2011. However, if a need that arose from a previous disaster was exacerbated by a 2011 disaster, funds under this Notice may be used. In addition, if an impact or need originating from a 2011 disaster is subsequently exacerbated by a future disaster, funds under this Notice may also be used.

F. *Use of the urgent need national objective.* The traditional certification requirements for the documentation of urgent need, located at 24 CFR 570.208(c) and 24 CFR 570.483(d), are waived for the grants under this Notice.

In the context of disaster recovery, these standard requirements may prove burdensome and redundant. Since the Department only provides CDBG disaster recovery awards to grantees with documented disaster-related impacts (as supported by data provided by FEMA, SBA, and other sources), and each grantee is limited to spending funds only in counties with a Presidential disaster declaration of recent origin respective to each appropriation, the following streamlined alternative requirement recognizes the inherent urgency in addressing the serious threat to community welfare following a major disaster.

Grantees need not issue formal certification statements in order to qualify an activity as meeting the urgent need national objective. Instead, each grantee receiving a direct award under this Notice must document how all programs and/or activities funded under the urgent need national objective respond to a disaster-related impact identified by the grantee. This waiver and alternative requirement allows grantees to more effectively and quickly implement disaster recovery programs. Grantees may reference in their Action Plan the type, scale, and location of the disaster-related impacts that each program and/or activity is addressing.

Grantees should identify these disaster-related impacts in their Action Plan needs assessment. The needs assessment should be updated as new or more detailed/accurate disaster-related impacts are known. Understanding that major disasters present unique challenges and that recovery can take years, it is not necessary for an activity to begin within 18 months of the disaster in order to use the urgent need national objective.

Grantees should still be mindful to use the "low- and moderate income person benefit" national objective for all activities that qualify under such criteria. At least 50 percent of the entire CDBG disaster recovery grant award must be used for activities that benefit low- and moderate-income persons.

G. *Clarity of Action Plan.* All grantees must include sufficient information so that citizens, units of general local government (where applicable), and other eligible subgrantees, subrecipients, or applicants will be able to understand and comment on the Action Plan and, if applicable, be able to prepare responsive applications to the grantee. The Action Plan must include a single chart or table that illustrates, at the most practical level, how all funds are budgeted (e.g., by program, subgrantee, grantee-

administered activity, or other category). An amount generally not to exceed ten percent of the total grant amount may be budgeted as a separate activity for the contingency of cost overruns and unanticipated unmet needs. Once a grantee expends 80 percent of its grant amount, it should program any remaining funds budgeted for contingency into an eligible activity in order to fully expend all funds by addressing unmet needs and close out the grant.

In the case of Action Plan amendments, each amendment should constitute the entirety of the Action Plan, as amended. The beginning of every Action Plan amendment must include a section that identifies exactly what content is being added, deleted, or changed. This section must also include a chart or table that clearly illustrates where funds are coming from and where they are moving to. The Action Plan must include a revised budget allocation table that reflects the entirety of all funds, as amended. A grantee's most recent version of its entire Action Plan should be able to be accessed and viewed as a single document at any given point in time, rather than the public having to view and cross-reference changes among multiple amendments.

H. Review of Action Plan; obligation and expenditure of funds. The Action Plan must be submitted to HUD (including Standard Form 424 (SF-424) and certifications) within 90 days of the date of this Notice. HUD will expedite its review of each Action Plan—taking no more than 45 days from the date of receipt. Once HUD accepts the Action Plan, it will then issue a grant agreement obligating all funds to the grantee. In addition, HUD will establish the line of credit and the grantee will receive DRGR access (if it does not have access already). The grantee must also enter its Action Plan activities into the DRGR system in order to draw funds against them. It may enter these activities into DRGR before or after submission of the Action Plan to HUD.

All funds programmed or budgeted at a generalized level will be restricted from access on the grantee's line of credit. Once the generalized uses are described in an amended Action Plan at the necessary level of detail, they will be released by HUD and made available for use. After the Responsible Entity completes environmental review(s) pursuant to 24 CFR part 58 (as applicable) and receives from HUD or the State an approved Request for Release of Funds and certification (as applicable), the grantee may draw down funds from the line of credit for an

activity. The disbursement of grant funds must begin no later than 180 days after the date of this Notice.

1. Amending the Action Plan. Even after all funds have been programmed or budgeted in a grantee's Action Plan at the necessary level of detail, the grantee may continue to subsequently amend its plan as needed. As needs often change throughout the long-term recovery process, grantees may find it necessary to amend its Action Plan to update its needs assessment, modify activities, create new ones, or to re-program funds.

2. Citizen participation waiver and alternative requirement. To permit a more streamlined process, and ensure disaster recovery grants are awarded in a timely manner, provisions of 42 U.S.C. 5304(a)(2) and (3), 42 U.S.C. 12707, 24 CFR 570.486, 24 CFR 91.105(b) and (c), and 24 CFR 91.115(b) and (c), with respect to citizen participation requirements, are waived and replaced by the requirements below. The streamlined requirements do not mandate public hearings at a state, entitlement, or local government level, but do require providing a reasonable opportunity (at least 7 days) for citizen comment and ongoing citizen access to information about the use of grant funds. The streamlined citizen participation requirements for a grant administered under this Notice are:

A. Before the grantee adopts the Action Plan for this grant or any substantial amendment to this grant, the grantee will publish the proposed plan or amendment (including the information required in this Notice for an Action Plan for Disaster Recovery). The manner of publication must include prominent posting on the grantee's official Web site and must afford citizens, affected local governments, and other interested parties a reasonable opportunity to examine the plan or amendment's contents. The topic of disaster recovery should be navigable by citizens from the grantee (or administering agency) homepage. Grantees are also encouraged to notify affected citizens through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, and/or contacts with neighborhood organizations.

Despite the expedited process, grantees are still responsible for ensuring that all citizens have equal access to information about the programs, including persons with disabilities and limited English proficiency. Each grantee must ensure that program information is available in the appropriate languages for the geographic area served by the

jurisdiction. This issue may be particularly applicable to States receiving an award under this Notice. Unlike grantees in the regular State CDBG program, State grantees under today's Notice may make grants throughout the state, including to entitlement communities. For assistance in ensuring that this information is available to LEP populations, recipients should consult the *Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons* published on January 22, 2007, in the *Federal Register* (72 FR 2732).

Subsequent to publication of the Action Plan, the grantee must provide a reasonable time frame and method(s) (including electronic submission) for receiving comments on the plan or substantial amendment. In its Action Plan, each grantee must specify criteria for determining what changes in the grantee's plan constitute a substantial amendment to the plan. At a minimum, the following modifications will constitute a substantial amendment: A change in program benefit or eligibility criteria; the allocation or re-allocation of more than \$1 million; or the addition or deletion of an activity. The grantee may substantially amend the Action Plan if it follows the same procedures required in this Notice for the preparation and submission of an Action Plan for Disaster Recovery. Prior to submission of a substantial amendment, the grantee is encouraged to work with its HUD representative to ensure the proposed change is consistent with this Notice, and all applicable regulations and Federal law.

B. The grantee must notify HUD, but is not required to undertake public comment, when it makes any plan amendment that is not substantial. However, every amendment to the Action Plan (substantial and non-substantial) must be numbered sequentially and posted on the grantee's Web site. The Department will acknowledge receipt of the notification of non-substantial amendments via email within 5 business days.

C. The grantee must consider all comments, received orally or in writing, on the Action Plan or any substantial amendment. A summary of these comments or views, and the grantee's response to each must be submitted to HUD with the Action Plan or substantial amendment.

D. The grantee must make the Action Plan, any substantial amendments, and all performance reports available to the public on its Web site 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. During the term of the grant, the grantee will provide citizens, affected local governments, and other interested parties with reasonable and timely access to information and records relating to the Action Plan and to the grantee's use of grant funds.

E. The grantee will provide a timely written response to every citizen complaint. The response will be provided within 15 working days of the receipt of the complaint, if practicable.

3. *Direct grant administration and means of carrying out eligible activities—applicable to State grantees only.* Requirements at 42 U.S.C. 5306 are waived to the extent necessary to allow a State to use its disaster recovery grant allocation directly to carry out State-administered activities eligible under this Notice, rather than distribute all funds to units of local government. In using statutory language similar to that used for prior CDBG supplemental appropriations, the Department believes Congress is signaling its intent that the States under this appropriation also be able to carry out activities directly. Pursuant to this waiver, the standard at section 570.480(c) will also include activities that the State carries out directly. Note that any city or county receiving a direct award under this Notice will be subject to the standard CDBG entitlement program regulations. Thus, the waiver and alternative requirement described here is inapplicable to local jurisdictions.

Activities eligible under this Notice may be undertaken, subject to State law, by the grantee through its employees, through procurement contracts, or through loans or grants under agreements with subrecipients. Activities made eligible under section 105(a)(15) of the HCD Act, as amended, may only be undertaken by entities specified in that section, whether the assistance is provided to such an entity from the State or from a unit of general local government.

4. *Consolidated Plan waiver.* HUD is waiving the requirement for consistency with the consolidated plan (requirements at 42 U.S.C. 12706, 24 CFR 91.325(a)(5), 24 CFR 91.225(a)(5), 24 CFR 91.325(b)(2), and 24 CFR 91.225(b)(3)), because the effects of a major disaster alter a grantee's priorities for meeting housing, employment, and infrastructure needs. In conjunction, 42 U.S.C. 5304(e), to the extent that it would require HUD to annually review grantee performance under the consistency criteria, is also waived. However, this waiver applies only until

the grantee first updates its full consolidated plan more than 30 months following the disaster. While grantees are encouraged to incorporate disaster-recovery needs into their consolidated plan updates as soon as practicable, any unmet disaster-related needs and associated priorities should be incorporated into the grantee's next consolidated plan update following the expiration of the 30-month waiver period. If not completed already, the grantee should update its Analysis of Impediments in coordination with its post-waiver consolidated plan update, so that it more accurately reflects housing conditions following the disaster.

This waiver also allows the disaster recovery action plan for non-entitlement communities to also serve as an abbreviated Consolidated Plan under the authority at 42 U.S.C. 12705(b) because the Secretary has determined that this is appropriate given the types and amounts of assistance the non-entitlement will receive for disaster purposes. For non-entitlement communities, HUD is also waiving 24 CFR part 91, subpart C to the extent that these provisions require elements that are not specifically required by this Notice.

The waiver is granted consistent with the non-entitlement's existing submission of needs data for addressing housing and community development needs in the State's Consolidated Plan. Note that the 30 month requirement does not apply to any non-entitlement community receiving funds under this Notice, however, it must update and amend its Action Plan within 18 months of the date of this Notice to include actions it plans to take to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing. Such policies, procedures and processes include, but are not limited to, land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. Consistent with 91.220(j), proposed plans or actions should be reviewed periodically to ensure they best respond to the barriers to affordable housing, as they exist at that time.

5. *Requirement for consultation during plan preparation.* Currently, the statute and regulations require States to consult with affected units of local government in non-entitlement areas of the State in determining the State's proposed method of distribution. HUD is waiving 42 U.S.C. 5306(d)(2)(C)(iv), 42 U.S.C. 5306(d)(2)(D), 24 CFR 91.325(b), and 24 CFR 91.110, with the

alternative requirement that 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. This ensures State grantees sufficiently assess the recovery needs of all areas affected by the disaster. For local governments receiving a direct award under this Notice, HUD is waiving 24 CFR 91.100 with the alternative requirement that the jurisdiction should consult with adjacent units of general local government, including local government agencies with metropolitan-wide planning responsibilities, particularly for problems and solutions that go beyond a single jurisdiction.

6. *Overall benefit waiver and alternative requirement.* The primary objective of the HCD Act is the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." 42 U.S.C. 5301(c). To carry out this objective, the statute requires that 70 percent of the aggregate of a regular CDBG program's funds be used to support activities benefitting low- and moderate-income persons. This target could be difficult to reach, and perhaps even impossible, for many communities affected by the 2011 disasters. Grantees under this Notice experienced disaster impacts that affected entire communities—regardless of income, and the existing requirement may prevent grantees from providing assistance to damaged areas of need.

Therefore, this Notice waives the requirements at 42 U.S.C. 5301(c), 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.484, and 24 CFR 570.200(a)(3), that 70 percent of funds be used for activities that benefit low- and moderate-income persons. Instead, 50 percent of funds must benefit low- and moderate-income persons. This provides grantees with greater flexibility to carry out recovery activities by allowing up to 50 percent of the grant to assist activities under the urgent need or prevention or elimination of slums or blight national objectives.

7. *Use of the "upper quartile" or "exception criteria" for low- and moderate-income area benefit activities—not applicable to all grantees.* Section 105(c)(2)(A) of the HCD Act provides that "In any case in which an assisted activity described in subsection (a) is designed to serve an area generally and is clearly designed to meet identified needs of persons of low and moderate income in such area, such

activity shall be considered to principally benefit persons of low and moderate income * * * (ii) in any metropolitan city or urban county, the area served by such jurisdiction is within the highest quartile of all areas within the jurisdiction of such city or county in terms of the degree of concentration of persons of low and moderate income * * * HUD permits an exception to the low- and moderate-income area benefit requirement that an area contain at least 51 percent low- and moderate-income residents. This exception applies to entitlement communities that have few, if any, areas within their jurisdiction that have 51 percent or more low- and moderate-income residents. These communities are allowed to use a percentage less than 51 percent to qualify activities under the low- and moderate-income area benefit category. This exception is referred to as the "exception criteria" or the "upper quartile". A grantee qualifies for this exception when less than one quarter of the populated block groups in its jurisdictions contain 51 percent or more low- and moderate-income persons. In such communities, activities must serve an area which contains a percentage of low- and moderate-income residents that is within the upper quartile of all Census block groups within its jurisdiction in terms of the degree of concentration of low- and moderate-income residents. HUD assesses each grantee's census block groups to determine whether a grantee qualifies to use this exception and identifies the alternative percentage the grantee may use instead of 51 percent for the purpose of qualifying activities under the low- and moderate-income area benefit. HUD determines the lowest proportion a grantee may use to qualify an area for this purpose and advises the grantee accordingly.

The Department has considered and granted the requests of Orange County, New York to apply the exception criteria to these disaster recovery grants. The Department also grants the request of the State of New Jersey to allow the following entitlement communities that have disaster declarations and total damage that exceeds \$3,000,000 to apply the exception criteria for these disaster recovery grants: Passaic County, Bergen County, Morris County, Somerset County, Essex County, Middlesex County, and Monmouth County. HUD also waives section 105(c)(2)(ii) of the HCD Act and the regulations at 570.208(a)(1)(ii) to the extent that they limit the exception criteria to any metropolitan city or urban county to allow the city of Minot,

a non-entitlement community, to utilize the exception criteria for the purpose of classifying activities under the low- and moderate-income area benefit national objective. HUD will provide data to the city of Minot on how this exception shall be applied.

It must be noted that HUD annually updates the low- and moderate-income summary data used to identify the exception criteria; disaster recovery grantees are required to use the most recent data available in implementing the exception criteria.

8. *Note on change to administration limitation.* For all grantees under today's Notice, the annual CDBG program administration requirements must be modified to be consistent with the Appropriations Act, which allows up to 5 percent of the grant to be used for administrative costs, whether by the grantee, by entities designated by the grantee, by units of general local government, or by subrecipients. Thus, the total of all costs classified as administrative must be less than or equal to the 5 percent cap.

A. For State grantees under this Notice, the provisions of 42 U.S.C. 5306(d) and 24 CFR 570.489(a)(1)(i) and (iii) will not apply to the extent that they cap administration and technical assistance expenditures, limit a State's ability to charge a nominal application fee for grant applications for activities the State carries out directly, and require a dollar-for-dollar match of State funds for administrative costs exceeding \$100,000. 42 U.S.C. 5306(d)(5) and (6) are waived and replaced with the alternative requirement that the aggregate total for administrative and technical assistance expenditures must not exceed 5 percent. States remain limited to spending a maximum of 20 percent of their total grant amount on a combination of planning and program administration costs. Planning costs subject to the 20 percent cap are those defined in 42 U.S.C. 5305(a)(12).

B. Any city or county receiving a direct award under this Notice is also subject to the 5 percent administrative cap. This 5 percent applies to all administrative costs—whether incurred by the grantee or its subrecipients. However, cities or counties receiving a direct allocation under this Notice also remain limited to spending 20 percent of their total allocation on a combination of planning and program administration costs.

9. *Planning-only activities—applicable to State grantees only.* The annual State CDBG program requires that local government grant recipients for planning-only grants must document that the use of funds meets a national

objective. In the State CDBG program, these planning grants are typically used for individual project plans. By contrast, planning activities carried out by entitlement communities are more likely to include non-project specific plans such as functional land-use plans, master plans, historic preservation plans, comprehensive plans, community recovery plans, development of housing codes, zoning ordinances, and neighborhood plans. These plans may guide long-term community development efforts comprising multiple activities funded by multiple sources. In the entitlement program, these more general planning activities are presumed to meet a national objective under the requirements at 24 CFR 570.208(d)(4).

The Department notes that almost all effective CDBG disaster recoveries in the past have relied on some form of area-wide or comprehensive planning activity to guide overall redevelopment independent of the ultimate source of implementation funds. Therefore, for State grantees receiving an award under this Notice, the Department is removing the eligibility requirements at 24 CFR 570.483(b)(5) or (c)(3). Instead, States must comply with 24 CFR 570.208(d)(4) when funding disaster recovery-assisted planning-only grants, or directly administering planning activities that guide recovery in accordance with the Appropriations Act. In addition, the types of planning activities that States may fund or undertake are expanded to be consistent with those of entitlement communities identified at 24 CFR 570.205.

10. *Waiver and alternative requirement for distribution to CDBG metropolitan cities and urban counties—applicable to State grantees only.* Section 5302(a)(7) of title 42, U.S.C. (definition of "nonentitlement area") and provisions of 24 CFR part 570 that would prohibit a State from distributing CDBG funds to entitlement communities and Indian tribes under the CDBG program, are waived, including 24 CFR 570.480(a). Instead, the State may distribute funds to units of local government and Indian tribes.

11. *Use of subrecipients—applicable to State grantees only.* The State CDBG program rule does not make specific provision for the treatment of entities that the CDBG Entitlement program calls "subrecipients." The waiver allowing the State to directly carry out activities creates a situation in which the State may use subrecipients to carry out activities in a manner similar to an entitlement community. Therefore, for States taking advantage of the waiver to carry out activities directly, the

requirements at 24 CFR 570.502, 570.503, and 570.500(c) apply, except that specific references to 24 CFR parts 84 and 85 must be included in subrecipient agreements. OMB Circular A-87 shall apply to States and any subrecipients of a State, whether carrying out activities directly or through the use of a subrecipient.

12. Recordkeeping—applicable to State grantees only. When a State carries out activities directly, 24 CFR 570.490(b) is waived and the following alternative provision shall apply: 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 under 24 CFR 570.493. Consistent with applicable statutes, regulations, waivers and alternative requirements, and other federal requirements, the content of records maintained by the State shall be sufficient to: Enable HUD to make the applicable determinations described at 24 CFR 570.493; make compliance determinations for activities carried out directly by the State; and show how activities funded are consistent with the descriptions of activities proposed for funding in the Action Plan and/or DRGR system. For fair housing and equal opportunity purposes, and as applicable, such records shall include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program.

13. Change of use of real property—applicable to State grantees only. This waiver conforms to the change of use of real property rule to the waiver allowing a State to carry out activities directly. For purposes of this program, all references to "unit of general local government" in 24 CFR 570.489(j), shall be read as "unit of general local government or State."

14. Responsibility for review and handling of noncompliance—applicable to State grantees only. This change is in conformance with the waiver allowing the State to carry out activities directly. 24 CFR 570.492 is waived and the following alternative requirement applies for any State receiving a direct award under this Notice: the State shall make reviews and audits, including onsite reviews of any subrecipients, designated public agencies, and units of general local 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. In the case of noncompliance with these requirements, the State shall take such actions as may be appropriate to prevent

a continuance of the deficiency, mitigate any adverse effects or consequences, and prevent a recurrence. The State shall establish remedies for noncompliance by any designated subrecipients, public agencies, or units of general local government.

15. Housing-related eligibility waivers. The broadening of Section 105(a)(24) of the HCD Act is necessary following major disasters in which large numbers of affordable housing units have been damaged or destroyed, as is the case of the disasters eligible under this Notice. Thus, in accordance with the grantees' requests, 42 U.S.C. 5305(a) is waived to the extent necessary to allow: (1) Homeownership assistance for households with up to 120 percent of the area median income, (2) down payment assistance for up to 100 percent of the down payment (42 U.S.C. 5305(a)(24)(D)), and (3) new housing construction. While homeownership assistance may be provided to households with up to 120 percent of the area median income, only those funds used to serve households with up to 80 percent of the area median income may qualify as meeting the low- and moderate-income person benefit national objective.

16. Housing incentives to resettle in disaster-affected communities—not applicable to all grantees. Incentive payments are generally offered in addition to other programs or funding (such as insurance), to encourage households to relocate in a suitable housing development or an area promoted by the community's comprehensive recovery plan. For example, a grantee may offer an incentive payment (possibly in addition to a buyout payment) for households that volunteer to relocate outside of floodplain or to a lower-risk area.

Therefore, 42 U.S.C. 5305(a) and associated regulations are waived to the extent necessary to allow the provision of housing incentives. These grantees must maintain documentation, at least at a programmatic level, describing how the amount of assistance was determined to be necessary and reasonable, and the incentives must be in accordance with the grantee's approved Action Plan and published program design(s). This waiver does not permit a compensation program. Additionally, if the grantee requires the incentives to be used for a particular purpose by the household receiving the assistance, then the eligible use for that activity will be that required use, not an incentive. This waiver does not apply to the following grantees: The city of Birmingham, Jefferson County, and the State of Texas.

17. Limitation on emergency grant payments—not applicable to all grantees. 42 U.S.C. 5305(a)(8) is waived to extend interim mortgage assistance to qualified individuals from three months to up to 20 months. The time required for a household to complete the rebuilding process may often extend beyond three months, during which mortgage payments may be due but the home is inhabitable. Thus, this interim assistance will be critical for many households facing financial hardship during this period. This waiver and alternative requirement do not apply to the following grantees: Jefferson County, city of Tuscaloosa, State of Missouri, and the State of Texas.

18. Buildings for the general conduct of government—not applicable to all grantees. 42 U.S.C. 5305(a) is waived to the extent necessary to allow grantees to fund the rehabilitation or reconstruction of public buildings that are otherwise ineligible. HUD believes this waiver is consistent with the overall purposes of the HCD Act, and is necessary for many grantees to adequately address critical infrastructure needs created by the disaster. This waiver does not apply to the following grantees: City of Birmingham, Jefferson County, and the State of Missouri.

Regardless of this waiver, CDBG disaster recovery funds allocated under this Notice may not be used for activities reimbursable by, or for which funds are made available by, FEMA or the Army Corps of Engineers.

19. Waiver and modification of the job relocation clause to permit assistance to help a business return. Traditional CDBG requirements prevent program participants from providing assistance to a business to relocate from one labor market area to another—if the relocation is likely to result in a significant loss of jobs in the labor market from which the business moved. This prohibition can be a critical barrier to reestablishing and rebuilding a displaced employment base after a major disaster. Therefore, 42 U.S.C. 5305(h), 24 CFR 570.210, and 24 CFR 570.482 are waived to allow a grantee to provide assistance to any business that was operating in the disaster-declared labor market 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.

20. One-for-one replacement housing, relocation, and real property acquisition requirements. CDBG-assisted activities, programs and projects are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of

1970, as amended, (42 U.S.C. 4601 *et seq.*) ("URA") and section 104(d) of the HCD Act (42 U.S.C. 5304(d)) ("Section 104(d)"). The implementing regulations for the URA are at 49 CFR part 24. The regulations for Section 104(d) are at 24 CFR part 42, subpart C.

For the purpose of promoting the availability of decent, safe, and sanitary housing, HUD is waiving the following URA and Section 104(d) requirements for grantees under this Notice:

A. One-for-one replacement requirements at 42 U.S.C. 5304(d)(2)(A)(i)–(ii) and (d)(3) and 24 CFR 42.375 are waived for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. HUD is waiving this requirement because the requirement does not account for the large, sudden changes that a major disaster may cause to the local housing stock, population, or economy. Furthermore, the requirement may discourage grantees from converting or demolishing disaster-damaged housing when excessive costs would result from replacing all such units. Disaster-damaged housing structures, unsuitable for rehabilitation, can pose a threat to public health and safety and to economic revitalization. Grantees should re-assess post-disaster population and housing needs to determine the appropriate type and amount of lower-income dwelling units to rehabilitate and/or rebuild. Grantees should note, however, that the demolition and/or disposition of Public Housing Authority-owned public housing units is covered by Section 18 of the United States Housing Act of 1937, as amended, and 24 CFR part 970.

B. The Section 104(d) relocation assistance requirements at 42 U.S.C. 5304(d)(2)(A) and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24 for activities related to disaster recovery.

This waiver is necessary to eliminate disparities in rental assistance payments associated with activities typically funded by HUD and FEMA (e.g., buyouts and relocation). FEMA funds are subject to the requirements of the URA and, consequently, FEMA requires rental assistance payments for displaced persons to be calculated on the basis of an amount necessary to enable the displaced person to rent comparable replacement housing for a period of 42 months. CDBG funds are also subject to the URA requirements; however, unlike FEMA funds, they are also subject to the provisions of Section 104(d). Section 104(d) requires that the calculation of

rental assistance payments for displaced persons be made on the basis of 60 months. When a project is subject to both the URA and Section 104(d), the displaced person may choose to receive assistance under either authority. This waiver of the Section 104(d) requirements assures uniform and equitable treatment in getting the URA and its implementing regulations as the sole standard for relocation assistance under this Notice.

C. The requirements at 49 CFR 24.101(b)(2)(i)–(ii) are waived to the extent that they apply to an arm's length voluntary purchase carried out by a person who does not have the power of eminent domain, in connection with the purchase and occupancy of a principal residence by that person. Given the often large-scale acquisition needs of grantees, this waiver is necessary to reduce burdensome administrative requirements following a disaster.

D. The requirements at sections 204(a) and 206 of the URA, 49 CFR 24.2(a)(6)(viii), 24.402(b)(2), and 24.404 are waived to the extent that they require the grantee to provide relocation assistance sufficient to reduce a low-income person's rent/utility costs to 30 percent of household income post-displacement when the person had been paying rent in excess of 30 percent of household income without "demonstrable hardship" before the project. Thus, to the extent that a tenant has been paying rent in excess of 30 percent of household income without demonstrable hardship, a reduction in rental assistance payments to 30 percent of household income would not be required. Before using this waiver, the grantee must establish a definition of "demonstrable hardship."

E. The requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a)(6)(ix) and 24.402(b) are waived to the extent necessary to permit a grantee to meet all or a portion of a grantee's replacement housing financial assistance obligation to a displaced tenant by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy (e.g., Section 8 rental voucher or certificate), provided that the tenant is provided referrals to comparable replacement dwellings in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months. Failure to grant this waiver would impede disaster recovery whenever TBRA program subsidies are available but funds for cash relocation assistance are limited. This waiver gives grantees an additional relocation resource option.

F. The requirements at section 202(b) of the URA and 49 CFR 24.302, which require that a grantee offer a displaced person the option to receive a "moving expense and dislocation allowance" based on a schedule of allowances prepared by the Federal Highway Administration as an alternative to receiving payment for actual moving and related expenses, are waived. As an alternative, the grantee must establish and offer the person a "moving expense and dislocation allowance" under a schedule of allowances that is reasonable for the jurisdiction and that takes into account the number of rooms in the displacement dwelling, whether the person owns and must move the furniture, and, at a minimum, the kinds of expenses described in 49 CFR 24.301. Without this waiver and alternative requirement, disaster recovery may be impeded by requiring grantees to offer allowances that do not reflect current local labor and transportation costs. Persons displaced from a dwelling remain entitled to choose a payment for actual reasonable moving and related expenses if they find that approach preferable to the locally established "moving expense and dislocation allowance."

G. The regulation at 24 CFR 570.606(d) is waived to the extent that it requires optional relocation policies to be established at the grantee or state recipient level. Unlike the regular CDBG program, States may carry out disaster recovery activities directly or through subrecipients. The regulation at 24 CFR 570.606(d) governing optional relocation policies does not account for this distinction. This waiver makes clear that local governments, including subrecipients, receiving CDBG disaster funds may establish separate optional relocation policies. This waiver is intended to provide States and local governments with maximum flexibility in developing optional relocation policies with CDBG disaster recovery funds.

21. *Program income alternative requirement.* The Department is waiving applicable program income rules at 570.500(a) and (b), 570.504, 42 USC 5304(j), and 570.489(e) to the extent necessary to provide additional flexibility as described under today's Notice. The alternative requirements provide guidance regarding the use of program income received before and after grant closeout and address revolving loan funds.

A. Definition of program income.

(1) For the purposes of this subpart, "program income" is defined as gross income generated from the use of CDBG funds, except as provided in

subparagraph D of this paragraph, and received by: (1) A State, unit of local government, or tribe, or (2) a subrecipient of a State, unit of general local government, or tribe. When income is generated by an activity that is only partially assisted with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used (e.g., a single loan supported by CDBG funds and other funds; a single parcel of land purchased with CDBG funds and other funds). Program income includes, but is not limited to, the following:

(a) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;

(b) Proceeds from the disposition of equipment purchased with CDBG funds;

(c) Gross income from the use or rental of real or personal property acquired by a State, unit of general local government, or tribe or subrecipient of a State, unit of general local government, or tribe with CDBG funds, less costs incidental to generation of the income (i.e., net income);

(d) Net income from the use or rental of real property owned by a State, unit of general local government, or tribe or subrecipient of a State, unit of general local government, or tribe, that was constructed or improved with CDBG funds;

(e) Payments of principal and interest on loans made using CDBG funds;

(f) Proceeds from the sale of loans made with CDBG funds;

(g) Proceeds from the sale of obligations secured by loans made with CDBG funds;

(h) Interest earned on program income pending disposition of the income, but excluding interest earned on funds held in a revolving fund account;

(i) Funds collected through special assessments made against properties owned and occupied by households not of low- and moderate-income, where the special assessments are used to recover all or part of the CDBG portion of a public improvement; and

(j) Gross income paid to a State, unit of local government, tribe, or paid to a subrecipient thereof from the ownership interest in a for-profit entity in which the income is in return for the provision of CDBG assistance.

(2) "Program income" does not include the following:

(a) The total amount of funds which is less than \$25,000 received in a single year and retained by a State, unit of local government, tribe, or retained by a subrecipient thereof;

(b) Amounts generated by activities eligible under section 105(a)(15) of the

HCD Act and carried out by an entity under the authority of section 105(a)(15) of the HCD Act;

B. Retention of program income. Per 24 CFR 570.504(c), a unit of government receiving a direct award under this Notice may permit a subrecipient to retain program income. State grantees may permit a unit of local government or tribe which receives or will receive program income to retain the program income, but are not required to do so.

C. Program income—use, closeout, and transfer.

(1) Program income received (and retained, if applicable) before or after closeout of the grant that generated the program income, and used to continue disaster recovery activities, is treated as additional disaster recovery CDBG funds subject to the requirements of this Notice and must be used in accordance with the grantee's Action Plan for Disaster Recovery. To the maximum extent feasible, program income shall be used or distributed before additional withdrawals from the U.S. Treasury are made, except as provided in subparagraph D of this paragraph.

(2) In addition to the regulations dealing with program income found at 24 CFR 570.489(e) and 570.504, the following rules apply: Grantees may transfer program income before closeout of the grant that generated the program income to its annual CDBG program. In addition, State grantees may transfer program income before closeout to any annual CDBG-funded activities administered by a unit of general local government or Indian tribe within the State. Program income received by a grantee, or received and retained by a subgrantee, after closeout of the grant that generated the program income, may also be transferred to a grantee's annual CDBG award. In all cases, any program income that is not used to continue the disaster recovery activity that generated the program income ceases to be subject to the waivers and alternative requirements of this Notice.

For nonentitlement communities without another ongoing CDBG grant received directly from HUD, program income on hand when the CDBG disaster recovery grant is closed by HUD, shall continue to be subject to the eligibility requirements and all other applicable provisions under this Notice until expended. Program income received after closeout by HUD of the CDBG disaster recovery grant shall not be governed by the provisions of this Notice, except that such income shall be used for activities that meet a CDBG national objective and the eligibility requirements described in section 105 of the HCD Act.

D. Revolving loan funds. Units of general local government receiving a direct award under this Notice, State grantees, and units of local government or tribes (permitted by a State grantee) may establish revolving funds to carry out specific, identified activities. A revolving fund, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities. These activities generate payments, which will be used to support similar activities going forward. These payments to the revolving fund are program income and must be substantially disbursed from the revolving fund before additional grant funds are drawn from the U.S. Treasury for payments which could be funded from the revolving fund. Such program income is not required to be disbursed for non-revolving fund activities.

State grantees may also establish a revolving fund to distribute funds to units of local government or tribes to carry out specific, identified activities. The same requirements, outlined above, apply to this type of revolving loan fund. Last, note that no revolving fund, established per this Notice, shall be directly funded or capitalized with CDBG disaster recovery grant funds.

22. *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 to identify 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. This method replaces the standard CDBG requirement—in which grantees must review the annual wages or salary of a job in comparison to the person's total household income and size (i.e. number of persons). Thus, it streamlines the documentation process because it allows the collection of wage data for each position created or retained from the assisted businesses, rather than from each individual household.

This alternative requirement has been granted on several prior occasions to CDBG disaster recovery grantees, and to date, those grants have not exhibited any issues of concern in calculating the benefit to low- and moderate-income persons. The Department believes this waiver is consistent with the HCD Act.

23. *Public benefit for certain economic development activities.* The

public benefit provisions set standards for individual economic development activities (such as a single loan to a business) and for economic development activities in the aggregate. Currently, public benefit standards limit the amount of CDBG assistance per job retained or created, or the amount of CDBG assistance per low- and moderate-income person to which goods or services are provided by the activity. These dollar thresholds were set more than a decade ago and, under disaster recovery conditions (which often require a larger investment to achieve a given result), can impede recovery by limiting the amount of assistance the grantee may provide to a critical activity.

This Notice waives 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), for economic development activities designed to create or retain jobs or businesses (including, but not limited to, long-term, short-term, and infrastructure projects). 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.

24. Allow reimbursement for pre-agreement costs. The provisions of 24 CFR 570.489(b) are applied to permit a State to reimburse itself for otherwise allowable costs incurred by itself or its subgrantees on or after the incident date of the covered disaster. Any unit of general local government receiving a direct allocation under this Notice is subject to the provisions of 24 CFR 570.200(h) but may reimburse itself or its subrecipients for otherwise allowable costs incurred on or after the incident date of the covered disaster. 24 CFR 570.200(h)(1)(i) will not apply to the extent that it requires pre-agreement activities to be included in a consolidated plan.

The Department expects both State grantees and units of general local government receiving a direct award under this Notice to include all pre-agreement activities in their Action Plans.

25. Clarifying note on the process for environmental release of funds when a State carries out activities directly. Usually, a State distributes CDBG funds to units of local government and takes on HUD's role in receiving environmental certifications from the

grant recipients and approving releases of funds. For this grant, HUD will allow a State grantee to also carry out activities directly instead of distributing all program funds to subrecipients and/or subgrantees. According to the environmental regulations at 24 CFR 58.4, when a State carries out activities directly, the State must submit the certification and request for release of funds to HUD for approval.

26. Duplication of benefits. In general, section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5155), as amended, prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster as to which he has received financial assistance under any other program or from insurance or any other source. In order to comply with this law, grantees must ensure that each activity 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.

Given the often complex nature of this issue, the Department has published a separate Notice explaining the duplication of benefit requirements applicable to CDBG disaster recovery grantees; it can be found at 76 FR 71060 (published November 16, 2011). Grantees under today's Notice are hereby subject to 76 FR 71060 in full.

27. Flood buyouts—not applicable to all grantees. Grantees under this notice are able to undertake property acquisition for a variety of purposes. However, the term "buyouts" as referenced in this Notice refers to acquisition of properties located in a floodway or floodplain that is intended to reduce risk from future flooding. HUD is providing alternative requirements for consistency with the application of other federal resources commonly used for this type of activity. The following alternative requirements do not apply to the city of Birmingham, and Jefferson County.

A. For buyout activities, the following requirements apply:

(1) Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices;

(2) no new structure will be erected on property acquired, accepted or from which a structure was removed under the acquisition or relocation program other than (a) a public facility that is open on all sides and functionally related to a designated open space; (b)

a rest room; or (c) a structure that the local floodplain manager approves in writing before the commencement of the construction of the structure; and

(3) after receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose will be made by the recipient to any Federal entity.

B. Grantees have the discretion to determine an appropriate valuation method (including the use of pre-flood value, post-flood value, or cost of reconstruction as a basis for property value). However, in using CDBG disaster recovery funds for buyouts, the grantee must uniformly apply whichever valuation method it chooses.

C. All buyouts must still meet activity eligibility and national objective requirements.

D. Grantees should identify all acquisition activities that are buyouts in the DRGR system.

28. Flood insurance.

A. Flood insurance purchase requirements. HUD does not prohibit the use of CDBG Disaster Assistance for existing residential buildings in the Special Flood Hazard Area (SFHA) (or "100-year" floodplain). However, Federal laws and regulations related to both flood insurance and floodplain management must be followed, as applicable. With respect to flood insurance, a HUD-assisted homeowner for a property located in the SFHA must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program. Section 102(a) of the Flood Disaster Protection Act of 1973 mandates the purchase of flood insurance protection for any HUD-assisted property within the SFHA.

B. Future federal assistance to owners remaining in floodplain.

(1) Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. In general, it provides that no federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received federal flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable federal law and the person has subsequently failed to obtain and maintain flood insurance as required

under applicable federal law on such property. (Section 582 is self-implementing without regulations.) This means that a grantee may not provide disaster assistance for the abovementioned repair, replacement, or restoration to a person who has failed to meet this requirement.

(2) Section 582 also implies a responsibility for a grantee that receives CDBG disaster recovery funds or that, under 42 U.S.C. 5321, designates annually appropriated CDBG funds for disaster recovery. That responsibility is to inform property owners receiving disaster assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so. These requirements are described below.

(3) Duty to notify. In the event of the transfer of any property described in paragraph (5), the transferor shall, not later than the date on which such transfer occurs, notify the transferee in writing of the requirements to:

(a) Obtain flood insurance in accordance with applicable federal law with respect to such property, if the property is not so insured as of the date on which the property is transferred; and

(b) Maintain flood insurance in accordance with applicable federal law with respect to such property. Such written notification shall be contained in documents evidencing the transfer of ownership of the property.

(4) Failure to notify. If a transferor fails to provide notice as described above and, subsequent to the transfer of the property:

(a) The transferee fails to obtain or maintain flood insurance, in accordance with applicable federal law, with respect to the property;

(b) The property is damaged by a flood disaster; and

(c) Federal disaster relief assistance is provided for the repair, replacement, or restoration of the property as a result of such damage, the transferor shall be required to reimburse the Federal Government in an amount equal to the amount of the federal disaster relief assistance provided with respect to the property.

(5) The notification requirements apply to personal, commercial, or residential property for which federal disaster relief assistance made available in a flood disaster area has been provided, prior to the date on which the property is transferred, for repair, replacement, or restoration of the property, if such assistance was

conditioned upon obtaining flood insurance in accordance with applicable federal law with respect to such property.

(6) The term "Federal disaster relief assistance" applies to HUD or other federal assistance for disaster relief in "flood disaster areas." The term "flood disaster area" is defined in section 582(d)(2) of the National Flood Insurance Reform Act of 1994, as amended, to include an area receiving a presidential declaration of a major disaster or emergency as a result of flood conditions.

29. Procurement.

A. Grants to States. Per 24 CFR 570.489(d), a State must have fiscal and administrative requirements for expending and accounting for all funds. Furthermore, per 24 CFR 570.489(g), a State shall establish requirements for procurement policies and procedures for units of general local government based on full and open competition. All subgrantees of a State (including units of general local government) are subject to the procurement policies and procedures required by the State.

A State may meet the above requirements by adopting 24 CFR part 85. If a State has adopted part 85 in full, it must follow the same policies and procedures it uses when procuring property and services with its non-Federal funds. However, the State must ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations per 24 CFR 85.36(a).

If a State has not adopted 24 CFR 85.36(a), but has adopted 24 CFR 85.36(b) through (i), the State and its subgrantees must follow State and local law (as applicable), so long as the procurements conform to applicable Federal law and the standards identified in 24 CFR 85.36(b) through (i).

B. Direct grants to units of general local government. Any unit of general local government receiving a direct appropriation under today's Notice will be subject to 24 CFR 85.36(b) through (i).

30. *Timely distribution of funds.* 24 CFR 570.494 and 24 CFR 570.902 regarding timely distribution of funds are waived and replaced with alternative requirements under this Notice. HUD expects each grantee to expeditiously obligate and expend all funds, including any recaptured funds or program income, and to carry out activities in a timely manner. HUD will evaluate timeliness in relation to each grantee's established performance

schedule as identified in its Action Plan.

The Department will, absent substantial evidence to the contrary, deem a grantee to be carrying out its programs and activities in a timely manner if the schedule for carrying out its activities is substantially met.

In determining the appropriate corrective action to take with respect to a HUD determination that a grantee is not carrying out its activities in a timely manner pursuant to this section, HUD will take into account the extent to which unexpended funds have been obligated by the grantee and its sub-recipients for specific activities at the time the finding is made and other relevant information.

If a grantee is determined to be untimely pursuant to this section, and the grantee is again determined to be untimely 12 months following the initial determination, HUD may elect to recapture any unobligated funds and reallocate to another entity with the authority and capacity to carry out the remaining recovery activities, unless HUD determines that the untimeliness resulted from factors beyond the grantee's reasonable control.

31. *Performance review authorities.* Section 104(e)(1) of the HCD Act requires that the Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether the recipient has carried out its activities in a timely manner, whether the recipient has carried out those activities and its certifications in accordance with the requirements and the primary objectives of the Act and with other applicable laws, and whether the recipient has a continuing capacity to carry out those activities in a timely manner.

The requirements for submission of a Performance Evaluation Report (PER) pursuant to 42 U.S.C. 12708 and 24 CFR 91.520 are waived. In the alternative, and to ensure consistency between grants allocated under this Notice and grants allocated previously under the CDBG disaster recovery program, HUD is requiring that:

A. Each grantee must enter its Action Plan for Disaster Recovery, including performance measures, into HUD's DRGR system. As more detailed information about uses of funds is identified by the grantee, the grantee must enter such detail into DRGR, in sufficient detail to serve as the basis for acceptable performance reports.

B. Each grantee must submit a quarterly performance report, as HUD prescribes, no later than 30 days following the end of each calendar quarter, beginning after the first full

calendar quarter after grant award and continuing until all funds have been expended and all expenditures have been reported. Each quarterly report will include information about the uses of funds during the applicable quarter including (but not limited to) the project name, activity, location, and national objective; funds budgeted, obligated, drawn down, and expended; the funding source and total amount of any non-CDBG disaster recovery funds to be expended on each activity; beginning and completion dates of activities; achieved performance outcomes such as number of housing units complete or number of low- and moderate-income persons benefiting; and the race and ethnic status of persons assisted under direct-benefit activities. Within the section titled "Overall Progress Narrative" in DRGR, grantees must include a description of the actions taken to affirmatively further fair housing.

Quarterly reports to HUD must be submitted using HUD's DRGR system and, within 3 days of submission, be posted on the grantee's official Web site.

C. Reporting requirements. Once each grantee enters its action Plan into the DRGR system, it must submit to HUD a projection of expenditures and outcomes (projected on a quarterly basis) for each major activity type in DRGR. This will enable HUD to track proposed versus actual performance in coordination with each grantee's submission of DRGR quarterly performance reports.

D. In addition to providing these reports to Congress and the public, HUD will use them—in addition to transactional data from DRGR and other information provided by the grantee—to: (1) Monitor for anomalies or performance problems that suggest fraud, abuse of funds, and duplication of benefits; (2) reconcile budgets, obligations, funding draws, and expenditures; (3) calculate applicable administrative and public service limitations and the overall percentage of funds that benefit low- and moderate-income persons; and (4) analyze the risk of grantee programs to determine priorities for monitoring.

32. *Review of continuing capacity to carry out CDBG funded activities in a timely manner.* If HUD determines that the grantee has not carried out its CDBG activities and certifications in accordance with the requirements and criteria described in this section, HUD will undertake a further review to determine whether or not the grantee has the continuing capacity to carry out its activities in a timely manner. In making the determination, the

Department will consider the nature and extent of the recipient's performance deficiencies, types of corrective actions the recipient has undertaken, and the success or likely success of such actions.

33. *Corrective and remedial actions.* HUD will undertake corrective and remedial actions in accordance with 24 CFR 570.910 and 24 CFR 570.913.

34. *Reduction, withdrawal, or adjustment of a grant or other appropriate action.* Prior to a reduction, withdrawal, or adjustment of a grant or other appropriate action, taken pursuant to this section, the recipient shall be notified of such proposed action and given an opportunity within a prescribed time period for an informal consultation.

Consistent with the procedures described in this Notice, the Secretary may adjust, reduce or withdraw the grant or take other actions as appropriate, except that funds already expended on eligible approved activities shall not be recaptured.

35. *Certifications waiver and alternative requirement.* Sections 91.325 and 91.225 of title 24 of the Code of Federal Regulations are waived. Each State or unit of general local government receiving a direct allocation under this Notice must make the following certifications with its Action Plan:

A. The grantee certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within its jurisdiction take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard. (See 24 CFR 570.487(b)(2) and 570.601(a)(2).)

B. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.

C. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.

D. The grantee certifies that the Action Plan for Disaster Recovery is authorized under State and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.

E. The grantee certifies that activities to be undertaken with funds under this

Notice are consistent with its Action Plan.

F. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this Notice.

G. The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

H. The grantee certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each unit of local government receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).

I. Each State receiving a direct award under this Notice certifies that it has consulted with affected units of local government in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the method of distribution of funding.

J. The grantee certifies that it is complying with each of the following criteria:

(1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in 2011, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*).

(2) With respect to activities expected to be assisted with CDBG disaster recovery funds, the Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

(3) The aggregate use of CDBG disaster recovery funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 50 percent of the grant amount is expended for activities that benefit such persons.

(4) The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG disaster recovery grant 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) Disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (A).

K. The grantee certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations.

L. The grantee certifies that it has adopted and is enforcing the following policies. In addition, States receiving a direct award must certify that they will require units of general local government that receive grant funds to certify that they have adopted and are enforcing:

(1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

(2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

M. Each State or unit of local government receiving a direct award under this Notice certifies that it (and any subrecipient or administering entity) has the capacity to carry out disaster recovery activities in a timely manner; or the State or unit of local government will develop a plan to increase capacity where such capacity is lacking.

N. The grantee certifies that it will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55.

O. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

P. The grantee certifies that it will comply with applicable laws.

36. *Information collection approval note.* HUD has submitted documentation to OMB seeking emergency approval for information collection requirements in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520). The submission is under review by OMB and approval pending. 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.

VII. Duration of Funding

The Appropriations Act directs that these funds be available until expended. However, in accordance with 31 U.S.C. 1555, HUD shall close the appropriation account and cancel any remaining obligated or unobligated balance if the Secretary or the President determines that the purposes for which the appropriation has been made have been carried out and no disbursements have been made against the appropriation for 2 consecutive fiscal years. In such a case, the funds shall not be available for obligation or expenditure for any purpose after the account is closed.

VIII. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this Notice are as follows: 14.218; 14.228.

IX. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410–0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202–708–3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at 800–877–8339.

Dated: April 9, 2012.

Mercedes M. Márquez,
Assistant Secretary for Community Planning
and Development.

Appendix A—Allocation Methodology

This section describes the methods behind HUD's allocation of \$400 million in the 2011 CDBG Disaster Recovery Funds. Section 239 of Public Law 112–55, enacted on November 18, 2011, appropriates \$400 million through the Community Development Block Grant (CDBG) program for:

* * * necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (Pub. L. 93–383) related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) in 2011; Provided, That funds shall be awarded directly to the State or unit of general local government at the discretion of the Secretary; * * *

HUD allocates funds based on its estimate of the total unmet needs for infrastructure and the unmet needs for severe damage to businesses and housing that remain to be addressed in the most impacted counties after taking into account December 2011 data on insurance, FEMA assistance, and SBA disaster loans. To meet the statutory requirement that the funds be targeted to “the most impacted or distressed areas,” this allocation:

(1) Limits funding to the states and counties with the highest level of severe unmet needs. Specifically, the calculation of unmet housing and business needs is limited only to those homes and businesses that experienced severe damage (see definitions below). That is, it excludes homes and businesses with minor or moderate damage that may have some unmet needs remaining. Further, to target funds to the most impacted or distressed areas, only counties with \$10 million¹ or more in severe unmet housing and business needs are used to determine a state's allocation. Thus, funding is provided based on the severe needs of

¹ For the cut off thresholds used in this formula, minimum county need of \$10 million in severe unmet housing and business needs, the \$10 million minimum grant for a state (point 4), and the \$6 million minimum grant for an entitlement jurisdiction (point 5a), these represent “natural breaks” in the distribution. That is, the next county, state or grantee on the list has a significant separation in need or estimated grant from the last county, state, or grantee included in the list.

the most impacted counties in each state.

(2) Factors in disaster related infrastructure repair costs statewide that are not reimbursed by FEMA Public Assistance. For all of these disasters, this is calculated as the 25 percent state match requirement.

(3) Funds are allocated based on each state's share of total unmet needs. This is calculated as each state's proportional share of the sum of infrastructure and severe unmet housing and business needs from the most impacted counties.²

(4) Restricts funding only to states that receive a minimum grant of \$10 million or more. These funds are limited to only the states with the highest levels of unmet need. As such, funding is limited to states that would receive aggregate funding of \$10 million or more based on their total unmet needs. The calculated grant amounts for states that would have received less than \$10 million are provided to the states above \$10 million through a pro-rata increase.

(5) Specifies the counties and jurisdictions that are most impacted or distressed by:

a. Providing direct funding to CDBG entitlement jurisdictions (and one nonentitlement city) with significant remaining severe unmet needs. Within a State, if an entitlement jurisdiction accounts for \$6 million or more of the funding allocated to a State, it is allocated a direct grant (the \$6 million threshold represents a "natural break" in funding among entitlement jurisdictions). Otherwise the funding is provided directly to the State. Due to its extraordinarily high level of localized need, one non-entitlement jurisdiction (Minot, ND) also receives a direct allocation.

b. Directing that a minimum of 80% of the total funds allocated within a state, including those allocated directly to the State and to local governments, must be spent on the disaster recovery needs of the communities and individuals in the most impacted and distressed counties (*i.e.*, those counties identified by HUD). The principle behind the 80 percent rule is that each state received its allocation based on the unmet needs in the most impacted counties (those counties with more than \$10 million in severe unmet housing and business needs) and thus HUD will require that all grantees within a State direct these limited resources toward

those most impacted counties.³ Nonetheless, HUD recognizes that there are likely circumstances where its data is incomplete, damage is highly localized outside of one of the heavily impacted counties, or recovery would otherwise benefit from expenditures outside of those most impacted counties and thus provides some flexibility to address those needs for State grantees. While local governments receiving direct grant allocations from HUD must spend their total grant within their own jurisdictions, HUD will allow a portion of the State non-entitlement grant to be spent outside of the most impacted counties, in an amount not to exceed that which yields 80 percent of all funding within a state to be spent in the most impacted counties.

HUD will provide States with county level data on unmet needs to assist with their planning.

Methods for estimating unmet needs for business, infrastructure, and housing: The data HUD staff have identified as being available to calculate unmet needs for the targeted disasters (major disasters with Presidential declaration issued in 2011 and for which FEMA individual assistance was available) come from the following data sources:

- FEMA Individual Assistance program data on housing unit damage, as of 12/20/2011;
- SBA for management of its disaster assistance loan program for housing repair and replacement, as of 12/21/2011;
- SBA for management of its disaster assistance loan program for business real estate repair and replacement as well as content loss, as of 12/22/2011; and
- FEMA estimated and obligated amounts under its Public Assistance program for permanent work, federal and state cost share, as of 12/20/2011.

Calculating Severe Unmet Housing Needs

The core data on housing damage for both the unmet housing needs are based on home inspection data for FEMA's Individual Assistance program. For unmet housing needs, the FEMA data are supplemented by Small Business Administration data from its Disaster Loan Program. HUD calculates "unmet

³ Each state receives funding based on all of infrastructure needs within a state, minus the infrastructure needs estimated to lie within entitlement jurisdictions receiving direct grants. In addition, each state also receives funding from all severe housing and business needs in the most impacted counties minus the estimated severe housing and business needs within entitlement jurisdictions receiving direct grants.

housing needs" as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA and SBA, where:

- The owner-occupied units included in the unmet needs analysis are those determined by FEMA to be eligible for a repair or replacement grant.
- Each of the FEMA inspected owner-occupied units are classified by HUD into one of five categories:
 - Minor-Low: Less than \$3,000 of FEMA inspected damage
 - Minor-High: \$3,000 to \$7,999 of FEMA inspected damage
 - Major-Low: \$8,000 to \$14,999 of FEMA inspected damage
 - Major-High: \$15,000 to \$28,800 of FEMA inspected damage
 - Severe: Greater than \$28,800 of FEMA inspected damage or determined destroyed.

Only units in the Major-High and Severe categories are counted toward the severe unmet housing needs calculation.

• The rental units included in the unmet needs analysis are those assessed for personal property loss, near owner-occupied dwellings with major-high and severe damage, and where the tenant has an income of less than \$20,000. The use of the \$20,000 income cut-off for calculating rental unmet needs is intended to capture the loss of affordable rental housing.

• The average cost to fully repair a home for a specific disaster within each of the damage categories noted above is calculated using the median ratio between real property damage repair costs determined by the Small Business Administration for its disaster loan program and the FEMA assessment of real estate damage, for the subset of homes inspected by both SBA and FEMA. Because SBA inspects for full repair costs, it is presumed to reflect the full cost to repair the home, which is generally greater than FEMA estimations of the cost to make the home habitable. If fewer than 25 SBA inspections are made for homes within a FEMA damage category, the median ratio between SBA and FEMA assessment of damage in the category for that disaster has a cap applied at the 75th percentile of all damaged units for that category for all disasters and a floor applied at the 25th percentile. If there are no SBA inspections within a FEMA damage category, the national median ratio between SBA and FEMA assessment of damage within a FEMA damage category is used.

• To obtain estimates for unmet needs, only properties receiving a

² When calculating the grants, the internal weight between factors is maintained at the ratio of all severe unmet housing and business needs in all counties to unmet infrastructure needs in all counties.

FEMA grant are included in the calculation (since these are the cases assumed to have insufficient insurance coverage). Furthermore, the FEMA grant amount and all SBA loans are subtracted out of the total estimated damage to obtain a final unmet needs estimate.

Calculating Infrastructure Needs

To best proxy unmet infrastructure needs, HUD uses data from FEMA's Public Assistance program on the state match requirement (usually 25 percent of the estimated public assistance needs). This allocation uses only a subset of the Public Assistance damage estimates reflecting the categories of activities most likely to require CDBG funding above the Public Assistance and state match requirement. Those activities are categories: C—Roads and Bridges; D—Water Control Facilities; E—Public Buildings; F—Public Utilities; and G—Recreational-Other. Categories A (Debris Removal) and B (Protective Measures) are largely expended immediately after a disaster and reflect interim recovery measures rather than the long-term recovery measures for which CDBG funds are generally used. Because Public Assistance damage estimates are available only statewide (and not county), CDBG funding allocated by the estimate of unmet infrastructure needs are sub-allocated to counties and local jurisdictions based on each jurisdiction's proportion of unmet housing needs (categories minor-high to severe).

Calculating Economic Revitalization Needs

Based on SBA disaster loans to businesses, HUD used the sum of real property and real content loss of small businesses not receiving an SBA disaster loan. This is adjusted upward by the proportion of applications that were received for a disaster that content and real property loss were not calculated because the applicant had inadequate credit or income. For example, if a state had 160 applications for assistance, 150 had calculated needs and 10 were denied in the pre-processing stage for not enough income or poor credit, the estimated unmet need calculation would be increased as $(1 + 10/160) \times$ calculated unmet real content loss.

Because applications denied for poor credit or income are the most likely measure of requiring the type of assistance available with CDBG recovery funds, the calculated unmet business needs for each state are adjusted upwards by the proportion of total applications that were denied at the pre-

process stage because of poor credit or inability to show repayment ability. Similar to housing, estimated damage is used to determine what unmet needs will be counted as severe unmet needs. Only properties with total real estate and content loss in excess of \$65,000 are considered severe damage for purposes of identifying the most impacted areas. Category 1: real estate + content loss = below 12,000

Category 2: real estate + content loss = 12,000–30,000

Category 3: real estate + content loss = 30,000–65,000

Category 4: real estate + content loss = 65,000–150,000

Category 5: real estate + content loss = above 150,000

To obtain unmet business needs, the amount for approved SBA loans is subtracted out of the total estimated damage. Since SBA business needs are best measured at the county level, HUD estimates the distribution of needs to local entitlement jurisdictions based on the distribution of all unmet housing needs.

[FR Doc. 2012-9094 Filed 4-13-12; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5580-N-03]

Department of Housing and Urban Development Summary of Public Comments, Response to Public Comments, and Final 2012-2015 Environmental Justice Strategy

AGENCY: Office of Sustainable Housing and Communities, HUD.

ACTION: Notice.

SUMMARY: On September 30, 2011, HUD posted its draft environmental justice strategy and requested public comment. This notice summarizes public comments submitted in response to HUD's draft environmental justice strategy, offers response to comments, and announces the release of HUD's final Environmental Justice Strategy. The changes in the final strategy reflect HUD's consideration of the public comments received and HUD's effort to improve and expand its commitment to avoiding disproportionately high and adverse human health or environmental effects on minority and low-income populations, as well as creating geographies of opportunity. The final strategy is posted at http://portal.hud.gov/hudportal/HUD?src=/program_offices/sustainable_housing_communities.

FOR FURTHER INFORMATION CONTACT:

Sunaree Marshall, Office of Sustainable Housing and Communities, Department of Housing and Urban Development, 451 Seventh Street SW., Room 10180, Washington, DC 20410, telephone number 202-402-6011 (this is not a toll-free number). Persons with hearing or speech impairments may access these numbers through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

SUPPLEMENTARY INFORMATION:

I. Background

On September 30, 2011, HUD published for public comment a draft Environmental Justice Strategy for 2012 through 2015. HUD is committed to meeting the goals of Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," which states that each federal agency, with the law as its guide, should make environmental justice part of its mission. In this regard, HUD has developed its Environmental Justice Strategy (EJ Strategy). HUD's EJ Strategy is a four-year plan to address environmental justice concerns and increase access to environmental benefits through HUD policies, programs, and activities.

The release of HUD's EJ Strategy is part of the latest step in a larger Administration-wide effort to ensure strong protection from environmental and health hazards for all. In August 2011, federal agencies signed the "Memorandum of Understanding on Environmental Justice and Executive Order 12898" (EJ MOU), which committed each agency to, among other things, finalizing an EJ strategy and releasing annual implementation reports. Links to the other federal EJ Strategies are available on the Environmental Justice Interagency Workgroup (IWG) Web page at <http://www.epa.gov/environmentaljustice/interagency/index.html>.

Now that its strategy is final, HUD will continue to work with the IWG and other federal partners to engage stakeholders through outreach, education, and stakeholder events and respond to public comments through its annual implementation reports.

II. Final Strategy: Changes to the September 30, 2011 Draft EJ Strategy

This final strategy follows publication of the September 30, 2011 draft strategy and takes into consideration the public comments received. The public comment period on the draft strategy closed on November 23, 2011, after HUD extended the deadline from the

grantees. This questionnaire will capture key project information to supplement information already available in reports and manuscripts from the approximately 54 HHD grants that were awarded from fiscal years 2005 to 2009, including any 2004 grant not included in the earlier evaluation, and any more recent grantee whose grant ends this fiscal year. OHHLHC is especially interested in determining whether any of the grantee's data sets (i.e., resulting from project evaluation)

would be of value to OHHLHC for additional analyses. After a review of available reports and manuscripts, OHHLHC anticipates roughly half of these grantees (up to 30) will be asked to complete the online questionnaire. OHHLHC will target those grantees that have carried out the greatest number of interventions, collected the most detailed evaluation data on cost, health and housing impacts and outcomes, and can demonstrate significant capacity-building and sustainable approaches to

guide policy development and guidance for future healthy homes efforts. A questionnaire was developed for the 2005 evaluation that captured key information about recruitment/enrollment, assessment, interventions, skills training, and community education/outreach in HHI grantee projects. This questionnaire will be modified for this new data collection effort. The online questionnaire will be administered through a secure Web site.

TOTAL BURDEN ESTIMATE

Requirement	Number of respondents	Hours per respondent	Total hours	Cost per hour	Labor cost	Startup cost	O&M cost	Total cost
Complete questionnaire	30	16	480	\$32.75	\$15,720	\$0	\$0	\$15,720
Total	30	16	480	.....	\$15,720	\$0	\$0	\$15,720

Status: New collection.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. 35, as amended

Dated: February 27, 2013.

Colette Pollard,
*Department Reports Management Officer,
 Office of the Chief Information Officer.*

[FR Doc. 2013-05080 Filed 3-4-13; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5696-N-01]

Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Notice advises the public of the initial allocation of \$5,400,000,000 of Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated by the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2) for the purpose of assisting recovery in the most impacted and distressed areas declared a major disaster due to Hurricane Sandy. This Notice describes applicable waivers and alternative requirements, relevant statutory provisions for grants provided under this Notice, the grant award process,

criteria for plan approval, and eligible disaster recovery activities.

DATES: *Effective Date:* March 11, 2013.

FOR FURTHER INFORMATION CONTACT: Stan Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

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- IX. Finding of No Significant Impact
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I. Allocation

The Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2, approved

January 29, 2013)(Appropriations Act) makes available \$16,000,000,000 in Community Development Block Grant (CDBG) funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. The law provides that funds shall be awarded directly to a State or unit of general local government (UGLG) (hereafter local government) at the discretion of the Secretary. Unless noted otherwise, the term "grantee" refers to any jurisdiction receiving a direct award under from HUD under this Notice.

To comply with statutory direction that funds be used for disaster-related expenses in the most impacted and distressed areas, HUD computes allocations based on the best available data that cover all the eligible affected areas. This Notice allocates funds based on unmet housing and economic revitalization needs, but not infrastructure restoration needs as FEMA damage estimates are very preliminary as of the date of this Notice.

Based on a review of the impacts from Hurricane Sandy, and estimates of unmet need calculated by the Department, this Notice provides the following Round 1 awards:

TABLE 1—ROUND 1 ALLOCATIONS UNDER PUBLIC LAW 113–2

FEMA Disaster No.	State	Grantee	Allocation
4085	New York	New York City	\$1,772,820,000
4085	New York	New York State	1,713,960,000
4086	New Jersey	New Jersey	1,829,520,000
4087	Connecticut	Connecticut	71,820,000
4089	Rhode Island	Rhode Island	3,240,000
4091	Maryland	Maryland	8,640,000
Total .....	.....	.....	5,400,000,000

Table 2 shows the “most impacted and distressed” counties impacted by Hurricane Sandy. While these funds may also be used by states to address

remaining unmet needs in declared counties impacted by Hurricane Irene and Tropical Storm Lee in 2011, at least 80 percent of the funds provided under

this Notice must address unmet needs within the “most impacted and distressed” counties identified in Table 2.

TABLE 2—MOST IMPACTED AND DISTRESSED COUNTIES WITHIN WHICH FUNDS MAY BE EXPENDED

Grantee	Counties within which CDBG–DR funds may be expended	Most impacted and distressed counties	Minimum amount that must be expended in most impacted and distressed counties (percent)
New York City	All Counties	All Counties	100
New York	Nassau, Suffolk, Rockland, Westchester, Ulster, Orange, Putnam, Sullivan, Schoharie, Tioga, Broome, Greene, and all Counties in New York City.	Nassau, Suffolk, Rockland	80
New Jersey	All Counties	Ocean, Monmouth, Atlantic, Hudson, Bergen, Middlesex, Cape May, Union, Essex.	80
Connecticut	Fairfield, Mashantucket Pequot Indian Reservation, Middlesex, New Haven, New London.	Fairfield, New Haven	80
Rhode Island	Washington, Newport	Washington	80
Maryland	Somerset	Somerset	100

In addition to the funds allocated in this Notice, and in accordance with the Appropriations Act, \$10,000,000 will be transferred to the Department's Office of Community Planning and Development (CPD), Program Office Salaries and Expenses, for necessary costs, including information technology costs, of administering and overseeing CDBG–DR funds made available under the Appropriations Act; \$10,000,000 will also be transferred to the Office of the Inspector General for necessary costs of overseeing and auditing CDBG–DR funds made available under the Appropriations Act.

A detailed explanation of HUD's allocation methodology is provided at Appendix A. As more detailed and complete damage assessments become available, HUD will conduct an additional review of unmet long-term disaster recovery needs. This review will inform a second allocation of funds to address the effects of Hurricane Sandy. A forthcoming allocation will address other qualifying disasters that occurred in 2011 or 2012. The Department will establish, at a future

date, a policy to address qualifying events in 2013.

Each grantee receiving an allocation under this Notice must submit an initial Action Plan for Disaster Recovery no later than 90 days after the effective date of this Notice. However, grantees are encouraged to submit their Action Plans as soon as possible. HUD will only approve Action Plans that meet the specific criteria identified in this Notice. For more information on the Action Plan requirements, see paragraph A.1 under section VI of this Notice: “Applicable Rules, Statutes, Waivers, and Alternative Requirements.”

II. Use of Funds

The Appropriations Act requires funds to be used only for specific disaster-related purposes. The law also requires that prior to the obligation of funds, a grantee shall submit a plan detailing the proposed use of funds, including criteria for eligibility and how the use of these funds will address disaster relief, long-term recovery, restoration of infrastructure and housing and economic revitalization in the most

impacted and distressed areas. Thus, in an Action Plan for Disaster Recovery, grantees must describe uses and activities that: (1) are authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCD Act) or allowed by a waiver or alternative requirement published in this Notice; and (2) respond to a disaster-related impact. To help meet these requirements, grantees must conduct an assessment of community impacts and unmet needs to guide the development and prioritization of planned recovery activities. For more guidance on the needs assessment and the creation of the Action Plan, see paragraph A.1 under section VI of this Notice.

Additionally, as provided by the HCD Act, funds may be used as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG–DR activity. This includes programs or activities administered by the Federal Emergency Management Agency (FEMA) or the U.S. Army Corps of Engineers (USACE).

III. Timely Expenditure of Funds and Prevention of Waste, Fraud, Abuse, and Duplication of Benefits

To ensure the timely expenditure of funds, section 904(c) under Title IX of the Appropriations Act requires that all funds be expended within two years of the date HUD obligates funds to a grantee (funds are obligated to a grantee upon HUD's signing of the grantee's CDBG-DR grant agreement). Action Plans must demonstrate how funds will be fully expended within two years of obligation. For any funds that the grantee believes will not be expended by the deadline, it must submit a letter to HUD justifying why it is necessary to extend the deadline for a specific portion of funds. The letter must detail the compelling legal, policy, or operational challenges for any such waiver, and must also identify the date by when the specified portion of funds will be expended. HUD will forward the request to the Office of Management and Budget (OMB) and publish any approved waivers in the **Federal Register** once granted. Waivers to extend the expenditure deadline may be granted by OMB in accordance with guidance to be issued by OMB, but grantees are cautioned that such waivers may not be approved. Funds remaining in the grantee's line of credit at the time of its expenditure deadline will be returned to the U.S. Treasury, or if before September 30, 2017, will be recaptured by HUD. The Appropriations Act requires that HUD obligate all funds not later than September 30, 2017. Grantees must continue to meet the requirements for Federal cash management at 24 CFR 85.20(a)(7).

In addition to the above, the Appropriations Act requires the Secretary to certify, in advance of signing a grant agreement, that the grantee has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect and prevent waste, fraud, and abuse of funds. Departmental guidance to assist in preventing a duplication of benefits is provided in a notice published in the **Federal Register** at 76 FR 71060 (November 16, 2011) and in paragraph A.21 under section VI of this Notice. To provide a basis for the Secretary to make the certification, each grantee must submit documentation to the Department demonstrating its compliance with the above

requirements. For a complete listing of the required documentation, see paragraph A.1.i under section VI of this Notice.

Additionally, this Notice requires grantees to submit to the Department a projection of expenditures and outcomes to ensure funds are expended in a timely manner. The projections must be based on each quarter's expected performance—beginning the quarter funds are available to the grantee and continuing each quarter until all funds are expended. Each grantee must amend its Action Plan to include these projections within 90 days of Action Plan approval. Action Plans must also be amended to reflect any subsequent changes, updates, or revision of the projections. Amending Action Plans to accommodate these changes is not considered to be a substantial amendment. Guidance on the preparation of projections is available on HUD's Web site under the Office of Community Planning and Development, Disaster Recovery Assistance (herein also referred to as the CPD Disaster Recovery Web site). This will enable HUD, the public, and the grantee, to track proposed versus actual performance. For more information on the projection requirements, see paragraph A.1.l under section VI of this Notice.

Grantees are also required to ensure all contracts (with subrecipients, recipients, and contractors) clearly stipulate the period of performance or the date of completion. In addition, grantees must enter expected completion dates for each activity in HUD's Disaster Recovery Grant Reporting (DRGR) system. When target dates are not met, grantees are required to explain why in the activity narrative. For additional guidance on DRGR system reporting requirements, see paragraph A.2 under section VI of this Notice. More information on the timely expenditure of funds is included in paragraphs A.24–27 under section VI of this Notice.

Other reporting, procedural, and monitoring requirements are discussed under "Grant Administration" in section VI of this Notice. The Department will institute risk analysis and on-site monitoring of grantee management as well as collaborate with the HUD Office of Inspector General to plan and implement oversight of these funds.

IV. Authority To Grant Waivers

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation

that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCD Act. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

V. Overview of Grant Process

To begin expenditure of CDBG-DR funds, the following expedited steps are necessary:

- Grantee adopts citizen participation plan for disaster recovery in accordance with the requirements of this Notice;
- Grantee consults with stakeholders, including required consultation with affected, local governments and public housing authorities (as identified in section VI of this Notice);
- Within 30 days of the effective date of this Notice (or when the grantee submits its Action Plan, whichever is sooner), grantee submits evidence that it has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect and prevent waste, fraud, and abuse of funds;
- Grantee publishes its Action Plan for Disaster Recovery on the grantee's official web site for no less than 7 calendar days to solicit public comment;
- Grantee responds to public comment and submits its Action Plan (which includes Standard Form 424 (SF-424) and certifications) to HUD no later than 90 days after the effective date of this Notice;
- HUD expedites review of Action Plan (allotted 45 days from date of receipt; however, completion of review is anticipated much sooner) and approves the Plan according to criteria identified in this Notice;
- HUD sends an Action Plan approval letter, grant conditions, and signed grant agreement to the grantee. If the Action Plan is not approved, a letter will be sent identifying its deficiencies; the grantee must then re-submit the Action Plan within 45 days of the notification letter;

- Grantee ensures that the HUD-approved Action Plan is posted on its official Web site;
- Grantee signs and returns the fully executed grant agreement;
- HUD establishes the proper amount in a line of credit for the grantee;
- Grantee requests and receives DRGR system access (if the grantee does not already have it);
- If it has not already done so, grantee enters the activities from its published Action Plan into DRGR and submits it to HUD within the system (funds can be drawn from the line of credit only for activities that are established in DRGR);
- The grantee may draw down funds from the line of credit after the Responsible Entity completes applicable environmental review(s) pursuant to 24 CFR part 58 (or paragraph A.20 under section VI of this Notice) and, as applicable, receives from HUD or the State an approved Request for Release of Funds and certification;
- Grantee begins to draw down funds within 60 days of receiving access to its line of credit;
- Grantee amends its published Action Plan to include its projection of expenditures and outcomes within 90 days of the Action Plan approval; and
- Grantee updates its full consolidated plan to reflect disaster-related needs no later than its Fiscal Year 2015 consolidated plan update.

VI. Applicable Rules, Statutes, Waivers, and Alternative Requirements

This section of the Notice describes requirements imposed by the Appropriations Act, as well as applicable waivers and alternative requirements. For each waiver and alternative requirement described in this Notice, the Secretary has determined that good cause exists and the action is not inconsistent with the overall purpose of the HCD Act. The waivers and alternative requirements provide additional flexibility in program design and implementation to support full and swift recovery following Hurricane Sandy, while also ensuring that statutory requirements unique to this appropriation are met. As a result, the following requirements apply only to the CDBG-DR funds appropriated in the Appropriations Act, and not to funds provided under the annual formula State or Entitlement CDBG programs, or those provided under any other component of the CDBG program, such as the Section 108 Loan Guarantee Program, the Neighborhood Stabilization Program, or any prior CDBG-DR appropriation.

Grantees may request additional waivers and alternative requirements

from the Department as needed to address specific needs related to their recovery activities. Except where noted, waivers and alternative requirements described below apply to all grantees under this Notice. Under the requirements of the Appropriations Act, regulatory waivers must be published in the *Federal Register* no later than five days before the effective date of such waiver.

Except as described in this Notice, statutory and regulatory provisions governing the State CDBG program shall apply to any State receiving an allocation under this Notice while statutory and regulatory provisions governing the Entitlement CDBG program shall apply to New York City. Applicable statutory provisions can be found at 42 U.S.C. 5301 *et seq.* Applicable State and Entitlement regulations can be found at 24 CFR part 570.

References to the Action Plan in these regulations shall refer to the Action Plan required by this Notice. All references in this Notice pertaining to timelines and/or deadlines are in terms of calendar days unless otherwise noted. The date of this Notice shall mean the effective date of this Notice unless otherwise noted. All references to "substantial damage" and "substantial improvement" shall be as defined in 44 CFR 59.1 unless otherwise noted.

A. Grant Administration.

1. *Action Plan for Disaster Recovery waiver and alternative requirement.* The requirements for CDBG actions plans, located at 42 U.S.C. 12705(a)(2), 42 U.S.C. 5304(a)(1), 42 U.S.C. 5304(m), 42 U.S.C. 5306(d)(2)(C)(iii), 24 CFR 91.220, and 91.320 are waived for funds provided under the Appropriations Act. Instead, each grantee must submit to HUD an Action Plan for Disaster Recovery. This streamlined Plan will allow grantees to more quickly and effectively implement disaster recovery programs while conforming to statutory requirements. During the course of the grant, HUD will monitor the grantee's actions and use of funds for consistency with the Plan, and meeting the performance and timeliness objectives therein. Per the Appropriations Act, and in addition to the requirements at 24 CFR 91.500, the Secretary may disapprove an Action Plan if it is determined that the Plan does not satisfy all of the required elements identified in this Notice.

a. *Action Plan.* The Action Plan must identify the proposed use(s) of the grantee's allocation, including criteria for eligibility, and how the uses address long-term recovery needs. To develop

and submit an acceptable Action Plan in a timely manner, a grantee may elect to program or budget only a portion of the grantee's CDBG-DR award in an Action Plan. Funds dedicated for uses not described in accordance with paragraphs b (applicable to State grantees) or c (applicable to UGLG grantees) under this section will not be obligated until the grantee submits, and HUD approves, an Action Plan amendment programming the use of those funds at the necessary level of detail. Although a grantee may submit a partial Action Plan, the partial Action Plan must be amended one or more times until it describes uses for 100 percent of the grantee's CDBG-DR award, subject to the limitations that HUD may not obligate Appropriations Act funds after September 30, 2017 and the last date that grantees may submit an amendment is June 1, 2017. The requirement to expend funds within two years of the date of obligation will be enforced relative to the activities funded under each obligation, as applicable.

The Action Plan must contain:

(1) An impact and unmet needs assessment. Each grantee must develop a needs assessment to understand the type and location of community needs to enable it to target limited resources to areas with the greatest need. At a minimum, the needs assessment must evaluate three core aspects of recovery—housing, infrastructure, and the economy (e.g., estimated job losses). The assessment of emergency shelter needs and housing needs must address interim and permanent; owner and rental; single family and multifamily; public, HUD-assisted, affordable, and market rate. For purposes of this Notice, HUD-Assisted Multifamily Housing is defined as housing that: (1)(a) is part of a multifamily housing property (defined as five units or more), and (b) assisted by FHA insurance; or (2)(a) Housing that receives project-based rental assistance under HUDs' section 202, 811 or Section 8 programs; or (b) receives other HUD project-based rental assistance (e.g., Rent Supplement contracts, Rental Assistance Payments (RAP) contract Interest Reduction Payments (IRP) Agreements; or (3) properties that have active Deed Restrictions and/or a Use Agreement as a result of past HUD assistance.

The assessment must also take into account the various forms of assistance available to, or likely to be available to, affected communities and individuals (including estimated insurance and eligible FEMA, SBA, or other Federal assistance) to identify disaster recovery needs that are not likely to be addressed by other sources of funds. Grantees must

use the best, most recent available data (e.g., from FEMA and SBA), cite data sources, and estimate the portion of need likely to be addressed by insurance proceeds, other Federal assistance, or any other funding source.

Impacts must be described by type at the lowest geographic level practicable (e.g., city/county level or lower if available). For example, most needs estimates will have a count of businesses, homeowners, and renters that are likely to have difficulty recovering within a neighborhood and community. Grantees must pay special attention to neighborhoods with high percentages of damaged homes and provide a demographic analysis (e.g., race, ethnicity, disability, age, tenure, income, home value, structure type) in those neighborhoods to identify any special needs that will need to be addressed. The needs assessment must also identify the types of businesses (including the North American Industry Classification System code, the standard used by Federal statistical agencies in classifying business establishments and available at www.census.gov/eos/www/naics/) most impacted with a description of their likely barriers to recovery. In addition, a needs assessment must take into account the costs of incorporating mitigation and resiliency measures to protect against future hazards. Examples of disaster recovery needs assessments can be found on the CPD Disaster Recovery Web site.

Grantees may obtain data on impacts and assistance provided that can be used to (a) Support identifying individuals likely to need recovery assistance; (b) prevent duplication of benefits risk at time of program design; and (c) assist grantees with their unmet needs assessment by contacting Juan Gil (FEMA) via email at juan.gil@fema.dhs.gov or by calling (940) 898-5141 and Frank Adinolfi (SBA) via email at frank.adinolfi@sba.gov or by calling (202) 205-6734. HUD will also provide grantees with neighborhood level aggregate data to assist with planning.

Disaster recovery needs evolve over time as the full impact of a disaster is realized and costs of damages transition from estimated to actual. Remaining recovery needs also evolve over time as they are met by dedicated resources. As a result, the needs assessment and Action Plan must be amended as conditions change and additional needs are identified. CDBG-DR funds may be used to reimburse the costs of conducting the needs assessment.

(2) A description of the connection between identified unmet needs and the

allocation of CDBG-DR resources by the grantee. Such description must demonstrate a proportionate allocation of resources relative to areas and categories (i.e., housing, economic revitalization, infrastructure) of greatest needs;

(3) A description of how the grantee will promote (a) sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management and take into account possible sea level rise (for example, by using the new FEMA floodplain maps and designs applying the new Advisory Based Flood Elevations (ABFE) or higher), and (b) how it will coordinate with other local and regional planning efforts to ensure consistency;

(4) A description of how the grantee will leverage CDBG-DR funds with funding provided by other Federal, state, local, private, and non-profit sources to generate a more effective and comprehensive recovery. Examples of other Federal sources are those provided by HUD, FEMA (specifically the Public Assistance Program, Individual Assistance Program, and Hazard Mitigation Grant Program), SBA (specifically the Disaster Loans program), U.S. Department of Transportation, USACE, U.S. Environmental Protection Agency, and the U.S. Department of Health and Human Services. The grantee must maximize leveraging of CDBG-DR funds for the entire recovery. Leveraged funds shall be identified for each activity, as applicable, in the DRGR system;

(5) A description of how the grantee's programs or activities will attempt to protect people and property from harm, and how the grantee will encourage construction methods that emphasize high quality, durability, energy efficiency, a healthy indoor environment, sustainability, and water or mold resistance, including how it will support adoption and enforcement of modern building codes and mitigation of hazard risk, including possible sea level rise, storm surge, and flooding, where appropriate. All rehabilitation, reconstruction, and new construction should be designed to incorporate principles of sustainability, including water and energy efficiency, resilience and mitigating the impact of future disasters. Whenever feasible, grantees should follow best practices such as those provided by the U.S. Department of Energy Home Energy Professionals: *Professional Certifications and Standard Work Specifications*.

To foster the rebuilding of more resilient neighborhoods and communities, HUD strongly encourages grantees to consider sustainable rebuilding scenarios such as the use of different development patterns, infill development and its reuse, alternative neighborhood designs, and the use of green infrastructure. The Partnership for Sustainable Communities is an interagency partnership between HUD, the Department of Transportation, and the Environmental Protection Agency. The Partnership for Sustainable Communities' six Livability Principles should serve as a guide to grantees working in areas that were substantially destroyed. When grantees seek to rebuild such areas, grantees should describe how they will consider sustainable urban design and construction in their redevelopment planning process. The Livability Principles can be found at the Partnership for Sustainable Communities' Web site www.sustainablecommunities.gov.

At a minimum, HUD is requiring the following construction standards:

(a) Green Building Standard for Replacement and New Construction of Residential Housing. Grantees must meet the Green Building Standard in this subparagraph for: (i) all new construction of residential buildings; and (ii) all replacement of substantially-damaged residential buildings. Replacement of residential buildings may include reconstruction (i.e., demolishing and re-building a housing unit on the same lot in substantially the same manner) and may include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls.

(b) For purposes of this Notice, the Green Building Standard means the grantee will require that all construction covered by subparagraph (a), above, meet an industry-recognized standard that has achieved certification under at least one of the following programs: (i) ENERGY STAR (Certified Homes or Multifamily High Rise); (ii) Enterprise Green Communities; (iii) LEED (NC, Homes, Midrise, Existing Buildings O&M, or Neighborhood Development); (iv) ICC-700 National Green Building Standard; (v) EPA Indoor AirPlus (ENERGY STAR a prerequisite); or (vi) any other equivalent comprehensive green building program, including regional programs such as those operated by the New York State Energy Research and Development Authority or the New Jersey Clean Energy Program.

(c) Standards for rehabilitation of non-substantially-damaged residential buildings. For rehabilitation other than

that described in subparagraph (a), above, grantees must follow the guidelines specified in the HUD CPD Green Building Retrofit Checklist, available on the CPD Disaster Recovery Web site. Grantees must apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall. When older or obsolete products are replaced as part of the rehabilitation work, rehabilitation is required to use ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)-designated products and appliances. For example, if the furnace, air conditioner, windows, and appliances are replaced, the replacements must be ENERGY STAR-labeled or FEMP-designated products; WaterSense-labeled products (e.g., faucets, toilets, showerheads) must be used when water products are replaced. Rehabilitated housing may also implement measures recommended in a Physical Condition Assessment (PCA) or Green Physical Needs Assessment (GPNA).

(d) Implementation: (i) For construction projects completed, under construction, or under contract prior to the date that assistance is approved for the project, the grantee is encouraged to apply the applicable standards to the extent feasible, but the Green Building Standard is not required; (ii) for specific required equipment or materials for which an ENERGY STAR- or WaterSense-labeled or FEMP-designated product does not exist, the requirement to use such products does not apply.

(e) HUD encourages grantees to implement green infrastructure policies to the extent practicable. Additional tools for green infrastructure are available at the Environmental Protection Agency's water Web site; *Indoor AirPlus* Web site; *Healthy Indoor Environment Protocols for Home Energy Upgrades* Web site; and *ENERGY STAR* Web site: www.epa.gov/greenbuilding.

(6) A description of how the grantee will identify and address the rehabilitation (as defined at 24 CFR 570.202), reconstruction, and replacement of the following types of housing affected by the disaster: public housing (including administrative offices), HUD-assisted housing (defined at subparagraph (1), above), McKinney-Vento funded shelters and housing for the homeless—including emergency shelters and transitional and permanent housing for the homeless, and private market units receiving project-based assistance or with tenants that participate in the Section 8 Housing Choice Voucher Program. As part of this

requirement, the grantee must identify how it will address the rehabilitation, mitigation, and new construction needs of each impacted Public Housing Authority (PHA) within its jurisdiction. The grantee must work directly with the PHA in identifying necessary costs and ensure that adequate funding is dedicated to addressing the unmet needs of damaged public housing. In its Action Plan, each grantee must set aside funding to specifically address the needs described in this subparagraph; Grantees are reminded that public housing is eligible for FEMA Public Assistance and must ensure that there is no duplication of benefits when using CDBG-DR funds to assist public housing. Information on the public housing agencies impacted by the disaster is available on the Department's Web site;

(7) A description of how the grantee will encourage the provision of housing for all income groups that is disaster-resistant, including a description of the activities it plans to undertake to address: (a) The transitional housing, permanent supportive housing, and permanent housing needs of individuals and families (including subpopulations) that are homeless and at-risk of homelessness; (b) the prevention of low-income individuals and families with children (especially those with incomes below 30 percent of the area median) from becoming homeless, and (c) the special needs of persons who are not homeless but require supportive housing (e.g., elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and public housing residents, as identified in 24 CFR 91.315(e) or 91.215(e) as applicable). Grantees must also assess how planning decisions may affect racial, ethnic, and low-income concentrations, and ways to promote the availability of affordable housing in low-poverty, non-minority areas where appropriate and in response to disaster-related impacts.

(8) A description of how the grantee plans to minimize displacement of persons or entities, and assist any persons or entities displaced;

(9) A description of how the grantee will manage program income (e.g., whether subrecipients may retain it), and the purpose(s) for which it may be used. Waivers and alternative requirements related to program income can be found in this Notice at paragraphs A.2 and A.17 of section VI;

(10) A description of monitoring standards and procedures that are sufficient to ensure program requirements, including nonduplication

of benefits, are met and that provide for continual quality assurance and investigation. Some of this information may be adopted from the grantee's submission of information that is required for the Department's certification (see paragraph A.1.i, below; guidance on the prevention of duplication of benefits is available at paragraph A.21 of section VI). However, a grantee may need to include additional details to fully inform the public of the grantee's standards and procedures. Grantees must also describe their required internal audit function with an organizational diagram showing that responsible audit staff report independently to the chief officer or board of the organization designated to administer the CDBG-DR award (typically, the organization is designated by a chief elected official);

(11) A description of the mechanisms and/or procedures that are in place or will be put into place to detect and prevent fraud, abuse, and mismanagement of funds (including potential conflicts of interest);

(12) A description demonstrating the adequacy of the grantee's capacity, and the capacity of any UGLG or other organization expected to carry out disaster recovery programs (this assessment shall include a description of how the grantee will provide for increasing the capacity of UGLGs or other organizations, as needed and where capacity deficiencies (e.g., outstanding Office of Inspector General audit findings) have been identified. Grantees are responsible for providing adequate technical assistance to subrecipients or subgrantees to ensure the timely, compliant, and effective use of funds. Although UGLGs or other organizations may carry out disaster recovery programs and projects, each grantee under this Notice remains legally and financially accountable for the use of all funds and may not delegate or contract to any other party any inherently governmental responsibilities related to management of the funds, such as oversight (also see paragraph A.10 under section VI), policy development, and financial management;

b. *Funds awarded to a State.* A State's Action Plan, or partial Action Plan, shall describe the specific programs or activities the State will carry out directly, and/or how it will distribute funds to UGLGs (i.e., its method of distribution). Each Plan must also describe how the State's needs assessment informs the allocation(s) identified in the Plan, and how unmet needs that have been identified but not

yet addressed will be addressed in a subsequent amendment to the Plan.

In addition, for each program or activity that will be carried out by the State, the Action Plan or partial Action Plan must describe: (1) The projected use of the CDBG-DR funds, including the entity administering the program/activity, budget, and geographic area; (2) the threshold factors or applicant eligibility criteria, grant size limits, and proposed start and end dates; (3) how the projected use will meet CDBG eligibility criteria and a national objective; (4) how the projected use relates to a specific impact of the disaster and will result in long-term recovery; and (5) estimated and quantifiable performance outcomes (i.e., a performance measure) relative to the identified unmet need.

When the State uses a method of distribution to allocate funds to UGLGs, it must describe all criteria used to determine the distribution, including the relative importance of each criterion.

c. Funds awarded directly to an UGLG. The UGLG's Action Plan, or partial Action Plan, shall describe specific programs and/or activities it will carry out directly or through subrecipients, including other local governments. Each Plan must also describe how the UGLG's needs assessment informed the allocation(s) identified in the Plan, and how unmet needs that have been identified but not yet addressed will be addressed in a subsequent amendment to the Plan.

In addition, for each program or activity that will be carried out by the UGLG or through a subrecipient, the Action Plan or partial Action Plan must describe: (1) The projected use of the CDBG-DR funds, including the entity administering the program/activity, budget, and geographic area; (2) the threshold factors or applicant eligibility criteria, grant size limits, and proposed start and end dates; (3) how the projected use will meet CDBG eligibility criteria and a national objective; (4) how the projected use relates to a specific impact of the disaster and will result in long-term recovery; and (5) estimated and quantifiable performance outcomes (i.e., a performance measure) relative to the identified unmet need.

d. Clarification of disaster-related activities. All CDBG-DR activities must clearly address an impact of the disaster for which funding was appropriated. This means each activity must be CDBG-eligible (or receive a waiver), meet a national objective, and address a direct or indirect impact from the disaster in a county covered by a Presidential disaster declaration and cited in Table

2 of this Notice. Additional details on disaster-related activities are provided under Section VI, parts B through D.

(1) *Housing.* Typical housing activities include new construction and rehabilitation of single family or multifamily units (including garden apartments, condominiums, and units that participate in a housing cooperative). Most often, grantees use CDBG-DR funds to rehabilitate damaged homes and rental units; rehabilitation activities may include the costs associated with mold remediation. However, grantees may also fund new construction or rehabilitate units *not* damaged by the disaster if the activity clearly addresses a disaster-related impact and is located in a disaster-affected area. This impact can be demonstrated by the disaster's overall effect on the quality, quantity, and affordability of the housing stock and the resulting inability of the existing stock to meet post-disaster needs and population demands.

(2) *Infrastructure.* Typical infrastructure activities include the rehabilitation, replacement, or relocation of damaged public facilities and improvements.

(3) *Economic Revitalization.* Without the return of businesses and jobs to a disaster-impacted area, recovery may be impossible. Therefore, HUD strongly encourages grantees to envision economic revitalization as a cornerstone to long-term recovery. Economic revitalization is not limited to activities that are "special economic development" activities under the HCD Act, or to activities that create or retain jobs. For CDBG-DR purposes, economic revitalization can include any activity that demonstrably restores and improves the local or regional economy, such as addressing job losses. Examples of eligible activities include providing loans and grants to businesses, funding job training, building education facilities to teach technical skills, making improvements to commercial/retail districts, and financing other efforts that attract/retain workers in devastated communities.

Local and regional economic recoveries are typically driven by small businesses. To target assistance to small businesses, the Department is instituting an alternative requirement to the provisions at 42 U.S.C. 5305(a) to prohibit grantees from assisting businesses, including privately owned utilities, that do not meet the definition of a small business as defined by SBA at 13 CFR part 121.

All economic revitalization activities must address an economic impact(s) caused by the disaster (e.g., loss of jobs).

Through its needs assessment and Action Plan, the grantee must clearly identify the economic loss or need resulting from the disaster, and how the proposed activities will address that loss/need.

(4) *Preparedness and Mitigation.* The Appropriations Act states that funds shall be used for recovering from a Presidentially-declared major disaster. As such, all activities must respond to the impacts of the declared disaster. HUD strongly encourages grantees to incorporate preparedness and mitigation measures into all rebuilding activities, which helps to ensure that communities recover to be safer, stronger, and more resilient. Incorporation of these measures also reduces costs in recovering from future disasters. Mitigation measures that are not incorporated into rebuilding activities must be a necessary expense related to disaster relief, long-term recovery, and restoration of infrastructure, housing, or economic revitalization. Furthermore, the costs associated with these measures may not prevent the grantee from meeting unmet needs.

(5) *Connection to the Disaster.* Each grantee must document how each activity is connected to the disaster for which it is receiving CDBG assistance. In regard to physical losses, damage or insurance estimates are often the most effective tool for demonstrating the connection to the disaster. For economic or other non-physical losses, post-disaster analyses or assessments may document the relationship between the loss and the disaster.

Grantees are not limited in their recovery to returning to pre-disaster conditions. Rather, HUD encourages grantees to carry out activities that not only address disaster-related impacts, but leave communities sustainably positioned to meet the needs of their post-disaster populations and to further prospects for growth.

e. Use of funds for disasters not covered by the Appropriations Act. CDBG-DR funds awarded under this Notice are limited to activities that respond to the disasters identified in section I, Table 1, and areas that have Presidential disaster declarations for Hurricane Irene and Tropical Storm Lee as described in section I, Allocation. However, funds awarded in this Notice may be used to address an unmet need that arose from a previous disaster, which was exacerbated by a disaster cited in this Notice. If an impact or need originating from a disaster identified in this Notice is subsequently exacerbated by a future disaster, funds under this Notice may also be used to address the resulting exacerbated unmet need.

f. Use of the urgent need national objective. The certification requirements for the documentation of urgent need, located at 24 CFR 570.208(c) and 24 CFR 570.483(d), are waived for the grants under this Notice until two years after the date HUD obligates funds to a grantee for the activity. In the context of disaster recovery, these standard requirements may prove burdensome and redundant. Since the Department only provides CDBG-DR awards to grantees with documented disaster-related impacts (as supported by data provided by FEMA, SBA, and other sources), and each grantee is limited to spending funds only in counties with a Presidential disaster declaration of recent origin respective to each appropriation, the following temporary, streamlined alternative requirement recognizes the inherent urgency in addressing the serious threat to community welfare following a major disaster.

Grantees need not issue formal certification statements to qualify an activity as meeting the urgent need national objective. Instead, each grantee receiving a direct award under this Notice must document how all programs and/or activities funded under the urgent need national objective respond to a disaster-related impact identified by the grantee. This waiver and alternative requirement allows grantees to more effectively and quickly implement disaster recovery programs. Grantees must reference in their Action Plan the type, scale, and location of the disaster-related impacts that each program and/or activity is addressing.

Grantees must identify these disaster-related impacts in their Action Plan needs assessment. The needs assessment must be updated as new or more detailed/accurate disaster-related impacts are known. As a reminder, at least 50 percent of each grantee's CDBG-DR grant award must be used for activities that benefit low- and moderate-income persons.

g. Clarity of the Action Plan. All grantees must include sufficient information so that citizens, UGLGs (where applicable), and other eligible subgrantees, subrecipients, or applicants will be able to understand and comment on the Action Plan and, if applicable, be able to prepare responsive applications to the grantee. The Action Plan must include a single chart or table that illustrates, at the most practical level, how all funds programmed by the Action Plan are budgeted (e.g., by program, subgrantee, grantee-administered activity, or other category).

h. Review and Approval of the Action Plan. For funds provided under the

Appropriations Act, 24 CFR 91.500 has been augmented with the following requirements. The initial Action Plan must be submitted to HUD (including Standard Form 424 (SF-424) and certifications) within 90 days of the date of this Notice. HUD will expedite its review of each Action Plan—taking no more than 45 days from the date of receipt to complete its review. The Secretary may disapprove an Action Plan if it is determined that the Plan does not meet the requirements of this Notice.

i. Certification of proficient controls, processes and procedures. The Appropriations Act requires that the Secretary certify, in advance of signing a grant agreement, that the grantee has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect and prevent waste, fraud, and abuse of funds.

To enable the Secretary to make the certification, each grantee must submit the items listed below to the grantee's designated HUD representative. The information must be submitted within 30 days of the effective date of this Notice, or with the grantee's submission of its Action Plan, whichever date is earlier. Grant agreements will not be executed until HUD has issued a certification in response to the grantee's submission.

(1) Financial Control Checklist. A grantee has in place proficient financial controls if each of the following criteria are satisfied:

(a) Most recent OMB Circular A-133 audit and annual financial statement indicates that the grantee has no material weaknesses, deficiencies, or concerns that HUD considers to be relevant to the financial management of the CDBG program. If the A-133 or annual financial statement identified weaknesses or deficiencies, the grantee must provide documentation showing how those weaknesses have been removed or are being addressed; and

(b) Completed HUD monitoring checklist for financial standards (Exhibit 3-18 of the Community Planning and Development *Monitoring Handbook* 6509.02) and the grantee's financial standards. The checklist and standards must demonstrate the financial standards are complete and conform with the requirements of Exhibit 3-18. The grantee must identify which sections of its financial standards

address each of the questions in the monitoring checklist and which personnel or unit are responsible for each checklist item.

(2) Procurement. A grantee has in place a proficient procurement process if the:

(a) Grantee has adopted the specific procurement standards identified in 24 CFR 85.36. The grantee must provide a copy of its procurement standards and indicate the sections of its procurement standards that incorporate 24 CFR 85.36. The procedures should also indicate which personnel or unit are responsible for each item; or

(b) Grantee's procurement process/standards are equivalent to the procurement standards at 24 CFR 85.36 (applicable to State grantees only). Grantee must provide its procurement standards and indicate the sections of its procurement standards that align with each procurement provision of 24 CFR 85.36. The procedures should also indicate which personnel or unit are responsible for the task.

(3) Duplication of benefits. A grantee has adequate procedures to prevent the duplication of benefits when it provides to HUD a uniform prevention of duplication of benefits procedure wherein the grantee identifies its processes for each of the following: verifying all sources of disaster assistance; determining an applicant's unmet need(s) before awarding assistance; and ensuring beneficiaries agree to repay the assistance if they later receive other disaster assistance for the same purpose. The procedures should also indicate which personnel or unit are responsible for the task.

Departmental guidance to assist in preventing a duplication of benefits is provided in a notice published in the *Federal Register* at 76 FR 71060 (November 16, 2011) and in paragraph A.21, section VI, of this Notice.

(4) Adequate procedures to determine timely expenditures. A grantee has adequate procedures to determine timely expenditures if a grantee provides procedures to HUD that indicate how the grantee will track expenditures each month; how it will monitor expenditures of its recipients; how it will reprogram funds in a timely manner for activities that are stalled; and how it will project expenditures. The procedures should also indicate which personnel or unit are responsible for the task.

(5) Procedures to maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds. A grantee has adequate procedures to maintain comprehensive Web sites regarding all disaster recovery

activities if its procedures indicate that the grantee will have a separate page dedicated to its disaster recovery that will contain links to all action plans, action plan amendments, performance reports, citizen participation requirements, and activity/program information for activities described in the action plan. The procedures should also indicate the frequency of Web site updates and which personnel or unit are responsible for the task.

(6) Procedures to detect fraud, waste, and abuse of funds. A grantee has adequate procedures to detect fraud, waste, and abuse if its procedures indicate how the grantee will verify the accuracy of information provided by applicants; provides a monitoring policy indicating how and why monitoring is conducted, the frequency of monitoring, and which items are monitored; and that the internal auditor has affirmed and described its role in detecting fraud, waste, and abuse.

(7) Grantee certification. As part of its submission, the grantee is required by paragraph E.42.q to attest to the proficiency and adequacy of its controls.

j. *Obligation and expenditure of funds.* Upon the Secretary's certification, HUD will issue a grant agreement obligating the funds to the grantee. Only the funds described by the grantee in its Action Plan, at the necessary level of detail, will be obligated. In addition, HUD will establish the line of credit and the grantee will receive DRGR system access (if it does not have access already). The grantee must also enter its Action Plan activities into the DRGR system before it may draw funds as described in paragraph A.2, below.

Each activity must meet the applicable environmental requirements. After the Responsible Entity completes an environmental review(s) pursuant to 24 CFR part 58, as applicable (or paragraph A.20, as applicable), and receives from HUD or the State an approved Request for Release of Funds and certification (as applicable), the grantee may draw down funds from the line of credit for the activity. Note that the disbursement of grant funds must begin no later than 60 days after the grantee has received access to its line of credit.

k. *Amending the Action Plan.* As the grantee finalizes its long-term recovery goals, or as needs change through the recovery process, the grantee must amend its Action Plan to update its needs assessment, modify or create new activities, or re-program funds, as necessary. Each amendment must be highlighted, or otherwise identified, within the context of the entire Action

Plan. The beginning of every Action Plan amendment must include a section that identifies exactly what content is being added, deleted, or changed. This section must also include a chart or table that clearly illustrates where funds are coming from and where they are moving to. The Action Plan must include a revised budget allocation table that reflects the entirety of all funds, as amended. A grantee's most recent version of its entire Action Plan must be accessible for viewing as a single document at any given point in time, rather than the public or HUD having to view and cross-reference changes among multiple amendments.

If a grantee amends its Action Plan to program additional funds that the Department has allocated to it, the grant agreement must also be revised. As stated in paragraph 1.a, the requirement for each grantee to expend funds within two years of the date of obligation will be enforced relative to the activities funded under each obligation, as applicable.

l. *Projection of expenditures and outcomes.* Each grantee must amend its published Action Plan to project expenditures and outcomes within 90 days of the Action Plan approval. The projections must be based on each quarter's expected performance—beginning the quarter funds are available to the grantee and continuing each quarter until all funds are expended. The published Action Plan must be amended to reflect any subsequent changes, updates, or revision of the projections. Amending the Action Plan to accommodate these changes is not considered a substantial amendment. Guidance on the preparation of projections is available on HUD's Web site. The projections will enable HUD, the public, and the grantee, to track proposed versus actual performance.

2. *HUD performance review authorities and grantee reporting requirements in the Disaster Recovery Grant Reporting (DRGR) System.*

a. *Performance review authorities.* 42 U.S.C. 5304(e) requires that the Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner, whether the grantee's activities and certifications are carried out in accordance with the requirements and the primary objectives of the HCD Act and other applicable laws, and whether the grantee has the continuing capacity to carry out those activities in a timely manner. Grantees are advised that HUD is increasing its monitoring and

technical assistance effort to coincide with the two-year expenditure deadline.

This Notice waives the requirements for submission of a performance report pursuant to 42 U.S.C. 12708 and 24 CFR 91.520. In the alternative, and to ensure consistency between grants allocated under the Appropriations Act and prior CDBG-DR appropriation laws, HUD is requiring that grantees enter information in the DRGR system in sufficient detail to permit the Department's review of grantee performance on a quarterly basis and to enable remote review of grantee data to allow HUD to assess compliance and risk.

b. *DRGR Action Plan.* Each grantee must enter its Action Plan for Disaster Recovery, including performance measures, into HUD's DRGR system. As more detailed information about uses of funds is identified by the grantee, it must be entered into the DRGR system at a level of detail that is sufficient to serve as the basis for acceptable performance reports, and permits HUD review of compliance requirements.

The Action Plan must also be entered into the DRGR system so that the grantee is able to draw its CDBG-DR funds. The grantee may enter activities into DRGR before or after submission of the Action Plan to HUD. To enter an activity into the DRGR system, the grantee must know the activity type, national objective, and the organization that will be responsible for the activity. In addition, a Data Universal Numbering System (DUNS) number must be entered into the system for any entity carrying out a CDBG-DR funded activity, including the grantee, recipient(s) and subrecipient(s), contractor(s), and developers. To comply with the statutory requirements regarding identification of contractors, and to provide a mechanism for tracking large contracts in DRGR, HUD is requiring grantees to identify in the DRGR system any contract over \$25,000.

Each activity entered into the DRGR system must also be categorized under a "project". Typically, projects are based on groups of activities that accomplish a similar, broad purpose (e.g., Housing, Infrastructure, or Economic Development) or are based on an area of service (e.g., Community A). If a grantee submits a partial Action Plan or amendment to describe just one program (e.g., Single Family Rehabilitation), that program is entered as a project in DRGR. Further, the budget of the program would be identified as the project's budget. If a State grantee has only identified the Method of Distribution (MOD) upon HUD's approval of the published Action Plan, the MOD itself typically serves as

the projects in the DRGR system, rather than the activities. As funds are distributed to subgrantees and subrecipients, who decide which specific activities to fund, those activity fields are then populated.

c. *Tracking oversight activities in the DRGR system; use of DRGR data for HUD review and dissemination.* Each grantee must also enter into DRGR summary information on monitoring visits and reports, audits, and technical assistance it conducts as part of its oversight of its disaster recovery programs. The grantee's Quarterly Performance Report (QPR) will include a summary indicating the number of grantee oversight visits and reports (see subparagraph e for more information on the QPR). HUD will use data entered into the DRGR Action Plan and the QPR, transactional data from the DRGR system, and other information provided by the grantee to provide reports to Congress and the public, as well as to (1) Monitor for anomalies or performance problems that suggest fraud, abuse of funds, and duplication of benefits; (2) reconcile budgets, obligations, funding draws, and expenditures; (3) calculate expenditures to determine compliance with administrative and public service caps and the overall percentage of funds that benefit low- and moderate-income persons; and (4) analyze the risk of grantee programs to determine priorities for the Department's monitoring.

d. *Tracking program income in the DRGR system.* Grantees must use the DRGR system to draw grant funds for each activity. Grantees must also use the DRGR system to track program income receipts, disbursements, and revolving loan funds. If a grantee permits local governments or subrecipients to retain program income, the grantee must establish program income accounts in the DRGR system. The DRGR system requires grantees to use program income before drawing additional grant funds, and ensures that program income retained by one organization will not affect grant draw requests for other organizations.

e. *DRGR System Quarterly Performance Report (QPR).* Each grantee must submit a QPR through the DRGR system no later than 30 days following the end of each calendar quarter. Within 3 days of submission to HUD, each QPR must be posted on the grantee's official Web site. The grantee's first QPR is due after the first full calendar quarter after the grant award. For example, a grant award made in April requires a QPR to be submitted by October 30. QPRs must be submitted on a quarterly basis until

all funds have been expended and all expenditures have been reported.

Each QPR will include information about the uses of funds in activities identified in the DRGR system Action Plan during the applicable quarter. This includes, but is not limited to, the: project name, activity, location, and national objective; funds budgeted, obligated, drawn down, and expended; the funding source and total amount of any non-CDBG-DR funds to be expended on each activity; beginning and actual completion dates of completed activities; achieved performance outcomes such as number of housing units complete or number of low- and moderate-income persons benefiting; and the race and ethnicity of persons assisted under direct-benefit activities. Grantees must also record the amount of funding expended for each contractor identified in the Action Plan. The DRGR system will automatically display the amount of program income received, the amount of program income reported as disbursed, and the amount of grant funds disbursed. Grantees must include a description of actions taken in that quarter to affirmatively further fair housing within the section titled "Overall Progress Narrative" in the DRGR system.

3. *Citizen participation waiver and alternative requirement.* To permit a more streamlined process, and ensure disaster recovery grants are awarded in a timely manner, provisions of 42 U.S.C. 5304(a)(2) and (3), 42 U.S.C. 12707, 24 CFR 570.486, 91.105(b) and (c), and 91.115(b) and (c), with respect to citizen participation requirements, are waived and replaced by the requirements below. The streamlined requirements do not mandate public hearings at a state, entitlement, or local government level, but do require providing a reasonable opportunity (at least 7 days) for citizen comment and ongoing citizen access to information about the use of grant funds. The streamlined citizen participation requirements for a grant carried out under this Notice are:

a. *Publication of the Action Plan, opportunity for public comment, and substantial amendment criteria.* Before the grantee adopts the Action Plan for this grant or any substantial amendment to this grant, the grantee will publish the proposed plan or amendment (including the information required in this Notice for an Action Plan for Disaster Recovery). The manner of publication must include prominent posting on the grantee's official Web site and must afford citizens, affected local governments, and other interested parties a reasonable opportunity to examine the plan or amendment's

contents. The topic of disaster recovery must be navigable by citizens from the grantee (or relevant agency) homepage. Grantees are also encouraged to notify affected citizens through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, and/or contacts with neighborhood organizations.

Despite the expedited process, grantees are still responsible for ensuring that all citizens have equal access to information about the programs, including persons with disabilities and limited English proficiency (LEP). Each grantee must ensure that program information is available in the appropriate languages for the geographic area served by the jurisdiction. For assistance in ensuring that this information is available to LEP populations, recipients should consult the *Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons* published on January 22, 2007, in the **Federal Register** (72 FR 2732).

Subsequent to publication of the Action Plan, the grantee must provide a reasonable time frame and method(s) (including electronic submission) for receiving comments on the plan or substantial amendment. In its Action Plan, each grantee must specify criteria for determining what changes in the grantee's plan constitute a substantial amendment to the plan. At a minimum, the following modifications will constitute a substantial amendment: a change in program benefit or eligibility criteria; the allocation or re-allocation of more than \$1 million; or the addition or deletion of an activity. The grantee may substantially amend the Action Plan if it follows the same procedures required in this Notice for the preparation and submission of an Action Plan for Disaster Recovery. Prior to submission of a substantial amendment, the grantee is encouraged to work with its HUD representative to ensure the proposed change is consistent with this Notice, and all applicable regulations and Federal law.

b. *Non-substantial amendment.* The grantee must notify HUD, but is not required to undertake public comment, when it makes any plan amendment that is not substantial. HUD must be notified at least five days before the amendment becomes effective. However, every amendment to the Action Plan (substantial and non-substantial) must be numbered sequentially and posted on the grantee's Web site. The Department will

acknowledge receipt of the notification of non-substantial amendments via email within 5 business days.

c. *Consideration of public comments.* The grantee must consider all comments, received orally or in writing, on the Action Plan or any substantial amendment. A summary of these comments or views, and the grantee's response(s), must be submitted to HUD with the Action Plan or substantial amendment.

d. *Availability and accessibility of the Action Plan.* The grantee must make the Action Plan, any amendments, and all performance reports available to the public on its Web site 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. During the term of the grant, the grantee will provide citizens, affected local governments, and other interested parties with reasonable and timely access to information and records relating to the Action Plan and to the grantee's use of grant funds.

e. *Citizen complaints.* The grantee will provide a timely written response to every citizen complaint. The response will be provided within 15 working days of the receipt of the complaint, if practicable.

4. *Direct grant administration and means of carrying out eligible activities.*

a. *Requirements applicable to State grantees.* Requirements at 42 U.S.C. 5306 are waived, to the extent necessary, to allow a State to directly carry out CDBG-DR activities eligible under this Notice, rather than distribute all funds to UGLGs. Experience in administering CDBG supplemental disaster recovery funding demonstrates that this practice can expedite recovery. Pursuant to this waiver, the standard at section 570.480(c) and the provisions at 42 U.S.C. 5304(e)(2) will also include activities that the State carries out directly. In addition, activities eligible under this Notice may be carried out, subject to State law, by the State through its employees, through procurement contracts, or through assistance provided under agreements with subrecipients or recipients. Notwithstanding this waiver, State grantees continue to be responsible for civil rights, labor standards, and environmental protection requirements contained in the HCD Act and 24 CFR part 570, as well as ensuring such compliance by subgrantees.

b. *Requirements for all grantees—direct administration and assistance to neighborhood organizations described in 42 U.S.C. 5305(a)(15) of the HCD Act.* Activities made eligible at 42 U.S.C.

5305(a)(15) may only be undertaken by the eligible entities described in that section, whether the assistance is provided to such an entity from the State or from a UGLG.

c. *Use of Funds for Structures Owned by Religious Organizations.* The provision of assistance for buildings used for religious purposes is governed by 24 CFR 570.200(j). Although CDBG funds cannot be used for structures dedicated solely to religious use, such as a religious congregation's principal place of worship, grantees may in certain circumstances pay some rehabilitation or new construction costs for structures used for religious and secular purposes.

Funding for rehabilitating or reconstructing storm-damaged or destroyed buildings may be appropriate where a facility is not used exclusively for the benefit of the religious congregation, such as a building used as a homeless shelter, food pantry, adult literacy center, or child care center. Where a structure is used for both religious and secular uses, CDBG-DR funds may pay the portion of eligible rehabilitation or construction costs attributable to the non-religious use. For example, for a building that is used 50 percent of the time for, or has 50 percent of the square footage dedicated to, homeless services, CDBG-DR funds may pay 50 percent of the rehabilitation or construction cost. Grantees are encouraged to work closely with their CPD Representative to ensure compliance with the requirements of 24 CFR 570.200(j) or to obtain further guidance on the applicability of this rule to specific programs or properties.

5. *Consolidated Plan waiver.* HUD is waiving the requirement for consistency with the consolidated plan (requirements at 42 U.S.C. 12706, 24 CFR 91.325(a)(5), 91.225(a)(5), 91.325(b)(3), and 91.225(b)(3)), because the effects of a major disaster alter a grantee's priorities for meeting housing, employment, and infrastructure needs. In conjunction, 42 U.S.C. 5304(e), to the extent that it would require HUD to annually review grantee performance under the consistency criteria, is also waived. However, this waiver applies only until the grantee first updates its full consolidated plan. HUD expects grantees to update its full consolidated plan to reflect disaster-related needs no later than its Fiscal Year 2015 consolidated plan update. At a minimum, the updated consolidated plan must include the criteria discussed in this Notice. While grantees are encouraged to incorporate disaster recovery needs into their consolidated plan updates as soon as practicable, any

unmet disaster-related needs and associated priorities must be incorporated into the grantee's next consolidated plan update by Fiscal Year 2015. If not completed already, the grantee must update its Analysis of Impediments to Fair Housing Choice in coordination with its post-waiver consolidated plan update, so that it more accurately reflects housing conditions following the disaster.

6. *Requirement for consultation during plan preparation.* Currently, the statute and regulations require States to consult with affected units of local government in non-entitlement areas of the State in determining the State's proposed method of distribution. HUD is waiving 42 U.S.C. 5306(d)(2)(C)(iv), 42 U.S.C. 5306(d)(2)(D), 24 CFR 91.325(b), and 91.110, with the alternative requirement that any State receiving an allocation under this Notice consult with all disaster-affected UGLGs (including any CDBG-entitlement communities, and local public housing authorities in affected areas) in determining the use of funds. This ensures State grantees sufficiently assess the recovery needs of all areas affected by the disaster.

For New York City, HUD is supplementing 24 CFR 91.100 with the additional requirement that the jurisdiction must consult with adjacent UGLGs, including local government agencies with metropolitan-wide planning responsibilities (particularly for problems and solutions that go beyond a single jurisdiction), and local public housing authorities (affected by the disaster).

Last, all grantees must consult with States, tribes, UGLGs, and other stakeholders and affected parties in the surrounding geographic area to ensure consistency with applicable regional redevelopment plans.

7. *Overall benefit waiver and alternative requirement.* The primary objective of the HCD Act is the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." 42 U.S.C. 5301(c). To carry out this objective, the statute requires that 70 percent of the aggregate of a regular CDBG program's funds be used to support activities benefiting low- and moderate-income persons. This target could be difficult to reach, and perhaps even impossible, for many grantees affected by Hurricane Sandy. Grantees under this Notice experienced disaster impacts that affected entire communities—regardless of income, and the existing requirement

may prevent grantees from providing assistance to damaged areas of need. Therefore, this Notice waives the requirements at 42 U.S.C. 5301(c), 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.484, and 570.200(a)(3), that 70 percent of funds be used for activities that benefit low- and moderate-income persons. Instead, 50 percent of funds must benefit low- and moderate-income persons. This provides grantees with greater flexibility to carry out recovery activities by allowing up to 50 percent of the grant to assist activities under the urgent need or prevention or elimination of slums or blight national objectives.

Grantees may seek to reduce the overall benefit requirement below 50 percent of the total grant, but must submit a justification that, at a minimum: (a) Identifies the planned activities that meet the needs of its low- and moderate-income population; (b) describes proposed activity(ies) and/or program(s) that will be affected by the alternative requirement, including their proposed location(s) and role(s) in the grantee's long-term disaster recovery plan; (c) describes how the activities/programs identified in (b) prevent the grantee from meeting the 50 percent requirement; and (d) demonstrates that the needs of non-low and moderate-income persons or areas are disproportionately greater, and that the jurisdiction lacks other resources to serve them. Upon request, a sample justification can be provided by the Department. Note that the 50 percent overall benefit requirement will not be reduced unless the Secretary specifically finds that there is a compelling need to further reduce the threshold.

8. Use of the "upper quartile" or "exception criteria" for low- and moderate-income area benefit activities. This exception applies to entitlement communities that have few, if any, areas within their jurisdiction that have 51 percent or more low- and moderate-income residents. per the requirements at 42 U.S.C. 5305(c)(2)(A), these communities are allowed to use a percentage less than 51 percent to qualify activities under the low- and moderate-income area benefit category. This exception is referred to as the "exception criteria" or the "upper quartile".

HUD assesses Census block groups to determine whether an entitlement community meets the exception criteria. For communities that qualify, the Department identifies the alternative percentage (i.e., the lowest proportion) the community may use, instead of 51 percent, for the purpose of qualifying

activities under the low- and moderate-income area benefit. HUD advises the entitlement community accordingly. Periodically, HUD updates the low- and moderate-income summary data used to identify the exception criteria; disaster recovery grantees are required to use the most recent data available in implementing the exception criteria. Note that for entitlement communities that meet the exception criteria, the community may apply the criteria if it receives funds from a State grantee.

9. Use of "uncapped" income limits. The Quality Housing and Work Responsibility Act of 1998 (Title V of Pub. L. 105-276) enacted a provision that directed the Department to grant exceptions to at least 10 jurisdictions that are currently "capped" under HUD's low and moderate-income limits. Under this exception, a number of CDBG entitlement grantees may use "uncapped" income limits that reflect 80 percent of the actual median income for the area. Each year, HUD publishes guidance on its Web site identifying which grantees may use uncapped limits. The uncapped limits apply to disaster recovery activities funded pursuant to this Notice in jurisdictions covered by the uncapped limits, including jurisdictions that receive disaster recovery funds from the State.

10. Grant administration responsibilities and general administration cap.

a. Grantee responsibilities. per the Appropriations Act, each grantee shall administer its award directly, in compliance with all applicable laws and regulations. Each grantee shall be financially accountable for the use of all funds provided in this Notice and may contract for administrative support but grantees may not delegate or contract to any other party any inherently governmental responsibilities related to management of the funds, such as oversight, policy development, and financial management.

b. General administration cap. For grants under this Notice, the annual CDBG program administration requirements must be modified to be consistent with the Appropriations Act, which allows up to 5 percent of the grant to be used for general administration costs, by the grantee, by UGLGs, or by subrecipients. Thus, the total of all costs charged to the grant and classified as general administration must be less than or equal to the 5 percent cap.

(1) For State grantees under this Notice, the provisions of 42 U.S.C. 5306(d) and 24 CFR 570.489(a)(1)(i), (ii), and (iii) will not apply to the extent that they cap general administration and

technical assistance expenditures, limit a State's ability to charge a nominal application fee for grant applications for activities the State carries out directly, and require a dollar-for-dollar match of State funds for administrative costs exceeding \$100,000. 42 U.S.C. 5306(d)(5) and (6) are waived and replaced with the alternative requirement that the aggregate total for general administrative and technical assistance expenditures must not exceed 5 percent. States remain limited to spending a maximum of 20 percent of their total grant amount on a combination of planning and general administration costs. Planning costs subject to the 20 percent cap are those defined in 42 U.S.C. 5305(a)(12).

(2) New York City is also subject to the 5 percent administrative cap. This 5 percent applies to all general administration costs—whether incurred by the grantee or its subrecipients. The City also remains limited to spending 20 percent of its total allocation on a combination of planning and general administration costs.

11. Planning-only activities—applicable to State grantees only. The annual State CDBG program requires that local government grant recipients for planning-only grants must document that the use of funds meets a national objective. In the State CDBG program, these planning grants are typically used for individual project plans. By contrast, planning activities carried out by entitlement communities are more likely to include non-project specific plans such as functional land-use plans, master plans, historic preservation plans, comprehensive plans, community recovery plans, development of housing codes, zoning ordinances, and neighborhood plans. These plans may guide long-term community development efforts comprising multiple activities funded by multiple sources. In the entitlement program, these general planning activities are presumed to meet a national objective under the requirements at 24 CFR 570.208(d)(4).

The Department notes that effective CDBG disaster recoveries have relied on some form of area-wide or comprehensive planning activity to guide overall redevelopment independent of the ultimate source of implementation funds. Therefore, for State grantees receiving an award under this Notice, the Department is removing the eligibility requirements at 24 CFR 570.483(b)(5) or (c)(3). Instead, States must comply with 570.208(d)(4) when funding disaster recovery-assisted planning-only grants, or directly administering planning activities that

guide recovery in accordance with the Appropriations Act. In addition, the types of planning activities that States may fund or administer are expanded to be consistent with those of entitlement communities identified at 24 CFR 570.205.

12. Waiver and alternative requirement for distribution to CDBG metropolitan cities and urban counties—applicable to State grantees only. Section 5302(a)(7) of title 42, U.S.C. (definition of “nonentitlement area”) and provisions of 24 CFR part 570 that would prohibit or restrict a State from distributing CDBG funds to entitlement communities and Indian tribes under the CDBG program, are waived, including 24 CFR 570.480(a) and 570.486(c) (revised April 23, 2012). Instead, the State may distribute funds to UGLGs and Indian tribes.

13. Use of subrecipients—applicable to State grantees only. The State CDBG program rule does not make specific provision for the treatment of entities that the CDBG Entitlement program calls “subrecipients.” The waiver allowing the State to directly carry out activities creates a situation in which the State may use subrecipients to carry out activities in a manner similar to an entitlement community. Therefore, for States taking advantage of the waiver to carry out activities directly, the requirements at 24 CFR 570.502, 570.503, and 570.500(c) apply, except the requirements that specific references to 24 CFR parts 84 and 85 must be included in subrecipient agreements. Pursuant to 24 CFR 570.489(n) (revised April 23, 2012) and 570.502, State grantees must ensure that its costs and those of its state recipients and subrecipients are in conformance with 2 CFR part 225 (OMB Circular A–87), whether carrying out activities directly or through the use of a subrecipient.

14. Recordkeeping.

a. State grantees. When a State carries out activities directly, 24 CFR 570.490(b) is waived and the following alternative provision shall apply: 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–DR funds under 24 CFR 570.493. Consistent with applicable statutes, regulations, waivers and alternative requirements, and other Federal requirements, the content of records maintained by the State shall be sufficient to: enable HUD to make the applicable determinations described at 24 CFR 570.493; make compliance determinations for activities carried out directly by the State; and show how activities funded are consistent with the descriptions of activities proposed for

funding in the Action Plan and/or DRGR system. For fair housing and equal opportunity purposes, and as applicable, such records shall include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program.

b. UGLGs grantees. New York City remains subject to the recordkeeping requirements of 24 CFR 570.506.

15. Change of use of real property—applicable to State grantees only. This waiver conforms to the change of use of real property rule to the waiver allowing a State to carry out activities directly. For purposes of this program, all references to “unit of general local government” in 24 CFR 570.489(j), shall be read as “unit of general local government or State.”

16. Responsibility for review and handling of noncompliance—applicable to State grantees only. This change is in conformance with the waiver allowing the State to carry out activities directly. 24 CFR 570.492 is waived and the following alternative requirement applies for any State receiving a direct award under this Notice: the State shall make reviews and audits, including onsite reviews of any subrecipients, designated public agencies, and UGLGs, as may be necessary or appropriate to meet the requirements of 42 U.S.C. 5304(e)(2), as amended, and as modified by this Notice. In the case of noncompliance with these requirements, the State shall take such actions as may be appropriate to prevent a continuance of the deficiency, mitigate any adverse effects or consequences, and prevent a recurrence. The State shall establish remedies for noncompliance by any designated subrecipients, public agencies, or UGLGs.

17. Program income alternative requirement. The Department is waiving applicable program income rules at 42 U.S.C 5304(j), 24 CFR 570.500(a) and (b), 570.504, and 570.489(e) to the extent necessary to provide additional flexibility as described under this Notice. The alternative requirements provide guidance regarding the use of program income received before and after grant closeout and address revolving loan funds.

a. Definition of program income.

(1) For the purposes of this subpart, “program income” is defined as gross income generated from the use of CDBG–DR funds, except as provided in subparagraph D of this paragraph, and received by a State, UGLG, or tribe, or a subrecipient of a State, UGLG, or tribe. When income is generated by an activity that is only partially assisted with

CDBG–DR funds, the income shall be prorated to reflect the percentage of CDBG–DR funds used (e.g., a single loan supported by CDBG–DR funds and other funds; a single parcel of land purchased with CDBG–DR funds and other funds). Program income includes, but is not limited to, the following:

(a) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG–DR funds;

(b) Proceeds from the disposition of equipment purchased with CDBG–DR funds;

(c) Gross income from the use or rental of real or personal property acquired by a State, UGLG, or tribe or subrecipient of a State, UGLG, or tribe with CDBG–DR funds, less costs incidental to generation of the income (i.e., net income);

(d) Net income from the use or rental of real property owned by a State, UGLG, or tribe or subrecipient of a State, UGLG, or tribe, that was constructed or improved with CDBG–DR funds;

(e) Payments of principal and interest on loans made using CDBG–DR funds;

(f) Proceeds from the sale of loans made with CDBG–DR funds;

(g) Proceeds from the sale of obligations secured by loans made with CDBG–DR funds;

(h) Interest earned on program income pending disposition of the income, but excluding interest earned on funds held in a revolving fund account;

(i) Funds collected through special assessments made against properties owned and occupied by households not of low- and moderate-income, where the special assessments are used to recover all or part of the CDBG–DR portion of a public improvement; and

(j) Gross income paid to a State, UGLG, tribe, or paid to a subrecipient thereof from the ownership interest in a for-profit entity in which the income is in return for the provision of CDBG–DR assistance.

(2) “Program income” does not include the following:

(a) The total amount of funds which is less than \$25,000 received in a single year and retained by a State, UGLG, tribe, or retained by a subrecipient thereof;

(b) Amounts generated by activities both eligible and carried out by an entity under the authority of section 105(a)(15) of the HCD Act;

b. Retention of program income. Per 24 CFR 570.504(c), a UGLG receiving a direct award under this Notice may permit a subrecipient to retain program income. State grantees may permit a UGLG or tribe, which receives or will

receive program income, to retain the program income, but are not required to do so.

c. Program income—use, closeout, and transfer.

(1) Program income received (and retained, if applicable) before or after closeout of the grant that generated the program income, and used to continue disaster recovery activities, is treated as additional disaster recovery CDBG funds subject to the requirements of this Notice and must be used in accordance with the grantee's Action Plan for Disaster Recovery. To the maximum extent feasible, program income shall be used or distributed before additional withdrawals from the U.S. Treasury are made, except as provided in subparagraph d of this paragraph.

(2) In addition to the regulations dealing with program income found at 24 CFR 570.489(e) and 570.504, the following rules apply: A grantee may transfer program income before closeout of the grant that generated the program income to its annual CDBG program. In addition, a State grantee may transfer program income before closeout to any annual CDBG-funded activities carried out by a UGLG or Indian tribe within the State. Program income received by a grantee, or received and retained by a subgrantee, after closeout of the grant that generated the program income, may also be transferred to a grantee's annual CDBG award. In all cases, any program income received, and not used to continue disaster recovery activities, will not be subject to the waivers and alternative requirements of this Notice. Rather, those funds will be subject to the grantee's regular CDBG program rules.

d. Revolving loan funds. New York City, State grantees, and UGLGs or tribes (as permitted by a State grantee) may establish revolving funds to carry out specific, identified activities. A revolving fund, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities. These activities generate payments, which will be used to support similar activities going forward. These payments to the revolving fund are program income and must be substantially disbursed from the revolving fund before additional grant funds are drawn from the U.S. Treasury for payments which could be funded from the revolving fund. Such program income is not required to be disbursed for non-revolving fund activities.

State grantees may also establish a revolving fund to distribute funds to UGLGs or tribes to carry out specific,

identified activities. The same requirements, outlined above, apply to this type of revolving loan fund. Last, note that no revolving fund, established per this Notice, shall be directly funded or capitalized with an advance of CDBG-DR grant funds.

18. Reimbursement of disaster recovery expenses. The provisions of 24 CFR 570.489(b) are applied to permit a State to reimburse itself for otherwise allowable costs incurred by itself or its recipients subgrantees or subrecipients (including public housing authorities) on or after the incident date of the covered disaster. New York City is subject to the provisions of 24 CFR 570.200(h) but may reimburse itself or its subrecipients for otherwise allowable costs incurred on or after the incident date of the covered disaster. 24 CFR 570.200(h)(1)(i) will not apply to the extent that it requires pre-agreement activities to be included in a consolidated plan. The Department expects both State grantees and New York City to include all pre-agreement activities in their Action Plans. The provisions at 24 CFR 570.200(h) and 570.489(b) apply to grantees reimbursing costs incurred by itself or its recipients or subrecipients prior to the execution of a grant agreement with HUD.

19. One-for-One Replacement, Relocation, and Real Property Acquisition Requirements. Activities and projects assisted by CDBG-DR are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601 *et seq.*) ("URA") and Section 104(d) of the HCD Act (42 U.S.C. 5304(d)) ("Section 104(d)"). The implementing regulations for the URA are at 49 CFR part 24. The regulations for Section 104(d) are at 24 CFR part 42, subpart C. For the purposes of promoting the availability of decent, safe, and sanitary housing and expediting disaster recovery and rehousing efforts, HUD is waiving the following URA and Section 104(d) requirements for grantees under this Notice:

a. One-for-one replacement. One-for-one replacement requirements at section 104(d)(2)(A)(i)–(ii) and (d)(3) and 24 CFR 42.375 are waived in connection with funds allocated under this Notice for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. The Section 104(d) one-for-one replacement requirements generally apply to demolished or converted occupied and vacant occupiable lower-income dwelling units. This waiver exempts disaster-damaged units that meet the

grantee's definition of "not suitable for rehabilitation" from the one-for-one replacement requirements. Before carrying out a program or activity which may be subject to the one-for-one replacement requirements, the grantee must define "not suitable for rehabilitation" in its Action Plan or in policies/procedures governing these programs and activities. Grantees with questions about the one-for-one replacement requirements are encouraged to contact the HUD Regional Relocation Specialist responsible for their state.

HUD is waiving the one-for-one replacement requirements because they do not account for the large, sudden changes that a major disaster may cause to the local housing stock, population, or economy. Furthermore, the requirements may discourage grantees from converting or demolishing disaster-damaged housing when excessive costs would result from replacing all such units. Disaster-damaged housing structures that are not suitable for rehabilitation can pose a threat to public health and safety and may impede economic revitalization. Grantees should re-assess post-disaster population and housing needs to determine the appropriate type, amount, and location of lower-income dwelling units to rehabilitate and/or rebuild. Grantees should note, however, that the demolition and/or disposition of Public Housing Authority-owned public housing units is covered by section 18 of the United States Housing Act of 1937, as amended, and 24 CFR part 970, neither of which is waived by this Notice.

b. Relocation assistance. The Section 104(d) relocation assistance requirements at section 104(d)(2)(A) and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by this Notice, for activities related to disaster recovery. Without this waiver, disparities exist in relocation assistance associated with activities typically funded by HUD and FEMA (e.g., buyouts and relocation). Both FEMA and HUD funds are subject to the URA; however, HUD's CDBG funds are also subject to Section 104(d), while FEMA funds are not. The URA provides that a displaced person is eligible to receive a rental assistance payment that covers a period of 42 months. By contrast, Section 104(d) allows a lower-income displaced person to choose between the URA rental assistance payment and a rental assistance payment calculated over a period of 60 months. This waiver of the Section 104(d) requirements

assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance under this Notice.

c. *Arm's length voluntary purchase.* The requirements at 49 CFR 24.101(b)(2)(i)–(ii) are waived to the extent that they apply to an arm's length voluntary purchase carried out by a person who uses funds allocated under this Notice and does not have the power of eminent domain, in connection with the purchase and occupancy of a principal residence by that person. Given the often large-scale acquisition needs of grantees, this waiver is necessary to reduce burdensome administrative requirements following a disaster. Grantees are reminded that any tenants occupying real property that is acquired through voluntary purchase may be eligible for relocation assistance.

d. *Rental assistance to a displaced person.* The requirements at sections 204(a) and 206 of the URA, and 49 CFR 24.2(a)(6)(viii), 24.402(b)(2), and 24.404 are waived to the extent that they require the grantee to use 30 percent of a low-income displaced person's household income in computing a rental assistance payment if the person had been paying more than 30 percent of household income in rent/utilities without "demonstrable hardship" before the project. Thus, if a tenant has been paying rent/utilities in excess of 30 percent of household income without demonstrable hardship, using 30 percent of household income to calculate the rental assistance payment would not be required. Before carrying out a program or activity in which the grantee will provide rental assistance payments to displaced persons, the grantee must define "demonstrable hardship" in its Action Plan or in the policies and procedures governing these programs and activities. The grantee's definition of demonstrable hardship applies when implementing these alternative requirements.

e. *Tenant-based rental assistance.* The requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a)(6)(ix) and 24.402(b) are waived to the extent necessary to permit a grantee to meet all or a portion of a grantee's replacement housing financial assistance obligation to a displaced tenant by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy (e.g., Section 8 Housing Choice Voucher Program), provided that the tenant is provided referrals to comparable replacement dwellings in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and

the period of authorized assistance is at least 42 months. Failure to grant this waiver would impede disaster recovery whenever TBRA program subsidies are available but funds for cash relocation assistance are limited. This waiver gives grantees an additional relocation resource option.

f. *Moving expenses.* The requirements at section 202(b) of the URA and 49 CFR 24.302, which require that a grantee offer a displaced person the option to receive a fixed moving cost payment based on the Federal Highway Administration's Fixed Residential Moving Cost Schedule instead of receiving payment for actual moving and related expenses, are waived. As an alternative, the grantee must establish and offer the person a "moving expense and dislocation allowance" under a schedule of allowances that is reasonable for the jurisdiction and that takes into account the number of rooms in the displacement dwelling, whether the person owns and must move the furniture, and, at a minimum, the kinds of expenses described in 49 CFR 24.301. Without this waiver and alternative requirement, disaster recovery may be impeded by requiring grantees to offer allowances that do not reflect current local labor and transportation costs. Persons displaced from a dwelling remain entitled to choose a payment for actual reasonable moving and related expenses if they find that approach preferable to the locally established "moving expense and dislocation allowance."

g. *Optional relocation policies.* The regulation at 24 CFR 570.606(d) is waived to the extent that it requires optional relocation policies to be established at the grantee or state recipient level. Unlike the regular CDBG program, States receiving CDBG–DR funds may carry out disaster recovery activities directly or through subrecipients. The regulation at 24 CFR 570.606(d) governing optional relocation policies does not account for this distinction. This waiver also makes clear that UGLGs receiving CDBG disaster funds may establish separate optional relocation policies. This waiver is intended to provide States and UGLGs with maximum flexibility in developing optional relocation policies with CDBG–DR funds.

20. *Environmental requirements.*

a. *Clarifying note on the process for environmental release of funds when a State carries out activities directly.* In the regular CDBG program, a State distributes CDBG funds to UGLGs and takes on HUD's role in receiving environmental certifications from the grant recipients and approving releases

of funds. For State grantees under this Notice, HUD allows the State to carry out activities directly, in addition to distributing funds to subrecipients and/or subgrantees. Thus, per 24 CFR 58.4, when a State carries out activities directly, the State must submit the certification and request for release of funds to HUD for approval.

b. *Adoption of another agency's environmental review.* In accordance with the Appropriations Act, recipients of Federal funds that use such funds to supplement Federal assistance provided under sections 402, 403, 404, 406, 407, or 502 of the Stafford Act may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, and such adoption shall satisfy the responsibilities of the recipient with respect to such environmental review, approval, or permit that is required by the HCD Act. The grantee must notify HUD in writing of its decision to adopt another agency's environmental review. The grantee must retain a copy of the review in the grantee's environmental records.

c. *Release of funds.* In accordance with the Appropriations Act, and notwithstanding 42 U.S.C. 5304(g)(2), the Secretary may, upon receipt of a request for release of funds and certification, immediately approve the release of funds for an activity or project assisted with allocations under this Notice if the recipient has adopted an environmental review, approval or permit under subparagraph b, above, or the activity or project is categorically excluded from review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

d. *Historic preservation reviews.* To facilitate expedited historic preservation reviews under Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470f), HUD strongly encourages grantees to allocate general administration funds to support the capacity of the State Historic Preservation Officer (SHPO)/Tribal Historic Preservation Officer (THPO) to review CDBG–DR projects.

21. *Duplication of benefits.* Section 312 of the Stafford Act, as amended, generally prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster as to which he has received financial assistance under any other program or from insurance or any other source. To comply with this law and provisions of the Appropriations Act, each grantee must ensure that each activity 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.

Given the often complex nature of this issue, the Department has published a separate Notice explaining the duplication of benefit requirements applicable to CDBG-DR grantees; it can be found at 76 FR 71060 (published November 16, 2011). Grantees under this Notice are hereby subject to the November 16, 2011, notice.

22. Procurement.

a. State grantees. Per 24 CFR 570.489(d), a State must have fiscal and administrative requirements for expending and accounting for all funds. Furthermore, per § 570.489(g), a State shall establish requirements for procurement policies and procedures for UGLGs based on full and open competition. All subgrantees of a State (UGLGs) are subject to the procurement policies and procedures required by the State.

A State may meet the above requirements by electing to follow 24 CFR part 85. If a State has adopted part 85 in full, it must follow the same policies and procedures it uses when procuring property and services with its non-Federal funds. However, the State must ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations per 24 CFR 85.36(a).

If a State has not adopted 85.36(a), but has adopted 85.36(b) through (i), the State and its subgrantees must follow State and local law (as applicable), so long as the procurements conform to applicable Federal law and the standards identified in 85.36(b) through (i).

b. Direct grants to UGLGs. New York City will be subject to the procurement requirements of 24 CFR 85.36(b) through (i).

c. Additional requirements related to procurement. Congress and HUD may request periodic updates from grantees that employ contractors. A contractor is a third-party firm that the grantee acquires through a formal procurement process to perform specific functions; a subrecipient is not a contractor. Grantees must incorporate performance requirements and penalties into each procured contract or agreement. The Appropriations Act requires HUD to provide grantees with technical assistance on contracting and procurement processes.

23. Public Web site. The Appropriations Act requires grantees to maintain a public Web site which provides information accounting for how all grant funds are used, and

managed/administered, including details of all contracts and ongoing procurement policies. To meet this requirement, each grantee must enter information on contracts in the DRGR system activity profiles (for all contracts valued over \$25,000), and make the following items available on its Web site: the Action Plan (including all amendments); each QPR (as created using the DRGR system) detailing expenditures for each contractor; procurement policies and procedures; executed CDBG-DR contracts; and status of services or goods currently being procured by the grantee—e.g., phase of the procurement, requirements for proposals, etc.

24. Timely distribution of funds. The provisions at 24 CFR 570.494 and 24 CFR 570.902 regarding timely distribution of funds are waived and replaced with the alternative requirements under this Notice. Section 904(c) of the Appropriations Act requires that all funds be expended within two years of the date HUD obligates funds to a grantee. Therefore, each grantee must expend all funds within two years of the date its grant agreement with HUD is executed. Note that a grant agreement must be amended when the Department allocates additional funds to the grantee. As stated in paragraph A.1.a, in this section, the requirement for each grantee to expend funds within two years of the date of obligation will be enforced relative to the activities funded under each obligation. HUD expects each grantee to expeditiously obligate and expend all funds, including any recaptured funds or program income, and to carry out activities in a timely manner to ensure this deadline is met. See sections III and VII of this Notice for additional details on expenditure of funds.

To track grantees' progress, HUD will evaluate timeliness in relation to each grantee's established projection schedules (see section III of this Notice, and paragraph A.1.l under section VI). The Department will, absent substantial evidence to the contrary, deem a grantee to be carrying out its programs and activities in a timely manner if the schedule for carrying out its activities is substantially met. In determining the appropriate corrective action pursuant to this section, HUD will take into account the extent to which unexpended funds have been obligated by the grantee and its subrecipients for specific activities at the time the finding is made and other relevant information.

25. Review of continuing capacity to carry out CDBG-funded activities in a timely manner. If HUD determines at

any time that the grantee has not carried out its CDBG-DR activities and certifications in accordance with the requirements and criteria described in this Notice, HUD will undertake a further review to determine whether or not the grantee has the continuing capacity to carry out its activities in a timely manner. In making the determination, the Department will consider the following alternative requirements to provisions under 42 U.S.C. 5304(e): the nature and extent of the grantee's performance deficiencies, types of corrective actions the grantee has undertaken, and the success or likely success of such actions.

26. Corrective and remedial actions.

To ensure compliance with the requirements of the Appropriations Act and to effectively administer the CDBG-DR program in a manner that facilitates recovery, particularly the alternative requirements permitting States to act directly to carry out eligible activities, HUD is waiving 42 U.S.C. 5304(e) of the HCD Act to the extent necessary to impose the following alternative requirement: HUD may undertake corrective and remedial actions for States in accordance with the authorities applicable to entitlement grantees in subpart O (including corrective and remedial actions in 24 CFR 570.910, 570.911, and 570.913) or under subpart I of the CDBG regulations at 24 CFR part 570. Before determining appropriate corrective actions, HUD will notify the grantee of the procedures applicable to its review. In accordance with 24 CFR 570.300, the policies and procedures set forth in subpart O will apply to New York City.

27. Reduction, withdrawal, or adjustment of a grant or other appropriate action. Prior to a reduction, withdrawal, or adjustment of a grant or other appropriate action taken pursuant to this section, the recipient shall be notified of such proposed action and given an opportunity within a prescribed time period for an informal consultation. Consistent with the procedures described in this Notice, the Secretary may adjust, reduce or withdraw the grant or take other actions as appropriate, except that funds already expended on eligible approved activities shall not be recaptured.

B. Housing and Related Floodplain Issues.

28. Housing-related eligibility waivers. The broadening of 42 U.S.C. 5305(a)(24) is necessary following major disasters in which large numbers of affordable housing units have been damaged or destroyed, as is the case of the disasters eligible under this Notice. Thus, 42

U.S.C. 5305(a) is waived to the extent necessary to allow: homeownership assistance for households with up to 120 percent of the area median income, down payment assistance for up to 100 percent of the down payment (42 U.S.C. 5305(a)(24)(D)), and new housing construction. While homeownership assistance may be provided to households with up to 120 percent of the area median income, only those funds used to serve households with up to 80 percent of the area median income may qualify as meeting the low- and moderate-income person benefit national objective.

29. *Housing incentives to resettle in disaster-affected communities.* Incentive payments are generally offered in addition to other programs or funding (such as insurance), to encourage households to relocate in a suitable housing development or an area promoted by the community's comprehensive recovery plan. For example, a grantee may offer an incentive payment (possibly in addition to a buyout payment) for households that volunteer to relocate outside of a floodplain or to a lower-risk area. Therefore, 42 U.S.C. 5305(a) and associated regulations are waived to the extent necessary to allow the provision of housing incentives. Grantees providing housing incentives must maintain documentation, at least at a programmatic level, describing how the amount of assistance was determined to be necessary and reasonable. In addition, the incentives must be in accordance with the grantee's approved Action Plan and published program design(s). Note that this waiver does not permit a compensation program. Additionally, a grantee may require the incentive to be used for a particular purpose by the household receiving the assistance.

30. *Limitation on emergency grant payments—interim mortgage assistance.* 42 U.S.C. 5305(a)(8) is modified to extend interim mortgage assistance to qualified individuals from 3 months, for up to 20 months. Interim mortgage assistance is typically used in conjunction with a buyout program, or the rehabilitation or reconstruction of single family housing, during which mortgage payments may be due but the home is uninhabitable. The time required for a household to complete the rebuilding process may often extend beyond three months. Thus, interim assistance is critical for many households facing financial hardship during this period. A grantee using this alternative requirement must document, in its policies and procedures, how it will determine the amount of assistance

to be provided is necessary and reasonable.

31. *Acquisition of real property and flood buyouts.* Grantees under this notice are able to carry out property acquisition for a variety of purposes. However, the term "buyouts" as referenced in this Notice refers to acquisition of properties located in a floodway or floodplain that is intended to reduce risk from future flooding. HUD is providing alternative requirements for consistency with the application of other Federal resources commonly used for this type of activity.

a. *Buyout requirements:*

(1) Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices;

(2) No new structure will be erected on property acquired, accepted or from which a structure was removed under the acquisition or relocation program other than (a) a public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); (b) a rest room; (c) a flood control structure; or (d) a structure that the local floodplain manager approves in writing before the commencement of the construction of the structure;

(3) After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose will be made by the recipient to any Federal entity in perpetuity;

(4) Grantees have the discretion to determine an appropriate valuation method (including the use of pre-flood value or post-flood value as a basis for property value). However, in using CDBG-DR funds for buyouts, the grantee must uniformly apply whichever valuation method it chooses;

(5) All buyout activities must be classified using the "buyout" activity type in the DRGR system; and

(6) Any State grantee implementing a buyout program or activity must consult with affected UGLGs.

b. *Redevelopment of acquired properties.*

(1) Properties purchased through a buyout program may not typically be redeveloped, with a few exceptions. See subparagraph a(2), above.

(2) Grantees may redevelop an acquired property if: (a) the property is not acquired through a buyout program,

and (b) the purchase price is based on the property's post-flood fair market value (the pre-flood value may not be used). In addition to the purchase price, grantees may opt to provide relocation assistance to the owner of a property that will be redeveloped if the property is purchased by the grantee or subgrantee through voluntary acquisition, and the owner's need for additional assistance is documented.

(3) In carrying out acquisition activities, grantees must ensure they are in compliance with their long-term redevelopment plans.

32. *Alternative requirement for housing rehabilitation—assistance for second homes.* The Department is instituting an alternative requirement to the rehabilitation provisions at 42 U.S.C. 5305(a) as follows: a "second home", as defined in IRS Publication 936 (mortgage interest deductions), is not eligible for rehabilitation assistance, residential incentives, or to participate in a CDBG-DR buyout program (as defined by this Notice).

33. *Flood insurance.* Grantees, recipients, and subrecipients must implement procedures and mechanisms to ensure that assisted property owners comply with all flood insurance requirements, including the purchase and notification requirements described below, prior to providing assistance. For additional information, please consult with the Field Environmental Officer in the local HUD Field Office or review the guidance on flood insurance requirements on HUD's Web site.

a. *Flood insurance purchase requirements.* HUD does not prohibit the use of CDBG-DR funds for existing residential buildings in the Special Flood Hazard Area (SFHA) (or "100-year" floodplain). However, Federal laws and regulations related to both flood insurance and floodplain management must be followed, as applicable. With respect to flood insurance, a HUD-assisted homeowner for a property located in the SFHA must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program. Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for any HUD-assisted property within the SFHA.

b. *Future Federal assistance to owners remaining in a floodplain.*

(1) Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. In general, it provides that no Federal disaster relief assistance made available in a flood disaster area

may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. This means that a grantee may not provide disaster assistance for the repair, replacement, or restoration to a person who has failed to meet this requirement.

(2) Section 582 also implies a responsibility for a grantee that receives CDBG-DR funds or that designates annually appropriated CDBG funds for disaster recovery. That responsibility is to inform property owners receiving disaster assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so. These requirements are described below.

(3) Duty to notify. In the event of the transfer of any property described in subparagraph (5), the transferor shall, not later than the date on which such transfer occurs, notify the transferee in writing of the requirements to:

(a) Obtain flood insurance in accordance with applicable Federal law with respect to such property, if the property is not so insured as of the date on which the property is transferred; and

(b) Maintain flood insurance in accordance with applicable Federal law with respect to such property. Such written notification shall be contained in documents evidencing the transfer of ownership of the property.

(4) Failure to notify. If a transferor fails to provide notice as described above and, subsequent to the transfer of the property:

(a) The transferee fails to obtain or maintain flood insurance, in accordance with applicable Federal law, with respect to the property;

(b) The property is damaged by a flood disaster; and

(c) Federal disaster relief assistance is provided for the repair, replacement, or restoration of the property as a result of such damage, the transferor shall be required to reimburse the Federal Government in an amount equal to the amount of the Federal disaster relief assistance provided with respect to the property.

(5) The notification requirements apply to personal, commercial, or residential property for which Federal disaster relief assistance made available in a flood disaster area has been provided, prior to the date on which the property is transferred, for repair, replacement, or restoration of the property, if such assistance was conditioned upon obtaining flood insurance in accordance with applicable Federal law with respect to such property.

(6) The term "Federal disaster relief assistance" applies to HUD or other Federal assistance for disaster relief in "flood disaster areas." The term "flood disaster area" is defined in section 582(d)(2) of the National Flood Insurance Reform Act of 1994, as amended, to include an area receiving a presidential declaration of a major disaster or emergency as a result of flood conditions.

C. Infrastructure (Public Facilities, Public Improvements, Public Buildings)

34. *Buildings for the general conduct of government.* 42 U.S.C. 5305(a) is waived to the extent necessary to allow grantees to fund the rehabilitation or reconstruction of public buildings that are otherwise ineligible. HUD believes this waiver is consistent with the overall purposes of the HCD Act, and is necessary for many grantees to adequately address critical infrastructure needs created by the disaster.

35. *Use of CDBG as Match.* Additionally, as provided by the HCD Act, funds may be used as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by the Federal Emergency Management Agency (FEMA) or the U.S. Army Corps of Engineers (USACE).

D. Economic Revitalization.

36. *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 to identify 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. This method replaces the standard CDBG requirement in which grantees must review the annual wages or salary of a job in comparison to the person's total

household income and size (i.e., number of persons). Thus, it streamlines the documentation process by allowing the collection of wage data from the assisted business for each position created or retained, rather than from each individual household.

This alternative requirement has been granted on several prior occasions to CDBG-DR grantees, and to date, those grants have not exhibited any issues of concern in calculating the benefit to low- and moderate-income persons. The Department has determined that, in the context of disaster recovery, this waiver is consistent with the HCD Act.

37. *Public benefit for certain economic development activities.* The public benefit provisions set standards for individual economic development activities (such as a single loan to a business) and for economic development activities in the aggregate. Currently, public benefit standards limit the amount of CDBG assistance per job retained or created, or the amount of CDBG assistance per low- and moderate-income person to which goods or services are provided by the activity. These dollar thresholds can impede recovery by limiting the amount of assistance the grantee may provide to a critical activity.

This Notice waives 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 570.209(b)(1), (2), (3)(i), (4), for economic development activities designed to create or retain jobs or businesses (including, but not limited to, long-term, short-term, and infrastructure projects). 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; the North American Industry Classification System (NAICS) code for each business assisted; and the types of jobs. HUD is also waiving 570.482(g) and 570.209(c) and (d) to the extent these provisions are related to public benefit.

38. *Clarifying note on Section 3 income documentation requirements.* Pursuant to the U.S. Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) and 24 CFR 135.5, the Secretary is authorized to establish income limits to consider an individual to be a Section 3 resident. This Notice authorizes grantees to determine that an individual is eligible to be considered a Section 3 resident if the annual wages or salary of the person are at, or under, the HUD-established income limit for a one-person family for the jurisdiction.

39. *Waiver and modification of the job relocation clause to permit assistance to help a business return.* Traditional CDBG requirements prevent program participants from providing assistance to a business to relocate from one labor market area to another—if the relocation is likely to result in a significant loss of jobs in the labor market from which the business moved. This prohibition can be a critical barrier to reestablishing and rebuilding a displaced employment base after a major disaster. Therefore, 42 U.S.C. 5305(h), 24 CFR 570.210, and 24 CFR 570.482(h) are waived to allow a grantee to provide assistance to any business that was operating in the disaster-declared labor market 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.

40. *Waiver to permit some activities in support of the tourism industry (State of New Jersey only).* The State of New Jersey plans to provide disaster recovery grant assistance to support the State's \$38 billion tourism industry and promote travel to communities in the disaster-impacted areas and has requested an eligibility waiver for such activities. Without such intervention, the State estimates a \$950 million loss in the third quarter of 2013. Tourism industry support, such as a national consumer awareness advertising campaign for an area in general, is ineligible for regular CDBG assistance. However, such support was eligible, within limits, for CDBG-DR funds appropriated for recovery of Lower Manhattan following the September 11, 2001, terrorist attacks, and HUD understands that such support can be a useful recovery tool in a damaged regional economy that depends on tourism for many of its jobs and tax revenues. However, because the State of New Jersey is proposing advertising and marketing activities rather than direct assistance to tourism-dependent businesses, and because long-term benefit from the proposed activities must be derived using indirect means, 42 U.S.C. 5305(a) and 24 CFR 570.489(f) are waived only to the extent necessary to make eligible use of no more than \$25 million for assistance for the tourism industry, including promotion of a community or communities in general, provided the assisted activities are designed to support tourism to the most impacted and distressed areas related to the effects of Hurricane Sandy. This waiver will expire at the end of the grantee's two year expenditure period.

41. *Alternative requirement for assistance to businesses, including privately-owned utilities.* The Department is instituting an alternative requirement to the provisions at 42 U.S.C. 5305(a) as follows: when grantees under this Notice provide funds to for-profit businesses, such funds may only be provided to a small business, as defined by the SBA under 13 CFR Part 121. CDBG-DR funds made available under this Notice may also not be used to assist a privately-owned utility for any purpose.

E. Certifications and Collection of Information.

42. *Certifications waiver and alternative requirement.* Sections 91.325 and 91.225 of title 24 of the Code of Federal Regulations are waived. Each State or UGLG receiving a direct allocation under this Notice must make the following certifications with its Action Plan:

a. The grantee certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within its jurisdiction and take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard (see 24 CFR 570.487(b)(2) and 570.601(a)(2)). In addition, the grantee certifies that agreements with subrecipients will meet all civil rights related requirements pursuant to 24 CFR 570.503(b)(5).

b. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.

c. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.

d. The grantee certifies that the Action Plan for Disaster Recovery is authorized under State and local law (as applicable) and that the grantee, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.

e. The grantee certifies that activities to be administered with funds under this Notice are consistent with its Action Plan.

f. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations

at 49 CFR part 24, except where waivers or alternative requirements are provided for in this Notice.

g. The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

h. The grantee certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each UGLG receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).

i. Each State receiving a direct award under this Notice certifies that it has consulted with affected UGLGs in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including method of distribution of funding, or activities carried out directly by the State.

j. The grantee certifies that it is complying with each of the following criteria:

(1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in the aftermath of Hurricane Sandy, pursuant to the Stafford Act.

(2) With respect to activities expected to be assisted with CDBG-DR funds, the Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

(3) The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 50 percent of the grant amount is expended for activities that benefit such persons.

(4) The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG-DR grant 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) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such

public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

k. The grantee certifies that it (and any subrecipient or recipient) will conduct and carry out the grant in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations.

l. The grantee certifies that it has adopted and is enforcing the following policies. In addition, States receiving a direct award must certify that they will require UGLGs that receive grant funds to certify that they have adopted and are enforcing:

(1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

(2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

m. Each State or UGLG receiving a direct award under this Notice certifies that it (and any subrecipient or recipient) has the capacity to carry out disaster recovery activities in a timely manner; or the State or UGLG will develop a plan to increase capacity where such capacity is lacking.

n. The grantee will not use grant funds for any activity in an area delineated as a special flood hazard area or equivalent in FEMA's most recent and current data source unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

o. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

p. The grantee certifies that it will comply with applicable laws.

q. The grantee certifies that it has reviewed the requirements of this Notice and requirements of Public Law 113–2 applicable to funds allocated by this Notice, and that it has in place

proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, to ensure timely expenditure of funds, to maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and to detect and prevent waste, fraud, and abuse of funds.

43. *Information collection approval note.* HUD has approval for information collection requirements in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–20) 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.

VII. Duration of Funding

The Appropriations Act requires that HUD obligate all funds provided under Chapter 9, Community Development Fund, not later than September 30, 2017. Concurrently, section 904(c) of the Appropriations Act requires that all funds be expended within two years of the date HUD obligates funds.

Therefore, each grantee must expend all funds within two years of the date HUD signs the grant agreement with the grantee. Note that if a grantee amends its Action Plan to program additional funds that the Department has allocated to it, the grant agreement must also be revised. As stated in paragraph 1.a, under section VI of this Notice, the requirement for each grantee to expend funds within two years is triggered by each amendment to the grant agreement. That is, each grant amendment has its own expenditure deadline. Pursuant to section 904(c) of the Appropriations Act, grantees or HUD may request waivers of the two-year expenditure deadline from the Office of Management and Budget. For any funds that the grantee believes will not be expended by the deadline, it must submit a letter to HUD justifying why it is necessary to extend the deadline for a specific portion of funds. The letter must detail the compelling legal, policy, or operational challenges for any such waiver, and must also identify the date by when the specified portion of funds will be expended. Funds remaining in the grantee's line of credit at the time of this expenditure deadline will be returned to the U.S. Treasury.

VIII. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this Notice are as follows: 14.218; 14.228.

IX. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410–0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202–708–3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at 800–877–8339.

Dated: February 28, 2013.

Mark Johnston,

Deputy Assistant Secretary for Special Needs Programs.

Appendix A—Allocation Methodology

To expedite recovery while recognizing that time is needed to get a full understanding of long-term recovery needs relating to eligible disasters supported by Public Law 113–2, this allocation provides \$5.4 billion of the \$16 billion, reserving the balance to address the full scope of needs when better information is available.

Background

Public Law 113–2 states:

For an additional amount for “Community Development Fund”, \$16,000,000,000, to remain available until September 30, 2017, for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013, for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.):

Provided, That funds shall be awarded directly to the State or unit of general local government as a grantee at the discretion of the Secretary of Housing and Urban Development:

Provided further, That the Secretary shall allocate to grantees not less than 33 percent

of the funds provided under this heading within 60 days after the enactment of this Act based on the best available data:

Provided further, That prior to the obligation of funds, a grantee shall submit a plan to the Secretary for approval detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery and restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas:

The legislation specifies that the CDBG-DR funds are to be used "for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster" and further specifies that the funds are not to be used for activities reimbursable by FEMA or the Corps of Engineers.

The language also calls for HUD to use "best available" data to make its allocation. For this allocation, similar to prior allocations, HUD makes a determination of unmet needs by estimating unmet needs related to the main intended uses of the funds:

- "restoration of * * * housing". We make an estimate with best available data on the amount of housing damage not likely to be covered by insurance, SBA disaster loans, or FEMA housing assistance. To target the "most impacted and distressed areas", the calculation limits the need calculation only to homes with high levels of individual damage (see below).
- "economic revitalization". We make an estimate with best available data on the amount of damage to businesses applying for an SBA loan that are expected to be turned down, usually because of inadequate credit or income to support the needed loan amount.
- "restoration of infrastructure". Due to the early stage of the disaster, HUD did not use data on infrastructure need for this first allocation, pending getting better information on infrastructure needs which will be used in a later allocation. That noted, grantees may use this initial allocation to begin addressing infrastructure needs.

These estimated needs are then summed together and an allocation is made among the grantee universe based on their proportional share of "unmet needs". At this point, there is good data on number of affected households and likely damage, but there is less complete data on the extent other resources have addressed those needs, specifically:

- Severe unmet housing needs. HUD limits the calculation of unmet needs to only properties with significant damage. This goes toward meeting the Congressional requirement of most impacted. Information on the adequacy of insurance to address housing needs was still very early in the disaster response, a high percentage of affected property owners are still determining how much of their recovery needs will be covered by insurance. To adjust for this uncertainty, HUD applied assumptions about insurance coverage rates to calculate the severe housing needs.
- Unmet business loss. It is very early in the disaster response to accurately estimate

the needs for business to recover. This estimate looks at the properties that have applied for SBA disaster loans and extrapolates both estimated damage and disapproval rates based on the applications requested to date. As with the housing estimates, HUD applies an assumption about expected SBA denial rates.

Methodology for Calculating Unmet Needs Available Data

The "best available" data HUD staff have identified as being available to calculate unmet needs at this time for the targeted disasters come from the following data sources:

- FEMA Individual Assistance program data on housing unit damage;
- SBA for management of its disaster assistance loan program for housing repair and replacement;
- SBA for management of its disaster assistance loan program for business real estate repair and replacement as well as content loss; and

Calculating Unmet Housing Needs

The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for FEMA's Individual Assistance program. For unmet housing needs, the FEMA data are supplemented by Small Business Administration data from its Disaster Loan Program. HUD calculates "unmet housing needs" as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA, where:

- Each of the FEMA inspected owner units are categorized by HUD into one of five categories:
 - Minor-Low: Less than \$3,000 of FEMA inspected *real property* damage
 - Minor-High: \$3,000 to \$7,999 of FEMA inspected *real property* damage
 - Major-Low: \$8,000 to \$14,999 of FEMA inspected *real property* damage
 - Major-High: \$15,000 to \$28,800 of FEMA inspected *real property* damage and/or 1 to 4 feet of flooding on the first floor.
 - Severe: Greater than \$28,800 of FEMA inspected *real property* damage or determined destroyed and/or 4 or more feet of flooding on the first floor.

To meet the statutory requirement of "most impacted" in this legislative language, homes are determined to have a high level of damage if they have damage of "major-low" or higher. That is, they have a real property FEMA inspected damage of \$8,000 or flooding over 1 foot. Furthermore, a homeowner is determined to have unmet needs if they have received a FEMA grant to make home repairs. For other homeowners at this stage of the disaster, assumptions are made about the likely percent of damage *not* covered by insurance. This is assumed to increase by severity of damage to the home. The assumptions applied to ascertain the range of allocations were 30 percent for homes with major-low damage; 50 percent for homes with major-high damage; and 70 percent for homes with severe damage.

- FEMA does not inspect rental units for real property damage so personal property

damage is used as a proxy for unit damage. Each of the FEMA inspected renter units are categorized by HUD into one of five categories:

- Minor-Low: Less than \$1,000 of FEMA inspected *personal property* damage
- Minor-High: \$1,000 to \$1,999 of FEMA inspected *personal property* damage
- Major-Low: \$2,000 to \$3,499 of FEMA inspected *personal property* damage
- Major-High: \$3,500 to \$7,499 of FEMA inspected *personal property* damage or 1 to 4 feet of flooding on the first floor.
- Severe: Greater than \$7,500 of FEMA inspected *personal property* damage or determined destroyed and/or 4 or more feet of flooding on the first floor.

For rental properties, to meet the statutory requirement of "most impacted" in this legislative language, homes are determined to have a high level of damage if they have damage of "major-low" or higher. That is, they have a FEMA personal property damage assessment of \$2,000 or greater or flooding over 1 foot. Furthermore, landlords are presumed to have adequate insurance coverage unless the unit is occupied by a renter with income of \$30,000 or less. Units are occupied by a tenant with income less than \$30,000 are used to calculate likely unmet needs for affordable rental housing.

- The average cost to fully repair a home for a specific disaster to code within each of the damage categories noted above is calculated using the average real property damage repair costs determined by the Small Business Administration for its disaster loan program for the subset of homes inspected by both SBA and FEMA. Because SBA is inspecting for full repair costs, it is presumed to reflect the full cost to repair the home, which is generally more than the FEMA estimates on the cost to make the home habitable. If fewer than 100 SBA inspections are made for homes within a FEMA damage category, the estimated damage amount in the category for that disaster has a cap applied at the 75th percentile of all damaged units for that category for all disasters and has a floor applied at the 25th percentile.

Calculating Economic Revitalization Needs

Based on SBA disaster loans to businesses, HUD used the sum of real property and real content loss of small businesses not receiving an SBA disaster loan times 85 percent. This is adjusted upward by a per business unmet need times the number of applications denied pre-inspection for inadequate credit or income or the loan was still in processing and did not yet have an inspection.

Because applications denied for poor credit or income are the most likely measure of requiring the type of assistance available with CDBG recovery funds, the calculated unmet business needs for each state are adjusted upwards by the proportion of total application that were denied at the pre-process stage because of poor credit or inability to show repayment ability.

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BILLING CODE 4210-67-P

practical utility; (2) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (3) enhance the quality, utility, and clarity of the information to be collected; and (4) minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

This Notice also lists the following information:

Title of Proposal: Rental Assistance Demonstration Evaluation, Phase I.

OMB Control Number: Pending.

Description of the Need for the Information and Proposed Use: HUD is conducting an evaluation of the Rental Assistance Demonstration (RAD), focused on the conversion of public housing developments to project-based rental assistance and project-based vouchers. The evaluation will study a

sample of RAD sites and a carefully chosen group of comparison sites. Identification of comparison sites will rely heavily on analysis of existing data—including internal HUD data on public housing and public housing tenants, and neighborhood data from the American Community Survey. If there are significant differences between RAD sites and comparison sites that are not reflected in the data, the resulting evaluation will be biased. Therefore it is necessary to conduct limited information collection from local experts to learn about any “unobservable” characteristics that should influence the selection of comparison sites. This information will refine the comparison group and enable HUD to produce more rigorous estimates of program impacts.

Agency Form Numbers: None.

Members of the Affected Public: This information collection request will affect individuals involved with public

and assisted housing programs in the 24 sites selected to be part of the RAD Evaluation. Up to five individuals per site will be interviewed by telephone. They will be asked to provide information about a specific public housing development undergoing conversion through RAD—specifically, they will be asked about the decision to utilize RAD at that particular development. They will also be asked to comment on other public housing properties identified by the research team as potential comparison sites. These interviews will be semi-structured, guided by an interview protocol comprising mostly open-ended questions. Interviews will take no longer than 30 minutes.

Estimate of the total number of hours needed to prepare the information collection including number of respondents, frequency of response, and hours of response: The following chart details the respondent burden:

	Number of responses	Hours per response	Total hours
Telephone interviews	120	.5	60
Total	120	.5	60

Status of the proposed information collection: Pending OMB approval.

Authority: Section 3506 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35, as amended.

Dated: April 12, 2013.

Jean Lin Pao,
General Deputy Assistant Secretary for Policy Development and Research.

[FR Doc. 2013-09237 Filed 4-18-13; 8:45 am]

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5710-N-01]

Clarifying Guidance, Waivers, and Alternative Requirements for Hurricane Sandy Grantees in Receipt of Community Development Block Grant Disaster Recovery Funds

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: Previously, the Department allocated \$5,400,000,000 of Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated by the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2) for the purpose of assisting recovery

in the most impacted and distressed areas declared a major disaster due to Hurricane Sandy (see 78 FR 14329, published in the Federal Register on March 5, 2013). This Notice provides clarifying guidance, waivers, and alternative requirements.

DATES: With the exception of waivers included in this Notice, this Notice is effective on April 19, 2013. The effective date for waivers in this Notice is April 24, 2013.

FOR FURTHER INFORMATION CONTACT: Stan Gimont, Director, Office of Block Grant Assistance, Office of Community Planning and Development, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the “800” number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

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- II. Applicable Rules, Statutes, Waivers, and

- Alternative Requirements
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I. Background

The Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2, approved January 29, 2013) (Appropriations Act) makes available \$16,000,000,000 in Community Development Block Grant (CDBG) funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013.

On March 1, 2013, the President issued a sequestration order in accordance with section 251A of the Balanced Budget and Emergency Deficit Control Act. This provision of law and the order implementing sequestration reduces funding for disaster recovery grants from \$15,980,000,000 to \$15,181,000,000. The \$10 million provided to CPD for administrative costs and the \$10 million provided to the

Office of the Inspector General are also each reduced to \$9.5 million.

In a **Federal Register** Notice published March 5, 2013 (78 FR 14329), the Department allocated \$5,400,000,000 after analyzing the impacts of Hurricane Sandy and identifying unmet needs. This Notice provides clarifying guidance, waivers, and alternative requirements to grantees in receipt of an allocation under the Appropriations Act.

II. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) (HCD Act). Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

This section provides additional waivers and alternative requirements to Hurricane Sandy grantees, and clarifies or modifies guidance provided at 78 FR 14329. For each waiver and alternative requirement described in this Notice, the Secretary has determined that good cause exists and the action is not inconsistent with the overall purpose of the HCD Act. Grantees may request additional waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Under the requirements of the Appropriations Act, regulatory waivers must be published in the **Federal Register** no later than five days before the effective date of such waiver.

1. *Action Plan for Disaster Recovery criterion for approval—Elevation Requirements.* Paragraph 1(a)(3) at 78 FR 14333 is hereby amended by deleting that paragraph and replacing it in its entirety with the following:

A description of how the grantee will promote: (a) Sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management and take into account possible sea level rise; and (b) how it will coordinate with

other local and regional planning efforts to ensure consistency.

In addition, grantees must adopt and meet the following minimum requirements for approval: In order to better ensure a sustainable long-term recovery, grantees must elevate (or may, for certain non-residential structures as described below, floodproof) new construction and substantially improved structures one foot higher than the latest Federal Emergency Management Agency (FEMA) issued base flood elevation. This standard and criterion for approval of an Action Plan was made after considering the history of FEMA flood mitigation efforts. This higher elevation also takes into account projected sea level rise, which is not considered in current FEMA maps and National Flood Insurance Program premiums, which will potentially rise as FEMA Flood Insurance Rate Maps that take Hurricane Sandy into account are issued.

Each grantee must include in its Action Plan a description of how it will ensure compliance with the requirement that it will not use grant funds for any activity in an area delineated as a special flood hazard area or equivalent in FEMA's most recent and current data source unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain. At a minimum, actions to minimize harm must include elevating or floodproofing new construction and substantial improvements to one foot above the base flood elevation and otherwise acting in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source and best available data under Executive Order 11988 is the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

Executive Order 11988 on floodplain management requires that federal agencies use the best available flood data to determine the location of projects and activities. In addition, best available flood risk data must be used to determine requirements for reconstruction, and the elevation of structures for grants funding (in whole or part) new construction and substantial-improvements as defined at 24 CFR 55.2(b)(8). If a new construction or substantial improvement project or activity is located in a floodplain, the lowest floor must be designed using the base flood elevation, determined in accordance with the best available data, plus one foot as the baseline standard for elevation. If higher elevations are required by locally adopted code or

standards, those higher standards would apply.

Instead of elevating non-residential structures that are not critical actions as defined at 24 CFR 55.2(b)(2), grantees may design and construct the project such that below the flood level, the structure is floodproofed using the best available flood data plus one foot. Floodproofing requires structures to be water tight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic loads, hydrodynamic loads, the effects of buoyancy or higher standards required by the FEMA National Flood Insurance Program as well as state and locally adopted codes. All mixed-use structures must be floodproofed consistent with the latest FEMA guidance.

Each grantee that submitted an Action Plan prior to the publication of this Notice must amend its Plan to address this modified requirement. This revision will be treated as a non-substantial amendment and does not require a public comment period. Revised plans must be submitted to the Department within thirty (30) days of the effective date of this Notice.

2. *State of New York—counties eligible for CDBG-DR assistance.* HUD is amending 78 FR 14330 to define "most impacted and distressed counties" to include counties that meet the revised threshold that will be used for non-Sandy allocations under Public Law 113-2. The new threshold identifies "most impacted counties" as counties with at least \$10 million in damages. Of counties eligible for CDBG-DR assistance from the devastation of Hurricane Sandy, Westchester County, New York, meets this new threshold in addition to the "most impacted counties" already identified in FR 14330. As such, Table 2 at 78 FR 14330 is amended to identify the following counties as the most impacted and distressed: Nassau, Suffolk, Rockland, and Westchester. In addition, to provide consistency among CDBG disaster recovery appropriations, HUD has determined that any county within the State of New York that received a Presidential declaration under FEMA-4020-DR (Hurricane Irene) or FEMA-4031-DR (Tropical Storm Lee) is eligible to receive assistance under the Appropriations Act. However, the State must expend at least 80 percent of its CDBG-DR allocation in its most impacted and distressed counties.

3. *Waiver to permit some activities in support of the tourism industry (State of New York only).* The State of New York has requested a waiver to allow the State to use CDBG-DR funds to support

its \$53.9 billion tourism industry and promote travel to communities in the disaster-impacted areas. Tourism in Sandy-impacted counties generates approximately \$32.5 billion, \$1.7 billion of which is created by disaster-affected businesses. In the surge area alone (nine of the 14 impacted counties), Hurricane Sandy affected 32,282 businesses; the Long Island tourism industry lost approximately 6,000 jobs due to Sandy's impact. Without this waiver, the State estimates a \$500 million loss in revenue.

Tourism industry support, such as a national consumer awareness advertising campaign for an area in general, is ineligible for CDBG assistance. However, HUD understands that such support can be a useful recovery tool in a damaged regional economy that depends on tourism for many of its jobs and tax revenues and has granted similar waivers for several CDBG-DR disaster recovery efforts. As the State of New York is proposing advertising and marketing activities for this specific program, rather than direct assistance to tourism-dependent businesses, and because the measures of long-term benefit from the proposed activities must be derived using indirect means, 42 U.S.C. 5305(a) and 24 CFR 570.489(f) are waived only to the extent necessary to make eligible use of no more than \$30 million for assistance for the tourism industry. CDBG-DR funds may be used to promote a community or communities in general, provided the assisted activities are designed to support tourism to the most impacted and distressed areas related to the effects of Hurricane Sandy. This waiver will expire at the end of the State's two-year expenditure period.

4. Tenant-based rental assistance (New York City only). The City of New York has found that low-income households were disproportionately impacted by Hurricane Sandy. Of the renters that registered for FEMA assistance, almost 65 percent had annual incomes less than \$30,000. As of March 2013, nearly 1,200 households (almost 3,000 people) remain in hotels or interim facilities as a result of Hurricane Sandy, while an unknown number are living in unsafe conditions or "doubled-up."

To assess the permanent housing needs of displaced persons and families, and to match those households with available housing units, the city's Department of Housing Preservation and Development (HPD) created a "housing portal." To date, more than 1,600 households have registered for assistance; 84 percent of these have incomes at or below 50 percent of the

area median income. Meanwhile, HUD and FEMA are activating the Disaster Housing Assistance Program (DHAP), which could potentially address some households' need for rental assistance. However, DHAP is limited to one year, and the program requirements include evidence of sufficient financial assets to support a post-DHAP housing plan, which will exclude most extremely low-income households. Many of these households require a longer subsidy period so that they can develop a permanent housing plan. Thus, the Department is waiving 42 U.S.C. 5305(a), to the extent necessary to make eligible rental assistance payments on behalf of low-income households (at or below 50 percent of the area median income) displaced by Hurricane Sandy. Displaced households that have rejected public housing assistance, or declined a Section 8 voucher, will not be eligible. This waiver will expire at the end of the State's two year expenditure period.

5. Program income alternative requirement. The following changes and additions are made to Paragraph 17 at 78 FR 14341. Paragraphs a.(1)(h) through (j) are replaced, paragraph a.(1)(k) is added, and paragraph (2) is replaced with the following:

(h) Interest earned on funds held in a revolving fund account;

(i) Interest earned on program income pending disposition of the income;

(j) Funds collected through special assessments made against nonresidential properties and properties owned and occupied by households not of low and moderate income, if the special assessments are used to recover all or part of the CDBG-DR portion of a public improvement; and

(k) Gross income paid to a unit of general local government or subgrantee of the unit of general local government from the ownership interest in a for-profit entity acquired in return for the provision of CDBG-DR assistance.

(2) "Program income" does not include the following:

(a) The total amount of funds, which does not exceed \$35,000 received in a single year from activities, other than revolving loan funds that is retained by a unit of general local government and its subgrantees (all funds received from revolving loan funds are considered program income, regardless of amount);

(b) Amounts generated by activities eligible under section 105(a)(15) of the Act and carried out by an entity under the authority of section 105(a)(15) of the Act;

(c) Payments of principal and interest made by a subgrantee carrying out a CDBG-DR activity for a unit of general local government, toward a loan from

the local government to the subgrantee, to the extent that program income received by the subgrantee is used for such payments;

(d) The following classes of interest, which must be remitted to HUD for transmittal to the Department of the Treasury, and will not be reallocated under section 106(c) or (d) of the Act:

(i) Interest income from loans or other forms of assistance provided with CDBG-DR funds that are used for activities determined by HUD to be not eligible under § 570.482 or section 105(a) of the Act, to fail to meet a national objective in accordance with the requirements of § 570.483, or to fail substantially to meet any other requirement of this subpart or the Act;

(ii) Interest income from deposits of amounts reimbursed to a state's CDBG-DR program account prior to the state's disbursement of the reimbursed funds for eligible purposes; and

(iii) Interest income received by units of general local government on deposits of grant funds before disbursement of the funds for activities, except that the unit of general local government may keep interest payments of up to \$100 per year for administrative expenses otherwise permitted to be paid with CDBG-DR funds.

(e) Proceeds from the sale of real property purchased or improved with CDBG-DR funds, if the proceeds are received more than 5 years after expiration of the grant agreement between the state and the unit of general local government.

* * * * *

6. Assistance to businesses, including privately-owned utilities. Paragraph 1(d)(3) at 78 FR 14335 is hereby amended to be consistent with the alternative requirement as stated in paragraph 41 at 78 FR 14347. While Paragraph 41 discussed both small businesses and private utilities, the paragraph at 1(d)(3) only discussed small businesses. Thus, grantees in receipt of an allocation under the Appropriations Act are subject to the following: when CDBG-DR funds are provided to for-profit businesses, such funds may only be provided to a small business, as defined by the SBA under 13 CFR part 121. CDBG-DR funds may not be used to assist a privately-owned utility for any purpose.

7. Modification of certification. Paragraph 42(n) at 78 FR 14348 is replaced with the following: The grantee will not use grant funds for any activity in an area delineated as a special flood hazard area or equivalent in FEMA's most recent and current data source unless it also ensures that the action is

designed or modified to minimize harm to or within the floodplain. The grantees further certifies that at a minimum, actions to minimize harm will include elevating or floodproofing new construction and substantial improvements to one foot above the base flood elevation and otherwise acting in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

Grantees that have provided this certification in compliance with the previous Notice must resubmit the revised language to the Department within thirty (30) days of the effective date of this Notice.

III. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this Notice are as follows: 14.269.

IV. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

Dated: April 15, 2013.

Mark Johnston,

Deputy Assistant Secretary for Special Needs Programs.

[FR Doc. 2013-09228 Filed 4-18-13; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5681-N-16]

Federal Property Suitable as Facilities To Assist the Homeless

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Notice identifies unutilized, underutilized, excess, and surplus Federal property reviewed by HUD for suitability for use to assist the homeless.

FOR FURTHER INFORMATION CONTACT: Juanita Perry, Department of Housing and Urban Development, 451 Seventh Street SW., Room 7266, Washington, DC 20410; telephone (202) 402-3970; TTY number for the hearing- and speech-impaired (202) 708-2565 (these telephone numbers are not toll-free), or call the toll-free Title V information line at 800-927-7588.

SUPPLEMENTARY INFORMATION: In accordance with 24 CFR part 581 and section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411), as amended, HUD is publishing this Notice to identify Federal buildings and other real property that HUD has reviewed for suitability for use to assist the homeless. The properties were reviewed using information provided to HUD by Federal landholding agencies regarding unutilized and underutilized buildings and real property controlled by such agencies or by GSA regarding its inventory of excess or surplus Federal property. This Notice is also published in order to comply with the December 12, 1988 Court Order in *National Coalition for the Homeless v. Veterans Administration*, No. 88-2503-OG (D.D.C.).

Properties reviewed are listed in this Notice according to the following categories: Suitable/available, suitable/unavailable, and suitable/to be excess, and unsuitable. The properties listed in the three suitable categories have been reviewed by the landholding agencies, and each agency has transmitted to HUD: (1) Its intention to make the property available for use to assist the homeless, (2) its intention to declare the property excess to the agency's needs, or (3) a statement of the reasons that the property cannot be declared excess or made available for use as facilities to assist the homeless.

Properties listed as suitable/available will be available exclusively for homeless use for a period of 60 days from the date of this Notice. Where

property is described as for "off-site use only" recipients of the property will be required to relocate the building to their own site at their own expense.

Homeless assistance providers interested in any such property should send a written expression of interest to HHS, addressed to Theresa Ritta, Division of Property Management, Program Support Center, HHS, room 5B-17, 5600 Fishers Lane, Rockville, MD 20857; (301) 443-2265. (This is not a toll-free number.) HHS will mail to the interested provider an application packet, which will include instructions for completing the application. In order to maximize the opportunity to utilize a suitable property, providers should submit their written expressions of interest as soon as possible. For complete details concerning the processing of applications, the reader is encouraged to refer to the interim rule governing this program, 24 CFR part 581.

For properties listed as suitable/to be excess, that property may, if subsequently accepted as excess by GSA, be made available for use by the homeless in accordance with applicable law, subject to screening for other Federal use. At the appropriate time, HUD will publish the property in a Notice showing it as either suitable/available or suitable/unavailable.

For properties listed as suitable/unavailable, the landholding agency has decided that the property cannot be declared excess or made available for use to assist the homeless, and the property will not be available.

Properties listed as unsuitable will not be made available for any other purpose for 20 days from the date of this Notice. Homeless assistance providers interested in a review by HUD of the determination of unsuitability should call the toll free information line at 1-800-927-7588 for detailed instructions or write a letter to Ann Marie Oliva at the address listed at the beginning of this Notice. Included in the request for review should be the property address (including zip code), the date of publication in the *Federal Register*, the landholding agency, and the property number.

For more information regarding particular properties identified in this Notice (i.e., acreage, floor plan, existing sanitary facilities, exact street address), providers should contact the appropriate landholding agencies at the following addresses: GSA: Mr. Flavio Peres, General Services Administration, Office of Real Property Utilization and Disposal, 1800 F Street NW, Room 7040 Washington, DC 20405, (202) 501-0084; (This is not toll-free numbers).

(2) *Title of the Form/Collection:* Immigrant Petition by Alien Entrepreneur.

(3) *Agency form number, if any, and the applicable component of the DHS sponsoring the collection:* USCIS Form I-526; USCIS.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:* Primary: Individuals or households. Form I-526 is used by the USCIS to determine if an alien can enter the U.S. to engage in commercial enterprise.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* 807 responses at 1 hour and 20 minutes (1.33 hours) per response for paper filers, and 7,263 responses at 1 hour and 15 minutes (1.25 hours) per response for electronic filers.

(6) *An estimate of the total public burden (in hours) associated with the collection:* 10,151 annual burden hours.

If you need a copy of the information collection instrument with supplementary documents, or need additional information, please visit <http://www.regulations.gov>. We may also be contacted at: USCIS, Office of Policy and Strategy, Regulatory Coordination Division, 20 Massachusetts Avenue NW., Washington, DC 20529-2140; Telephone 202-272-8377.

Dated: May 23, 2013.

Laura Dawkins,

Chief, Regulatory Coordination Division,
Office of Policy and Strategy, U.S. Citizenship
and Immigration Services, Department of
Homeland Security.

[FR Doc. 2013-12678 Filed 5-28-13; 8:45 am]

BILLING CODE 9111-97-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5696-N-03]

Allocations, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant Disaster Recovery Funds in Response to Disasters Occurring in 2011 or 2012

AGENCY: Office of the Assistant
Secretary for Community Planning and
Development, HUD.

ACTION: Notice.

SUMMARY: This Notice advises the public
of a \$514,012,000 allocation for the
purpose of assisting recovery in the

most impacted and distressed areas
declared a major disaster in 2011 or
2012. This is the second allocation of
Community Development Block Grant
disaster recovery (CDBG-DR) funds
appropriated by the Disaster Relief
Appropriations Act, 2013 (Pub. L. 113-
2). The first allocation provided
\$5,400,000,000 to the areas most
impacted by Hurricane Sandy. In HUD's
Federal Register notice published on
March 5, 2013, at 78 FR 14329, HUD
described that allocation and its
applicable waivers and alternative
requirements, relevant statutory
provisions, the grant award process,
criteria for Action Plan approval, and
eligible disaster recovery activities.
Subsequently, HUD published a notice
on April 19, 2013, at 78 FR 23578,
which provided additional waivers and
alternative requirements to Hurricane
Sandy grantees, and clarified or
modified guidance provided in the
March 5, 2013, notice. For grantees
receiving an allocation under this
Notice, published in today's **Federal
Register** many of the requirements
described in the prior notices will
apply. Additionally, this Notice
modifies an alternative requirement for
grantees in receipt of an allocation
under section 239 of the Department of
Housing and Urban Development
Appropriations Act, 2012 (Pub. L. 112-
55, approved November 18, 2011);
allocations published in the **Federal
Register** on April 16, 2012, at 77 FR
22583.

DATES: Effective Date: June 3, 2013.

FOR FURTHER INFORMATION CONTACT: Stan
Gimont, Director, Office of Block Grant
Assistance, Office of Community
Planning and Development, Department
of Housing and Urban Development,
451 7th Street SW., Room 7286,
Washington, DC 20410, telephone
number 202-708-3587. Persons with
hearing or speech impairments may
access this number via TTY by calling
the Federal Relay Service at 800-877-
8339. Facsimile inquiries may be sent to
Mr. Gimont at 202-401-2044. (Except
for the "800" number, these telephone
numbers are not toll-free.) Email
inquiries may be sent to
disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

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Prevention of Fraud, Abuse, and

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- IV. Overview of Grant Process
- V. Applicable Rules, Statutes, Waivers, and
Alternative Requirements
- VI. Duration of Funding
- VII. Catalog of Federal Domestic Assistance
- VIII. Finding of No Significant Impact
- Appendix A: Allocation Methodology

I. Allocation

The Disaster Relief Appropriations
Act, 2013 (Pub. L. 113-2, approved
January 29, 2013) (Appropriations Act)
made available \$16,000,000,000 in
Community Development Block Grant
(CDBG) funds for necessary expenses
related to disaster relief, long-term
recovery, restoration of infrastructure
and housing, and economic
revitalization in the most impacted and
distressed areas resulting from a major
disaster declared pursuant to the Robert
T. Stafford Disaster Relief and
Emergency Assistance Act of 1974 (42
U.S.C. 5121 *et seq.*) (Stafford Act), due
to Hurricane Sandy and other eligible
events in calendar years 2011, 2012, and
2013.

On March 1, 2013, the President
issued a sequestration order pursuant to
section 251A of the Balanced Budget
and Emergency Deficit Control Act, as
amended (2 U.S.C. 901a), and reduced
funding for CDBG-DR grants under the
Appropriations Act to \$15.18 billion.
Through the March 5, 2013, Notice,
HUD allocated \$5.4 billion for the areas
most impacted by Hurricane Sandy (see
78 FR 14329). Of the remaining \$9.78
billion, this Notice allocates
\$514,012,000 for the purpose of
assisting recovery in the most impacted
and distressed areas declared a major
disaster in 2011 or 2012. As the
Appropriations Act requires funds to be
awarded directly to a State, or unit of
general local government (hereinafter,
local government), at the discretion of
the Secretary, the term "grantee" refers
to any jurisdiction receiving a direct
award from HUD under this Notice.

To comply with statutory direction
that funds be used for disaster recovery-
related expenses in the most impacted
and distressed areas, HUD computes
allocations based on the best available
data that cover all of the eligible affected
areas. Based on a review of the impacts
from Presidentially-declared disasters
that occurred in 2011 or 2012
(excluding Hurricane Sandy), and
estimates of remaining unmet need, this
Notice, published in today's **Federal
Register**, provides the following awards:

TABLE 1—ALLOCATIONS FOR DISASTERS OCCURRING IN 2011 OR 2012

State	Grantee	Allocation
Alabama	State of Alabama	\$49,157,000
Alabama	City of Tuscaloosa	43,932,000
Alabama	City of Birmingham	17,497,000
Alabama	Jefferson County	9,142,000
Louisiana	State of Louisiana	66,398,000
Louisiana	Jefferson Parish	16,453,000
Louisiana	City of New Orleans	15,031,000
Louisiana	St. Tammany Parish	8,896,000
Massachusetts	Commonwealth of Massachusetts	7,210,000
Massachusetts	City of Springfield	21,896,000
Missouri	State of Missouri	11,844,000
Missouri	City of Joplin	113,276,000
North Dakota	State of North Dakota	6,576,000
North Dakota	City of Minot	35,056,000
Pennsylvania	Commonwealth of Pennsylvania	29,986,000
Pennsylvania	Luzerne County	9,763,000
Pennsylvania	Dauphin County	7,632,000
Tennessee	State of Tennessee	13,810,000
Tennessee	Shelby County	7,464,000
Texas	State of Texas	5,061,000
Vermont	State of Vermont	17,932,000
Total .....	.....	514,012,000

To ensure funds provided under this Notice address unmet needs within the “most impacted and distressed” counties or parishes, each local government receiving a direct award under this Notice must expend its entire CDBG-DR award within its jurisdiction

(e.g., Shelby County must expend all funds within Shelby County; the City of Joplin must expend all funds in the portions of Jasper and Newton counties located within the city’s jurisdiction). State grantees may expend funds in any county or parish that received a

Presidential disaster declaration in 2011 or 2012, but must expend a minimum amount in counties or parishes considered most impacted and distressed, as shown in Table 2:

TABLE 2—COUNTIES AND PARISHES ELIGIBLE FOR CDBG-DR ASSISTANCE

State grantee	FEMA disaster No.	Most impacted and distressed counties and parishes	Minimum amount to expend in most impacted and distressed counties and parishes
Alabama	1971, 4052, 4082.	Tuscaloosa, Jefferson, DeKalb, Cullman, Franklin, Marion	\$25,211,400
Louisiana	4015, 4041, 4080.	St. John the Baptist, Plaquemines, Jefferson, Orleans, St. Tammany	45,042,400
Massachusetts	1959, 1994, 4028, 4051, 4097.	Hampden	1,388,800
Missouri	1961, 1980, 4012.	Jasper, Newton	0
North Dakota	1981, 1986 ...	Ward	0
Pennsylvania	4003, 4025, 4030.	Luzerne, Bradford, Dauphin, Columbia, Newton	20,509,800
Tennessee	1965, 1974, 1978, 1979, 4005, 4060.	Shelby	9,555,200
Texas	1999, 4029 ...	Bastrop	4,048,800
Vermont	1995, 4001, 1022, 4043, 4066.	Windsor, Washington, Windham	14,345,600

A detailed explanation of HUD’s allocation methodology is provided at Appendix A. Grantees with additional questions regarding the counties and parishes identified as the most impacted and distressed should contact the HUD

Community Development and Planning (CPD) Representative assigned to their grant.

II. Use of Funds

The Appropriations Act requires funds to be used only for specific disaster recovery-related purposes. The Appropriations Act also requires that prior to the obligation of funds, a

grantee shall submit a plan detailing the proposed use of funds, including criteria for eligibility and how the use of these funds will address disaster relief, long-term recovery, restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas. Thus, in an Action Plan for Disaster Recovery, each grantee must describe uses and activities that: (1) Are authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) (HCD Act), or allowed by a waiver or alternative requirement published in an applicable **Federal Register** notice; and (2) respond to a disaster-related impact. To help meet these requirements, grantees must conduct an assessment of community impacts and unmet needs to guide the development and prioritization of planned recovery activities. Detailed information on the needs assessment, eligible CDBG-DR activities, and the development of an Action Plan is included in the March 5, 2013, notice. The subsequent notice published on April 19, 2013, clarifies and/or modifies information provided in the March 5, 2013, notice. For grantees receiving an allocation under this Notice, many of the requirements described in those prior notices will apply (*see* section V of this Notice: "Applicable Rules, Statutes, Waivers, and Alternative Requirements"). Links to the prior notices, the text of the Appropriations Act, and additional guidance prepared by HUD for CDBG-DR grants, are available on HUD's Web site under the Office of Community Planning and Development, Disaster Recovery Assistance (hereinafter referred to as the CPD Disaster Recovery Web site): http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/drasi.

Each grantee receiving an allocation under this Notice must submit an initial Action Plan no later than 90 days after the effective date of this Notice. However, grantees are encouraged to submit their Action Plans as soon as possible. HUD will only approve Action Plans that meet the specific criteria identified in the March 5, 2013, notice, as modified by the April 19, 2013, notice (*see* section V of this Notice: "Applicable Rules, Statutes, Waivers, and Alternative Requirements").

Finally, as provided by the HCD Act, funds may be used as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by the Federal Emergency Management Agency (FEMA) or the U.S.

Army Corps of Engineers (USACE) (as provided at 42 U.S.C. 5305); however, the amount of CDBG-DR used as matching funds for USACE-funded projects may not exceed \$250,000. In addition, per the Appropriations Act, CDBG-DR funds may not be used for expenses reimbursable by, or for which funds are made available by, either FEMA or USACE.

III. Timely Expenditure of Funds and Prevention of Waste, Fraud, Abuse, and Duplication of Benefits

To ensure the timely expenditure of funds, section 904(c) under Title IX of the Appropriations Act requires that all funds be expended within two years of the date HUD obligates funds to a grantee (funds are obligated to a grantee upon HUD's signing of the grantee's CDBG-DR grant agreement). Action Plans must demonstrate how funds will be fully expended within two years of obligation. For any funds that the grantee believes will not be expended by the deadline and that it wishes to retain, it must submit a letter to HUD not less than 30 days in advance of the deadline justifying why it is necessary to extend the deadline for a specific portion of funds. The letter must detail the compelling legal, policy, or operational challenges for any such waiver, and must also identify the date by when the specified portion of funds will be expended. HUD will forward the request to the Office of Management and Budget (OMB) and publish any approved waivers in the **Federal Register** once granted. Waivers to extend the expenditure deadline may be granted by OMB in accordance with guidance to be issued by OMB, but grantees are cautioned that such waivers may not be approved. Funds remaining in the grantee's line of credit at the time of the 24-month expenditure deadline will be returned to the U.S. Treasury, or if before September 30, 2017, will be recaptured by HUD. The Appropriations Act requires that HUD obligate all funds not later than September 30, 2017. Grantees must continue to meet the requirements for Federal cash management at 24 CFR 85.20(a)(7).

In addition to the above, the Appropriations Act requires the Secretary to certify, in advance of signing a grant agreement, that the grantee has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect

and prevent waste, fraud, and abuse of funds. HUD guidance to assist in preventing a duplication of benefits is provided in a notice published in the **Federal Register** on November 16, 2011, at 76 FR 71060. To provide a basis for the Secretary to make the certification, each grantee must submit documentation to HUD demonstrating its compliance with the above requirements. Grantees must submit the required documentation listed in paragraph A.1.i. under section VI of the March 5, 2013, Notice. Additional information is available in section III of March 5, 2013, Notice and on HUD's CPD Disaster Recovery Web site (*see* "Guide for Review of Financial Management" and "Certification Checklist").

Additionally, grantees must submit to HUD a projection of expenditures and outcomes to ensure funds are expended in a timely manner, and to track proposed versus actual performance (guidance on the preparation of the projections is available on HUD's CPD Disaster Recovery Web site). Grantees are also required to ensure all contracts (with subrecipients, recipients, and contractors) clearly stipulate the period of performance or the date of completion. In addition, grantees must enter expected completion dates for each activity in HUD's Disaster Recovery Grant Reporting (DRGR) system. When target dates are not met, grantees are required to explain why in the activity narrative. Therefore, all grantees must comply with all reporting, procedural, and monitoring requirements described in section VI. A. Grant Administration, in the March 5, 2013, Notice. HUD will institute risk analysis and on-site monitoring of grantee management as well as collaborate with the HUD Office of Inspector General to plan and implement oversight of these funds.

IV. Overview of Grant Process

To begin expenditure of CDBG-DR funds, the following expedited steps are necessary:

- Grantee adopts citizen participation plan for disaster recovery in accordance with the requirements of this Notice and the March 5, 2013, Notice;
- Grantee consults with stakeholders, including required consultation with affected, local governments and public housing authorities;
- Within 30 days of the effective date of this Notice (or when the grantee submits its Action Plan, whichever is sooner), grantee submits evidence that it has in place proficient financial controls and procurement processes and has established adequate procedures to

prevent any duplication of benefits as defined by section 312 of the Stafford Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect and prevent waste, fraud, and abuse of funds;

- Grantee publishes its Action Plan for Disaster Recovery on the grantee's official Web site for no less than 7 calendar days to solicit public comment;

- Grantee responds to public comment and submits its Action Plan (which includes Standard Form 424 (SF-424) and certifications) to HUD no later than 90 days after the effective date of this Notice;

- HUD expedites review of Action Plan (allotted 45 days from date of receipt; however, completion of review is anticipated much sooner) and approves the Plan according to criteria identified in the March 5, 2013, Notice;

- HUD sends an Action Plan approval letter, grant conditions, and signed grant agreement to the grantee. If the Action Plan is not approved, a letter will be sent identifying its deficiencies; the grantee must then re-submit the Action Plan within 45 days of the notification letter;

- Grantee ensures that the HUD-approved Action Plan is posted on its official Web site;

- Grantee signs and returns the fully executed grant agreement;

- HUD establishes the proper amount in a line of credit for the grantee;

- Grantee requests and receives DRGR system access (if the grantee does not already have it);

- If it has not already done so, grantee enters the activities from its published Action Plan into DRGR and submits it to HUD within the system (funds can be drawn from the line of credit only for activities that are established in DRGR);

- The grantee may draw down funds from the line of credit after the Responsible Entity completes applicable environmental review(s) pursuant to 24 CFR part 58 and, as applicable, under the clarifying note in paragraph 20.a at 78 FR 14343, receives from HUD or the State an approved Request for Release of Funds and certification;

- Grantee begins to draw down funds within 60 days of receiving access to its line of credit;

- Grantee amends its published Action Plan to include its projection of expenditures and outcomes within 90 days of the Action Plan approval; and

- Grantee updates its full consolidated plan to reflect disaster-related needs no later than its Fiscal Year 2015 consolidated plan update.

V. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCD Act. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

This section describes the rules, statutes, waivers, and alternative requirements that apply to grantees receiving an allocation under this Notice. It also clarifies requirements and other information provided in the April 16, 2012, Notice—applicable to all CDBG-DR grantees in receipt of an allocation under section 239 of the Department of Housing and Urban Development Appropriations Act, 2012 (Pub. L. 112-55, approved November 18, 2011). Grantees may request additional waivers and alternative requirements from HUD as needed to address specific needs related to their recovery activities. Under the requirements of the Appropriations Act, regulatory waivers must be published in the *Federal Register* no later than five days before the effective date of such waiver.

1. *Incorporation of waivers, alternative requirements, and statutory changes previously described.* The waivers and alternative requirements provided in the March 5, 2013, Notice, as clarified or modified by the April 19, 2013, Notice apply to each grantee receiving an allocation of funds under this Notice, except as modified herein. These waivers and alternative requirements provide additional flexibility in program design and implementation to support full recovery following the disasters of 2011 and 2012, while also ensuring that statutory requirements unique to the Appropriations Act are met. The following clarifications or modifications apply to grantees in receipt of an allocation under this Notice:

a. All submission deadlines regarding the Secretary's certification or the Action Plan, referenced in this Notice or previous notices, are triggered by the effective date of this Notice.

b. Paragraph 1(a)(1) of the March 5, 2013, Notice, at 78 FR 14333 is hereby amended by striking the contacts listed for other Federal agencies. Grantees seeking updated information about assistance provided by other Federal agencies or remaining unmet needs should contact their CPD Representative.

c. Paragraph 1(a)(6) of the March 5, 2013, Notice, at 78 FR 14334 is hereby amended by deleting that paragraph and replacing it in its entirety with the following: A description of how the grantee will identify and address (if needed) the rehabilitation (as defined at 24 CFR 570.202), reconstruction, and replacement of the following types of housing affected by the disaster: Public housing (including administrative offices), HUD-assisted housing (defined at subparagraph (1) of the March 5, 2013, Notice, at 78 FR 14332), McKinney-Vento funded shelters and housing for the homeless—including emergency shelters and transitional and permanent housing for the homeless, and private market units receiving project-based assistance or with tenants that participate in the Section 8 Housing Choice Voucher Program. As part of this requirement, each grantee must work with any impacted Public Housing Authority (PHA), located within its jurisdiction, to identify the unmet needs of damaged public housing. If unmet needs exist once funding under this Notice becomes available to the grantee, the grantee must work directly with the impacted PHA(s) to identify necessary costs, and ensure adequate funding is dedicated to the recovery of the damaged public housing. Grantees are reminded that public housing is eligible for FEMA Public Assistance; thus, they must ensure that there is no duplication of benefits when using CDBG-DR funds to assist public housing.

d. Paragraph 1(l) of the March 5, 2013, Notice, at 78 FR 14337 is hereby amended by adding the following to the existing language: Grantees that have previously projected expenditures and outcomes, in a format consistent with prior guidance issued by HUD, may use and update those projections with HUD approval. HUD will work with the grantee to determine the most efficient way of submitting these projections while still ensuring transparency. Revised projections must still be incorporated into the published Action Plan within 90 days of the Action Plan approval.

e. Any waiver or alternative requirement (described in the March 5, 2013, or April 19, 2013, Notices) that is restricted to one or more grantees cited by the waiver or alternative

requirement, is only applicable to the cited grantee(s).

2. *Acquisition of real property and flood buyouts.* To ensure consistency between allocations of CDBG-DR funds, and to give grantees greater flexibility to respond to disaster recovery needs, paragraph 27 of the April 16, 2012, Notice, at 77 FR 22594 is hereby amended by deleting that paragraph and replacing it in its entirety with the following:

"27. *Acquisition of real property and flood buyouts.* Grantees under this notice are able to carry out property acquisition for a variety of purposes. However, the term "buyouts" as referenced in this Notice refers to acquisition of properties located in a floodway or floodplain that is intended to reduce risk from future flooding. HUD is providing alternative requirements for consistency with the application of other Federal resources commonly used for this type of activity.

a. *Buyout requirements:*

(1) Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices;

(2) No new structure will be erected on property acquired, accepted or from which a structure was removed under the acquisition or relocation program other than (a) a public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); (b) a rest room; (c) a flood control structure that the local floodplain manager approves in writing before the commencement of the construction of the structure;

(3) After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose will be made by the recipient to any Federal entity in perpetuity;

(4) Grantees have the discretion to determine an appropriate valuation method (including the use of pre-flood value or post-flood value as a basis for property value). However, in using CDBG-DR funds for buyouts, the grantee must uniformly apply whichever valuation method it chooses;

(5) All buyout activities must be classified using the "buyout" activity type in the DRGR system; and

(6) Any State grantee implementing a buyout program or activity must consult with affected UGLs.

b. *Redevelopment of acquired properties.*

(1) Properties purchased through a buyout program may not typically be redeveloped, with a few exceptions. See subparagraph a(2), above.

(2) Grantees may redevelop an acquired property if: (a) the property is not acquired through a buyout program, and (b) the purchase price is based on the property's post-flood fair market value (the pre-flood value may not be used). In addition to the purchase price, grantees may opt to provide relocation assistance to the owner of a property that will be redeveloped if the property is purchased by the grantee or subgrantee through voluntary acquisition, and the owner's need for additional assistance is documented.

(3) In carrying out acquisition activities, grantees must ensure they are in compliance with their long-term redevelopment plans."

c. The language in this paragraph that replaces language in the April 16, 2012, Notice at 77 FR 22594 applies to buyout acquisitions contracted after the effective date of this Notice.

VI. *Duration of Funding*

The Appropriations Act requires that HUD obligate all funds provided under Chapter 9, Community Development Fund, not later than September 30, 2017. Concurrently, section 904(c) of the Appropriations Act requires that all funds be expended within two years of the date HUD obligates funds. Therefore, each grantee must expend all funds within two years of the date HUD signs the grant agreement with the grantee. Note that if a grantee amends its Action Plan to program additional funds that HUD has allocated to it, the grant agreement must also be revised. The requirement for each grantee to expend funds within two years is triggered by each amendment to the grant agreement. That is, each grant amendment has its own expenditure deadline. Pursuant to section 904(c) of the Appropriations Act, grantees or HUD may request waivers of the two-year expenditure deadline from the Office of Management and Budget. For any funds that the grantee believes will not be expended by the deadline and that it desires to retain, it must submit a letter to HUD not less than 30 days in advance of the deadline justifying why it is necessary to extend the deadline for a specific portion of funds. The letter must detail the compelling legal, policy, or operational challenges for any such waiver, and must also identify the date by when the specified portion of funds will be expended. Funds remaining in the grantee's line of credit at the time of

this expenditure deadline will be returned to the U.S. Treasury.

VII. *Catalog of Federal Domestic Assistance*

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this Notice is as follows: 14.269.

VIII. *Finding of No Significant Impact*

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

Dated: May 22, 2013.

Mark Johnston,

Deputy Assistant Secretary for Special Needs Programs.

Appendix A—Allocation Methodology

Public Law 113-2 states:

For an additional amount for "Community Development Fund", \$16,000,000,000, to remain available until September 30, 2017, for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013, for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.):

Provided, That funds shall be awarded directly to the State or unit of general local government as a grantee at the discretion of the Secretary of Housing and Urban Development:

Provided further, That the Secretary shall allocate to grantees not less than 33 percent of the funds provided under this heading within 60 days after the enactment of this division based on the best available data:

Provided further, That prior to the obligation of funds, a grantee shall submit a plan to the Secretary for approval detailing

the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery and restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas:

The legislation specifies that the CDBG-DR funds are to be used "for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster" and further specifies that the funds are not to be used for activities reimbursable by or for which funds are made available by FEMA or the Corps of Engineers.

The language also calls for HUD to use "best available" data to make its allocation. For this allocation, similar to prior allocations, HUD made a determination of unmet needs by estimating unmet needs related to the main intended uses of the funds:

- "restoration of . . . housing". HUD made an estimate with best available data on the amount of housing damage not likely to be covered by insurance, SBA disaster loans, or FEMA housing assistance. To target the "most impacted and distressed areas", the calculation limits the need calculation only to homes with high levels of individual damage (see below) in counties and parishes with severe housing and business needs of \$10 million or greater.
- "economic revitalization". HUD made an estimate with best available data on the amount of damage to businesses declined for an SBA loan, usually because of inadequate credit or income to support the needed loan amount.
- "restoration of infrastructure". HUD calculated infrastructure need as the match required to address the FEMA estimates for repair of permanent infrastructure in the FEMA Public Assistance program (categories C to G).
- "in the most impacted and distressed areas". To target the funds to the most impacted and distressed areas, HUD limited its calculation to "severe needs in areas of concentrated damage":
 - Severe Needs: Only homes and businesses categorized as severe or major-high damage were included in the calculation (see below).
 - Concentration: Only counties and parishes with greater than \$10 million in severe housing and business needs were included for the calculation. The \$10 million threshold was established looking at a "natural break" in the distribution of impacted counties or parishes when ordered from most to least severe needs. Note, if a county or parish had been designated as "most impacted" in the 2012 allocation, it is included even if the adjusted methodology calculated a lower amount with the new data.
 - Overall size of the need: Again using the concept of a natural break, HUD established an aggregate of \$25 million or more of severe unmet housing, business, and infrastructure needs in counties and parishes with over \$10

million in severe housing and business needs to be eligible to receive a grant.

Methodology for Calculating Unmet Needs

Available Data

The "best available" data HUD staff identified as being available to calculate unmet needs at this time for the targeted disasters come from the following data sources:

- FEMA Individual Assistance program data on housing unit damage;
- SBA for management of its disaster assistance loan program for housing repair and replacement;
- SBA for management of its disaster assistance loan program for business real estate repair and replacement as well as content loss; and
- FEMA Public Assistance program data on public infrastructure damage;

Calculating Unmet Housing Needs

The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for FEMA's Individual Assistance program. For unmet housing needs, the FEMA data are supplemented by Small Business Administration data from its Disaster Loan Program. HUD calculated "unmet housing needs" as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA, where:

- Each of the FEMA inspected owner units were categorized by HUD into one of five categories:
 - Minor-Low: Less than \$3,000 of FEMA inspected *real property* damage
 - Minor-High: \$3,000 to \$7,999 of FEMA inspected *real property* damage
 - Major-Low: \$8,000 to \$14,999 of FEMA inspected *real property* damage
 - Major-High: \$15,000 to \$28,800 of FEMA inspected *real property* damage and/or 4 to 6 feet of flooding on the first floor.
 - Severe: Greater than \$28,800 of FEMA inspected *real property* damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

To ensure funds are used in "most impacted" areas as required by statute, homes were included in the calculation if they were categorized as having sustained "major-high" or "severe" damage. That is, they have a real property FEMA inspected damage of \$15,000 or flooding over 4 foot. Furthermore, for purposes of this calculation, a homeowner is assumed to have unmet needs if they have received a FEMA grant to make home repairs. For homeowners with a FEMA grant and insurance for the covered event, HUD assumed an unmet need "gap" of 20 percent of the difference between total damage and the FEMA grant.

- FEMA does not inspect rental units for real property damage so personal property damage was used as a proxy for unit damage. Each of the FEMA inspected renter units were categorized by HUD into one of five categories:
 - Minor-Low: Less than \$1,000 of FEMA inspected *personal property* damage

- Minor-High: \$1,000 to \$1,999 of FEMA inspected *personal property* damage
- Major-Low: \$2,000 to \$3,499 of FEMA inspected *personal property* damage
- Major-High: \$3,500 to \$7,499 of FEMA inspected *personal property* damage or 4 to 6 feet of flooding on the first floor.
- Severe: Greater than \$7,500 of FEMA inspected *personal property* damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

For rental properties, to ensure funds are allocated to "most impacted" areas as required by statute, homes were included in the calculation if they were categorized as having sustained "major-high" or "severe" damage. That is, they received a FEMA personal property damage assessment of \$3,400 or greater or flooding over 4 feet. Furthermore, landlords were presumed to have adequate insurance coverage unless the unit was occupied by a renter with income of \$30,000 or less. Units occupied by a tenant with income less than \$30,000 were used to calculate likely unmet needs for affordable rental housing. For those units occupied by tenants with incomes under \$30,000, HUD estimated unmet needs as 75 percent of the estimated repair cost.

- The average cost to fully repair a home for a specific disaster within each of the damage categories noted above is calculated using the average real property damage repair costs determined by the Small Business Administration for its disaster loan program for the subset of homes inspected by both SBA and FEMA. Because SBA inspects for full repair costs, HUD presumed that SBA assessments reflect the full cost to repair the home. SBA estimates generally exceed the FEMA estimates of the cost to make the home habitable. If fewer than 100 SBA inspections were made for homes within a FEMA damage category, HUD applied a cap to the estimated damage amount in the category for that disaster at the 75th percentile of all damaged units for that category for all disasters and applied a floor at the 25th percentile.

Calculating Unmet Infrastructure Needs

- To best proxy unmet infrastructure needs, HUD used data from FEMA's Public Assistance program on the state match requirement (usually 25 percent of the estimated public assistance needs). This allocation methodology used only a subset of the Public Assistance damage estimates reflecting the categories of activities most likely to require CDBG funding above the Public Assistance and state match requirement. Those activities are categories: C-Roads and Bridges; D-Water Control Facilities; E-Public Buildings; F-Public Utilities; and G-Recreational-Other. Categories A (Debris Removal) and B (Protective Measures) are largely expended immediately after a disaster and reflect interim recovery measures rather than the long-term recovery measures for which CDBG funds are generally used. Because Public Assistance damage estimates are available only statewide (and not at the county or parish level), estimates of unmet infrastructure needs were sub-allocated to counties, parishes, and local jurisdictions based on each jurisdiction's proportion of unmet housing and business needs.

Calculating Economic Revitalization Needs

- Based on SBA disaster loans to businesses, HUD used the sum of real property and real content loss of small businesses not receiving an SBA disaster loan. This was adjusted upward by the proportion of applications that were received for a disaster for which SBA did not calculate content and real property loss because the applicant had inadequate credit or income. For example, if a state had 160 applications for assistance, 150 had calculated needs and 10 were denied in the pre-processing stage for not enough income or poor credit, the estimated unmet need calculation would be increased as $(1 + 10/160) \times$ calculated unmet real content loss.
- Because applications denied for poor credit or income are a likely indication of applicants requiring the type of assistance available with CDBG recovery funds, the calculated unmet business needs for each state were adjusted upwards by the proportion of total

applications that were denied at the pre-process stage because of poor credit or inability to show repayment ability. Similar to housing, estimated damage was used to determine what unmet needs would be used to identify most impacted areas. Only properties with total real estate and content loss in excess of \$65,000 are categorized as having sustained severe damage and counted for purposes of identifying the most impacted areas.

- Category 1: real estate + content loss = below 12,000
- Category 2: real estate + content loss = 12,000–30,000
- Category 3: real estate + content loss = 30,000–65,000
- Category 4: real estate + content loss = 65,000–150,000
- Category 5: real estate + content loss = above 150,000
- To obtain unmet business needs, the amount for approved SBA loans is subtracted out of the total estimated damage. Since SBA

business needs are best measured at the county or parish level, HUD estimates the distribution of needs to local entitlement jurisdictions based on the distribution of all unmet housing needs.

Methodology for Determining the Amount a Grantee Must Expend in Most Impacted and Distressed Counties or Parishes

In total, 80 percent of the funds allocated in to state must be expended in the most impacted counties or parishes. In states where there are direct grantees, HUD requires the direct grantee to spend 100 percent of their funds in the most impacted county or parish, thus reducing the share of funds the state needs to expend in the most impacted county or parish. For example, because of the large grant to Joplin, there is no minimum requirement for the State of Missouri. In contrast, Vermont which has no direct grantees, must spend 80 percent of its funds in the most impacted counties of Windsor, Washington, and Windham. See the below table for further explanation:

			80% of Total state allocation	Percent spent in most impacted county(ies) or parish(es)
MO	Direct Grantees	113,276,000	.....	100
	State Grant	11,844,000	.....	0
	Total	125,120,000	100,096,000	.....
AL	Direct Grantees	70,571,000	.....	100
	State Grant	49,157,000	.....	51
	Total	119,728,000	95,782,400	.....
ND	Direct Grantees	35,056,000	.....	100
	State Grant	6,576,000	.....	0
	Total	41,632,000	33,305,600	.....
LA	Direct Grantees	40,380,000	.....	100
	State Grant	66,398,000	.....	68
	Total	106,778,000	85,422,400	.....
PA	Direct Grantees	17,395,000	.....	100
	State Grant	29,986,000	.....	68
	Total	47,381,000	37,904,800	.....
TX	Direct Grantees .....	.....	.....	100
	State Grant	5,061,000	.....	80
	Total	5,061,000	4,048,800	.....
TN	Direct Grantees	7,464,000	.....	100
	State Grant	13,810,000	.....	69
	Total	21,274,000	17,019,200	.....
MA	Direct Grantees	21,896,000	.....	100
	State Grant	7,210,000	.....	19
	Total	29,106,000	23,284,800	.....
VT	Direct Grantees .....	.....	.....	100
	State Grant	17,932,000	.....	80
	Total	17,932,000	14,345,600	.....

[FR Doc. 2013-12683 Filed 5-28-13; 8:45 am]
BILLING CODE 4210-67-P

DEPARTMENT OF THE INTERIOR

Office of the Secretary

[A10-2006-1010-000-00-0-0, 2015200]

Notice of Availability of the Final Environmental Impact Statement/Environmental Impact Report for Klamath Facilities Removal

AGENCY: Office of Environmental Policy and Compliance, Interior.

ACTION: Notice of availability.

SUMMARY: The Department of the Interior and the California Department of Fish and Wildlife have prepared a final environmental impact statement and environmental impact report (EIS/EIR) evaluating the potential effects of removing four privately owned dams on the Klamath River in southern Oregon and northern California should the Secretary of the Interior determine that removal will advance restoration of salmonid fisheries in the Klamath Basin and is in the public interest. The Department of the Interior has released the final EIS/EIR pursuant to the requirements of the National Environmental Policy Act and the Klamath Hydroelectric Settlement Agreement. The California Department of Fish and Wildlife is not releasing the document at this time, therefore there is no action under California Environmental Quality Act at this time. Additionally, no decision on the potential removal of these facilities is being made with the release of this document.

DATES: Under the terms of the Klamath Hydroelectric Settlement Agreement, congressional authorization is necessary prior to a decision on the proposed action. Because Congress has not enacted the legislation necessary to authorize a Secretarial Determination, the Department of the Interior will not make a final decision on the proposed action at this time.

ADDRESSES: The final EIS/EIR may be viewed and electronically downloaded at <http://klamathrestoration.gov>. To request a compact disc of the final EIS/EIR, please contact Ms. Elizabeth Vasquez, Bureau of Reclamation, 2800 Cottage Way, Sacramento, CA 95825; email KlamathSD@usbr.gov; or telephone 916-978-5040. See the Supplementary Information section for locations where copies of the final EIS/EIR are available for public review.

FOR FURTHER INFORMATION CONTACT: Ms. Elizabeth Vasquez, Bureau of Reclamation, 916-978-5040, evasquez@usbr.gov. For public involvement information, please contact Mr. Matt Baun, U.S. Fish and Wildlife Service, 530-841-3119, Matt_Baun@fws.gov.

SUPPLEMENTARY INFORMATION: The Department of the Interior (Department) and the California Department of Fish and Wildlife (CDFW) have prepared an EIS/EIR for Klamath Facilities Removal. The EIS/EIR evaluates potential effects of the proposed removal of four PacificCorp dams on the Klamath River in southern Oregon and northern California. The proposed removal would be in accordance with the Klamath Hydroelectric Settlement Agreement (KHSA). The KHSA established a process for studies and environmental review, leading to a Secretarial Determination on whether removal of the dams will accomplish the following:

- (1) Advance restoration of salmonid (salmon, steelhead, and trout) fisheries of the Klamath River Basin; and
- (2) Be in the public interest, including, but not limited to, consideration of potential impacts on affected local communities and Tribes.

The Klamath Basin Restoration Agreement (KBRA) provides for restoration of native fisheries and sustainable water supplies throughout the Klamath River Basin. Together, these two agreements attempt to resolve long-standing conflicts in the Klamath River Basin.

The KHSA, pursuant to its terms, requires certain criteria to be met prior to a determination as to whether these privately owned dams should be removed. One such criterion is for the enactment of legislation by the Congress authorizing the Secretary of the Interior (Secretary) to make this decision. Because legislation has not been enacted, the Department is not making any decision regarding the potential removal of these privately owned facilities. Nonetheless, the Department also believes that release of this final EIS/EIR will help inform public discourse at the federal, state and local levels.

While CDFW has participated in the development of this joint EIS/EIR, the release of this document at this time is solely pursuant to NEPA. Questions regarding the application of CEQA to this EIS/EIR should be directed to CDFW.

Statement of Purpose and Need and Proposed Action

The proposed action is to remove the four lower PacificCorp dams on the

Klamath River in accordance with the KHSA. The need for the proposed action is to advance restoration of the salmonid fisheries in the Klamath Basin consistent with the KHSA and the connected KBRA. The purpose is to achieve a free-flowing river condition and full volitional fish passage as well as other goals expressed in the KHSA and KBRA. Under the terms of the KHSA, the Secretary will determine whether the proposed action is appropriate and should proceed. In making this determination, the Secretary will consider whether removal of the four private facilities will advance the restoration of the salmonid fisheries of the Klamath Basin, and is in the public interest, which includes, but is not limited to, consideration of potential impacts on affected local communities and Tribes.

The EIS/EIR and its related processes were developed to accomplish the following:

- Inform the Secretary's decision on whether to approve the proposed removal of the four PacificCorp dams, consistent with the KHSA and the connected KBRA;
- Provide meaningful opportunities for involvement by Tribes, agencies, and the public;
- Analyze and disclose the effects of the proposed action and alternatives on the human and physical environment, including, but not limited to, effects on biological resources, historic and archaeological resources, geomorphology, flood hydrology, water quality, air quality, public safety, hazardous materials and waste, visual resources, socioeconomic, real estate, tribal trust, recreation, and environmental justice;
- Meet the requirements of Section 106 of the National Historic Preservation Act, in lieu of the procedures set forth in 36 CFR §§ 800.3 through 800.6, pursuant to 36 CFR 800.8; and
- Comply with NEPA and the California Environmental Quality Act (CEQA).

The public review period of the draft EIS/EIR opened with a Notice of Availability of the draft EIS/EIR, published in the *Federal Register* on Thursday, September 22, 2011 (76 FR 58833). A second notice was published on Thursday, December 1, 2011 to provide the public an additional 30 days to submit written comments (77 FR 74804). The public review period ended on December 30, 2011. During the public review period, six public meetings were held in California and Oregon to solicit comments. Over 4,000 verbal and written comments were

technology; and (e) the annual costs burden to respondents or record keepers from the collection of information (a total capital/startup costs and operations and maintenance costs). The comments that are submitted will be summarized and included in the CBP request for Office of Management and Budget (OMB) approval. All comments will become a matter of public record. In this document, CBP is soliciting comments concerning the following information collection:

Title: Entry of Articles for Exhibition.

OMB Number: 1651-0037.

Form Number: None.

Abstract: Goods entered for exhibit at fairs, or for constructing, installing, or maintaining foreign exhibits at a fair, may be free of duty under 19 U.S.C. 1752. In order to substantiate that goods qualify for duty-free treatment, the consignee of the merchandise must provide information to CBP about the imported goods, which is specified in 19 CFR 147.11(c).

Current Actions: CBP proposes to extend the expiration date of this information collection with no change to the burden hours or to the information collected.

Type of Review: Extension (without change).

Affected Public: Businesses.

Estimated Number of Respondents: 50.

Estimated Number of Responses per Respondent: 50.

Estimated Number of Total Annual Responses: 2,500.

Estimated Time per Response: 20 minutes.

Estimated Total Annual Burden Hours: 832.

Dated: March 24, 2014.

Tracey Denning,

Agency Clearance Officer, U.S. Customs and Border Protection.

[FR Doc. 2014-06809 Filed 3-26-14; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5752-N-32]

30-Day Notice of Proposed Information Collection: HUD Conditional Commitment/Statement of Appraised Value

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Notice.

SUMMARY: HUD has submitted the proposed information collection requirement described below to the

Office of Management and Budget (OMB) for review, in accordance with the Paperwork Reduction Act. The purpose of this notice is to allow for an additional 30 days of public comment.

DATES: *Comments Due Date:* April 28, 2014.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503; fax: 202-395-5806. Email: OIRA_Submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: Colette Pollard, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410; email Colette.Pollard@hud.gov or telephone 202-402-3400. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339. This is not a toll-free number. Copies of available documents submitted to OMB may be obtained from Ms. Pollard.

SUPPLEMENTARY INFORMATION: This notice informs the public that HUD has submitted to OMB a request for approval of the information collection described in Section A. The **Federal Register** notice that solicited public comment on the information collection for a period of 60 days was published on November 20, 2013.

A. Overview of Information Collection

Title of Information Collection: HUD Conditional Commitment/Statement of Appraised Value.

OMB Approval Number: 2502-0494.

Type of Request: Revision of a currently approved collection.

Form Number: HUD 92800.5b.

Description of the need for the information and proposed use: Lenders must provide to loan applicants either a completed copy of form HUD-92800.5B, or a copy of the completed appraisal report, at or before loan closing. Form HUD 92800.5B serves as the mortgagee's conditional commitment/direct endorsement statement of value of FHA mortgage insurance on the property. The form provides a section for a statement of the property's appraised value and other required FHA disclosures to the homebuyer, including specific conditions that must be met before HUD can endorse a firm commitment for mortgage insurance. HUD uses the information only to determine the

eligibility of a property for mortgage insurance.

Respondents: (i.e. affected public): Business.

Estimated Number of Respondents: 1837.

Estimated Number of Responses: 900,000.

Frequency of Response: On occasion.

Average Hours per Response: .12.

Total Estimated Burdens: 108,000.

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

HUD encourages interested parties to submit comment in response to these questions.

C. Authority

Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35

Dated: March 21, 2014.

Colette Pollard,

Department Reports Management Officer, Office of the Chief Information Officer.

[FR Doc. 2014-06726 Filed 3-26-14; 8:45 am]

BILLING CODE P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5696-N-08]

Clarifying Guidance, Waivers, and Alternative Requirements for Grantees in Receipt of Community Development Block Grant Disaster Recovery Funds Under the Disaster Relief Appropriations Act, 2013

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Notice provides clarifying guidance, waivers, and

alternative requirements for Community Development Block Grant (CDBG) disaster recovery grantees in receipt of funds under the Disaster Relief Appropriations Act, 2013 (Pub. L. 113–2). To date, the Department has allocated \$10.6 billion under the Act to assist recovery in the most impacted and distressed areas identified in major disaster declarations due to Hurricane Sandy and other eligible events in calendar years 2011, 2012 and 2013.

DATES: April 1, 2014.

FOR FURTHER INFORMATION CONTACT: Stan Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202–708–3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800–877–8339. Facsimile inquiries may be sent to Mr. Gimont at 202–401–2044. (Except for the “800” number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

Table of Contents

- I. Background
- II. Applicable Rules, Statutes, Waivers, and Alternative Requirements
- III. Catalog of Federal Domestic Assistance
- IV. Finding of No Significant Impact

I. Background

The Disaster Relief Appropriations Act, 2013 (Pub. L. 113–2, approved January 29, 2013) (Appropriations Act) made available \$16 billion in Community Development Block Grant (CDBG) funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. As the Appropriations Act requires funds to be awarded directly to a State, or unit of general local government (hereinafter, local government) at the discretion of the Secretary, the term “grantee” refers to any jurisdiction that has received a direct award from HUD under the Appropriations Act.

On March 1, 2013, the President issued a sequestration order pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, as

amended (2 U.S.C. 901a), and reduced funding for CDBG disaster recovery (CDBG–DR) grants under the Appropriations Act to \$15.18 billion. To date, a total of \$10.6 billion has been allocated for the areas most impacted by Hurricane Sandy and other disasters occurring in 2011, 2012, and 2013. To describe these allocations and the accompanying requirements, the Department published multiple notices (collectively, the “Prior Notices”) in the **Federal Register**. The requirements of the Prior Notices continue to apply, except as modified by this Notice.

Links to the Prior Notices, the text of the Appropriations Act, and additional guidance prepared by the Department for CDBG–DR grants, are available on HUD’s Web site under the Office of Community Planning and Development, Disaster Recovery Assistance: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/drsi. The same information is also available on HUD’s OneCPD Web site: <https://www.onecpd.info/cdbg-dr/>.

II. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCD Act). Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

This Notice clarifies or modifies guidance provided by the Prior Notices. For each waiver and alternative requirement described in this Notice, the Secretary has determined that good cause exists and the action is not inconsistent with the overall purpose of the HCD Act. Grantees may request additional waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Under the requirements of the Appropriations Act, waivers must be published in the **Federal Register** no later than five days before the effective date of such waiver.

1. Action Plan for Disaster Recovery Waiver and Alternative Requirement—Infrastructure Programs and Projects (Only Applicable to Hurricane Sandy Grantees)

a. *Definition of “Benefits Multiple Counties”*. The Notice published November 18, 2013, describes additional requirements that apply to major infrastructure projects (see paragraph 2g, under section VI, Applicable Rules, Statutes, Waivers, and Alternative Requirements, at 78 FR 69107). Specifically, the Notice states: “HUD approval is required for each major infrastructure project with such projects defined as having a total cost of \$50 million or more (including at least \$10 million of CDBG–DR funds), or benefits multiple counties.” For purposes of the identifying major infrastructure projects under the November 18, 2013 Notice, HUD defines “benefits multiple counties” to mean that a major infrastructure project is physically located in more than one county.

b. *Obligated Public Assistance Grant Program Projects*. Oftentimes, CDBG–DR grantees are awarded recovery funds under FEMA’s Public Assistance (PA) Grant Program. Through the PA Program, FEMA provides grant assistance to states, tribal and local governments, and certain types of private nonprofit organizations for: Debris removal; emergency protective measures; and the repair, replacement, or restoration of disaster-damaged, publicly-owned facilities, and the facilities of certain private, nonprofit organizations. The PA Program also encourages protection of these damaged facilities from future events by providing assistance for hazard mitigation measures during the recovery process. The PA Program requires grantees to contribute a non-federal share to a project—typically, 25 percent of the total project cost. For example, if the repair of a public facility costs \$1 million, FEMA provides \$750,000 while the grantee provides \$250,000. However, in the states of New York and New Jersey, due to the amount of damage caused by the storm, FEMA has reduced the non-federal share for Hurricane Sandy PA projects to 10 percent of the project’s total cost (FEMA will provide the remaining 90 percent). This reduction is allowed under FEMA regulations.

Per the HCD Act (42 U.S.C. 5305(a)(9)), CDBG funds (including CDBG–DR funds) may be used for the payment of the non-federal share required in connection with a federal grant-in-aid program (e.g., the FEMA PA

Program) that provides funding for a CDBG-eligible activity. Prior to HUD's Notice allocating a second round of funding for grantees in response to Hurricane Sandy (78 FR 69104, published November 18, 2013), many of these grantees had coordinated with FEMA to secure PA funding for critical infrastructure projects. Thus, the infrastructure requirements described in paragraph 2 at 78 FR 69107 will not apply to Hurricane Sandy grantees with PA projects where funds have been obligated by FEMA on or before November 25, 2013. The infrastructure requirements described in paragraph 2 at 78 FR 69107 apply in full to PA projects where funds have been obligated by FEMA after November 25, 2013.

c. Comprehensive Planning Process Required by Another Federal Agency. Paragraph 2d, under section VI, Applicable Rules, Statutes, Waivers, and Alternative Requirements (at 78 FR 69107) of the Notice published November 18, 2013, is amended as necessary to allow the following: Where a grantee provides a local match (using CDBG-DR funds) for an infrastructure project that is covered by a comprehensive planning process required by another Federal agency (e.g., FEMA, the Department of Transportation, U.S. Army Corps of Engineers, Environmental Protection Agency, etc.), HUD does not require the grantee to repeat the analysis completed during that planning process as part of its comprehensive risk analysis. Rather, that process may be referenced and/or adopted to assist the grantee in meeting its responsibility to conduct the comprehensive risk analysis required by the November 18, 2013 Notice.

2. Documentation of Low- and Moderate-Income National Objective for Multi-Unit Housing Projects (New York City Only)

Per the HCD Act and the Prior Notices, Hurricane Sandy CDBG-DR grantees may fund the rehabilitation, reconstruction, and new construction of housing. To further address its housing needs, New York City has requested to measure the benefit to low- and moderate-income households, in multi-unit residential projects, in a manner more supportive of mixed income housing. In general, the applicable regulation, 24 CFR 570.208(a)(3), requires at least 51 percent of the units in an assisted multi-unit structure to be occupied by residents that are income eligible. This method of calculating the benefit to low- and moderate-income households is often referred to as the structure basis.

HUD has reviewed other housing assistance programs that measure benefit differently—only those units in a multi-unit structure occupied by income eligible residents are used to calculate the benefit to low- and moderate-income households. Under this “unit” approach, when units are alike, the proportion of CDBG funds contributed to the project may be no more than the proportion of units in the project that will be occupied by income-eligible households. For this reason, this approach is sometimes called the proportional units approach. In other words, the rule under the structure approach is that a dollar of CDBG assistance to a structure means that 51 percent of the units must meet income requirements. Under the unit approach, the amount of assistance provided is equal to the cost of units occupied by low- and moderate-income households.

Based on HUD experience, the unit approach can be more compatible with large-scale development of mixed-income housing. For example, in response to the widespread devastation caused by Hurricanes Katrina and Rita, HUD allowed the states of Louisiana and Mississippi to use this approach under their respective CDBG-DR programs. Additionally—(1) the CDBG program rule has a built-in exception that allows limited use of the unit basis for multi-unit non-elderly new construction structures with between 20 and 50 percent low- and moderate income occupancy, (2) in the HOME Investment Partnerships program, HUD's primary housing production program, HUD grantees use funds to pay for the cost of affordable units, and (3) the Neighborhood Stabilization Program permitted grantees to use a unit basis approach to meet the CDBG low- and moderate-income benefit requirement.

After review of the city's Action Plan for Disaster Recovery, and discussions with the city regarding its intent to encourage mixed-income housing development, HUD has determined that it is consistent with the overall purposes of the HCD Act to provide the city the requested additional flexibility in measuring program benefit. Therefore, the waiver and alternative requirements allow the city to measure benefit within a housing development project: (1) According to the existing CDBG requirements, or (2) according to the unit approach described above for multi-unit housing projects involving rehabilitation and/or reconstruction. However, the second option may only be used if the units are generally comparable in size and finishes. The city must select and use one method for each project. For these purposes, the

term “project” will have the same meaning as in the HOME program at 24 CFR 92.2. The city is reminded that per 2 CFR part 225, CDBG-DR costs must be necessary and reasonable. To meet this requirement, the city must develop policies and procedures to document its costs for housing investments are necessary and reasonable. The city must also meet all civil rights and fair housing requirements.

3. Limited Purpose Modification of Overall Benefit Requirement (City of Minot Only)

The primary objective of the HCD Act is the “development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.” 42 U.S.C. 5301(c). To carry out this objective, the statute requires that 70 percent of the aggregate of the grantee's CDBG program's funds be used to support activities benefitting low- and moderate-income persons.

This target can be difficult, if not impossible, for many CDBG-DR grantees to reach as a disaster impacts entire communities—regardless of income. Further, it may prevent grantees from providing assistance to the most damaged areas of need. Therefore, as described by the Prior Notices, the city of Minot, in addition to the other grantees under the Appropriations Act, received a waiver and alternative requirement—only 50 percent of funds must be used for activities that benefit low- and moderate-income persons. Additional flexibility was provided in the March 5, 2013 Notice (78 FR 14329). It allowed a grantee to request to further reduce its overall benefit requirement if it submitted a justification that, at a minimum: (a) Identifies the planned activities that meet the needs of its low- and moderate-income population; (b) describes proposed activity(ies) and/or program(s) that will be affected by the alternative requirement, including their proposed location(s) and role(s) in the grantee's long-term disaster recovery plan; (c) describes how the activities/programs identified in (b) prevent the grantee from meeting the 50 percent requirement; and (d) demonstrates that the needs of non-low and moderate-income persons or areas are disproportionately greater, and that the jurisdiction lacks other resources to serve them. Upon HUD's review of the justification, the request can be granted only if the Secretary found a compelling need to reduce the overall benefit below 50 percent.

In response to the above, the city of Minot submitted a justification addressing the required criteria. As described in that letter, the city has received two awards of CDBG-DR funds (appropriated by two separate laws) in response to the severe flooding of the city in the summer of 2011. Early in the recovery process, the city identified housing as the largest unmet need for the low- and moderate-income population. Funding from the first allocation was used to fund housing rehabilitation and reconstruction only for low- and moderate-income households. In addition, the city obligated \$2.2 million for infrastructure and acquisition activities to support two affordable rental housing projects (one will create 42 units of workforce housing, the other will result in 40 units of senior housing), and \$5.1 million for infrastructure to support home development, as well as to provide pads for mobile homes for low- and moderate-income families. Further, the city is exploring the development of a homeless shelter, and projects to provide 60 affordable rental units for Minot's low- and moderate-income residents through a small rental rehabilitation and reconstruction program. In sum, the city's first appropriation of CDBG-DR funds, under Section 239 of the Department of Housing and Urban Development Appropriations Act, 2012 (Pub. L. 112-55, approved November 18, 2011), was \$67,575,964; over 52 percent of that allocation is anticipated to benefit low- and moderate-income persons.

As the city moves forward with funding received under a second appropriation law, the Appropriations Act, the focus of the recovery has narrowed to the long-term needs of the city's Flood Inundation Area. This area is four square miles and includes the downtown area and the oldest and most heavily developed portion of the city. It was inundated with two to fifteen feet of water during the 2011 flood and sustained the most severe damage. According to the city, two types of long-term activities, both located within the Flood Inundation Area, are most urgent: Acquisition/buyout of properties and street repair and improvements. In regards to acquisition/buyouts, the city has allocated \$14.8 million. These funds will act as a 25 percent match to funding provided by the North Dakota State Water Commission, for a total project cost of over \$51 million. Additionally, \$9.7 million has been allocated for street repair and improvements. The balance of the city's second allocation, \$10.6 million, will be

used for reimbursement of home repairs, street repairs in an area located outside the Flood Inundation Area, and planning and administrative costs.

HUD has reviewed the flood inundation data and maps, and the census tract information provided by the city. Of the 14 block groups that comprise the Flood Inundation Area, only four have low- and moderate-income populations of at least 51 percent. An average of the 14 groups demonstrates that the total low- and moderate income population of the Flood Inundation Area is approximately 45.2 percent. According to the HUD FY14 data, the median family income in Ward County, where Minot is located, is \$65,700. To be considered a low- and moderate-income household, a family with four persons has an income equal to, or less than, \$53,200.

Thus, to enable the city to undertake the activities it has deemed most critical for its recovery, and to ensure that low- and moderate-income households are adequately served and/or assisted, HUD is granting a limited waiver and alternative requirement to reduce the overall benefit from 50 percent to not less than 23 percent. Based on the city's justification, the Secretary has found a compelling need for this reduction due to the unique circumstances related to Minot's request. In particular, HUD notes that the City has already prioritized the needs of low- and moderate-income populations with its first allocation; the low- and moderate-income population in the Flood Inundation Area is close enough to 50 percent that it nearly qualifies under the overall benefit waiver in the March 5, 2013 Notice; given that the Flood Inundation Area is likely to flood again, the City has identified getting people out of harm's way as a top priority and this waiver will allow low- and moderate-income families to take advantage of Minot's program for this purpose; and finally, the waiver will enable the City to leverage non-Federal funds for its buyout program. This is a limited waiver modifying 42 U.S.C. 5301(c), 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.484, and 570.200(a)(3) only to the extent necessary to permit the City to use funds appropriated by Public Law 113-2 for flood buyout and street repair programs in the 14 block groups of the Flood Inundation Area with a low- and moderate-income population of approximately 45.2 percent, as described in its Action Plan.

4. Tenant-Based Rental Assistance (Applicable to the State of New York and the City of Joplin)

The State of New York and the city of Joplin have requested a waiver of 42 U.S.C. 5305(a) in order to provide tenant-based rental assistance to households impacted by disasters eligible under the Appropriations Act. After reviewing each grantee's request, HUD is waiving 42 U.S.C. 5305(a), to the extent necessary, to make eligible rental assistance and utility payments paid for up to 2 years on behalf of homeless and at-risk households when such assistance or payments are part of a homeless prevention or rapid rehousing program or activity. Eligible assistance may also include rental (i.e., security) deposits and utility deposits when the grantee determines that such payments are necessary to help prevent a family from being homeless. While existing CDBG regulations may allow payments for these purposes, grantees under the annual CDBG programs are subject to a much shorter time limitation (3 months).

The goal of this waiver is to minimize the time households are homeless by providing re-housing and rental assistance, and by linking the individual or family with services that can help them become stable and self-sufficient. Both grantees' use of CDBG-DR funds for this purpose could measurably advance the Department's priority on supporting forward-thinking solutions to help communities that are struggling to house and serve persons and families that are homeless or at risk of homelessness. In addition, HUD has previously granted the State of Louisiana a similar waiver for its recovery in response to Hurricanes Katrina and Rita. Further justification for granting the waiver to both grantees, and the specifics of how the waiver will apply to each grantee, are detailed below. Either grantee using these funds in combination with an existing Section 8 Housing Choice Voucher (HCV) program must coordinate with HUD's Office of Public and Indian Housing; however, as this waiver is limited to two years from the effective date of this Notice, grantees are strongly encouraged to ensure households assisted in whole or in part with CDBG-DR funds are transitioned to an alternate source of assistance, if necessary. Unless noted otherwise, the term "Section 8" refers to the Section 8 HCV program.

a. *State of New York.* The State of New York anticipates up to \$10 million of CDBG-DR funds will be used to support an emergency rehousing program designed to assist households

that are homeless, or in imminent danger of becoming homeless, as result of Hurricane Sandy, Hurricane Irene or Tropical Storm Lee. The State anticipates the funds will be used in conjunction with the State's Social Service Block Grant, which will support an intensive case management system to help locate housing and stabilize the household through a range of services.

Prior to seeking a waiver, the State explored all options available to those most in need of housing assistance. To date, FEMA has approved over \$1 billion of assistance to more than 115,000 households located in the State of New York. The State has launched significant housing programs to address rehabilitation and reconstruction, however, these programs are not specifically targeted to address the urgent needs of the homeless—many of whom are still housed in shelters or other non-permanent accommodations as a result of Sandy, Irene and Lee. For example, it is estimated that Long Island's current homeless population in shelters exceeds 2,000; approximately 1,000 of these individuals were forced to the shelter as a result of Sandy. Meanwhile, the Section 8 rental assistance program is experiencing a tremendous demand and has a limited supply of available housing, while HOME resources have been reduced by sequestration. The State is aware of individuals being served by the FEMA Temporary Rental Assistance Program, the Transitional Sheltering Assistance, and the Disaster Housing Assistance Program; however, many of these programs have reached funding limits, or are not eligible sources of assistance for the majority of the homeless.

Thus, for the State of New York, the Department is waiving 42 U.S.C. 5305(a), to the extent necessary, to make eligible tenant-based rental assistance for the homeless population, or those at risk of becoming homeless, due to the effects of Hurricane Sandy, Hurricane Irene, or Tropical Storm Lee. Households will not be eligible for tenant-based rental assistance if they have rejected public housing assistance or declined a Section 8 voucher.

b. *City of Joplin.* As a result of the May 2011 tornado, Joplin's housing stock, including its Section 8 voucher program, was severely impacted. In regards to the Section 8 program, 85 voucher-holders were displaced. Since the tornado, new housing units have gradually been added to Joplin's inventory; however, many of these are more costly as Joplin's rental market evolves. Compounding the issue, during its recovery, the Joplin housing authority experienced a decrease in its

"fundable" voucher population due to a lack of available units. As a result of this decrease, the voucher budget provided to the city also decreased, despite the needs of additional households that were displaced. Thus, the city seeks the use of CDBG-DR funds to assist Joplin's housing authority restore its program to reach pre-disaster voucher levels. After reviewing the city's request, the Department is waiving 42 U.S.C. 5305(a), to the extent necessary, to make eligible tenant-based rental assistance so that the city may restore its Section 8 program to pre-disaster levels. Households will not be eligible for tenant-based rental assistance if they have rejected public housing assistance, or declined a Section 8 voucher. A maximum of \$290,000 may be provided by the city for this use.

Going forward, the city and the housing authority are strongly encouraged to continue to assess the voucher program to ensure households in need will have adequate resources available at the expiration of this waiver.

III. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this Notice is as follows: 14.269.

IV. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

Date: March 24, 2014.

Mark Johnston,

Deputy Assistant Secretary for Special Needs Programs.

[FR Doc. 2014-06850 Filed 3-26-14; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[145A2100DD-
AADD001000.A0E501010.999900]

Indian Education Study Group

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of tribal consultation.

SUMMARY: The Department of the Interior, in conjunction with the U.S. Department of Education (ED), will conduct a series of consultation sessions with Indian tribes to review and provide feedback on the draft actionable recommendations prepared by the American Indian Education Study Group.

DATES: Submit written comments on or before June 2, 2014.

ADDRESSES: Written comments may be submitted to: Jacquelyn Cheek, Special Assistant to the Director, Bureau of Indian Education, 1849 C Street NW., Mail Stop 3609, Washington, DC 20240; telephone (202) 208-6983 or fax (202) 208-3312 or by email to IAEDTC-CMTS@bia.gov.

FOR FURTHER INFORMATION CONTACT:

Jacquelyn Cheek, Special Assistant to the Director, Bureau of Indian Education, at the above listed address and telephone number.

SUPPLEMENTARY INFORMATION: The Secretaries of the U.S. Department of the Interior (DOI) and the U.S. Department of Education (ED) have convened an American Indian Education Study Group (Study Group) to determine how to effectively fulfill President Obama's vision for Indian Education. The Study Group focused on how to facilitate tribal sovereignty in American Indian education and how to improve educational outcomes for students attending BIE-funded schools. The Study Group previously engaged with tribal leaders and Indian educators in six listening sessions on improving Indian education for BIE to develop draft actionable recommendations.

Based on input from these listening sessions, the Study Group has identified a framework for reform with a goal of high-achieving tribally controlled schools. This goal would allow the schools to deliver methods and practices for every BIE student to meet and exceed high expectations and be well prepared for college, careers, and tribal and global citizenship. The Study Group believes that, in order to reach this goal, the Obama Administration, Congress, and tribes must focus on the following four pillars of reform:

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

HUD encourages interested parties to submit comment in response to these questions.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35.

Dated: July 7, 2014.

Laura M. Marin,
Associate General Deputy Assistant Secretary
for Housing-Associate Deputy Federal
Housing Commissioner.

[FR Doc. 2014-16314 Filed 7-10-14; 8:45 am]

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5696-N-10]

Additional Clarifying Guidance, Waivers, and Alternative Requirements for Grantees in Receipt of Community Development Block Grant Disaster Recovery Funds Under the Disaster Relief Appropriations Act, 2013

AGENCY: Office of the Assistant
Secretary for Community Planning and
Development, HUD.

ACTION: Notice.

SUMMARY: This Notice provides additional clarifying guidance, waivers, and alternative requirements for all Community Development Block Grant (CDBG) disaster recovery grantees in receipt of funds under the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2).¹ To date, the Department has

allocated \$14.1 billion under the Act to assist recovery in the most impacted and distressed areas identified in major disaster declarations due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013.

DATES: *Effective Date:* July 16, 2014.

FOR FURTHER INFORMATION CONTACT: Stan Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202-708-3587.

Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

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- II. Applicable Rules, Statutes, Waivers, and Alternative Requirements
- III. Catalog of Federal Domestic Assistance
- IV. Finding of No Significant Impact

I. Background

The Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2, approved January 29, 2013) (Appropriations Act) made available \$16 billion in Community Development Block Grant (CDBG) funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. As the Appropriations Act requires funds to be awarded directly to a State, or unit of general local government (hereinafter, local government), at the discretion of the Secretary, the term "grantee" refers to any jurisdiction that has received a direct award from HUD under the Appropriations Act.

On March 1, 2013, the President issued a sequestration order pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (2 U.S.C. 901a), and reduced funding for CDBG-DR grants under the Appropriations Act to \$15.18 billion. To date, \$14.1 billion has been allocated for the areas most impacted by Hurricane Sandy and other disasters occurring in 2011, 2012, and 2013. To describe these

allocations and the accompanying requirements, the Department published multiple **Federal Register** notices: March 5, 2013 (78 FR 14329), April 19, 2013 (78 FR 23578), May 29, 2013 (78 FR 32262), August 2, 2013 (78 FR 46999), November 18, 2013 (78 FR 69104), March 27, 2014 (78 FR 17173), and June 3, 2014 (79 FR 31964), referred to collectively in this Notice as the "Prior Notices". The requirements of the Prior Notices continue to apply, except as modified by this Notice.²

II. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCD Act. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

This Notice clarifies or modifies requirements of the Prior Notices. Except as noted, the waivers and alternative requirements in this Notice apply to all grants under the Appropriations Act. For each waiver and alternative requirement described in this Notice, the Secretary has determined that good cause exists and the action is not inconsistent with the overall purpose of the HCD Act. Grantees may request additional waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Under the requirements of the Appropriations Act, waivers must be published in the **Federal Register** no later than five days before the effective date of such waiver.

1. *Reporting of contracts.* Public Law 113-2 requires grantees "to maintain on a public Web site information accounting for how all grant funds are

²Links to the Prior Notices, the text of the Appropriations Act, and additional guidance prepared by the Department for CDBG-DR grants, are available on HUD's Web site under the Office of Community Planning and Development, Disaster Recovery Assistance: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/drsi. The same information is also available on HUD's OneCPD Web site: <https://www.onecpd.info/cdbg-dr/>.

¹ Luzerne, PA initially received disaster assistance under Public Law 112-55 and was provided with additional assistance through Pub. L. 113-2. The waiver in this Notice specific to Luzerne, PA applies to both its 112-55 funds and 113-2 funds as described herein.

used, including details of all contracts and ongoing procurement processes.” To streamline the reporting requirements for grantees by eliminating duplicative reporting efforts, and to provide greater transparency regarding procured contracts, HUD is removing the requirement that grantees identify contracts above \$25,000 in HUD’s Disaster Recovery Reporting System (DRGR) because grantees are already reporting this information in the Federal Subaward Reporting System (FSRS) through USA Spending (usaspending.gov). Grantees are still required to post contract information as described below. HUD is amending requirements described in the March 5, 2013 Notice as follows:

a. Paragraph 2.b. at 78 FR 14337 is amended to exclude the requirement for grantees “to identify in the DRGR system any contract over \$25,000,” and now reads as follows: “DRGR Action Plan. Each grantee must enter its Action Plan for Disaster Recovery, including performance measures, into HUD’s DRGR system. As more detailed information about uses of funds is identified by the grantee, it must be entered into the DRGR system at a level of detail that is sufficient to serve as the basis for acceptable performance reports, and permits HUD review of compliance requirements.

The Action Plan must also be entered into the DRGR system so that the grantee is able to draw its CDBG–DR funds. The grantee may enter activities into DRGR before or after submission of the Action Plan to HUD. To enter an activity into the DRGR system, the grantee must know the activity type, national objective, and the organization that will be responsible for the activity. In addition, a Data Universal Numbering System (DUNS) number must be entered into the system for any entity carrying out a CDBG–DR funded activity, including the grantee, recipient(s) and subrecipient(s), contractor(s) and developers carrying out a CDBG–DR activity.

Each activity entered into the DRGR system must also be categorized under a “project”. Typically, projects are based on groups of activities that accomplish a similar, broad purpose (e.g., Housing, Infrastructure, or Economic Development) or are based on an area of service (e.g., Community A). If a grantee submits a partial Action Plan or amendment to describe just one program (e.g., Single Family Rehabilitation), that program is entered as a project in DRGR. Further, the budget of the program would be identified as the project’s budget. If a State grantee has only identified the

Method of Distribution (MOD) upon HUD’s approval of the published Action Plan, the MOD itself typically serves as the projects in the DRGR system, rather than the activities. As funds are distributed to subgrantees and subrecipients, who decide which specific activities to fund, those activity fields are then populated.

b. Paragraph 23 at 78 FR 14344 is amended to exclude the requirement for grantees to “enter information on contracts in the DRGR system activity profiles (for all contracts valued over \$25,000)” and now reads as follows: “Public Web site. The Appropriations Act requires grantees to maintain a public Web site which provides information accounting for how all grant funds are used, and managed/ administered, including details of all contracts and ongoing procurement policies. To meet this requirement, each grantee must make the following items available on its Web site: The Action Plan (including all amendments); each QPR (as created using the DRGR system); procurement policies and procedures; status of services or goods currently being procured by the grantee—e.g., phase of the procurement, requirements for proposals, etc.; a copy of contracts the grantee has procured directly; and a summary of all procured contracts, including those procured by the grantee, recipients, or subrecipients. Grantees should post only those contracts subject to 24 CFR 85.36 or in accordance with the State’s procurement policies. To assist grantees prepare this summary, HUD has developed a template. The template can be accessed at: <https://www.onecpd.info/cdbg-dr/>. Grantees are required to use this template, and attach an updated version to DRGR each quarter as part of their QPR submissions. Updated summaries must also be posted quarterly on each grantee’s Web site.”

2. *Incorporation of clarifications and requirements for grantees in receipt of grant awards made by HUD in response to disasters occurring in 2011 or 2012.* Grantees in receipt of funds under the Appropriations Act for disasters occurring in 2011 or 2012 (see the Notice published in the **Federal Register** May 29, 2013, at 78 FR 32262) are advised that the following paragraphs in section VI. (Applicable Rules, Statutes, Waivers, and Alternative Requirements) of the Notice published November 18, 2013 apply to grant funds provided pursuant to Public Law 113–2: 3.b. (Liquid Fuel Supply Chain Assistance); 5. (Reimbursement of disaster recovery expenses); 6. (Duplication of benefits); 7. (Eligibility

of needs assessment and risk analysis costs); 8. (Eligibility of mold remediation); 9. (Eligibility of public services and assistance to impacted households); 10. (Modification of the alternative requirement related to small business assistance); and 11. (Eligibility of Local Disaster Recovery Manager costs) (see 78 FR 69108 through 69110). These paragraphs impose or clarify general requirements or provide additional flexibility in program design and implementation to support resilient recovery following the 2011 and 2012 disasters, while also ensuring that statutory requirements unique to the Appropriations Act are met. Any new requirements established by this paragraph are applicable to all programs initiated in an Action Plan Amendment subsequent to the date of this Notice.

3. *Tenant-based rental assistance (State of New Jersey, only).* The State of New Jersey has requested a waiver of 42 U.S.C. 5305(a) in order to provide tenant-based rental assistance to households impacted by disasters eligible under the Appropriations Act. Eligible assistance includes rental assistance and utility payments and may also include rental costs (i.e., security deposits and utility deposits) when the grantee determines that such payments are necessary to help prevent a household from being homeless. While existing CDBG regulations allow payments for these purposes, those regulations limit assistance to a period not to exceed three months. The State’s tenant-based rental assistance will be funded through its Supportive Services program, will be limited to the beneficiaries of that program as described in the State’s approved Action Plan, and will not be tied to HUD’s Section 8 program assistance.

As a result of Hurricane Sandy, thousands of households in New Jersey were displaced and need housing at a time when the State’s housing stock had been substantially reduced. The decrease in the housing supply placed upward pressure on housing costs, making housing less affordable for households already strained by hurricane-related expenses. To date, the State has invested more than \$320 million to support the rehabilitation or construction of new affordable rental housing (to create approximately 7,000 units); however, the most vulnerable of Sandy-displaced households—including very low-income persons—continue to need immediate rental assistance until construction of affordable rental units is completed and those units become available.

The goal of this waiver is to minimize the time households are homeless by

providing re-housing and rental assistance, and by linking the person or family with services that can help them become stable and self-sufficient. Throughout the rental period, assisted households will receive referrals to available long-term units, as well as housing counseling. Further, the State plans to establish a referral process that will enable the targeted households to apply to live in the affordable housing units created under other CDBG-DR funded programs.

The State's use of CDBG-DR funds for this purpose advances the Department's priority to support forward-thinking solutions to help communities that are struggling to house and serve persons and families that are homeless or at risk of homelessness. In addition, HUD has previously granted the States of Louisiana and New York, as well as New York City, similar waivers in response to Hurricanes Katrina, Rita, and Sandy. After reviewing the State's request, HUD is waiving 42 U.S.C. 5305(a), to the extent necessary, to make eligible up to \$17 million in rental assistance and utility payments paid for up to 2 years on behalf of homeless and at-risk low- and moderate-income households displaced by Hurricane Sandy, when such assistance or payments are part of a homeless prevention or rapid re-housing program or activity. The Department is approving the State's request for a waiver to allow for the payment of tenant-based rental assistance. This waiver is in effect from January 1, 2014 to January 1, 2016.

4. Documentation of Low- and Moderate-Income National Objective for Multi-Unit Housing Projects (State of New Jersey, only). Per the HCD Act and the Prior Notices, Hurricane Sandy CDBG-DR grantees may fund the rehabilitation, reconstruction, and new construction of housing. To further address its housing needs, the State of New Jersey has requested to measure the benefit to low- and moderate-income households, in multiunit residential projects, in a manner more supportive of mixed income housing. In general, the applicable regulation, 24 CFR 570.208(a)(3), requires at least 51 percent of the units in an assisted multi-unit structure to be occupied by residents that are income eligible. This method of calculating the benefit to low- and moderate-income households is often referred to as the structure basis.

HUD has reviewed other housing assistance programs that measure benefit differently—only those units in a multi-unit structure occupied by income eligible residents are used to calculate the benefit to low- and moderate-income households. Under

this "unit" approach, when units are alike, the proportion of CDBG funds contributed to the project may be no more than the proportion of units in the project that will be occupied by income-eligible households. For this reason, this approach is sometimes called the proportional units approach. In other words, the rule under the structure approach is that a dollar of CDBG assistance to a structure means that 51 percent of the units must meet income requirements. Under the unit approach, the amount of assistance provided is equal to the cost of units occupied by low- and moderate-income households.

Based on HUD experience, the unit approach can be more compatible with large-scale development of mixed-income housing. For example, in response to the widespread devastation caused by Hurricanes Katrina and Rita, HUD allowed the states of Louisiana and Mississippi to use this approach under their respective CDBG-DR programs. Additionally—(1) the CDBG program rule has a built-in exception that allows limited use of the unit basis for multi-unit non-elderly new construction structures with between 20 and 50 percent low- and moderate-income occupancy, (2) in the HOME Investment Partnerships program, HUD's primary housing production program, HUD grantees use funds to pay for the cost of affordable units, and (3) the Neighborhood Stabilization Program permitted grantees to use a unit basis approach to meet the CDBG low- and moderate-income benefit requirement.

After review of the State of New Jersey's Action Plan for Disaster Recovery, and discussions with the State regarding its intent to encourage mixed-income housing development, HUD has determined that it is consistent with the overall purposes of the HCD Act to provide the State the requested additional flexibility in measuring program benefit. Therefore, the waiver and alternative requirements allow the State to measure benefit within a housing development project: (1) According to the existing CDBG requirements or (2) according to the unit approach described above for multi-unit housing projects involving rehabilitation and/or reconstruction. However, the second option may only be used if the units are generally comparable in size and finishes. The State must select and use one method for each project. For these purposes, the term "project" will have the same meaning as in the HOME program at 24 CFR 92.2. The State is reminded that per 2 CFR part 225, CDBG-DR costs must be necessary and reasonable. To meet this requirement, the State must develop

policies and procedures to document its costs for housing investments are necessary and reasonable. The State must also meet all civil rights and fair housing requirements and comply with any applicable civil rights or fair housing related voluntary compliance agreements, settlement agreements, or consent decrees.

5. Limited purpose modification of overall benefit requirement (Luzerne County, Pennsylvania, only). The primary objective of the Housing and Community Development Act is the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income" (42 U.S.C. 5301 et seq.). To carry out this objective, the statute requires that 70 percent of the aggregate of the grantee's CDBG program's funds be used to support activities benefitting low- and moderate-income persons.

This target can be difficult, if not impossible, for many CDBG-DR grantees to reach as a disaster impacts entire communities—regardless of income. Further, it may prevent grantees from providing assistance to the most damaged areas of need. Therefore, as described by the Prior Notices, Luzerne County, in addition to the other grantees under the Appropriations Act, received a waiver and alternative requirement—only 50 percent of funds must be used for activities that benefit low- and moderate-income persons. Additional flexibility was provided in the March 5, 2013 Notice (78 FR 14329) and the May 29, 2013 Notice (FR 32262), which is applicable to Luzerne County. It allows a grantee to request a further reduction of its overall benefit requirement by submitting a justification that, at a minimum: (a) Identifies the planned activities that meet the needs of its low- and moderate-income population; (b) describes proposed activity(ies) and/or program(s) that will be affected by the alternative requirement, including their proposed location(s) and role(s) in the grantee's long-term disaster recovery plan; (c) describes how the activities/programs identified in (b) prevent the grantee from meeting the 50 percent requirement; and (d) demonstrates that the needs of non-low and moderate-income persons or areas are disproportionately greater, and that the jurisdiction lacks other resources to serve them. After review of grantee requests, under the Appropriations Act, HUD can grant such a waiver request only if the Secretary finds a compelling need to reduce the overall benefit below 50 percent.

In response to the above, Luzerne County submitted justification addressing the required criteria. As described in the correspondence, the county has received two awards of CDBG-DR funds (appropriated under two separate laws and totaling more than \$25.5 million) in response to disasters that occurred in 2011 (Hurricane Irene and Tropical Storm Lee). The county's first allocation was for \$15,738,806 under Section 239 of the Department of Housing and Urban Development Appropriations Act, 2012 (Pub. L. 112-55, approved November 18, 2011). The second allocation to the county for \$9,763,000 was made under Public Law 113-2.

Initially, the county's first award allocated funds to acquisition/buyouts, housing rehabilitation and mitigation, and infrastructure. The county anticipated that buyouts would be primarily paid for using FEMA funds under the FEMA's Hazard Mitigation Grant Program; CDBG-DR funds would provide the local match (25 percent). However, following approval of the county's CDBG-DR Action Plan, FEMA announced that requests for acquisition far exceeded available funds. Thus, citizens and local elected officials requested that CDBG-DR address this unmet need. In response, the county participated in public meetings to gauge the scope of unmet need. It was determined that approximately 100 residential properties (across 14 jurisdictions) could not be funded by FEMA, but those property owners wished to participate in a voluntary buyout program. Additionally, while other citizens were no longer interested in a buyout (they were either back in their homes or would be soon), they were in need of assistance to elevate or otherwise mitigate their disaster-impacted homes. As a result, the county amended its Action Plan to pay 100 percent of the costs associated with acquiring properties, and demolishing any structures, in order to assist participating households' recovery in a safer area, and reduce future flood hazards and prevent the loss of life. In counties such as Luzerne with a history of flooding, the need for a buyout program is particularly compelling. The county's buyout activities (\$11,951,625 for residential properties and \$1 million for commercial properties) will use the majority of its first CDBG-DR allocation. The remainder of funds are programmed to infrastructure (\$1.2 million) and administration and planning (\$1.6 million). While the Action Plan includes housing rehabilitation as an eligible activity, this will only be

funded if all buyout needs have been addressed and CDBG-DR funds are available.

Of note, Luzerne County's residential buyout program is prioritizing low- and moderate-income property owners. To date, of the 100 properties estimated to participate in the program, 68 property owners have submitted pre-applications. An initial review shows that only 30 of the 68 owners are low- and moderate-income households (44 percent). Approximately 44 percent of the households will be of low- and moderate-income, and the county estimates that of the total amount budgeted for residential buyouts, \$3,940,715 will benefit low- and moderate-income households. In addition, the county has plans to address the needs of low- and moderate-income households it moves out of harm's way, through a down payment assistance to assist households who require assistance in buying a replacement home. As applications with the greatest need under the infrastructure program and the commercial buyout programs are not in areas with significant low- and moderate-income populations, these programs will not help the county meet its overall benefit requirement. The county anticipates an overall low- and moderate-income benefit of 27.82 percent for its first CDBG-DR allocation.

In regards to the county's second award of CDBG-DR funds, the primary activity to be funded is infrastructure (\$8,786,700). The remaining funds, \$976,300, are for administration and planning. As the census tracts and block groups most impacted by the 2011 disasters and in need of assistance are not predominately low- and moderate-income, and as infrastructure activities generally only meet the low- and moderate-income national objective on an area basis, the county has requested a reduction of the overall benefit requirement for this grant as well. (The county is prioritizing infrastructure activities with this grant due to the significant unmet needs demonstrated. Further, market studies indicate little demand in the county for new housing stock and the county's business assistance program received no applications). Based on infrastructure applications received to date, the county anticipates that three projects, totaling \$3,268,000, will benefit low- and moderate-income households on an area basis. Thus, the overall low- and moderate-income benefit for the second grant award is projected to be 37.19 percent.

To enable the county to undertake the activities it has deemed most critical for

its recovery, and to ensure that low- and moderate-income households are adequately served and/or assisted, HUD is granting a limited waiver and alternative requirement to reduce the overall benefit from 50 percent to not less than 27 percent for the county's first allocation of CDBG-DR funds, and to not less than 37 percent for the county's second allocation of CDBG-DR funds. Based on the county's justification, the Secretary has found a compelling need for this reduction due to the unique circumstances related to Luzerne County's request. In particular, HUD notes that the county prioritized the needs of low- and moderate-income populations with its first allocation; the county has identified getting people out of harm's way as a top priority and this waiver will allow low- and moderate-income families to take advantage of Luzerne's program for this purpose; and finally, the waiver will enable the county to undertake critical infrastructure activities necessary to its recovery. This is a limited waiver modifying 42 U.S.C. 5301(c), 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.484, and 570.200(a)(3) only to the extent necessary to permit the county to use funds appropriated by Public Law 112-55 for its residential buyout program, to use funds appropriated by Public Law 113-2 for its infrastructure program, as described by the county's Action Plans.

III. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this Notice is as follows: 14.269.

IV. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

Dated: July 7, 2014.

Clifford Taffet,

*General Deputy Assistant Secretary for
Community Planning and Development.*

[FR Doc. 2014-16316 Filed 7-10-14; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5750-N-28]

Federal Property Suitable as Facilities To Assist the Homeless

AGENCY: Office of the Assistant
Secretary for Community Planning and
Development, HUD.

ACTION: Notice.

SUMMARY: This Notice identifies
unutilized, underutilized, excess, and
surplus Federal property reviewed by
HUD for suitability for use to assist the
homeless.

FOR FURTHER INFORMATION CONTACT:
Juanita Perry, Department of Housing
and Urban Development, 451 Seventh
Street SW., Room 7266, Washington, DC
20410; telephone (202) 402-3970; TTY
number for the hearing- and speech-
impaired (202) 708-2565 (these
telephone numbers are not toll-free), or
call the toll-free Title V information line
at 800-927-7588.

SUPPLEMENTARY INFORMATION: In
accordance with 24 CFR part 581 and
section 501 of the Stewart B. McKinney
Homeless Assistance Act (42 U.S.C.
11411), as amended, HUD is publishing
this Notice to identify Federal buildings
and other real property that HUD has
reviewed for suitability for use to assist
the homeless. The properties were
reviewed using information provided to
HUD by Federal landholding agencies
regarding unutilized and underutilized
buildings and real property controlled
by such agencies or by GSA regarding
its inventory of excess or surplus
Federal property. This Notice is also
published in order to comply with the
December 12, 1988 Court Order in
*National Coalition for the Homeless v.
Veterans Administration*, No. 88-2503-
OG (D.D.C.).

Properties reviewed are listed in this
Notice according to the following
categories: Suitable/available, suitable/
unavailable, and suitable/to be excess,
and unsuitable. The properties listed in
the three suitable categories have been
reviewed by the landholding agencies,
and each agency has transmitted to
HUD: (1) Its intention to make the
property available for use to assist the
homeless, (2) its intention to declare the
property excess to the agency's needs, or

(3) a statement of the reasons that the
property cannot be declared excess or
made available for use as facilities to
assist the homeless.

Properties listed as suitable/available
will be available exclusively for
homeless use for a period of 60 days
from the date of this Notice. Where
property is described as for "off-site use
only" recipients of the property will be
required to relocate the building to their
own site at their own expense.

Homeless assistance providers
interested in any such property should
send a written expression of interest to
HHS, addressed to Theresa Ritta, Ms.
Theresa M. Ritta, Chief Real Property
Branch, the Department of Health and
Human Services, Room 5B-17,
Parklawn Building, 5600 Fishers Lane,
Rockville, MD 20857, (301) 443-2265
(This is not a toll-free number.) HHS
will mail to the interested provider an
application packet, which will include
instructions for completing the
application. In order to maximize the
opportunity to utilize a suitable
property, providers should submit their
written expressions of interest as soon
as possible. For complete details
concerning the processing of
applications, the reader is encouraged to
refer to the interim rule governing this
program, 24 CFR part 581.

For properties listed as suitable/to be
excess, that property may, if
subsequently accepted as excess by
GSA, be made available for use by the
homeless in accordance with applicable
law, subject to screening for other
Federal use. At the appropriate time,
HUD will publish the property in a
Notice showing it as either suitable/
available or suitable/unavailable.

For properties listed as suitable/
unavailable, the landholding agency has
decided that the property cannot be
declared excess or made available for
use to assist the homeless, and the
property will not be available.

Properties listed as unsuitable will
not be made available for any other
purpose for 20 days from the date of this
Notice. Homeless assistance providers
interested in a review by HUD of the
determination of unsuitability should
call the toll free information line at 1-
800-927-7588 for detailed instructions
or write a letter to Ann Marie Oliva at
the address listed at the beginning of
this Notice. Included in the request for
review should be the property address
(including zip code), the date of
publication in the **Federal Register**, the
landholding agency, and the property
number.

For more information regarding
particular properties identified in this
Notice (i.e., acreage, floor plan, existing

sanitary facilities, exact street address),
providers should contact the
appropriate landholding agencies at the
following addresses: AGRICULTURE:
Ms. Debra Kerr, Department of
Agriculture, Reporters Building, 300 7th
Street SW., Room 300, Washington, DC
20024, (202) 720-8873; AIR FORCE: Ms.
Connie Lotfi, Air Force Real Property
Agency, 143 Billy Mitchell Blvd., San
Antonio, TX 78226, (210) 925-3047;
COE: Mr. Scott Whiteford, Army Corps
of Engineers, Real Estate, CEMP-CR,
441 G Street NW., Washington, DC
20314; (202) 761-5542; ENERGY: Mr.
David Steinau, Department of Energy,
Office of Property Management, 1000
Independence Ave. SW., Washington,
DC 20585 (202) 287-1503; GSA: Mr.
Flavio Peres, General Services
Administration, Office of Real Property
Utilization and Disposal, 1800 F Street
NW., Room 7040, Washington, DC
20405, (202) 501-0084; INTERIOR: Mr.
Michael Wright, Acquisition & Property
Management, Department of the
Interior, 3960 N. 56th Ave. #104,
Hollywood, FL 33021; (443) 223-4639;
NAVY: Mr. Steve Matteo, Department of
the Navy, Asset Management Division,
Naval Facilities Engineering Command,
Washington Navy Yard, 1330 Patterson
Ave. SW., Suite 1000, Washington, DC
20374; (202) 685-9426 (These are not
toll-free number).

Dated: July 3, 2014.

Brian P. Fitzmaurice

*Director, Division of Community Assistance,
Office of Special Needs Assistance Programs.*

TITLE V, FEDERAL SURPLUS PROPERTY PROGRAMFEDERAL REGISTER REPORT FOR 07/11/2014

Suitable/Available Properties

Building

Colorado

Turley House

Reclamation

Grand Junction CO 81503

Landholding Agency: Interior

Property Number: 61201420004

Status: Unutilized

Directions: House; Garage/Carport; Shop/
Shed

Comments: off-site removal only; no future
service need; 3,603 total sq. ft.; structural
delicacies; contact interior for more
information.

Georgia

Records Holding 661246B024, RPUD 03
54976

934 College Station Road

Athens GA 30605

Landholding Agency: Agriculture

Property Number: 15201420021

Status: Excess

Comments: off-site removal only; 196 sq. ft.;
storage; good conditions; secured area;
contact Agriculture for more information.

enforcement activities to which the BCI records may relate, to the extent retention for such purposes exceeds the normal retention period for such data in BCI.

SYSTEM MANAGER AND ADDRESS:

Director, Office of Automated Systems, U.S. Customs and Border Protection Headquarters, 1300 Pennsylvania Avenue NW., Washington, DC 20229.

NOTIFICATION PROCEDURE:

DHS allows persons (including foreign nationals) to seek administrative access under the Privacy Act to information maintained in BCI. However, the Secretary of DHS exempted portions of this system from the notification, access, and amendment procedures of the Privacy Act because it is a law enforcement system. Nonetheless, DHS/CBP will consider individual requests to determine whether or not information may be released. Thus, individuals seeking notification of and access to any record contained in this system of records, or seeking to contest its content, may submit a request in writing to the DHS Chief Freedom of Information Act (FOIA) Officer or CBP FOIA Officer, whose contact information can be found at <http://www.dhs.gov/foia> under "Contacts." If an individual believes more than one Component maintains Privacy Act records that concern him or her, the individual may submit the request to the Chief Privacy Officer and Chief FOIA Officer, Department of Homeland Security, 245 Murray Lane SW., Building 410, STOP-0655, Washington, DC 20528.

When seeking records about yourself from this system of records or any other Departmental system of records, your request must conform with the Privacy Act regulations set forth in 6 CFR part 5. You must first verify your identity, meaning that you must provide your full name, current address, and date and place of birth. You must sign your request and your signature must either be notarized or submitted under 28 U.S.C. 1746, a law that permits statements to be made under penalty of perjury as a substitute for notarization. Although no specific form is required, you may obtain forms for this purpose from the Chief Privacy Officer and Chief Freedom of Information Act Officer, <http://www.dhs.gov/foia> or 1-866-431-0486. In addition, you should:

- Explain why you believe the Department would have information on you;

- Identify which Component(s) of the Department you believe may have the information about you;
- Specify when you believe the records would have been created; and
- Provide any other information that will help the FOIA staff determine which DHS Component agency may have responsive records

If your request is seeking records pertaining to another living individual, you must include a statement from that individual certifying his/her agreement for you to access his/her records.

Without the above information, CBP may not be able to conduct an effective search, and your request may be denied due to lack of specificity or lack of compliance with applicable regulations.

RECORD ACCESS PROCEDURES:

See "Notification procedure" above.

CONTESTING RECORD PROCEDURES:

See "Notification procedure" above.

RECORD SOURCE CATEGORIES:

BCI receives information from individuals who arrive in, depart from, or transit through the United States. This system also collects information from carriers that operate vessels, vehicles, aircraft, or trains that enter or exit the United States, including private aircraft operators. Lastly, BCI receives border crossing information received from CBSA.

EXEMPTIONS CLAIMED FOR THE SYSTEM:

No exemption shall be asserted with respect to information maintained in the system that is *collected from a person* at the time of crossing and submitted by that person's air, sea, bus, or rail carriers if that person, or his or her agent, seeks access or amendment of such information.

The Privacy Act, however, requires DHS to maintain an accounting of the disclosures made pursuant to all routines uses. Disclosing the fact that a law enforcement or intelligence agency has sought particular records may affect ongoing law enforcement activities. The Secretary of Homeland Security, pursuant to 5 U.S.C. 552a(j)(2), exempted this system from the following provisions of the Privacy Act: Sections (c)(3), (e)(8), and (g) of the Privacy Act of 1974, as amended, as is necessary and appropriate to protect this information. Further, DHS has exempted section (c)(3) of the Privacy Act of 1974, as amended, pursuant to 5 U.S.C. 552a(k)(2) as is necessary and appropriate to protect this information.

Additionally, this system contains records or information recompiled from or created from information contained

in other systems of records that are exempt from certain provision of the Privacy Act. This system also contains accountings of disclosures made with respect to information maintained in the system. For these records or information only, in accordance with 5 U.S.C. 552a(j)(2) and (k)(2), DHS will also claim the original exemptions for these records or information from subsections (c)(3) and (4); (d)(1), (2), (3), and (4); (e)(1), (2), (3), (4)(G) through (I), (5), and (8); (f); and (g) of the Privacy Act of 1974, as amended, as necessary and appropriate to protect such information.

Dated: May 1, 2015.

Karen L. Neuman,
Chief Privacy Officer, Department of Homeland Security.

[FR Doc. 2015-11288 Filed 5-8-15; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5696-N-14]

Guidance and Instructions for Extension Requests of 24-Month Expenditure Deadline for Community Development Block Grant Disaster Recovery (CDBG-DR) Grantees

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Notice advises Community Development Block Grant disaster recovery (CDBG-DR) grantees with grants pursuant to the Disaster Relief Appropriations Act, 2013 (the Appropriations Act) of the process and requirements associated with grantee requests for an extension of the 24-month expenditure deadline for specific portions of funds obligated under the Appropriations Act.

DATES: *Effective Date: May 18, 2015.*

FOR FURTHER INFORMATION CONTACT: Stanley Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

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I. Applicability

The requirements of this Notice are applicable to all CDBG disaster recovery (CDBG-DR) grants funded pursuant to the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2, approved January 29, 2013) and do not apply to any CDBG-DR grants funded pursuant to other supplemental appropriations.

II. Background

The Appropriations Act made available \$16 billion in CDBG-DR funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et. seq.*) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. On March 1, 2013, the President issued a sequestration order pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (2 U.S.C. 901a), and reduced the amount of funding for CDBG-DR grants under the Appropriations Act to \$15.18 billion. To date, a total of \$15.18 billion has been allocated or set aside: \$13 billion in response to Hurricane Sandy, \$514 million in response to disasters occurring in 2011 or 2012, \$655 million in response to 2013 disasters, and \$1 billion set aside for the National Disaster Resilience Competition.

This Notice establishes submission instructions for expenditure deadline extension requests and other related requirements for grantees in receipt of allocations under the Appropriations Act, which are described within the Federal Register Notices published by HUD on March 5, 2013 (78 FR 14329), April 19, 2013 (78 FR 23578), May 29, 2013 (78 FR 32262), August 2, 2013 (78 FR 46999), November 18, 2013 (78 FR 69104), December 16, 2013 (78 FR 76154), March 27, 2014 (79 FR 17173), June 3, 2014 (79 FR 31964), July 11,

2014 (79 FR 40133), October 7, 2014 (79 FR 60490), October 16, 2014 (79 FR 62182), January 8, 2015 (80 FR 1039), and April 2, 2015 (80 FR 17772) referred to collectively in this Notice as the "Prior Notices." The requirements of the Prior Notices continue to apply, except as modified by this Notice.¹

The Appropriations Act requires HUD to obligate all funds provided under the Appropriations Act by September 30, 2017. The Appropriations Act also requires that grantees expend funds within 24 months of the date on which HUD obligates funds to a grantee. Funds are obligated to a grantee on the date that HUD signs a grantee's CDBG-DR grant agreement or grant agreement amendment obligating additional funds. Each obligation carries its own expenditure deadline. For each obligation to a grantee, any funds remaining in the grantee's line of credit from that obligation at the time of the expenditure deadline for that obligation will be returned to the U.S. Treasury, or if before September 30, 2017, will be recaptured by HUD. In all instances, grantees must continue to meet the requirements for Federal cash management at 24 CFR 85.20(a)(7), as may be amended, and therefore may not draw down funds in advance of need to attempt to comply with the expenditure deadline in accordance with HUD's long-standing implementation of this requirement.

Section 904(c) of the Appropriations Act authorizes the Office of Management and Budget (OMB) to grant waivers of the 24-month expenditure deadline. To implement this provision of the Appropriations Act, OMB requested Federal agencies receiving an appropriation under the Appropriations Act to identify categories of activities that could be subject to a waiver of the 24-month expenditure deadline. OMB also requested that agencies estimate, for each category of activity, the total amount of funds provided under the Appropriations Act that would likely require a waiver. HUD submitted an analysis of different categories of CDBG-DR activities that would likely necessitate a waiver of the expenditure deadline to OMB. OMB authorized HUD to provide CDBG-DR grantees with expenditure deadline extensions for activities that are inherently long-term and where it would be impracticable to expend funds within the 24-month

period and still achieve program missions.

Although HUD has authority to grant extensions of the 24-month expenditure deadline up to amounts approved by OMB for each of the activity categories described in Section III of this Notice, grantees are advised that 31 U.S.C. 1552(a) continues to apply to funds appropriated under the Appropriations Act. Specifically, CDBG-DR funds are to remain available for expenditure for five years following the period of availability for obligation. All funds under the Appropriations Act, including those subject to a waiver of the expenditure deadline, must be expended by September 30, 2022. Any grant funds that have not been disbursed by September 30, 2022, will be canceled and will no longer be available for disbursement to the grantee for obligation or expenditure for any purpose.

III. Eligible Activities

The National Disaster Recovery Framework acknowledges that long-term recovery is inherently a multi-year process. HUD recognizes that grantees allocate a significant portion of CDBG-DR funds to complex and large-scale programs and projects that are long-term in nature. HUD also recognizes that grantees will require CDBG-DR administrative funds to conduct grant closeout and engage in ongoing program oversight, and that these efforts will inevitably extend beyond the 24-month expenditure deadline that applies to each obligation.

As authorized by OMB, HUD will limit its consideration of expenditure deadline extension requests to certain types of eligible disaster recovery activities undertaken by grantees. HUD will consider grantee programs and projects within the following four categories for expenditure deadline extensions:

- **Public facilities and improvements.**

Typical public facilities and improvement activities include the rehabilitation, replacement, or relocation of damaged public facilities and improvements, as well as investments to increase the resilience of those facilities and improvements.

- **Housing.** Typical housing activities include new construction, elevation, and rehabilitation of single family or multifamily residential units.

- **Economic revitalization.** Economic revitalization activities often include the provision of loans and grants to small businesses, job training programs, the construction of education facilities to teach technical skills, making improvements to commercial or retail

¹ Links to the Prior Notices, the text of the Appropriations Act, and additional guidance prepared by HUD for CDBG-DR grants, are available on the HUD Exchange Web site: <https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/>.

districts, and financing other efforts that attract and retain workers in disaster-impacted communities.

- **Grant administration.** Typical administrative activities include salaries, wages, and related costs of grantee or subrecipient staff and others engaged in program management, monitoring, and evaluation. Administrative costs are limited by the Appropriations Act to five percent of each grantee's total allocation.

IV. Timeline for Submission

The process for any funds that the grantee believes will not be expended by the 24-month expenditure deadline, as outlined in Section III of each of the prior Federal Register Notices published by HUD on March 5, 2013 (78 FR 14329), May 29, 2013 (78 FR 32262), November 18, 2013 (78 FR 69104), December 16, 2013 (78 FR 76154), June 3, 2014 (79 FR 31964), and October 16, 2014 (79 FR 62185), is hereby revised as follows:

"The Appropriations Act requires that funds be expended within two years of the date HUD obligates funds to a grantee; and funds are obligated to a grantee upon HUD's signing of a grantee's CDBG-DR grant agreement. In its Action Plan, a grantee must demonstrate how funds will be fully expended within two years of obligation and HUD must obligate all funds not later than September 30, 2017. For any funds that the grantee believes will not be expended by the 24-month deadline and that it desires to retain, the grantee must submit an extension request in a form acceptable to HUD not less than 120 calendar days in advance of the date of the expenditure deadline on those funds justifying why it is necessary to extend the deadline for a specific portion of the funds. In consideration of the timeline for funds with expenditure deadlines in 2015, extension requests for those funds must be submitted to HUD not less than 60 calendar days in advance of the date of the expenditure deadline on those funds. OMB has provided HUD with authority to act on grantee extension requests but grantees are cautioned that such extensions may not be approved. If granted, extensions will be published in the Federal Register. Funds remaining in the grantee's line of credit at the time of its expenditure deadlines will be recaptured by HUD."

V. Requirements for Submission

Grantees seeking an extension of the 24-month deadline for a project or program must provide HUD with detailed information on the compelling legal, policy, or operational challenges that prevent the grantee from meeting the expenditure deadline as well as identify the proposed date for the full expenditure of the specified portion of funds.

To expedite the review process, HUD has developed a CDBG-DR Expenditure

Deadline Extension Request template. Grantees must submit one template per program or project for which a revised expenditure deadline is being requested. In certain cases, HUD may request that a grantee resubmit this template at a project-level if information provided at the programmatic level is insufficient for HUD to assess whether the request meets HUD's criteria for approving an extension, as outlined in Section VII below. This template will ensure that each request captures all of the requirements outlined in this Notice. The template will be posted at: <https://www.hudexchange.info/cdbg-dr/>. Each grantee must include the following elements, as delineated within the CDBG-DR Expenditure Deadline Extension Request template, as part of its submission:

- (1) A description of the individual program or project for which an extension is being requested, including information on relevant Disaster Recovery Grant Reporting System (DRGR) activity(ies).

- (2) An explanation for why an extension is being requested, including all relevant and compelling statutory, regulatory, policy, or operational challenges, and how the extension will promote a more effective and efficient recovery effort.

- (3) Description of how the provision of an extension would reduce the likelihood of waste, fraud, and abuse, if applicable.

- (4) An identification of all community stakeholders (including state or local entities, subrecipients, nonprofits, and civic organizations) to be affected by the expenditure deadline extension, their role in program or project implementation, and the impact, if any, of the extension on these stakeholders.

- (5) A revised expenditure deadline for the CDBG-DR funds budgeted for the program or project (i.e. the DRGR 'end date') as well as a projection of quarterly expenditures for the program or project for which the waiver is requested, including incremental dollar amounts and percentage of funds budgeted for each DRGR activity. This information is required in order for HUD to ensure grantee compliance with revised expenditure deadlines in the DRGR system.

- (6) A description of the risks associated with not receiving the requested extension, such as the estimated percentage of funds which would be at risk of recapture or specific recovery needs that would not be met if the particular program or project cannot be completed or undertaken.

- (7) A description of the monitoring process and internal controls that the

grantee and any subrecipients will implement to ensure compliance with the revised expenditure deadline.

VI. Submission Process

The submission of any grantee expenditure deadline extension request is subject to the following requirements:

- Grantee submits the completed CDBG-DR Expenditure Deadline Extension Request template and any attachments to HUD in order to request consideration of the extension request not less than 120 calendar days in advance of the expenditure deadline on the funds (or 60 days for funds expiring in calendar year 2015).

- HUD reviews the extension request within 45 (or sooner for funds expiring in calendar year 2015) calendar days from date of receipt and approves the request based on the parameters outlined in Section VII of this Notice.

- HUD sends an extension request approval letter to the grantee. HUD may disapprove the request if it is determined that it does not meet the requirements of this Notice. If the request is not approved, a letter will be sent identifying its deficiencies; the grantee must then re-submit the request within 30 calendar days (or 10 days for funds expiring in the calendar year 2015) of the notification letter;

- Within 30 calendar days of HUD's approval, the grantee amends its Action Plan for disaster recovery to reflect the approval of the revised expenditure deadline. HUD considers any Action Plan amendments to reflect revised activity expenditure timelines to be non-substantial amendments.

- Immediately following this amendment, the grantee updates its DRGR Action Plan to reflect the revised 'end date' for each DRGR activity covered by the approved waiver.

- If approved, HUD will publish the extension approval in the Federal Register. HUD will consolidate grantee extension approvals for publication. Therefore, extension approval is effective as of the date of the extension request approval letter, rather than as of the effective date of the published Federal Register notice.

VII. Criteria for Approval

Under the authority provided to HUD by OMB, HUD will consider expenditure deadline extension requests for projects or programs based on the Secretary's determination that the extension is necessary and that the request meets the conditions set forth by OMB. HUD will assess extension requests using the following criteria:

- (1) The program or project must be approved in the grantee's Action Plan

for disaster recovery prior to the grantee's submission of an expenditure deadline extension request to HUD.

(2) The CDBG-DR funds associated with the program or project must have been obligated by HUD through a grant agreement, and, therefore, be subject to an established expenditure deadline.

(3) The information submitted on the CDBG-DR Expenditure Deadline Extension Request template is comprehensive and complete to the satisfaction of HUD, as outlined in Section V of this Notice.

(4) The revised expenditure deadline for the CDBG-DR funds budgeted for the program or project (i.e. the DRGR 'end date') as well as the projection of quarterly expenditures are determined to be achievable based on the grantee's past performance and expenditure rate.

(5) The grantee's capacity to implement monitoring processes and internal controls as outlined by the grantee in the template are sufficient to ensure compliance with the revised expenditure deadline.

(6) The grantee has demonstrated that it has evaluated all reasonable alternatives prior to determining that an extension is the only remaining viable alternative.

(7) HUD can determine, based on the grantee's submission, that the program or project covered by the request satisfies the OMB criteria for activities that are long-term by design, where it is impracticable to expend funds within the 24-month period and achieve program missions, and any other criteria imposed by OMB.

Regardless of the criteria outlined in this section, HUD retains the authority to deny requested extensions or to provide alternative expenditure deadlines to those proposed by grantees.

VIII. Applicable Rules and Considerations

This section of the Notice describes other requirements that grantees should consider prior to requesting an extension of the of the 24-month expenditure deadline for CDBG-DR programs and projects.

1. *Urgent need national objective certification requirements.* In HUD's March 5, 2013 Notice (78 FR 14329), grantees receiving funds under the Appropriations Act were provided a waiver of the certification requirements for the documentation of the urgent need national objective, located at §§ 570.208(c) and 570.483(d), until two years after the date HUD obligates funds to a grantee. Grantees seeking a waiver of the expenditure deadline may simultaneously seek an extension of the urgent need certification waiver.

However, a grantee's request for an urgent need waiver must demonstrate to HUD that an extension of the urgent need certification waiver for those funds is necessary for recovery and that that remaining needs remain urgent, despite the passage of time since the disaster. HUD may grant a waiver under the authority provided in the Appropriations Act authorizing the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of Title I of the HCD Act. If approved, the extension of the urgent need certification waiver will only become effective after its publication in the Federal Register.

2. *Expenditure deadline extensions are program- and project-specific.* Any revised expenditure deadline is specific to the program or project as identified in the approval letter from HUD. Grantees may not reallocate funds with a revised expenditure deadline to other recovery programs or projects without HUD authorization. In order to reallocate such funds, the grantee must request an additional extension through the process described in Section VI of this Notice. Grant balances not used for a program or project that receives an expenditure deadline waiver will be canceled if the expenditure deadline on those funds has passed.

3. *Modifications to revised expenditure deadlines.* Under limited circumstances and subject to 31 U.S.C. 1552(a), HUD may authorize grantees to further extend the expenditure deadlines associated with recovery programs and projects. In order to revise the expenditure deadline on these funds, the grantee must request an additional extension through the process described in Section VI of this Notice.

IX. Applicability to National Disaster Resilience Competition and Rebuild by Design Projects

National Disaster Resilience Competition Projects. Projects that are funded under the Notice of Funding Availability (NOFA) for the National Disaster Resilience Competition (NDRC) (FR-5800-N-29) are not subject to the requirements of this Notice. Grantees may instead request extensions of the

24-month expenditure deadline for those projects pursuant to the requirements of the NOFA, as may be amended.

Rebuild by Design Projects. HUD will also consider extension requests for funds allocated for Rebuild by Design (RBD) Projects, funded under the eligible "Rebuild by Design" activity in Section VII.4.c. of the Notice published on October 16, 2014, subject to any other criteria imposed by OMB. Requests for an extension of the expenditure deadline for RBD Project funds shall be submitted pursuant to the submission process outlined in Section VI of this Notice but instead of submitting the CDBG-DR Expenditure Deadline Extension Request template, grantee submission requests must contain the information required of extension requests under the headline "Expenditure Deadline Waivers" in Appendix E to the NDRC NOFA, as may be amended.

X. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this Notice is as follows: 14.269.

XI. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

Date: May 4, 2015.

Harriet Tregoning,

Principal Deputy Assistant, Secretary for Community Planning and Development.

[FR Doc. 2015-11260 Filed 5-8-15; 8:45 am]

BILLING CODE 4210-67-P

Status of the proposed information collection: This is an extension of a currently approved collection.

Authority: The Paperwork Reduction Act of 1995, 44 U.S.C., Chapter 35, as amended.

Dated: August 13, 2015.

Janet M. Golrick,

Associate General Deputy Assistant Secretary for Housing-Associate Deputy Federal Housing Commissioner.

[FR Doc. 2015-20925 Filed 8-24-15; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5696-N-16]

Additional Clarifying Guidance, Waivers, and Alternative Requirements for Grantees in Receipt of Community Development Block Grant Disaster Recovery Funds Under the Disaster Relief Appropriations Act, 2013

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice provides clarifying guidance, waivers, and alternative requirements for Community Development Block Grant Disaster Recovery grantees in receipt of funds under the Disaster Relief Appropriations Act, 2013 (the Appropriations Act). This notice modifies requirements for infrastructure projects funded by grantees receiving an allocation for Hurricane Sandy. This notice also provides waivers and alternative requirements for the State of New Jersey's Energy Resilience Bank and LMI Homeowner Rebuilding Program, and for New York City's infrastructure projects and the Breezy Point Flood Mitigation System.

DATES: Effective Date: August 31, 2015.

FOR FURTHER INFORMATION CONTACT: Stanley Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

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- II. Applicable Rules, Statutes, Waivers, and Alternative Requirements
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I. Background

The Appropriations Act (Pub. L. 113-2, approved January 29, 2013) made available \$16 billion in Community Development Block Grant disaster recovery (CDBG-DR) funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas, resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. On March 1, 2013, the President issued a sequestration order pursuant to Section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (2 U.S.C. 901a), and reduced the amount of funding for CDBG-DR grants under the Appropriations Act to \$15.18 billion. To date, a total of \$15.18 billion has been allocated or set aside: \$13 billion in response to Hurricane Sandy, \$514 million in response to disasters occurring in 2011 or 2012, \$655 million in response to 2013 disasters, and \$1 billion set aside for the National Disaster Resilience Competition.

This notice specifies a waiver and alternative requirements and modifies requirements for Hurricane Sandy grantees in receipt of allocations under the Appropriations Act, which are described within the Federal Register notices published by the Department on March 5, 2013 (78 FR 14329), April 19, 2013 (78 FR 23578), August 2, 2013 (78 FR 46999), November 18, 2013 (78 FR 69104), March 27, 2014 (79 FR 17173), July 11, 2014 (79 FR 40133), October 16, 2014 (79 FR 62182), April 2, 2015 (80 FR 17772), and May 11, 2015 (80 FR 26942), referred to collectively in this notice as the "prior notices." The requirements of the prior notices continue to apply, except as modified by this notice.¹

II. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for, any

¹ Links to the prior notices, the text of the Appropriations Act, and additional guidance prepared by the Department for CDBG-DR grants, are available on the HUD Exchange Web site: <https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/>.

provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) (HCD Act). Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

For the waivers and alternative requirements described in this notice, the Secretary has determined that good cause exists and that the waivers and alternative requirements are not inconsistent with the overall purpose of the HCD Act. Grantees may request waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Under the requirements of the Appropriations Act, waivers must be published in the Federal Register no later than 5 days before the effective date of such waiver.

1. **Exemptions from Infrastructure Program and Project Requirements—Obligated Assistance from Federal Grant Program Projects and Completed Projects—(Hurricane Sandy Grantees only).** The March 27, 2014, Federal Register notice, at paragraph II.1.b., Obligated Public Assistance Grant Program Projects (78 FR 17174), provides an exemption from certain infrastructure requirements described in paragraph 2 of the Federal Register notice published November 18, 2013, at 78 FR 69107, for those projects to which the Federal Emergency Management Agency (FEMA) had obligated Public Assistance (PA) funds on or before November 25, 2013. After consideration of the factors discussed below, HUD is now modifying this exemption. As of the effective date of this notice, the infrastructure requirements described in paragraph 2 at 78 FR 69107 will not apply to an infrastructure project carried out by a Hurricane Sandy CDBG-DR grantee if FEMA or any other Federal agency has obligated funds to that infrastructure project on or before January 15, 2014, or if the infrastructure project was completed on or before January 15, 2014.

Oftentimes CDBG-DR grantees are awarded Federal recovery funds for which CDBG-DR can be used as the source for the required non-Federal local match of funds. These Federal

sources may include, but are not limited to, the Environmental Protection Agency, the Federal Highway Administration, the Federal Transportation Administration, the Army Corps of Engineers, and the FEMA Public Assistance and Hazard Mitigation grant programs. Such grant assistance can be used for a variety of activities and often requires grantees to contribute a non-Federal share of funds to a project. If the project is an eligible CDBG-DR activity, CDBG-DR funds may be used for the payment of the non-Federal share required in connection with a Federal grant-in-aid program if permitted by the Federal awarding agency that required the match (see 24 CFR 570.201(g) and 42 U.S.C. 5305(a)(9)).

Prior to HUD's November 18, 2013, notice, many grantees had coordinated with Federal agencies to secure funding for critical infrastructure projects, but only upon establishment of the Sandy Recovery Office and the launch of the Regional Coordination Working Group (now known as the Sandy Regional Infrastructure Resilience Coordination Group or SRIRC Group), in January 2014, would grantees have been able to comply with Federal coordination requirements outlined in the November 18, 2013 notice. In addition, grantees may have completed infrastructure projects before the establishment of the requirements described in that notice at paragraph 2 at 78 FR 69107.

Accordingly, the clarification described in the March 27, 2014, notice at paragraph II.1.b. is amended to read, "Infrastructure requirements described in paragraph 2 at 78 FR 69107 do not apply to any infrastructure project where funds have been obligated by a Federal agency under any federal grant-in-aid program on or before January 15, 2014, or where a project funded through any means was completed on or before January 15, 2014."

2. Waiver of requirement for assistance to businesses, including privately-owned utilities for Energy Resilience Bank activities (State of New Jersey only)—The Federal Register notice published on March 5, 2013, instituted an alternative requirement to various provisions at 42 U.S.C. 5305(a) and restricts the assistance provided to for-profit businesses to only those businesses that meet the definition of a small business as described by the Small Business Administration (SBA) at 13 CFR part 121. That notice also prohibited CDBG-DR grantees in receipt of funds under the Appropriations Act from providing funds to privately-owned utilities (paragraph VI.D.41., *Alternative requirement for assistance to*

businesses, including privately-owned utilities, at 78 FR 14347). The State of New Jersey has requested a waiver of the prohibition on assistance to businesses that do not meet the SBA definition of a small business and the prohibition on assistance to privately-owned utilities for its planned \$200 million CDBG-DR investment in the New Jersey Energy Resilience Bank (ERB).

The Department approved the ERB in the State's disaster recovery Action Plan for the second allocation of CDBG-DR funds under the Appropriations Act on May 30, 2014.² The State has committed to using the ERB to harden critical facilities to ensure they remain operational during storm events through the use of distributed energy generation, such as combined heat and power, fuel cells, and off-grid solar inverters with battery storage. Eligible technologies must be constructed to operate independently from the electric utility grid and be able to start up without a direct connection to the electric grid when the grid is down due to extreme weather events. The ERB will focus on funding critical facilities in sectors that were impacted by Hurricane Sandy, including water and wastewater treatment plants, hospitals and long-term care facilities, colleges and universities, state and county correctional facilities, HUD-assisted multifamily housing units, community shelters, and transportation and transit infrastructure.

The ERB aligns with the Hurricane Sandy Rebuilding Strategy's (the Strategy) goal of "Ensuring a Regionally Coordinated, Resilient Approach to Infrastructure Investment," and the Strategy specifically references the ERB as a program developed by the State with assistance from the Hurricane Sandy Rebuilding Task Force. The Strategy notes "most energy infrastructure is privately-owned and operated, which means that resilience investment will come about only through close cooperation between the Federal and State governments and the private sector."

Many of the facilities expected to receive funding through the State's ERB provide critical public services but are owned by a mix of public and for-profit entities, or are solely privately owned, and cannot be assisted under the current prohibitions imposed by the March 5, 2013, notice. At least 20 of the 108 potentially eligible hospital facilities are operated as for-profit entities and do not meet the small business criteria.

Moreover, 438 of the State's 617 long-term care facilities and 95 of 170 institutions of higher learning are operated as for-profit entities and do not meet the small business criteria. The State also anticipates funding private utilities, such as private water districts, which serve the needs of their regional populations in the same manner as public utilities.

These facilities often serve communities most impacted by Hurricane Sandy, having high concentrations of low- and moderate-income (LMI) persons, and they provide essential services to vulnerable populations that are comparable to their public and non-profit counterparts. Without a waiver of the restrictions on assistance to certain types of businesses, many of these critical facilities would be ineligible for funding, leaving large gaps in the State's regional distributed energy networks and excluding significant populations (including LMI persons) from benefiting from the State's resiliency measures.

While not every critical facility will serve predominantly LMI populations, vulnerable residents typically rely more on community-based facilities and services, especially in disaster scenarios. To the extent that the ERB will be funding such facilities and services, LMI populations would benefit especially from the increased resiliency of critical infrastructure during the next storm event. Accordingly, as a condition of providing this waiver, HUD is requiring the State to develop a scoring methodology for the selection of ERB projects that provides preferential treatment to LMI areas and populations. The LMI benefit scoring methodology is to be designed to ensure continued progress by the State in meeting its overall CDBG-DR grant LMI benefit requirement and to ensure that, in financing ERB projects, the State places a significant priority on serving LMI areas and populations.

In its request to the Department, the State acknowledged that the ERB is not a substitute for private investment, but is instead designed to leverage additional private investment in resilient energy systems. The State has developed ERB financial products using substantial market research and analysis to ensure that products are attractive to consumers in the market, while also generating proceeds for the ERB. The State is also developing assistance packages that consist of variable contributions of loans, forgivable loans, and grants, with each product requiring varying levels of equity investments. Market research and analysis specific to each business sector and uniform

² <http://www.renewjerseystronger.org/plans-policies-reports/#cdbg>.

underwriting standards will drive the precise financing terms and equity contributions of participating businesses to ensure that assistance is based on actual identified need. For example, the water/wastewater product that the ERB will offer requires for-profit applicants to provide an equity contribution of 10 percent of total project cost, while there is no equity contribution for public or non-profit facilities. Accordingly, HUD is requiring the State to establish policies and procedures to ensure that the CDBG-DR funds invested in ERB projects reflect the actual identified financing needs of the assisted businesses, while also ensuring a robust return to the ERB to finance future investments.

Based on the critical role that the ERB will fulfill in ensuring long-term resiliency within Sandy-impacted New Jersey communities and for only those activities funded by the ERB as described in the State's approved disaster recovery Action Plan Amendment, the Department is waiving the alternative requirement in the March 5, 2013, notice and subsequent notices that prohibit funding businesses that do not meet the SBA definition of small business and funding of private utilities, subject to the following alternative requirements. As a condition of this waiver the State must:

- Provide preferential treatment to LMI areas and populations in its ERB scoring methodology;
- Require an equity contribution for for-profit critical facilities, the amount of which is to be based on uniform underwriting standards developed by the State and uniformly applied to all such facilities, to ensure that the level of assistance provided to these facilities addresses only the actual identified needs of the project; and
- Establish a mix of financing terms (loan, forgivable loan, and/or grant) for each assisted for-profit facility, based on the business's financial capacity, in order to ensure that assistance is based on actual identified need, in order to achieve a targeted use of funds and to safeguard against the potential over-subsidization of for-profit facilities.

This waiver allows the State to add new potential beneficiaries to the activity described within its amended Action Plan for disaster recovery. This change will constitute a substantial amendment as described in the March 5, 2013, notice (78 FR 14329) at paragraph VI.A.3.a. Accordingly, the State must submit a Substantial Action Plan Amendment revising its description of the ERB to include affected entities, and this amendment will be subject to the citizen participation requirements of the

March 5, 2013, notice at VI.A.3, which requires no less than 7 calendar days to solicit public comment.

3. Extension of Urgent Need Certification Waiver for ERB activities (State of New Jersey only)—The March 5, 2013, Federal Register notice waives the certification requirements for classifying activities as meeting the CDBG urgent need national objective until “two years after the date HUD obligates funds to a grantee for the activity” (paragraph VI.A.1.f, *Use of the urgent need national objective*, at 78 FR 14336) and establishes an alternative requirement for grantees. That requirement provides that during the 2-year period, grantees must document how all programs and/or activities funded under the urgent need national objective category respond to a disaster-related impact. In its implementation of the Appropriations Act, HUD established the 2-year limit on the use of this alternative certification requirement in response to grantees' historical use of this urgent need alternative certification requirement in previous disasters. The State of New Jersey has requested an extension of the urgent need national objective alternative certification requirement for the program income generated from its CDBG-DR grant and used to fund activities through its ERB program.

HUD must obligate all funds under the Appropriations Act by September 30, 2017. Because grantees are required to expend program funds within 2-years following HUD's obligation of the funds, CDBG-DR funds used to finance ERB projects will automatically qualify under the 2-year alternative urgent need certification requirement. The State, however, intends to apply program income generated through ERB projects to additional ERB projects and may also apply program income from its other CDBG-DR programs to the ERB, beyond the 2-year period of the alternative urgent need certification requirement. The State has requested authority to use the alternative urgent need certification requirement; for the life of the CDBG-DR grant, for program income applied to the ERB. Without this extension, funds critical to the performance of the ERB could not be classified as meeting the urgent need national objective and program participants may be unable to raise necessary private capital for critical energy resilience projects. Providing this flexibility for ERB-financed projects will allow the projects to be implemented following the obligation of all CDBG-DR funds to the ERB and until the State has closed out its CDBG-DR Sandy recovery grant.

Therefore, until grant closeout and for only program income used to fund ERB activities, HUD is permitting the State of New Jersey, when the use of the urgent need national objective is warranted, to document the use of the urgent need national objective by applying the waiver and alternative requirement regarding urgent need at paragraph VI.A.1.f. of the March 5, 2013, notice (78 FR 14336). The program income requirements described in paragraphs A.2 and A.17 of section VI of the March 5, 2013, notice (78 FR 14336) will continue to apply.

4. Extension of 1-year time limitation on reimbursable pre-award expenses (State of New Jersey only)—Grantees in receipt of funds under the Appropriations Act are subject to the limitations on the reimbursement of pre-award disaster recovery expenses as provided for in CPD Notice 2014-017 (“Guidance for Charging Pre-Award Costs of Homeowners, Businesses, and Other Qualifying Entities to CDBG Disaster Recovery Grants”) (the CPD Notice),³ as may be amended, and the November 18, 2014, notice at section VI, paragraph 5, which requires grantees to comply with the provisions of the CPD Notice. The CPD Notice states that grantees may “charge to CDBG-DR grants the eligible pre-award and pre-application costs of individuals and private entities related to single- and multi-family residential structures and nonresidential structures, only if the person or private entity incurred the expenses within 1-year after the date of the disaster and before the date on which the person or entity applies for CDBG-DR assistance.” The State of New Jersey has requested an extension of this 1-year limitation for applicants to its LMI Homeowners Rebuilding Program in order to provide reimbursement for rehabilitation and reconstruction expenses incurred by LMI homeowners who incurred such expenses after this time limit and before applying to the program for Federal assistance.

The State of New Jersey implemented the LMI Homeowners Rebuilding Program pursuant to a VCA with the Department, which was executed on May 30, 2014. The VCA was established in response to a complaint filed by civil rights and fair housing organizations regarding the State's administration of its CDBG-DR funded recovery programs. The VCA required the State to implement the LMI Homeowners Rebuilding Program more than 1-year after the 1-year, post-disaster time

³ <https://www.hudexchange.info/resource/4139/notice-cpd14017-guidance-for-charging-preaward-costs-to-cdbg-disaster-recovery-grants>.

limitation established in the CPD Notice. As a result, any rehabilitation expenses incurred by applicants to the program after the 1-year date would be ineligible for reimbursement. Without an extension of the 1-year limitation, the State would be limited in its ability to comply with the requirements of the VCA and to provide necessary housing assistance to LMI homeowners.

Accordingly, based on the critical role of the LMI Homeowner Rebuilding Program in providing housing recovery assistance to LMI residents and for only those applicants assisted through the State's LMI Homeowners Rebuilding Program, the Department is extending the date by which grantees may reimburse expenses incurred by applicants to the date of application to the LMI Homeowners Rebuilding Program, provided such expenses would otherwise be eligible expenses.

5. Waiver of Major Infrastructure Project (Covered Project) requirements for projects in multiple counties (New York City only).—The Federal Register notice published November 18, 2013, describes additional infrastructure requirements, including requirements placed on Covered Projects (paragraph VI.2.g., *Additional Requirements for Major Infrastructure Projects*, at 78 FR 69107). HUD approval is required for each major infrastructure project with such projects defined as having a total cost of \$50 million or more (including at least \$10 million of CDBG-DR funds), or projects that benefit multiple counties. The Federal Register notice published on March 27, 2014, clarified that "benefits multiple counties" means that the project is physically located in more than one county (paragraph II.1.a., *Definition of "Benefits Multiple Counties,"* at 78 FR 17174). New York City has requested exemption from the major infrastructure requirements for projects located in multiple counties and exclusively within the city, where they otherwise would not meet the definition of a major infrastructure project.

New York City is composed of five counties (which are coterminous with its five boroughs) that are subordinate to the municipal government, and the city's authority precludes the need for due consideration of the counties' response. Requiring the city to adhere to the Department's requirements for major infrastructure projects in such cases would impose additional and unnecessary standards for relatively small projects that do not warrant the level of scrutiny triggered by the requirements. Accordingly, for purposes of identifying major infrastructure projects that are held to the

requirements of the notice published November 18, 2013, and any subsequent notice that includes provisions for major infrastructure projects, HUD is providing New York City a waiver of the major infrastructure identification criteria to exclude projects located in multiple counties that are located exclusively within the city, only where the project would not otherwise meet the definition of a major infrastructure project by exceeding the total cost thresholds described above.

6. Waiver of requirements for housing rehabilitation activities for Breezy Point Flood Mitigation System (New York City only).—New York City has requested a waiver of 24 CFR 570.202(a)(1) to the extent necessary to permit new construction of a flood mitigation system at Breezy Point, a privately held cooperative in Queens, by classifying the entire system as an improvement for residential purposes.

Under the CDBG Entitlement Program regulations, which are applicable to units of local government, New York City may use CDBG-DR funds to finance the rehabilitation of privately owned buildings and improvements for residential purposes, including grounds improvements that are incidental to and necessary for housing rehabilitation. This housing rehabilitation provision does not permit the city to construct a new flood mitigation system that improves the grounds of a privately held cooperative that benefits an entire community. The community's unique status as a cooperative on a single property lot also precludes the city from funding the activity as an eligible public facility and improvement under the CDBG regulations at 24 CFR 570.201(c).

The flood mitigation system proposed for Breezy Point will provide critical protection to CDBG-DR home rehabilitation investments as well as investments from other Federal partners, and it will improve waterfronts damaged by Hurricane Sandy. The city has determined that the system is necessary to permit long-term disaster recovery from Hurricane Sandy for the Breezy Point community. Thus, the city has requested the ability to construct the project as part of its CDBG-DR housing rehabilitation and reconstruction efforts in the community.

The city is seeking \$58.2 million to construct this system from FEMA's Hazard Mitigation Grant Program (HMGP), which requires a 25-percent, local match or \$14.55 million that may potentially be sourced from the city's CDBG-DR grant. The community provides year-round residency to 4,300 people and consists of 2,400 homes, nearly all of which were damaged

during Hurricane Sandy. The city and community, with State and Federal partners, has worked to rehabilitate homes and reconstruct the community. Federal investments in housing rehabilitation total approximately \$450 million, including National Flood Insurance Program policy payments, SBA loans, FEMA Individual Assistance grants, the city's Rapid Repair grants, and CDBG-DR grants through the city's NYC Build it Back Program. The NYC Build it Back Program alone is projected to provide \$200 million in housing rehabilitation assistance to households in the area, including \$80 million in assistance to approximately 400 low- or moderate-income households. Without a provision to allow this flood mitigation improvement, Federal investments as well as numerous private and public interests would be exposed to flooding during major flood events and if sea levels rise. A Benefit-Cost Analysis conducted by the city identified a reduction in expected annual flood damages to the community of between 50 percent and 98 percent as a result of this project. In addition, according to the city, the protection that this project will provide has the potential to lower flood insurance premiums for structures in the neighborhood in the event of the revision of FEMA's area Flood Insurance Study (FIS) and the effective Base Flood Elevation.

Therefore, for the city's Breezy Point Flood Mitigation System only, the Department is waiving 24 CFR 570.202(a)(1) to the extent necessary to allow for the city's Breezy Point Flood Mitigation System to be classified as an eligible housing rehabilitation and preservation activity. Further, the Department is waiving section 105(a)(4) of the HCD Act to the extent necessary to allow for the new construction associated with this activity that would otherwise be prohibited.

III. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this notice is 4.269.

IV. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m., weekdays, in the Regulations Division, Office of General Counsel,

Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

Dated: August 19, 2015.

Laura H. Hogshead,

Chief Operating Officer for Office of the Secretary.

[FR Doc. 2015-21065 Filed 8-24-15; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5831-N-41]

30-Day Notice of Proposed Information Collection: Insurance Termination Request for Multifamily Mortgage

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Notice.

SUMMARY: HUD has submitted the proposed information collection requirement described below to the Office of Management and Budget (OMB) for review, in accordance with the Paperwork Reduction Act. The purpose of this notice is to allow for an additional 30 days of public comment. **DATES:** Comments Due Date: September 24, 2015.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503; fax: 202-395-5806. Email: OIRA_Submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: Colette Pollard, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410; email Colette Pollard at Colette.Pollard@hud.gov or telephone 202-402-3400. This is not a toll-free number. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

Copies of available documents submitted to OMB may be obtained from Ms. Pollard.

SUPPLEMENTARY INFORMATION: This notice informs the public that HUD is seeking approval from OMB for the information collection described in Section A.

The Federal Register notice that solicited public comment on the information collection for a period of 60 days was published on June 30, 2015 at 80 FR 37282.

A. Overview of Information Collection

Title of Information Collection: Insurance Termination Request for Multifamily Mortgage.

OMB Approval Number: 2502-0416.

Type of Request: Revision of currently approved collection.

Form Numbers: HUD-9807.

Description of the need for the information and proposed use: The information collection is used to notify HUD that the mortgagor and mortgagee mutually agree to terminate the HUD multifamily mortgage insurance.

Respondents: Business or other for-profit.

Estimated Number of Respondents: 1891.

Estimated Number of Responses: 1891.

Frequency of Response: 1.

Average Hours per Response: 25.

Total Estimated Burdens: 473 hours.

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

HUD encourages interested parties to submit comment in response to these questions.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35.

Dated: August 19, 2015.

Colette Pollard,

Department Reports Management Officer, Office of the Chief Information Officer.

[FR Doc. 2015-20923 Filed 8-24-15; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5831-N-40]

30-Day Notice of Proposed Information Collection: Section 3 Summary Report for Economic Opportunities for Low and Very Low Income Persons (Form HUD 60002) and Section 3 Complaint Register (Form HUD 958)

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Notice.

SUMMARY: HUD has submitted the proposed information collection requirement described below to the Office of Management and Budget (OMB) for review, in accordance with the Paperwork Reduction Act. The purpose of this notice is to allow for an additional 30 days of public comment. **DATES:** Comments Due Date: September 24, 2015.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503; fax: 202-395-5806. Email: OIRA_Submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: Colette Pollard, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410; email Colette Pollard at Colette.Pollard@hud.gov or telephone 202-402-3400. This is not a toll-free number. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339. Copies of available documents submitted to OMB may be obtained from Ms. Pollard.

SUPPLEMENTARY INFORMATION: This notice informs the public that HUD is seeking approval from OMB for the information collection described in Section A.

The Federal Register notice that solicited public comment on the information collection for a period of 60 days was published on June 17, 2015 at 80 FR 34687.

Dated: November 12, 2015.

Henry Hensley,
Acting Director, Office of Strategic Planning
and Management.

[FR Doc. 2015-29484 Filed 11-17-15; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5696-N-17]

Guidance, Waivers, and Alternative Requirements for Grantees in Receipt of Community Development Block Grant Disaster Recovery Funds Under Public Law 113-2: "Buyout" and "Acquisition" Activities; Assistance to Agricultural Enterprises; and State of Colorado Waiver for Tourism Promotion

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice provides clarifying guidance for Community Development Block Grant disaster recovery (CDBG-DR) grantees in receipt of funds under the Disaster Relief Appropriations Act, 2013 (the Appropriations Act). It provides clarification regarding the requirements of "buyout" activities authorized in the Department's March 5, 2013, **Federal Register** notice and expands the eligibility criteria for buyout activities to include "Disaster Risk Reduction Areas" as defined by the grantee. It also modifies requirements of the March 5, 2013, notice on the prohibition of assistance to businesses that do not meet the Small Business Administration (SBA) definition of small businesses, permitting assistance also to eligible businesses engaged in "farming operations," as determined by the U.S. Department of Agriculture (USDA). This notice also provides a waiver to the State of Colorado to expend additional CDBG-DR funds and to assist additional communities impacted by declared disasters in 2011, 2012, and 2013, through tourism promotion activities previously authorized in the Department's June 3, 2014, notice.

DATES: Effective Date: November 23, 2015.

FOR FURTHER INFORMATION CONTACT: Stanley Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number

via TTY by calling the Federal Relay Service at 800-877-8339. Facsimiled inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.) Emailed inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

Table of Contents

- I. Background
- II. Applicable Rules, Statutes, Waivers, and Alternative Requirements
- III. Catalog of Federal Domestic Assistance
- IV. Finding of No Significant Impact

I. Background

The Appropriations Act (Pub. L. 113-2, approved January 29, 2013) made available \$16 billion in CDBG-DR funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas, resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et. seq.) (Stafford Act) due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. On March 1, 2013, the President issued a sequestration order pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (2 U.S.C. 901a), and reduced the amount of funding for CDBG-DR grants under the Appropriations Act to \$15.18 billion. To date, a total of \$15.18 billion has been allocated or set aside: \$13 billion in response to Hurricane Sandy, \$514 million in response to disasters occurring in 2011 or 2012, \$655 million in response to 2013 disasters, and \$1 billion for the National Disaster Resilience Competition.

This notice applies to grantees in receipt of allocations under the Appropriations Act, which are described within the **Federal Register** notices published by the Department on March 5, 2013 (78 FR 14329); April 19, 2013 (78 FR 23578); May 29, 2013 (78 FR 32262); August 2, 2013 (78 FR 46999); November 18, 2013 (78 FR 69104); December 16, 2013 (78 FR 76154); March 27, 2014 (79 FR 17173); June 3, 2014 (79 FR 31964); July 11, 2014 (79 FR 40133); October 7, 2014 (79 FR 60490); October 16, 2014 (79 FR 62182); January 8, 2015 (80 FR 1039); April 2, 2015 (80 FR 17772); May 11, 2015 (80 FR 26942); and August 25, 2015 (80 FR 51589) referred to collectively in this notice as the "prior notices." The requirements of the prior

notices continue to apply, except as modified by this notice.¹

II. Applicable Rules (Including Clarifying Guidance), Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCD Act). Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

For the waiver and alternative requirements described in this notice, the Secretary has determined that good cause exists and that the waiver and alternative requirements are not inconsistent with the overall purpose of the HCD Act. Grantees may request waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Under the requirements of the Appropriations Act, waivers must be published in the **Federal Register** no later than 5 days before the effective date of such waiver.

1. Acquisition of Real Property and Buyouts Outside of Floodplains

In response to a request from the State of Colorado, HUD is authorizing grantees in receipt of CDBG-DR funds under the Appropriations Act to acquire property for an amount equal to either the property's pre-disaster or post-disaster value (formerly referenced in the prior notices as pre- and post-flood values), for the buyout of properties in "Disaster Risk Reduction Areas" as defined by criteria established by the grantee, subject to the limitations of this notice.

The Department has previously authorized CDBG-DR grantees to carry out buyout programs in floodways or floodplains, by allowing grantees to offer to acquire properties in hazardous

¹ Links to the prior notices, the text of the Appropriations Act, and additional guidance prepared by the Department for CDBG-DR grants are available on the HUD Exchange Web site: <https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/>.

flood areas at pre-flood or post-flood value. The Secretary authorized this type of acquisition to: (1) Reduce the risk to homeowners from the effects of subsequent disasters; (2) assist in the recovery of low- and moderate-income households; and (3) protect taxpayer resources that might otherwise be needed after future disasters in the same area.

In previous notices, HUD referred to “flood buyouts” and recognized that grantees frequently used CDBG–DR funds to match funds for buyouts provided under section 404 of the Stafford Act, as amended. Section 404 empowers the Director of the Federal Emergency Management Agency (FEMA) to provide property acquisition and relocation assistance “in providing hazard mitigation assistance under this section in connection with flooding” Since flooding is by far the most prevalent and predictable source of widespread destruction in a Presidentially declared disaster, the Department did not address the potential need to include other types of hazards. Large scale disasters have the potential to create or exacerbate hazards in areas located outside of a floodplain or floodway. For example, the wildfires that swept through Colorado in 2013 destroyed vegetation in many areas, creating erosion and affecting soil stability in a manner that now places many homes at risk for mudslides in future disasters, although those homes are not located in a floodplain or floodway.

For the same reasons that buyouts in floodways and floodplains are permitted, HUD is amending its alternative requirement to expand the scope of authorized buyouts in the prior notices for grantees receiving CDBG–DR funds under the Appropriations Act. Accordingly, the definition of “buyout” in all prior notices is amended to mean “acquisition of properties located in a floodway or floodplain that is intended to reduce risk from future flooding, or the acquisition of properties in ‘Disaster Risk Reduction Areas’ located outside of floodways and floodplains for the purpose of reducing risks from the hazard that was the basis of the Disaster Risk Reduction Area designation. ‘Disaster Risk Reduction Areas’ must be designated in accordance with the buyout requirements of applicable Federal Register Notices.”

Recognizing that States and units of general local government (UGLGs) are best positioned to determine what constitutes an unacceptable risk to their communities in exercising this additional authority, grantees will need to establish criteria to designate a “

Disaster Risk Reduction Area,” subject to the following requirements: (1) The hazard must have been caused or exacerbated by the Presidentially declared disaster for which the grantee received its CDBG–DR allocation; (2) The hazard must be a predictable environmental threat to the safety and well-being of program beneficiaries, as evidenced by the best available data and science; and (3) The Disaster Risk Reduction Area must be clearly delineated so that HUD and the public may easily determine which properties are located within the Disaster Risk Reduction Area.

Once grantees have established criteria to designate a “Disaster Risk Reduction Area,” and designated a Disaster Risk Reduction Area in accordance with the established criteria, the grantee may conduct buyouts in the Disaster Risk Reduction Area only if the grantee’s approved action plan contains a description of the buyouts to be conducted in the identified Disaster Risk Reduction Areas and the national objective that the buyouts will meet. Any buyouts conducted within the Disaster Risk Reduction Area will be subject to the requirements applicable to buyouts in the March 5, 2013, notice. These requirements include restrictions on redevelopment and the discretion to determine the appropriate valuation method (including the use of pre- or post-disaster fair market value (FMV)), so long as the valuation method is uniformly applied.

2. Clarification of “Buyout” and “Real Property Acquisition” Activities

CDBG–DR grantees under Public Law 113–2 that choose to undertake a buyout program have the discretion to determine the appropriate valuation method, including paying either pre-disaster or post-disaster FMV. In most cases, a program that provides pre-disaster FMV to buyout applicants provides compensation at an amount greater than the post-disaster FMV. When the purchase price exceeds the current FMV, any CDBG–DR funds in excess of FMV are considered assistance to the seller, thus making the seller a beneficiary of CDBG–DR assistance. If the seller receives assistance as part of the purchase price, this may have implications for duplication of benefits calculations or for demonstrating national objective criteria, as discussed below. However, a program that provides post-disaster FMV to buyout applicants merely provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG–DR assistance.

Regardless of purchase price, all buyout activities are a type of acquisition of real property (as permitted by section 105(a)(1) of the HCD Act). However, only acquisitions that meet the definition of a “buyout” are subject to the post-acquisition land use restrictions imposed by the applicable prior notices. The key factor in determining whether the acquisition is a buyout is whether the intent of the purchase is to reduce risk from future flooding or to reduce the risk from the hazard that lead to the property’s Disaster Risk Reduction Area designation. The distinction between buyouts and other types of acquisitions is important, because grantees may only redevelop an acquired property if the property is not acquired through a buyout program (*i.e.*, the purpose of acquisition was something other than risk reduction). When acquisitions are not acquired through a buyout program, the purchase price must be consistent with applicable uniform cost principles (the pre-disaster FMV may not be used).

3. Clarification of Ownership and Maintenance Requirements for Property Acquired Through a Buyout Program

Any property acquired with CDBG–DR funds through a buyout program is subject to the requirement made applicable by the prior notices that property acquired through a buyout program be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices. In addition, no new structure may be erected on the property other than exceptions identified in the March 5, 2013, notice, and no subsequent application for Federal disaster assistance may be made for any purpose for the property. The acquiring entity may lease such property to adjacent property owners or other parties for compatible uses in return for a maintenance agreement. Although Federal policy encourages leasing rather than selling such property, the property may also be sold. In all cases, a deed restriction or covenant running with the property must require that the buyout property be dedicated and maintained for compatible uses in perpetuity.

4. Use of Low- and Moderate-Income Housing National Objective When Undertaking Buyout Activities

In order to demonstrate that a buyout meets the Low- and Moderate-Income (LMI) Housing National Objective (LMH), grantees must meet all requirements of the HCD Act and applicable regulatory criteria described below. Grantees are encouraged to

consult with HUD prior to undertaking a buyout program with the intent of using the LMH national objective.

Section 105(c)(3) of the HCD Act (42 U.S.C. 5305(c)(3)) provides that “[a]ny assisted activity under this chapter that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low- and moderate-income only to the extent such housing will, upon completion, be occupied by such persons.” In addition, the State CDBG regulations at 24 CFR 570.483(b)(3) and entitlement CDBG regulations at 24 CFR 570.208(a)(3) apply the LMH national objective to an eligible activity carried out for the purpose of providing or improving permanent residential structures that, upon completion, will be occupied by low- and moderate-income households. Therefore, a buyout program that merely pays homeowners to leave their existing homes does not result in an LMI household occupying a residential structure and thus cannot meet the requirements of the LMH national objective.

Buyout programs that assist LMI persons can be structured in one of the following ways: (1) The buyout program combines the acquisition of properties with another direct benefit, LMI housing activity, such as down payment assistance,² that results in occupancy and otherwise meets the applicable LMH housing national objective criteria in 24 CFR part 570 (e.g., if the structure contains more than two dwelling units, at least 51 percent of the units must be occupied by LMI households); (2) The program meets the low- and moderate-income area benefit criteria to demonstrate national objective compliance, provided that the grantee can document that the properties acquired through buyouts will be used in a way that benefits all of the residents in a particular area where at least 51 percent of the residents are low- and moderate-income persons. When using the area benefit approach, grantees must define the service area based on the end use of the buyout properties; or (3) The program meets the criteria for the limited clientele national objective, including the prohibition on the use of the limited clientele national objective

when an activity’s benefits are available to all residents of the area. A buyout program could meet the national objective criteria for the limited clientele national objective if it restricts buyout program eligibility to exclusively low- and moderate-income persons, and the buyout provides an actual benefit to the low- and moderate-income sellers by providing pre-disaster valuation uniformly to those who participate in the program.

5. Clarification of Definition of Small Business for Agricultural Enterprises

The March 5, 2013, notice (78 FR 14329) instituted an alternative requirement to the provisions at 42 U.S.C. 5305(a), prohibiting grantees in receipt of funds under the Appropriations Act from assisting businesses, including privately owned utilities, that do not meet the definition of a small business as defined by SBA at 13 CFR part 121. The objective of this alternative requirement is to ensure that grantees target disaster recovery resources to the unmet needs of small businesses. HUD is now modifying these criteria to better enable assistance for agricultural businesses. Businesses and entities engaged in agricultural enterprises may now be assisted if they meet the alternative eligibility criteria employed by USDA assistance programs.

The SBA small business definition establishes a much lower income threshold for agricultural enterprises than for other businesses. The SBA criteria provides a gross income limit of \$750,000 for most agricultural businesses, while the gross income limit for businesses in other sectors is \$7.5 million or higher. These gross income limitations for agricultural enterprises may prevent CDBG–DR grantees from addressing unmet recovery needs of many agricultural businesses that would otherwise be considered small enterprises that meet the intent of HUD’s requirements.

Legislation enacted in 1986 withdrew SBA’s authority to provide disaster assistance loans to agricultural enterprises to ensure cooperation between USDA and SBA in the use of each agency’s respective loan making authorities and to improve the delivery of disaster assistance to the agricultural segment of the country. SBA also decreased the gross income limits for the agricultural sector in its small business criteria, as described above, to further ensure that agricultural businesses would apply to USDA for other types of financial assistance. Consequently, HUD’s use of the SBA definition in its March 5, 2013, notice

may inadvertently limit small agricultural enterprises from accessing financial assistance through grantees’ CDBG–DR programs under the Appropriations Act.

As HUD’s intent to address the unmet recovery needs of small agricultural enterprises does not conflict with the goal of directing these businesses to USDA for other types of assistance, HUD is modifying its criteria for businesses engaged in agricultural enterprises to enable them to access CDBG–DR funds necessary for their recovery.

Accordingly, paragraph VI.D.41, of the March 5, 2013, notice is amended to read: “To target assistance to small businesses, the Department is instituting an alternative requirement to the provisions at 42 U.S.C. 5305(a) to prohibit grantees from assisting businesses, including privately owned utilities, that do not meet the definition of a small business as defined by SBA at 13 CFR part 121. Grantees may also assist businesses that are engaged in “farming operations,” as defined at 7 CFR 1400.3, and that meet the USDA Farm Service Agency (FSA) criteria that are described at 7 CFR 1400.500 which are used by the FSA to determine eligibility for certain assistance programs.”

Grantees are also reminded that this modification may allow them to add new beneficiaries or programs described within their CDBG–DR action plans for disaster recovery. These changes would constitute a substantial amendment to the CDBG–DR action plan as described in the March 5, 2013, notice (78 FR 14329) at paragraph VI.A.3.a. If applicable, grantees must submit a Substantial Action Plan Amendment revising the description of their business assistance program to include potential beneficiaries, and this amendment will be subject to the citizen participation requirements of the March 5, 2013, notice at VI.A.3, which requires no less than 7 calendar days to solicit public comment.

6. Waiver To Permit Some Activities in Support of the Tourism Industry (State of Colorado Only)

In the **Federal Register** notice published on June 3, 2014 (79 FR 31964), the Department granted the State of Colorado a waiver of 42 U.S.C. 5305(a) to make eligible the use of up to \$500,000 in CDBG–DR funds to support the State’s tourism industry and to promote travel to the most impacted and distressed areas related to the 2013 floods. This notice replaces the previous waiver and authorizes the State to provide an additional \$768,300 in

² The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA) applies to the use of CDBG funds for down payment assistance. If down payment assistance is provided with CDBG funds awarded under the Appropriations Act (Pub. L. 113–2), URA requirements apply as modified by the March 5, 2013, notice (78 FR 14329). The use of other CDBG funds for down payment assistance is subject to the URA and regulatory requirements at 24 CFR 570.606. Other direct benefit LMI housing activities may also be subject to the URA.

CDBG-DR funds to support tourism promotion activities, increasing the amount covered by the waiver from \$500,000 to \$1,268,300. In addition, this revised waiver permits the State to support its tourism industry and promote travel to the most impacted and distressed counties that had a declared major disaster in 2011, 2012, or 2013, including those impacted by disasters other than flooding.

Using the funds provided under the initial waiver, the State established its first CDBG-DR Tourism Marketing Grant Program and received applications requesting a total of \$787,927. Through this program, the State awarded eight grants totaling \$500,000 in CDBG-DR funding to support a variety of activities such as advertising, marketing campaigns, promotion of community and spectator events, and Web site improvements in targeted areas that had experienced a reduction in tourism revenues following the 2013 floods in Colorado. This funding fell short of meeting the tourism promotion priorities identified through the initial round of State funding by \$287,927. The State has also subsequently identified \$480,373 in additional funding opportunities for the original applicants who were constrained by the initial grant size limitation, as well as for potential new applicants made eligible through the inclusion of areas impacted by disasters other than flooding.

In support of this request, the State has conducted an analysis of retail sales that indicates that the flooding and wildfire disasters continue to negatively affect local tourism revenues. Tourism is the primary economic contributor to the State of Colorado's economy and provides a valuable source of business revenue, taxes, and employment. According to analyses provided by the State, businesses supported by tourism, including hotels, lodges, restaurants, and grocery stores, are still experiencing weakened sales revenue. Tax revenue from these businesses benefits the State's economy and provides funding for other State activities and services. In addition, this industry employs many individuals who are of low- and moderate-income; thus, this population has been inordinately affected by the decrease in tourism revenue. Some of these jobs have been lost as a result of the disasters.

Because communities are diverting disposable tax revenue to physical recovery projects, funding for tourism marketing is scarce and communities face a worsening economic cycle from which the areas cannot recover without the injection of supplemental assistance.

Therefore, the State has requested that an additional \$768,300 of its total CDBG-DR award be made eligible for such tourism promotion activities. HUD continues to support the use of CDBG-DR funds in this scenario as a recovery tool in a damaged regional economy that depends on tourism for many of its jobs and tax revenue.

As the State of Colorado is proposing to use these additional funds for advertising and marketing activities that broadly support its tourism industry, rather than direct assistance to tourism-dependent businesses, and because long-term benefit from the proposed activities must be derived using indirect means, 42 U.S.C. 5305(a) is waived only to the extent necessary to make eligible an additional \$768,300 to support tourism promotion activities. The State must award the additional \$768,300 in CDBG-DR funds competitively through its existing CDBG-DR Tourism Marketing Grant Program to public or nonprofit entities that promote travel to or within a community or communities in general, provided the assisted activities are designed to support tourism to areas most impacted and distressed by a major disaster declared in 2011, 2012, or 2013.

As an additional condition of expanding this waiver, the State must demonstrate that funds will supplement and not replace State and local funding sources for this purpose. In its request for this waiver, the State indicated that entities selected for an award also pledged nearly a one-for-one match for their projects. The State may demonstrate that CDBG-DR funds will supplement, but not replace, local funding by requiring a match, including provision for in-kind contributions, similar to the existing competitive grant program offered by the Colorado Tourism Office. However, if the State does not require a match, the State must identify another means to adequately demonstrate that funds will supplement, but not supplant, State and local resources typically dedicated to promote tourism in these impacted areas.

The additional funds provided through this waiver for the State's CDBG-DR Tourism Marketing Grant Program are subject to all requirements in the notice published on June 3, 2014 (79 FR 31964), unless otherwise modified through this notice. The funds permitted under this waiver are subject to the same obligation and expenditure deadline applicable to all funds under the Appropriations Act. Therefore, this waiver remains in effect until 2 years following HUD's obligation of the funds permitted under this waiver.

The State is reminded that this expanded waiver will allow them to add new beneficiaries described within their CDBG-DR action plans for disaster recovery. These changes would constitute substantial amendments as described in the March 5, 2013 notice (78 FR 14329), at paragraph VI.A.3.a. If applicable, the State must submit a Substantial Action Plan Amendment revising its description of its CDBG-DR Tourism Marketing Grant Program to include potential beneficiaries, and this amendment will be subject to the citizen participation requirements of the March 5, 2013, notice at VI.A.3, which requires no less than 7 calendar days to solicit public comment.

III. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this notice is 14.269.

IV. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service, toll-free, at 800-877-8339.

Dated: November 10, 2015.

Nani Coloretto,
Deputy Secretary.

[FR Doc. 2015-29487 Filed 11-17-15; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5832-N-12]

60-Day Notice of Proposed Information Collection: Indian Community Capital Initiative

AGENCY: Office of Community Planning and Development, HUD.

12,000 respondents from Individuals or Households and the estimated hour burden per response is 1.17 hours).

(6) *An estimate of the total public burden (in hours) associated with the collection:* The total estimated annual hour burden associated with this collection is 38,160 hours.

(7) *An estimate of the total public burden (in cost) associated with the collection:* The estimated total annual cost burden associated with this collection of information is \$2,205,000.

Dated: February 9, 2016.

Samantha Deshommes,

Acting Chief, Regulatory Coordination Division, Office of Policy and Strategy, U.S. Citizenship and Immigration Services, Department of Homeland Security.

[FR Doc. 2016-02942 Filed 2-11-16; 8:45 am]

BILLING CODE 9111-97-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5696-N-18]

Additional Clarifying Guidance, Waivers and Alternative Requirements for Grantees in Receipt of Community Development Block Grant Disaster Recovery Funds Under Public Law 113-2 for the Submission of Expenditure Deadline Extension Requests and Urgent Need Certification Extensions and for the Provision of Interim Mortgage Assistance by the State of New York

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice provides additional clarifying guidance for all Community Development Block Grant Disaster Recovery (CDBG-DR) grantees in receipt of funds under the Disaster Relief Appropriations Act, 2013 (the Appropriations Act), with regard to the submission of requests for an extension of the 2-year expenditure deadline established for funds provided under the Appropriations Act and the continued use of the alternative urgent need national objective. This notice also provides an alternative requirement for New York State as a grantee in receipt of CDBG-DR funds under the Appropriations Act. This alternative requirement addresses the period of time in which interim mortgage assistance may be provided to beneficiaries in the State's housing recovery programs.

DATES: Effective Date: February 17, 2016.

FOR FURTHER INFORMATION CONTACT: Stanley Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

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- II. Applicable Rules, Statutes, Waivers, and Alternative Requirements
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- IV. Finding of No Significant Impact

I. Background

The Appropriations Act (Pub. L. 113-2, approved January 29, 2013) made available \$16 billion in CDBG-DR funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas, resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et. seq.*) (Stafford Act) due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. On March 1, 2013, the President issued a sequestration order pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (2 U.S.C. 901a), and reduced the amount of funding for CDBG-DR grants under the Appropriations Act to \$15.18 billion. To date, a total of \$15.18 billion has been allocated or set aside: \$13 billion in response to Hurricane Sandy, \$514 million in response to disasters occurring in 2011 or 2012, \$655 million in response to 2013 disasters, and \$1 billion set aside for the National Disaster Resilience Competition.

This notice applies to all CDBG-DR grantees in receipt of allocations under the Appropriations Act, which are described within the **Federal Register** notices published by the Department on March 5, 2013 (78 FR 14329), April 19, 2013 (78 FR 23578), May 29, 2013 (78 FR 32262), August 2, 2013 (78 FR 46999), November 18, 2013 (78 FR 69104), December 16, 2013 (78 FR 76154), March 27, 2014 (79 FR 17173), June 3, 2014 (79 FR 31964), July 11, 2014 (79 FR 40133), October 7, 2014 (79

FR 60490), October 16, 2014 (79 FR 62182), January 8, 2015 (80 FR 1039), April 2, 2015 (80 FR 17772), May 11, 2015 (80 FR 26942), August 25, 2015 (80 FR 51589), and November 18, 2015 (80 FR 72102), referred to collectively in this notice as the "prior notices." The requirements of the prior notices continue to apply, except as modified by this notice.¹

II. Applicable Rules (Including Clarifying Guidance), Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation, or use by the recipient, of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) (HCD Act). Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

For the waivers and alternative requirements described in this notice, the Secretary has determined that good cause exists and that the waiver and alternative requirements are not inconsistent with the overall purpose of the HCD Act. Grantees may request waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Under the requirements of the Appropriations Act, waivers must be published in the **Federal Register** at least 5 days before the effective date of such waiver.

1. *Timeline for the submission of expenditure deadline extension requests.* The Appropriations Act requires the Department to obligate all funds provided under the Appropriations Act by September 30, 2017, and requires grantees to expend funds within 24-months of the date on which the Department obligates funds to a grantee. The Appropriations Act also authorizes the Office of Management and Budget (OMB) to grant waivers of the 24-month expenditure deadline.

¹ Links to the prior notices, the text of the Appropriations Act, and additional guidance prepared by the Department for CDBG-DR grants, are available on the HUD Exchange Web site: <https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/>.

OMB authorized the Department to provide CDBG-DR grantees with expenditure deadline extensions for activities that are inherently long-term and where it would be impracticable to expend funds within the 24-month period and still achieve program missions, up to amounts approved by OMB. In the **Federal Register** notice published on May 11, 2015, (80 FR 26942), the Department established the process and criteria for the submission of expenditure deadline extension requests for CDBG-DR grantees in receipt of funds under the Appropriations Act. The May 11, 2015, notice requires these grantees to submit requests for the extension of an expenditure deadline at least 120 calendar days in advance of the expenditure deadline (80 FR 26944). Since the May 11, 2015, notice was published, the Department subsequently received, reviewed, and acted upon expenditure deadline extension requests from a number of CDBG-DR grantees in receipt of funds under the Appropriations Act. In some instances, the Department observed that events and circumstances beyond the control of the grantee may require grantees to request an extension of an expenditure deadline after the 120-calendar-day deadline has passed. The Department is therefore amending this requirement of the May 11, 2015, notice to provide that a grantee "submits the completed CDBG-DR Expenditure Deadline Extension Request template and any attachments to HUD in order to request consideration of the extension request at least 120 calendar days in advance of the expenditure deadline on the funds (or 60 days for funds expiring in calendar year 2015). HUD may, however, also accept requests from CDBG-DR grantees for the extension of an expenditure deadline less than 120 calendar days in advance of the deadline upon receipt of a letter from the chief executive officer of the grantee requesting the extension and a demonstration by the grantee that the request is required in order to achieve program missions. Grantees are advised however, that time constraints may not permit HUD to act upon requests that are received in close proximity to an expenditure deadline."

2. *Urgent need national objective certification requirements.* The March 5, 2013, notice (78 FR 14329) provided grantees receiving funds under the Appropriations Act with a waiver of the certification requirements for the documentation of the urgent need national objective, located at §§ 570.208(c) and 570.483(d), until 2

years after the date the Department obligates funds to a grantee. The May 11, 2015, notice allowed grantees seeking a waiver of an expenditure deadline to simultaneously seek an extension of the urgent need certification waiver. The extension of the urgent need certification waiver, however, is currently only effective after its publication in the **Federal Register**. This approach presents challenges for CDBG-DR grantees who receive an extension of an expenditure deadline for an activity associated with the urgent need certification, with the extended expenditure deadline in effect but with the urgent need certification waiver still requiring publication in the **Federal Register**.

To accommodate the timely expenditure of funds, HUD is modifying the temporary, streamlined urgent need waiver and alternative requirement in paragraph VI.A.1.f. of the March 5, 2013, notice (78 FR 14336). This waiver and alternative requirement supersedes the information published in the May 11, 2015, notice and will allow grantees to more effectively implement urgent recovery activities by aligning the applicable urgent need national objective criteria with the expenditure deadline on the use of funds. The March 5, 2013, notice is modified to add the following alternative requirement for grantees that receive an extension of the expenditure deadline: For activities designed to respond to a disaster-related impact that poses a serious and immediate threat to the health or welfare of the community, the grantee may continue to use the urgent need national objective until the end of the new expenditure deadline if the grantee meets the following requirements from the March 5, 2013, notice: (1) Before seeking the expenditure deadline extension, the grantee must reference in its Action Plan the type, scale, and location of the disaster-related impacts addressed by each program and/or activity that will meet the urgent need national objective; (2) before seeking the expenditure deadline extension, the grantee must identify these disaster related impacts in its Action Plan needs assessment; (3) the needs assessment must be updated as new or more detailed/accurate disaster-related impacts are known; and (4) the grantee must document how all programs and/or activities funded under the urgent need national objective respond to a disaster-related impact identified by the grantee.

3. *Alternative requirement to permit extended time for the provision of interim mortgage assistance (State of New York only).* In the **Federal Register**

notice published on March 5, 2013, the Department established an alternative requirement to 42 U.S.C. 5305(a)(8) to extend the authority of grantees under the Appropriations Act to provide interim mortgage assistance to qualified individuals from 3 months to up to 20 months (78 FR 14345). A grantee using this alternative requirement is required to document in its policies and procedures how it will determine the amount of assistance to be provided is necessary and reasonable. The State of New York has requested a modification of the 20-month limitation on the provision of interim mortgage assistance to authorize the assistance for a period of up to 36 months.

Under the State's existing Interim Mortgage Assistance (IMA) program, financial assistance is available to eligible applicants to the NY Rising Housing Recovery Program who demonstrate financial difficulty in paying their mortgage due to additional housing expenses incurred as a result of their primary residence no longer being habitable. Interim mortgage assistance may be provided for past, current, and future debt obligations of the mortgage, capped at \$3,000 per month for a maximum of 20 months or \$60,000.

On November 15, 2013, the Department approved Amendment 4 to the State's disaster recovery Action Plan to allocate \$80,000,000 to the initial State IMA program. On May 27, 2014, the Department approved Amendment 6 to the State's disaster recovery Action Plan to modify the calculation of the IMA grant award based on a participant's monthly mortgage amount for their primary residence and proof of an additional housing payment. On April 13, 2014, the Department approved Amendment 8 to the State's disaster recovery Action Plan to enable the State to calculate partial IMA grant awards that reflect rental housing expenses incurred by participants while displaced, less any rental assistance received from insurance or government agencies.

At the time the State submitted a request for a modification of the alternative requirement, 454 program participants were receiving IMA assistance and approximately 25 percent of those participants were low- and moderate-income households. In its request for a modification of the alternative requirement, the State indicated that in the absence of additional time to provide assistance, 287 IMA recipients would no longer qualify for IMA funds within the succeeding 12 months and that 26 percent of those recipients were low- and moderate-income households. In its

request to provide IMA payments for a period of up to 36 months, the State cited a number of unanticipated developments that contributed to delays in the completion of assisted housing projects. Most notably, the State pointed to the prospect of increased National Flood Insurance Program (NFIP) claim payments to NY Rising program participants as a result of fraudulent damage assessments conducted on behalf of the NFIP in the immediate aftermath of the disaster. The State indicated that uncertainty surrounding these payments, and the potential impact of the payments on the amount of CDBG-DR funds ultimately available to the homeowner, contributed to delays and supports an extended period of availability for IMA. Other factors cited by the State as contributing to the need for extended IMA are the limited pool of contractors experienced in undertaking the elevation of homes and the shorter Northeastern United States construction season. The State further noted that its own clarification process, through which applicants may appeal the ultimate amount of their CDBG-DR award, can also slow progress in completing repairs and contribute to the need for additional IMA.

The State proposed to implement the extended period for IMA by initially maintaining the current 20 months of assistance for IMA participants. At the end of the 20-month period of assistance, the State may subsequently determine a need for an additional 16 months of IMA, for a total not to exceed 36 months of assistance. When a need for an extension of IMA is identified, the State will conduct an inspection of the property to determine if substantial construction progress has been made. If substantial construction progress has been made, the State may provide IMA for the additional authorized period of time, for a total period of assistance up to 36 months. If the inspection indicates that substantial progress has not been made, the extension of IMA will be provided only when the recipient agrees to participate in the newly established construction program within the NY Rising Housing Recovery Program. Under the construction program, the State will contract for and manage, on behalf of the IMA recipient, the rehabilitation of the IMA recipient's home. Prior to its initial implementation of the construction program, the State will determine the need for the IMA extension in those instances where substantial construction progress has not occurred and will give priority to the rehabilitation of homes for those

IMA recipients receiving a total up to 36 months of IMA.

After reviewing the State's request, and for the State of New York's IMA program only, the Department is modifying the provision of the March 5, 2013, **Federal Register** notice that limits the provision of interim mortgage assistance to a period of 20 months and establishing an alternative requirement that allows for the payment of assistance for a period of up to 36 months if the State meets the other requirements described in the above paragraph. The goal of this alternative requirement is to provide an extended period of IMA in order to minimize the risk of foreclosure of storm damaged homes while they are being rehabilitated with CDBG-DR funds and to return IMA recipients to their rehabilitated homes as quickly as possible. The State must implement this alternative requirement consistent with the approach outlined in its request and as described herein. This waiver and alternative requirement shall remain in effect until December 31, 2017, after which the State shall be authorized to offer interim mortgage assistance for a period no more than 20 months. Interim mortgage assistance is an authorized eligible public service activity and the State is reminded that IMA expenditures are subject to the 15 percent cap on public services established pursuant to 42 U.S.C. 5305(a)(8).

Within 30 days of the effective date of this notice, the State must begin to implement its construction program for IMA recipients receiving an extended period of assistance and without substantial construction progress in the rehabilitation of their home. The State must have fully implemented the construction program for all IMA recipients within 6 months of the effective date of this notice. In addition, the State's policies and procedures must:

- (1) Document how the State will determine that "substantial progress" has or has not been made in the rehabilitation of an IMA recipient's home;
- (2) Document how the State will determine that the amount and period of assistance to be provided under this alternative requirement is necessary and reasonable;
- (3) Document how the State will prioritize the rehabilitation of homes of IMA recipients receiving a total up to 36 months of IMA;
- (4) Include internal controls designed to ensure that IMA provided to recipients is being used for its authorized purpose; and

- (5) Include a plan for assisting recipients that exhaust their IMA after 36 months but continue to have a need for assistance because the rehabilitation of their home has not been completed.

III. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this notice is 14.269.

IV. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

Dated: February 8, 2016.

Nani A. Coloretti,

Deputy Secretary.

[FR Doc. 2016-02913 Filed 2-11-16; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5927-N-01]

Mortgage and Loan Insurance Programs Under the National Housing Act—Debenture Interest Rates

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: This notice announces changes in the interest rates to be paid on debentures issued with respect to a loan or mortgage insured by the Federal Housing Administration under the provisions of the National Housing Act (the Act). The interest rate for debentures issued under section 221(g)(4) of the Act during the 6-month period beginning January 1, 2016, is 2¼

Dated: August 9, 2016.

Colette Pollard,

*Department Reports Management Officer,
Office of the Chief Information Officer.*

[FR Doc. 2016-19403 Filed 8-12-16; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5909-N-56]

30-Day Notice of Proposed Information Collection: Alternative Inspections—Housing Choice Voucher Program

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Notice.

SUMMARY: HUD has submitted the proposed information collection requirement described below to the Office of Management and Budget (OMB) for review, in accordance with the Paperwork Reduction Act. The purpose of this notice is to allow for an additional 30 days of public comment.

DATES: *Comments Due Date:* September 14, 2016.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503; fax: 202-395-5806. Email: OIRA_Submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: Colette Pollard, Reports Management Officer, QMAC, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410; email Colette.Pollard@hud.gov or telephone 202-402-3400. This is not a toll-free number. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

Copies of available documents submitted to OMB may be obtained from Ms. Pollard.

SUPPLEMENTARY INFORMATION: This notice informs the public that HUD is seeking approval from OMB for the information collection described in Section A.

The **Federal Register** notice that solicited public comment on the information collection for a period of 60 days was published on March 29, 2016 at 81 FR 17488.

A. Overview of Information Collection

Title of Information Collection: Alternative Inspections—Housing Choice Voucher Program.

OMB Approval Number: 2577–New.

Type of Request: New collection.

Form Number: None.

Description of the need for the information and proposed use: Under the Section 8 housing choice voucher rule, PHAs that elect to rely on an alternative inspection are required to meet the requirements of subpart I of the rule. If the inspection method and standard selected is other than HOME Investment Partnerships (HOME) program, Low-Income Housing Tax Credits (LIHTCs), or that performed by HUD, the PHA must submit a request to HUD. PHAs with approved alternative inspection standards must monitor changes to the standards and requirements of their method and if changes are made must submit to HUD a copy of the revised standards and requirements along with a revised comparison to Housing Quality Standards (HQS).

Respondents (i.e., affected public): State, Local or Tribal Governments.

Estimated Number of Respondents: 2280.

Estimated Number of Responses: 33.

Frequency of Response: 1.

Average Hours per Response: 4.

Total Estimated Burdens: 149 hours.

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses. HUD encourages interested parties to submit comment in response to these questions.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35.

Date: August 9, 2016.

Colette Pollard,

*Department Reports Management Officer,
Office of the Chief Information Officer.*

[FR Doc. 2016-19396 Filed 8-12-16; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5961-N-01]

Additional Clarifying Guidance, Waivers, and Alternative Requirements for Grantees in Receipt of Community Development Block Grant (CDBG) Disaster Recovery Grant Funds Under the Disaster Relief Appropriations Act, 2013

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice provides clarifying guidance, waivers, and alternative requirements for Community Development Block Grant Disaster Recovery (CDBG-DR) grantees in receipt of funds under the Disaster Relief Appropriations Act, 2013 (the Appropriations Act). This notice modifies requirements for projects funded by the HUD-sponsored Rebuild by Design (RBD) competition, described in **Federal Register** notices published on July 29, 2013 (78 FR 45551); August 23, 2013 (78 FR 52560); October 16, 2014 (79 FR 62182); and May 11, 2015 (80 FR 26942). These changes will allow RBD grantees to submit their required subsequent Action Plan amendments before the RBD project's design has been finalized, the draft environmental impact statement has been completed and permits for the project have been issued. Additionally, this notice modifies requirements of a notice published on March 5, 2013 (78 FR 14329), to allow grantees to submit Action Plan amendments after June 1, 2017. This notice also modifies requirements for infrastructure projects funded through the allocation of CDBG-DR funds for Hurricane Sandy. Specifically, this notice provides waivers and alternative requirements for certain infrastructure projects funded by the State of New York, including the Breezy Point Storm Drainage system, as well as for New York City's Raised Shorelines program. The notice also provides a waiver of the Housing and Community Development Act of 1974 (HCDA) to authorize the State of New Jersey to use up to \$30 million of CDBG-DR funds for the provision of up to 21 months of rental assistance for

participants in its single-family housing rehabilitation programs. The waiver for the State of New Jersey expires on December 31, 2017.

DATES: Effective Date: August 22, 2016.

FOR FURTHER INFORMATION CONTACT:

Stanley Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410; telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the “800” number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

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- IV. Finding of No Significant Impact

I. Background

The Appropriations Act (Pub. L. 113-2, approved January 29, 2013) made available \$16 billion in CDBG-DR funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas, resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et. seq.) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. On March 1, 2013, the President issued a sequestration order pursuant to Section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (2 U.S.C. 901a) and reduced the amount of funding for CDBG-DR grants under the Appropriations Act to \$15.18 billion. To date, a total of \$15.18 billion has been allocated or set aside: \$13 billion in response to Hurricane Sandy, \$514 million in response to disasters occurring in 2011 or 2012, \$655 million in response to 2013 disasters, and \$1 billion for the National Disaster Resilience Competition. This notice specifies waivers and alternative requirements and modifies requirements for Hurricane Sandy grantees in receipt of allocations under the Appropriations Act, which are described in the **Federal Register** notices published by the Department on March 5, 2013 (78 FR 14329); April 19, 2013 (78 FR 23578); August 2, 2013 (78 FR 46999); November 18, 2013 (78 FR 69104);

March 27, 2014 (79 FR 17173); July 11, 2014 (79 FR 40133); October 16, 2014 (79 FR 62182); April 2, 2015 (80 FR 17772); May 11, 2015 (80 FR 26942); August 25, 2015 (80 FR 51589); November 18, 2015 (80 FR 72102); and February 12, 2016 (81 FR 7567) (referred to collectively in this notice as the “prior notices”).¹ The requirements of the prior notices continue to apply, except as modified by this notice.

II. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with HUD’s obligation, or use by the recipient, of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCDA. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

For the waivers and alternative requirements described in this notice, the Secretary has determined that good cause exists and that the waivers and alternative requirements are not inconsistent with the overall purpose of title I of the HCDA. Grantees may request waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Under the requirements of the Appropriations Act, waivers must be published in the **Federal Register** no later than 5 days before the effective date of such waiver.

1. *Amending the Requirements for Permitting and Design of RBD projects in the Subsequent Substantial Action Plan Amendment.* Paragraph VI of the October 16, 2014, **Federal Register** notice (79 FR 62182) (the RBD notice) establishes requirements for the timing of permits for RBD projects. The RBD notice requires grantees to submit a subsequent Action Plan amendment that includes a detailed description of the final RBD project “as permitted and approved from the environmental review process.” Since the publication of the RBD notice, as RBD projects have

progressed and grantees have further refined implementation timelines, the Department has determined that it is not feasible to reach a level of design that facilitates permit issuance prior to the June 1, 2017, deadline for submission of the subsequent substantial Action Plan amendments. Many State and Federal agencies do not grant permits until the project design is complete and construction documents are complete. To ensure that grantee submissions of the subsequent substantial Action Plan amendments are not delayed because permits have not yet been issued, HUD is amending the RBD notice at paragraph VI.4.e to read:

e. For RBD projects not requiring an Environmental Impact Statement (EIS) pursuant to the requirements of 24 CFR part 58: Grantee submits a subsequent substantial Action Plan amendment to reflect the final RBD project, as described in paragraph VI.6.b. This amendment must include a detailed description of the final RBD project as permitted and as approved through the environmental review process, or a detailed description of the RBD project as approved through the environmental review process and an explanation of why it is not possible to obtain permits at the time of submission. If the necessary permits have not been obtained at the time of the substantial Action Plan amendment submission, grantees must provide a plan that describes how and when the permits will be obtained. This amendment may be submitted prior to or concurrent with a grantee’s submission of its Request for Release of Funds and Certifications (RROF). Following approval of the Action Plan amendment and RROF, funds from the grantee’s line of credit will be made available for construction (proceed to paragraph VI.4.g).

Paragraph VI.4.f.ii of the RBD notice is amended to read:

Grantee successfully stewards the RBD project through the environmental review process, pursuant to 24 CFR part 58, and any permitting processes required to implement the RBD project. If the project is not permitted, include a description of why it is not possible to obtain permits at this time and provide a plan that describes how and when the permits will be obtained.

In addition, paragraph VI.4.f.iii of the RBD notice is amended to read:

HUD anticipates that the final EIS or other project plan development may result in material changes to the project after the grantee submits the subsequent substantial Action Plan amendment described in paragraph VI.4.f.i. If no material changes have occurred since the previous RBD project design and scope approved by HUD in the grantee’s Action Plan amendment, as

¹ Links to the prior notices, the text of the Appropriations Act, and additional guidance prepared by the Department for CDBG-DR grants, are available on the HUD Exchange Web site: <https://www.hudexchange.info/cdbg-dr/cdbg-drlaws-regulations-and-federal-register-notices/>.

determined by the grantee in consultation with HUD, no additional amendment is necessary. If the RBD project has undergone a material change, then the grantee must submit a substantial Action Plan amendment in order to describe the final RBD project, either as permitted and as approved through the environmental review process, or including an explanation of why it is not possible to obtain permits at this time and provide a plan that describes how and when the permits will be obtained. A grantee may submit its RROF concurrent with this Action Plan amendment, if applicable, and its Record of Decision for the project. Following approval of the Action Plan amendment, if applicable, and RROF, funds from the grantee's line of credit will be made available for construction.

Paragraph VI of the RBD notice also includes requirements for the certification of design standards for RBD projects. The RBD notice requires grantees to submit a subsequent substantial Action Plan amendment in which "a registered Professional Engineer (or other design professional) must certify that the design meets the appropriate code, or industry design and construction standards." HUD has determined that for most RBD projects, project design at the time of the subsequent Action Plan amendment submission will only be preliminary. Before final RBD project designs are complete, a design professional will not have sufficient information to make this certification.

Accordingly, the third subparagraph of section VI.6.b of the RBD notice is amended to read:

Grantees are also responsible for demonstrating that the RBD project is feasible, including having an appropriate preliminary design that will result in the benefits proposed. Grantees must certify that the preliminary design considers the appropriate code, or industry design and construction standards, and certify that the final design will adhere to all relevant codes and construction standards when it is complete. In addition, grantees must have a registered professional engineer (or other design professional) certify that the final design met the appropriate code, or industry design and construction standards, prior to obligation of funds by the grantee for construction.

2. Clarifying the Requirements of the RBD Subsequent Substantial Action Plan Amendment and the Timing of the Draft EIS. The RBD notice at paragraph VI.4.f.i includes requirements for the timeline of completing a draft EIS on an RBD project prior to or at the same time as a grantee's submission of the subsequent substantial Action Plan amendment. The RBD notice requires grantees to have a completed draft EIS by the time of the submission of the subsequent Action Plan amendment no

later than June 1, 2017. This requirement was designed to ensure that the RBD project is consistent with the conceptual proposal as practicable and appropriate. HUD has determined that, as some RBD projects have progressed and implementation timelines have been refined, it may not be possible for all grantees to complete a draft EIS by June 1, 2017.

Accordingly, HUD is allowing grantees to submit a draft EIS after they have submitted their subsequent Action Plan amendment. However, as HUD noted in the RBD notice, material changes could take place at completion of the final EIS, and these changes could also occur after the subsequent substantial Action Plan amendment is approved and prior to the completion of the draft EIS. If no material changes have occurred since the previous RBD project design and scope approved by HUD in the grantee's subsequent Action Plan amendment, as determined by the grantee in consultation with HUD, no additional amendment is necessary. If the RBD project has undergone a material change after submission of the subsequent Action Plan amendment, as determined by the grantee in consultation with HUD, then the grantee must submit another substantial Action Plan amendment in order to describe the final RBD project as permitted and as approved through the environmental review process, or include an explanation of why it is not possible to obtain permits at this time and provide a plan that describes how and when the permits will be obtained. A grantee may submit its RROF concurrent with this Action Plan amendment, if applicable, and its Record of Decision for the RBD project. Following approval of the Action Plan amendment, if applicable, and RROF, funds from the grantee's line of credit will be made available for construction.

Finally, paragraph VI.4.f.i of the RBD notice is amended to read:

i. Grantee submits a subsequent substantial Action Plan amendment to reflect the final RBD project, as described in paragraph VI.6.b. This amendment must identify the RBD project scope and design as it exists at that point. Grantees are not prohibited from proceeding with the EIS process. HUD approval of this Action Plan amendment is contingent upon whether the RBD project is consistent with the conceptual proposal as practicable and appropriate. HUD will provide clarifying guidance as to the content and format of materials that will help ensure timely approval of the Action Plan amendment under the criteria for approval of Action Plan amendments containing RBD projects described in this notice. If the Action Plan is not approved, RBD project-related costs will not be eligible following the date

of disapproval until the RBD project is aligned with the RBD project as proposed in the previously approved Action Plan.

3. Clarification of RBD Expenditure Extension Requests. The May 11, 2015, **Federal Register** notice (80 FR 26942) includes requirements for grantees requesting expenditure extensions for RBD projects. Currently, a grantee may request an expenditure extension if the grant funds associated with the program or project at issue were obligated by HUD through a grant agreement, and, therefore, are already subject to an established expenditure deadline. Under the May 11, 2015, notice the timeline and planning of RBD projects are to follow the process established for National Disaster Resilience (CDBG–NDR) projects. RBD projects, like CDBG–NDR projects, have already been identified and grantees are able to more accurately estimate the time frame for completion of their projects. Grantees are not required to have obligated funds to a CDBG–NDR project prior to requesting an expenditure extension.

Accordingly, paragraph VII.2 of the May 11, 2015, **Federal Register** notice is amended to read,

(2) The CDBG–DR funds associated with the program or project must have been obligated by HUD through a grant agreement, and, therefore, be subject to an established expenditure deadline. Rebuild by Design (RBD) projects, funded under the eligible "Rebuild by Design" activity in paragraph VII.4.c, of the notice published on October 16, 2014, are exempt from this requirement.

4. Submission of a Final Action Plan Amendment for Disaster Recovery. HUD is modifying the language in paragraph VI.A.1.a of the March 5, 2013, **Federal Register** notice regarding the submission of Action Plan amendments after June 1, 2017. The March 5, 2013, notice does not currently allow grantees to submit Action Plan amendments after June 1, 2017. While grantees must program the use of 100 percent of their allocated funds by June 1 in an approved Action Plan, HUD realizes that grantees will continue to need the flexibility of making both substantial and nonsubstantial Action Plan amendments as their programs continue to move forward and evolve after the June 1 deadline.

Accordingly, HUD is amending this language to allow grantees to submit Action Plan amendments after June 1, 2017. Subparagraph a of section VI.A.1 of the March 5, 2013, notice, as amended by the April 19, 2013, notice, is amended further to read:

Although a grantee may submit a partial Action Plan, the partial Action Plan must be amended one or more times until it describes uses for 100 percent of the grantee's CDBG–

DR award. Due to the statutory requirement that HUD may not obligate Appropriations Act funds after September 30, 2017, grantees must submit an Action Plan amendment to HUD that provides for the allocation of 100 percent of its CDBG–DR funds for its recovery programs no later than June 1, 2017. Grantees may continue to submit Action Plan amendments after that date. The requirement, however, to expend funds within 2 years of the date of obligation will continue to be enforced relative to each partial obligation made by HUD, as applicable.

HUD is also similarly modifying paragraph VI.3.e of the November 18, 2013, **Federal Register** notice (78 FR 69109) to read:

e. Amending the Action Plan. Paragraph 1(k) at 78 FR 14337 of the March 5, 2013, notice is amended, as necessary, to require each grantee to submit a substantial Action Plan amendment to HUD within 120 days of the effective date of this notice. All Action Plan amendments submitted after the effective date of this notice must be prepared in accordance with the prior notices, as modified by this notice. In addition, they must budget all, or a portion, of the funds allocated under this notice. Grantees are reminded that an Action Plan may be amended one or more times until it describes uses for 100 percent of the grantee's CDBG–DR award. The last date by which grantees must submit the Action Plan amendment that provides for the allocation of 100 percent of its funds for its recovery programs is June 1, 2017, given that HUD must obligate all CDBG–DR funds no later than September 30, 2017. Grantees may continue to submit Action Plan amendments after that date. The requirement, however, to expend funds within 2 years of the date of obligation will continue to be enforced relative to each partial obligation made by HUD.

Paragraph V.4(d) of the June 3, 2014, **Federal Register** notice (79 FR 31969), is also modified to read:

d. Amending the Action Plan. The prior notices are amended, as necessary, to require each grantee to submit a substantial Action Plan amendment to HUD within 120 days of the effective date of this notice. All Action Plan amendments submitted after the effective date of this notice must be prepared in accordance with the prior notices, as modified by this notice. In addition, they must budget all, or a portion, of the funds allocated under this notice. Grantees are reminded that an Action Plan may be amended one or more times until it describes uses for 100 percent of the grantee's CDBG–DR award. The last date by which grantees must submit the Action Plan amendment that provides for the allocation of 100 percent of its funds for its recovery programs is June 1, 2017, given that HUD must obligate all CDBG–DR funds no later than September 30, 2017. Grantees may continue to submit Action Plan amendments after that date. The requirement, however, to expend funds within 2 years of the date of obligation will continue to be enforced relative to each partial obligation made by HUD.

Finally, paragraph VII.2.d of the October 16, 2014, **Federal Register** notice (79 FR 62191) is modified to read:

d. Amending the Action Plan. Except as otherwise provided for in this notice, paragraph VI.A.1.k of the March 5, 2013 notice (at 78 FR 14337) is amended, as necessary, to require each grantee to submit a substantial Action Plan amendment to HUD within 120 days of the effective date of this notice. All Action Plan amendments submitted after the effective date of this notice must be prepared in accordance with the prior notices, as modified by this notice. In addition, they must budget all, or a portion, of the funds allocated under this notice. Grantees are reminded that an Action Plan may be amended one or more times until it describes uses for 100 percent of the grantee's CDBG–DR award. The last date for grantees to submit the Action Plan amendment that provides for the allocation of 100 percent of its funds for its recovery programs is June 1, 2017, given that HUD must obligate all CDBG–DR funds not later than September 30, 2017. Grantees may continue to submit Action Plan amendments after that date. The requirement, however, to expend funds within 2 years of the date of obligation will continue to be enforced relative to each partial obligation made by HUD.

5. *Waiver of Covered project Requirements for Certain Infrastructure projects Benefiting Multiple Counties (State of New York only)*. Paragraph VI.2.g of the November 18, 2013, **Federal Register** notice, (at 78 FR 69107), describes additional infrastructure requirements applicable to grantees receiving an allocation of CDBG–DR funds under that notice, including requirements for covered projects. HUD approval is required for each infrastructure project that meets the definition of a covered project, defined as having a total cost of \$50 million or more (including at least \$10 million of CDBG–DR funds), or projects that benefit multiple counties. The **Federal Register** notice published on March 27, 2014, clarified that “benefits multiple counties” means that the project is physically located in more than one county (paragraph II.1.a, Definition of “Benefits Multiple Counties,” at 78 FR 17174). The State of New York has requested an exemption from the covered project requirements for two infrastructure projects located in multiple counties and which would meet the definition of a covered project. These infrastructure projects are funded through the NY Rising Community Reconstruction (NYRCR) Program. In its request, the State contends that the NYRCR Program generally aligns with the goals of the coordination efforts that are reflected in the covered project requirements, by directly engaging local

residents and business owners across neighboring communities to formulate a “grassroots” approach to rebuilding communities through investments in infrastructure. The Department, however, is providing a waiver of covered project requirements for the following two infrastructure projects identified by the State, based on the particular aspects of each project rather than on the particular components of the NYRCR Program:

a. *Meadowmere Park Bridge Reconstruction project*. This \$2.25 million project will reconstruct an existing footbridge that was damaged by the storm. The footbridge links an isolated portion of Nassau County with a neighboring area in Queens County. The project cost is significantly less than the funding threshold established for covered projects (*i.e.*, \$50 million in total project costs with at least \$10 million of CDBG–DR funding), and the Department has determined that the State's investment of CDBG–DR funds to reconstruct a footbridge that existed prior to the storm, and that happens to span two counties, does not constitute the type of infrastructure investment contemplated by the Department when it decided to establish the covered project requirements.

b. *Comprehensive Green Infrastructure Assessment and Implementation project*. This \$13.5 million project involves the assessment, design, and construction of green infrastructure that will be located in multiple counties that are all located within the City of New York. In an August 25, 2015, **Federal Register** notice (80 FR 51592), the Department provided the City of New York with an exemption from the covered project requirements for infrastructure projects that would not otherwise meet the definition of a covered project but that were located in multiple counties, recognizing that within the City of New York, the counties are “subordinate to the municipal government.” The Department is now providing a waiver of the covered project requirements for the comprehensive green infrastructure assessment and implementation project in continued recognition of the unique subordinate status of counties located within the City of New York.

6. *Waiver of Requirements for New Construction Activities for Breezy Point Storm Drainage System (State of New York only)*. The State of New York has requested a waiver of section 105(a)(4) of the HCDA to the extent necessary to permit new construction of a storm drainage system at Breezy Point, a privately held cooperative in Queens, by classifying the entire system as an

improvement for residential purposes rather than as a public improvement under section 105(a)(2) of the HCDA, which would otherwise preclude assisting private homeowners. The State of New York has allocated up to \$19.5 million in CDBG–DR dollars to fund long-term initiatives that will protect and enhance the Breezy Point community. The Breezy Point Cooperative is a residential bungalow community consisting of 2,837 homes that are primarily wood frame, single family houses along the Rockaway Peninsula. The storm water drainage improvement project consists of three activities to address three of the most flood-prone areas in Breezy Point. One of the three projects is a storm drain system that would be implemented to collect storm water and pump it out of the area. In its request to the Department, the State contends that not funding this activity will leave residential buildings in Breezy Point, as well as emergency personnel, resources, and infrastructure, exposed to reoccurring flooding events. The State also contends that failure to undertake the improvement would allow for periodic floods to gradually degrade systems, increase the likelihood of catastrophic failures, and place people, development, and resources, at continuing and possibly escalating risk. Therefore, for the State's Breezy Point storm drainage system only, the Department is waiving section 105(a)(4) of the HCDA to the extent necessary to allow for the new construction associated with this activity.

7. *Waiver of requirements on public facility improvement on private land for the Raised Shorelines Program (New York City only).* New York City has requested a waiver of 24 CFR 570.201(c) and 24 CFR 570.202(a)(1) to the extent necessary to permit new construction of shoreline improvements on private property. Under the CDBG Entitlement program regulations at 24 CFR 570.202(a)(1), which are applicable to units of local government, New York City may use CDBG–DR funds to finance the rehabilitation of privately owned buildings and improvements for residential purposes, including grounds improvements that are incidental to and necessary for housing rehabilitation. However, this housing rehabilitation provision does not permit the city to construct new shoreline improvements on privately held land that would minimize the threat and impact of future inland flooding (a public benefit). Additionally, the fact that part of the designated shoreline is privately owned currently precludes the city from

funding this activity as an eligible public facility and improvement under the CDBG regulations at 24 CFR 570.201(c). To accomplish the mitigation goals of the resiliency project planned by the city, the physical improvements must be made to a continuous coastline made up of both public and private properties. The Raised Shorelines program will protect vulnerable areas that contain homes and businesses that were directly damaged or negatively impacted by Hurricane Sandy. The city has allocated \$109 million in HUD CDBG–DR dollars to fund the Raised Shorelines program and has determined that the construction of continuous shoreline improvements will not only protect against sea level rise in the future, but also help with the recovery effort by restoring damaged shorelines, fortifying vulnerable shorelines against storm events, and raising shorelines to protect the broader lower-lying communities against future flooding. Therefore, for the city's Raised Shorelines program only, the Department is waiving 24 CFR 570.202(a)(1) to the extent necessary to allow for the city's shoreline improvements on private property to be classified as an eligible housing rehabilitation and preservation activity, and to allow for the new construction associated with this activity. Further, the Department is waiving section 105(a)(4) of the HCDA to the extent necessary to allow for the new construction associated with this activity that would otherwise be prohibited.

8. *Waiver to Allow the Use of CDBG–DR Funds for Rental Assistance for New Jersey Homeowners in the RREM and LMI Homeowners Programs (State of New Jersey only).* In the State of New Jersey, more than 8,000 homeowners are rebuilding their Sandy-damaged homes through the State's Rehabilitation, Reconstruction, Elevation and Mitigation (RREM) Program or the Low- and Moderate-Income (LMI) Homeowners Rebuilding Program (LMI Program). Nearly 3,000 of those homeowners have already completed construction; however, the majority of remaining applicants, many of whom are LMI households, are still in the construction phase due to unanticipated delays and scarcity of available construction and/or elevation contractors in the State. While undergoing rehabilitation of their homes, most of these applicants are forced to pay not only a mortgage payment, but rent as well. In order to provide temporary financial assistance to these families, the State created the

Sandy Homeowners and Renters Assistance Program (SHRAP), using \$100 million of federal Social Services Block Grant (SSBG) funds, to provide up to \$15,000 to homeowners and renters for rental assistance and/or to replace storm-damaged appliances. Once SHRAP funds were exhausted, the State used an additional \$19.5 million in SSBG funds to create the Rental Assistance Program (RAP). The RAP program provided rental assistance of up to \$1,300 per month for up to 9 months to homeowners with executed RREM or LMI Program grant agreements who are paying rent because they are displaced by storm damage, construction, or elevation. The State estimates that these funds will be exhausted by July 2016; nevertheless, based on their analysis of RAP to date, the State projects that approximately 20–30 percent of RAP recipients will have ongoing rental assistance needs after exhausting their RAP assistance. The majority of those households will be LMI. To address this impending need, the State of New Jersey has requested to use up to \$30 million in CDBG–DR funds to continue to provide interim rental assistance for up to 21 months to families rebuilding through RREM or the LMI Program and who are already in or who apply to the RAP program, once SSBG funds are exhausted. Without a waiver, the State could not use CDBG–DR funds for subsistence-type grant payments to individuals or families. Therefore, in order to allow the State of New Jersey to continue its RAP Program, HUD is waiving the requirements at section 105(a)(8) of the HCDA to the extent necessary to allow the State of New Jersey to use up to \$30 million of its CDBG–DR allocation to provide up to 21 months of RAP assistance to eligible RREM and LMI program applicants. The State must implement this alternative requirement consistent with the approach outlined in its request and as described herein. This waiver and alternative requirement shall remain in effect until December 31, 2017, after which the State will no longer be able to use CDBG–DR funds for any new applicants to the RAP program.

III. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this notice is 14.269.

VI. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in

accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

Dated: August 8, 2016.

Nani A. Coloretti,

Deputy Secretary.

[FR Doc. 2016-19394 Filed 8-12-16; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5913-N-17]

Withdrawal of 60-Day Notice of Proposed Information Collection: Energy Benchmarking

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

ACTION: Withdrawal: Notice.

SUMMARY: On August 9, 2016 at 81 FR 52703, HUD published a 60 Day Notice of Proposed Information Collection entitled “Energy Benchmarking.” HUD is withdrawing this notice from the *Federal Register* and will publish again at a later date.

FOR FURTHER INFORMATION CONTACT: Stan Houle, Office of Multifamily Housing Programs, Department of Housing and Urban Development, 451 7th Street SW., Room 10139, Washington, DC 20410, telephone 202-708-3054. (This is not a toll-free number.) Persons with hearing or speech impairments may access these numbers through TTY by calling the toll-free Federal Information Relay Service at 800-877-8339.

Dated: August 9, 2016.

Mark Kudlowitz,

Director, Multifamily Housing Programs.

[FR Doc. 2016-19405 Filed 8-12-16; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5909-N-55]

30-Day Notice of Proposed Information Collection: Single Family Premium Collection Subsystem-Upfront (SFPCS-U)

AGENCY: Office of the Chief Information Officer, HUD.

ACTION: Notice.

SUMMARY: HUD has submitted the proposed information collection requirement described below to the Office of Management and Budget (OMB) for review, in accordance with the Paperwork Reduction Act. The purpose of this notice is to allow for an additional 30 days of public comment. **DATES:** *Comments Due Date: September 14, 2016.*

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: HUD Desk Officer, Office of Management and Budget, New Executive Office Building, Washington, DC 20503; fax: 202-395-5806. Email: *OIRA_Submission@omb.eop.gov*.

FOR FURTHER INFORMATION CONTACT: Colette Pollard, Reports Management Officer, QMAC, Department of Housing and Urban Development, 451 7th Street SW., Washington, DC 20410; email Colette Pollard at *Colette.Pollard@hud.gov* or telephone 202-402-3400. This is not a toll-free number. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

Copies of available documents submitted to OMB may be obtained from Ms. Pollard.

SUPPLEMENTARY INFORMATION: This notice informs the public that HUD is seeking approval from OMB for the information collection described in Section A.

The *Federal Register* notice that solicited public comment on the information collection for a period of 60 days was published on April 14, 2016 at 81 FR 22102.

A. Overview of Information Collection

Title of Information Collection: Single Family Premium Collection Subsystem-Upfront (SFPCS-U).

OMB Approval Number: 2502-0423.

Type of Request: Revision of currently approved collection.

Form Number: None.

Description of the need for the information and proposed use: To

continue to collect MIP information and improve customer service and FHA lender portfolio management capabilities.

Respondents: Business or other for profit.

Estimated Number of Respondents: 2,711.

Estimated Number of Responses: 7,534.

Frequency of Response: 12 hour.

Average Hours per Response: .15 hours.

Total Estimated Burdens: 4,880 hours.

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

HUD encourages interested parties to submit comment in response to these questions.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35.

Dated: August 9, 2016.

Colette Pollard,

Department Reports Management Officer, Office of the Chief Information Officer.

[FR Doc. 2016-19393 Filed 8-12-16; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[FWS-R6-ES-2016-N104];
FXES11130600000-167-FF06E00000]

Endangered and Threatened Wildlife and Plants; Recovery Permit Applications

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice of availability; request for comments.

SUMMARY: We, the U.S. Fish and Wildlife Service, invite the public to

C. Authority

Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35.

Dated: November 10, 2016.

Colette Pollard,

Department Reports Management Officer,
Office of the Chief Information Officer.

[FR Doc. 2016-27909 Filed 11-18-16; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5989-N-01]

Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice allocates \$500 million in Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated by the Continuing Appropriations Act, 2017 for the purpose of assisting long-term recovery in Louisiana, Texas and West Virginia. This notice describes applicable waivers and alternative requirements, relevant statutory provisions for grants provided under this notice, the grant award process, criteria for plan approval, and eligible disaster recovery activities. Given the extent of damage to housing in the largest eligible disaster and the very limited data at present on unmet infrastructure and economic revitalization needs, this notice requires each grantee to primarily consider and address its unmet housing recovery needs.

DATES: *Effective Date:* November 28, 2016.

FOR FURTHER INFORMATION CONTACT:

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I. Allocations

Section 145 of the Continuing Appropriations Act, 2017 (Pub. L. 114-223, approved September 29, 2016) (Appropriations Act) makes available \$500 million in Community Development Block Grant (CDBG) funds for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) related to

disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2016 and occurring prior to enactment of the Appropriations Act, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) (Stafford Act). Given the extent of damage to housing in the largest eligible disaster and the very limited data at present on unmet infrastructure and economic revitalization needs, HUD is requiring each grantee to primarily consider and address its unmet housing recovery needs. This notice allows grantees to allocate funds to address unmet economic revitalization and infrastructure needs, but in doing so, the grantee must identify how unmet housing needs will be addressed or how its economic revitalization or infrastructure activities will contribute to the long-term recovery and restoration of housing in the most impacted and distressed areas. The law provides that grants shall be awarded directly to a State or unit of general local government at the discretion of the Secretary. The Secretary has elected to award funds only to States in this allocation. Unless noted otherwise, the term "grantee" refers to the State receiving a direct award from HUD under this notice. To comply with statutory direction that funds be used for disaster-related expenses in the most impacted and distressed areas, HUD allocates funds using the best available data that cover all of the eligible affected areas.

Based on a review of the impacts from these disasters, and estimates of unmet need, HUD is making the following allocations:

TABLE 1—ALLOCATIONS UNDER PUBLIC LAW 114-223

Disaster No.	State	Grantee	Allocation	Minimum amount that must be expended for recovery in the HUD-identified "most impacted" areas
4277, 4263, 4272	Louisiana	State of Louisiana	\$437,800,000	(\$350,240,000) East Baton Rouge, Livingston, Ascension, Tangipahoa, Ouachita, Lafayette (Parishes).
4269, 4266	Texas	State of Texas	45,200,000	(\$36,160,000) Harris, Newton, Montgomery (Counties).
4273	West Virginia ..	State of West Virginia	17,000,000	(\$13,600,000) Kanawha, Greenbrier (Counties).
Total .....	.....	.....	500,000,000	

Table 1 also shows the HUD-identified "most impacted and distressed" areas impacted by the disasters that did not receive a direct

award. At least 80 percent of the total funds provided within each State under this notice must address unmet needs within the HUD-identified "most

impacted and distressed" areas, as identified in the last column in Table 1. Grantees may determine where the remaining 20 percent may be spent by

identifying areas it determines to be "most impacted and distressed." A detailed explanation of HUD's allocation methodology is provided at Appendix A.

Each grantee receiving an allocation under this notice must submit an action plan for disaster recovery, or "action plan," no later than 90 days after the effective date of this notice. HUD will only approve action plans that meet the specific requirements identified in this notice under section VI, "Applicable Rules, Statutes, Waivers, and Alternative Requirements."

II. Use of Funds

The Appropriations Act requires that prior to the obligation of CDBG-DR funds a grantee shall submit a plan detailing the proposed use of all funds, including criteria for eligibility, and how the use of these funds will address long-term recovery and restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas. This action plan for disaster recovery must describe uses and activities that: (1) Are authorized under title I of the Housing and Community Development Act of 1974 (HCD Act) or allowed by a waiver or alternative requirement published in this notice; and (2) respond to disaster-related impact to infrastructure, housing, and economic revitalization in the most impacted and distressed areas. To inform the plan, grantees must conduct an assessment of community impacts and unmet needs to guide the development and prioritization of planned recovery activities, pursuant to paragraph A.2.a. in section VI below.

In accordance with the HCD Act, funds may be used to meet a matching, share, or contribution requirement for any other Federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by the Federal Emergency Management Agency (FEMA) and the U.S. Army Corps of Engineers (USACE), among other Federal sources. CDBG-DR funds, however, may not be used for activities reimbursable by or for which funds are made available by FEMA or USACE.

This notice also requires each grantee to expend 100 percent of its allocation of CDBG-DR funds on eligible activities within 6 years of HUD's execution of the grant agreement.

III. Management and Oversight of Funds

The Appropriations Act requires the Secretary to certify, in advance of signing a grant agreement, that the grantee has in place proficient financial

controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect and prevent waste, fraud, and abuse of funds. To provide a basis for the certification, each grantee must submit documentation to the Department demonstrating its compliance with the above requirements. For a complete list of the required certification documentation, see paragraph A.1.a. under section VI of this notice. The certification documentation must be submitted within 60 days of the effective date of this notice, or with the grantee's submission of its action plan, whichever is earlier.

In advance of signing a grant agreement and consistent with 2 CFR 200.205 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Requirements), HUD will evaluate each grantee's capacity to effectively manage the funds and the associated risks they pose through a review of supplemental risk analysis documentation. This notice requires each grantee to submit risk analysis documentation demonstrating that it can effectively manage the funds, ensure timely communication of application status to applicants for disaster recovery assistance, and that it has adequate capacity to manage the funds and address any capacity needs. For a complete listing of the required risk analysis documentation, see paragraph A.1.b. under section VI of this notice. Documentation applicable to the risk analysis must be submitted within 60 days of the effective date of this notice, or with the grantee's submission of its action plan, whichever is earlier.

Additionally, this notice requires grantees to submit to the Department for approval a projection of expenditures and outcomes as part of its action plan. Any subsequent changes, updates or revision of the projections will require the grantee to amend its action plan to reflect the new projections. This will enable HUD, the public, and the grantee to track planned versus actual performance.

Grantees must also enter expected completion dates for each activity in HUD's Disaster Recovery Grant Reporting (DRGR) system. When target dates are not met or are extended, a grantee is required to explain the reason for the delay in the Quarterly Performance Report (QPR) activity narrative. For additional guidance on

DRGR system reporting requirements, see paragraph A.3 under section VI of this notice. More information on the timely expenditure of funds is included in paragraphs A.24 of section VI of this notice. Other reporting, procedural, and monitoring requirements are discussed under "Grant Administration" in section VI of this notice.

The grant terms and specific conditions of the award will reflect HUD's risk assessment of the grantee and will require the grantee to adhere to the description of its implementation plan submitted in its certification and risk analysis documentation. HUD will also institute an annual risk analysis as well as on-site monitoring of grantee management to further guide oversight of these funds.

IV. Authority To Grant Waivers

The Appropriations Act authorizes the Secretary to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary, or use by the recipient, of these funds, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment. Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCD Act. HUD also has regulatory waiver authority under 24 CFR 5.110, 91.600, and 570.5. Grantees may request waivers as described in section VI of this notice.

V. Overview of Grant Process

To begin expenditure of CDBG-DR funds, the following expedited steps are necessary:

- Grantee follows citizen participation plan for disaster recovery in accordance with the requirements in paragraph A.4 of section VI of this notice.
- Grantee consults with stakeholders, including required consultation with affected local governments and public housing authorities (as identified in section VI of this notice).
- Within 60 days of the effective date of this notice (or when the grantee submits its action plan, whichever is earlier), the grantee submits certification documentation providing a basis for the Secretary's certification that the grantee has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford

Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect and prevent waste, fraud, and abuse of funds;

- Within 60 days of the effective date of this notice (or when the grantee submits its action plan, whichever is earlier) the grantee submits its risk analysis documentation allowing HUD to evaluate the grantee's risk and capacity to effectively manage the funds.

- Grantee publishes its action plan for disaster recovery on the grantee's required disaster recovery Web site for no less than 14 calendar days to solicit public comment.

- Grantee responds to public comment and submits its action plan (which includes Standard Form 424 (SF-424) and certifications) to HUD no later than 90 days after the date of this notice.

- HUD expedites review (allotted 60 days from date of receipt) and approves the action plan according to criteria identified in this notice.

- HUD sends an action plan approval letter, grant terms and conditions, and grant agreement to the grantee. If the action plan is not approved, a letter will be sent identifying its deficiencies; the grantee must then resubmit the action plan within 45 days of the notification letter.

- Grantee signs and returns the grant agreement.

- Grantee ensures that the final HUD-approved action plan is posted on its official Web site.

- HUD establishes the grantee's line of credit.

- Grantee requests and receives DRGR system access (if the grantee does not already have DRGR access).

- Grantee enters the activities from its published action plan into the DRGR system and submits its DRGR action plan to HUD (funds can be drawn from the line of credit only for activities that are established in the DRGR system).

- The grantee may draw down funds from the line of credit after the Responsible Entity completes applicable environmental review(s) pursuant to 24 CFR part 58 or as authorized by the Appropriations Act and, as applicable, receives from HUD or the State an approved Request for Release of Funds and certification.

- The grantee must begin to draw down funds no later than 180 days after the effective date of this notice.

VI. Applicable Rules, Statutes, Waivers, and Alternative Requirements

This section of the notice describes requirements imposed by the Appropriations Act, as well as applicable waivers and alternative requirements. For each waiver and alternative requirement, the Secretary has determined that good cause exists and is consistent with the overall purpose of the HCD Act. The waivers and alternative requirements provide additional flexibility in program design and implementation to support full and swift recovery following the disasters, while also ensuring that statutory requirements are met. The following requirements apply only to the CDBG-DR funds appropriated in the Appropriations Act, and not to funds provided under the annual formula State or Entitlement CDBG programs, or those provided under any other component of the CDBG program, such as the Section 108 Loan Guarantee Program, or any prior CDBG-DR appropriation.

Grantees may request additional waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Except where noted, waivers and alternative requirements described below apply to all grantees under this notice. Under the requirements of the Appropriations Act, waivers and alternative requirements are effective five days after they are published in the **Federal Register**.

Except as described in this notice, statutory and regulatory provisions governing the State CDBG program shall apply to grantees receiving an allocation under this notice. Applicable statutory provisions can be found at 42 U.S.C. 5301 *et seq.* Applicable State CDBG regulations can be found at 24 CFR part 570. References to the action plan in these regulations shall refer to the action plan required by this notice. All references in this notice pertaining to timelines and/or deadlines are in terms of calendar days unless otherwise noted. The date of this notice shall mean the effective date of this notice unless otherwise noted.

A. Grant Administration.

1. Preaward Evaluation of Management and Oversight of Funds.

a. *Certification of proficient controls, processes and procedures.* The Appropriations Act requires that the Secretary certify, in advance of signing a grant agreement, that the grantee has in place proficient financial controls and procurement processes and has established adequate procedures to

prevent any duplication of benefits as defined by section 312 of the Stafford Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect and prevent waste, fraud, and abuse of funds. To enable the Secretary to make this certification, each grantee must submit to HUD the certification documentation listed below. This information must be submitted within 60 days of the effective date of this notice, or with the grantee's submission of its action plan, whichever date is earlier. Grant agreements will not be executed until HUD has issued a certification in response to the grantee's submission. For each of the items (1) through (6) below, the grantee must also provide a table that clearly indicates which unit and personnel are responsible for each task along with contact information. The grantee must certify to the accuracy of its certification documentation as required by paragraph E.47 of section VI of this notice.

(1) Financial Controls. A grantee has proficient financial controls if each of the following criteria is satisfied:

a. The grantee's most recent single audit and consolidated annual financial report (CAFR) indicates that the grantee has no material weaknesses, deficiencies, or concerns that HUD considers to be relevant to the financial management of the CDBG program. If the single audit or CAFR identified weaknesses or deficiencies, the grantee must provide documentation showing how those weaknesses have been removed or are being addressed; and

b. The grantee has assessed its financial standards and has completed the HUD monitoring guide for financial standards (FY2017 Guide for Review of Financial Management (the Financial Management Guide), available on the HUD Exchange Web site at <https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/>). The grantee's standards must conform to the requirements of the Financial Management Guide. The grantee must identify which sections of its financial standards address each of the questions in the guide.

(2) Procurement. A grantee has in place a proficient procurement process if it has either: (a) Adopted 2 CFR 200.318 through 200.326 (subject to 2 CFR 200.110, as applicable); or (b) the effect of the grantee's procurement process/standards are equivalent to the effect of procurements under 2 CFR 200.318 through 200.326, meaning that the process/standards, while not identical, operate in a manner that provides for full and open competition.

The grantee must provide its procurement process/standards for HUD review so HUD may evaluate the overall effect of the grantee's procurement/process standards. The grantee's provided procurement process/standards must comply with the procurement requirements at 24 CFR 570.489(g), as provided in paragraph A.22 of Section VI of this notice.

(3) Duplication of benefits. A grantee has adequate procedures to prevent the duplication of benefits where the grantee identifies its uniform processes for each of the following: (a) Verifying all sources of disaster assistance received by the grantee or applicant, as applicable; (b) determining an applicant's unmet need(s) before awarding assistance; and (c) ensuring beneficiaries agree to repay the assistance if they later receive other disaster assistance for the same purpose. Grantee procedures shall provide that prior to the award of assistance, the grantee will use the best, most recent available data from FEMA, the Small Business Administration (SBA), insurers, and other sources of funding to prevent the duplication of benefits. Departmental guidance to assist in preventing a duplication of benefits is provided in a notice published in the **Federal Register** at 76 FR 71060 (November 16, 2011), in HUD Guidance on Duplication of Benefits Requirements and Provision of CDBG Disaster Recovery (DR) Assistance, as amended, (<https://www.hudexchange.info/resource/3137/cdbg-dr-duplication-of-benefit-requirements-and-provision-of-assistance-with-sba-funds/>) and in paragraph A.21 of section VI of this notice.

(4) Timely expenditures. A grantee has adequate procedures to determine timely expenditures if it indicates to HUD how the grantee will track expenditures each month, how it will monitor expenditures of its recipients and subrecipients, how it will reprogram funds in a timely manner for activities that are stalled, and how it will project expenditures to provide for the expenditure of all CDBG-DR funds within the period provided for in paragraph A.24 of section VI of this notice.

(5) Comprehensive disaster recovery Web site. A grantee has adequate procedures to maintain a comprehensive Web site regarding all disaster recovery activities if its procedures indicate that the grantee will have a separate page dedicated to its disaster recovery that includes the information described at paragraph A.23 of section VI of this notice. The procedures should also indicate the

frequency of Web site updates. At minimum, grantees must update their Web site quarterly.

(6) Procedures to detect fraud, waste and abuse. A grantee has adequate procedures to detect fraud, waste and abuse if its procedures indicate how the grantee will verify the accuracy of information provided by applicants; if it provides a monitoring policy indicating how and why monitoring is conducted, the frequency of monitoring, and which items are monitored; and if it demonstrates that it has an internal auditor and includes a document signed by the internal auditor that describes his or her role in detecting fraud, waste, and abuse.

b. *Evaluation of Risk and Management Capacity.* Before signing a grant agreement, HUD is requiring each grantee to demonstrate that it has sufficient capacity to manage these funds and the associated risks.

Evidence of grantee management capacity will be provided through the grantee's risk analysis documentation which must be submitted within 60 days of the effective date of this notice or with the grantee's submission of its action plan, whichever date is earlier. The grantee must certify to the accuracy of its risk analysis documentation submissions as required by paragraph E.47 in section VI of this notice. A grantee has sufficient management capacity if each of the following criteria is satisfied:

(1) Timely information on application status. A grantee has adequate procedures to inform applicants of the status of their applications for recovery assistance, at all phases, if its procedures indicate methods for communication (*i.e.*, Web site, telephone, case managers, letters, etc.), ensure the accessibility and privacy of individualized information for all applicants, indicate the frequency of applicant status updates and identify which personnel or unit is responsible.

(2) Preaward Implementation Plan. To enable HUD to assess risk as described in 2 CFR 200.205(c), the grantee will submit an implementation plan to the Department. The plan must describe the grantee's capacity to carry out the recovery and how it will address any capacity gaps. HUD will determine a plan is adequate to reduce risk if, at a minimum it addresses:

a. *Capacity Assessment.* The grantee has conducted an assessment of its capacity to carry out recovery efforts, and has developed a timeline with milestones describing when and how the grantee will address all capacity gaps that are identified.

b. *Staffing.* The plan shows that the grantee has assessed staff capacity and identified personnel for the purpose of case management in proportion to the applicant population; program managers who will be assigned responsibility for each primary recovery area (*i.e.*, housing, economic revitalization, and infrastructure, as applicable); and staff responsible for procurement/contract management, environmental compliance, as well as staff responsible for monitoring and quality assurance, and financial management. An adequate plan will also provide for an internal audit function with responsible audit staff reporting independently to the chief elected or executive officer or board of the governing body of any designated administering entity.

c. *Internal and Interagency Coordination.* The grantee's plan describes how it will ensure effective communication between different departments and divisions within the grantee's organizational structure that are involved in CDBG-DR-funded recovery efforts; between its lead agency and subrecipients responsible for implementing the grantee's action plan; and with other local and regional planning efforts to ensure consistency.

d. *Technical Assistance.* The grantee's implementation plan describes how it will procure and provide technical assistance for any personnel that the grantee does not employ at the time of action plan submission, and to fill gaps in knowledge or technical expertise required for successful and timely recovery implementation where identified in the capacity assessment.

e. *Accountability.* The grantee's plan identifies the principal lead agency responsible for implementation of the State's CDBG-DR award and indicates that the head of that agency will report directly to the Governor of the State.

2. *Action Plan for Disaster Recovery waiver and alternative requirement.* Requirements for CDBG actions plans, located at 42 U.S.C. 12705(a)(2), 42 U.S.C. 5304(a)(1), 42 U.S.C. 5304(m), 42 U.S.C. 5306(d)(2)(C)(iii), and 24 CFR 91.320, are waived for these disaster recovery grants. Instead, grantees must submit to HUD an action plan for disaster recovery which will describe disaster recovery programs that conform to applicable requirements as specified in this notice. During the course of the grant, HUD will monitor the grantee's actions and use of funds for consistency with the plan, as well as meeting the performance and timeliness objectives therein. The Secretary may disapprove an action plan as substantially incomplete if it is determined that the

plan does not satisfy all of the required elements identified in this notice.

a. *Action Plan.* The action plan must identify the proposed use of all funds, including criteria for eligibility, and how the uses address long-term recovery needs. Funds dedicated for uses not described in accordance with paragraphs b. or c. under this section will not be obligated until the grantee submits, and HUD approves, an action plan amendment programming the use of those funds, at the necessary level of detail.

The action plan must contain:

1. An impact and unmet needs assessment. Each grantee must develop a needs assessment to understand the type and location of community needs and to target limited resources to those areas with the greatest need. Grantees receiving an award under this notice must conduct a needs assessment to inform the allocation of CDBG-DR resources. At a minimum, the needs assessment must:

- Evaluate all aspects of recovery including housing (interim and permanent, owner and rental, single-family and multifamily, affordable and market rate, and housing to meet the needs of persons who were homeless pre-disaster), infrastructure, and economic revitalization;
- Account for the various forms of assistance available to, or likely to be available to, affected communities (e.g., projected FEMA funds) and individuals (e.g., estimated insurance) to ensure CDBG-DR funds meet needs that are not likely to be addressed by other sources of funds;
- Assess whether public services (e.g., housing counseling, legal counseling, job training, mental health, and general health services) are necessary to complement activities intended to address housing, infrastructure and economic revitalization;
- Use the most recent available data (cite data sources) to inform the action plan, particularly with regard to estimating the portion of need likely to be addressed by insurance proceeds, other Federal assistance, or any other funding sources (thus producing an estimate of unmet need);
- Describe impacts geographically by type at the lowest level practicable (e.g., county level or lower if available for States, and neighborhood or census tract level for cities); and
- Take into account the costs of incorporating mitigation and resilience measures to protect against future hazards, including the anticipated effects of climate change on those hazards.

CDBG-DR funds may be used to reimburse costs for developing the action plan, including the needs assessment, environmental review, and citizen participation requirements. HUD has developed a Disaster Impact and Unmet Needs Assessment Kit to guide CDBG-DR grantees through a process for identifying and prioritizing critical unmet needs for long-term community recovery, and it is available on the HUD Exchange Web site at https://www.hudexchange.info/resources/documents/Disaster_Recovery_Disaster_Impact_Needs_Assessment_Kit.pdf.

Disaster recovery needs evolve over time and the needs assessment and action plan are expected to be amended as conditions change and additional needs are identified.

2. A description of the connection between identified unmet needs and the allocation of CDBG-DR resources. Grantees must propose an allocation of CDBG-DR funds that primarily considers and addresses unmet housing needs. Grantees may also allocate funds for economic revitalization and infrastructure activities, but in doing so, must identify how any remaining unmet housing needs will be addressed or how its economic revitalization and infrastructure activities will contribute to the long-term recovery and restoration of housing in the most impacted and distressed areas. Grantee action plans may provide for the allocation of funds for administration and planning activities and for public service activities, subject to the caps on such activities as described below.

3. Each grantee must include a description of how it will identify and address the rehabilitation (as defined at 24 CFR 570.202), reconstruction, replacement, and new construction of housing and shelters in the areas affected by the disaster. This includes any rental housing that is affordable to low or moderate income households (as defined by the grantee as provided in B.31 of section VI of this notice); public housing (including administrative offices); emergency shelters and housing for the homeless; private market units receiving project-based assistance or with tenants that participate in the Section 8 Housing Choice Voucher Program; and any other housing that is assisted under a HUD program.

4. A description of how the grantee's programs will promote housing for vulnerable populations, including a description of activities it plans to address: (a) The transitional housing, permanent supportive housing, and permanent housing needs of individuals and families (including subpopulations) that are homeless and at-risk of

homelessness; (b) the prevention of low-income individuals and families with children (especially those with incomes below 30 percent of the area median) from becoming homeless; and (c) the special needs of persons who are not homeless but require supportive housing (e.g., elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and public housing residents, as identified in 24 CFR 91.315(e)). Grantees are reminded that the use of recovery funds must meet accessibility standards, provide reasonable accommodations to persons with disabilities, and take into consideration the functional needs of persons with disabilities in the relocation process. A checklist of relocation considerations for persons with disabilities may be found in Chapter 3 of HUD's Relocation Handbook 1378.0. Grantees must also assess how planning decisions may affect racial, ethnic, and low-income concentrations, and ways to promote the availability of affordable housing in low-poverty, nonminority areas where appropriate and in response to natural hazard-related impacts.

5. A description of how the grantee plans to minimize displacement of persons or entities, and assist any persons or entities displaced.

6. A description of the maximum amount of assistance available to a beneficiary under each of the grantee's disaster recovery programs. A grantee may find it necessary to provide exceptions on a case-by-case basis to the maximum amount of assistance and must describe the process it will use to make such exceptions in its action plan. At minimum, each grantee must adopt policies and procedures that communicate how it will analyze the circumstances under which an exception is needed and how it will demonstrate that the amount of assistance is necessary and reasonable.

7. A description of how the grantee plans to: (a) Adhere to the advanced elevation requirements established in paragraph B.28 of section VI of this notice; (b) promote sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management and take into account continued sea level rise, if applicable; and (c) coordinate with other local and regional planning efforts to ensure consistency. This information should be based on the history of FEMA flood mitigation efforts, and take into account projected increase in sea level (if applicable) and frequency and intensity

of precipitation events, which are not considered in current FEMA maps and National Flood Insurance Program premiums.

Additionally, a grantee proposing an allocation of grant funds for infrastructure must include a description of how the proposed infrastructure activities will advance long-term resilience to natural hazards and how the grantee intends to align these investments with other planned state or local capital improvements. Grantees should describe how preparedness and mitigation measures will be integrated into rebuilding activities and how the grantee will promote community-level and/or regional (e.g. multiple local jurisdictions) post-disaster recovery and mitigation planning.

The action plan must provide for the use of CDBG-DR funds to develop a disaster recovery and response plan that addresses long-term recovery and pre- and post-disaster hazard mitigation, if one does not currently exist.

8. A description of how the grantee will leverage CDBG-DR funds with funding provided by other Federal, State, local, private, and nonprofit sources to generate a more effective and comprehensive recovery. Examples of other Federal sources are those provided by HUD, FEMA (specifically the Public Assistance Program, Individual Assistance Program, and Hazard Mitigation Grant Program), SBA (specifically the Disaster Loans program), Economic Development Administration, USACE, and the U.S. Department of Agriculture. The grantee should seek to maximize the number of activities and the degree to which CDBG funds are leveraged. Grantees shall identify leveraged funds for each activity, as applicable, in the DRGR system.

9. A description of how the grantee will: (a) Design and implement programs or activities with the goal of protecting people and property from harm; (b) emphasize high quality, durability, energy efficiency, sustainability, and mold resistance; (c) support adoption and enforcement of modern building codes and mitigation of hazard risk, including possible sea level rise, high winds, storm surge, and flooding, where appropriate; and (d) implement and ensure compliance with the Green Building standards required in paragraph B.28 of section VI of this notice. All rehabilitation, reconstruction, and new construction should be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future

disasters. Whenever feasible, grantees should follow best practices such as those provided by the U.S. Department of Energy's Guidelines for Home Energy Professionals—Professional Certifications and Standard Work Specifications. HUD also encourages grantees to implement green infrastructure policies to the extent practicable. Additional tools for green infrastructure are available at the Environmental Protection Agency's Web site <https://www.epa.gov/green-infrastructure>; the Indoor AirPlus Web site <https://www.epa.gov/indoorairplus>; the Healthy Indoor Environment Protocols for Home Energy Upgrades Web site https://www.epa.gov/sites/production/files/2014-12/documents/epa_retrofit_protocols.pdf; and the ENERGY STAR Web site www.epa.gov/greenbuilding.

10. A description of the standards to be established for construction contractors performing work in the jurisdiction and a mechanism for homeowners and small business owners to appeal rehabilitation contractor work. HUD strongly encourages the grantee to require a warranty period post-construction, with formal notification to homeowners on a periodic basis (e.g., 6 months and one month prior to expiration date of the warranty).

11. A description of how the grantee will manage program income, and the purpose(s) for which it may be used. Waivers and alternative requirements related to program income can be found in this notice at paragraph A.17 of section VI.

12. A description of monitoring standards and procedures that are sufficient to ensure program requirements, including an analysis for duplication of benefits, are met and that provide for continual quality assurance and adequate program oversight.

b. *Method of Distribution.* The action plan shall describe the method of distribution of funds to units of general local government (UGLG) and/or descriptions of specific programs or activities the State will carry out directly. The description must include:

1. How the needs assessment informed allocation determinations, including the rationale behind the decision(s) to provide funds to State-identified "most impacted and distressed" areas that were not defined by HUD as being "most impacted and distressed," if applicable.

2. The threshold factors and grant size limits that are to be applied.

3. The projected uses for the CDBG-DR funds, by responsible entity, activity, and geographic area, when the State carries out an activity directly.

4. For each proposed program and/or activity carried out directly, its respective CDBG activity eligibility category (or categories) as well as national objective(s).

5. How the method of distribution to local governments or programs/activities carried out directly will result in long-term recovery from specific impacts of the disaster.

6. When funds are allocated to UGLGs, all criteria used to distribute funds to local governments including the relative importance of each criterion.

7. When applications are solicited for programs carried out directly, all criteria used to select applications for funding, including the relative importance of each criterion.

c. *Clarification of disaster-related activities.* All CDBG-DR funded activities must clearly address an impact of the disaster for which funding was allocated. Given standard CDBG requirements, this means each activity must: (1) Be a CDBG-eligible activity (or be eligible under a waiver or alternative requirement in this notice); (2) meet a national objective; and (3) address a direct or indirect impact from the disaster in a Presidentially-declared county. A disaster-related impact can be addressed through any eligible CDBG-DR activity. Additional details on disaster-related activities are provided under section VI, parts B through D. Additionally, HUD has developed a series of CDBG-DR toolkits that guide grantees through specific grant implementation activities. These can be found on the HUD Exchange Web site at <https://www.hudexchange.info/programs/cdbg-dr/toolkits/>.

1. *Housing.* Typical housing activities include new construction and rehabilitation of single-family or multifamily units. Most often, grantees use CDBG-DR funds to rehabilitate damaged homes and rental units. However, grantees may also fund new construction (see paragraph B.28 of section VI of this notice) or rehabilitate units *not* damaged by the disaster if the activity clearly addresses a disaster-related impact and is located in a disaster-affected area. This impact can be demonstrated by the disaster's overall effect on the quality, quantity, and affordability of the housing stock and the resulting inability of that stock to meet post-disaster needs and population demands.

a. *Prohibition on forced mortgage payoff.* In some instances, homeowners with an outstanding mortgage balance are required, under the terms of their loan agreement, to repay the balance of the mortgage loan prior to using

assistance to rehabilitate or reconstruct their homes. *CDBG-DR funds, however, may not be used for a forced mortgage payoff.* The ineligibility of a forced mortgage payoff with CDBG-DR funds does not affect HUD's longstanding guidance that when other non-CDBG disaster assistance is taken by lenders for a forced mortgage payoff, those funds are not considered to be available to the homeowner and do not constitute a duplication of benefits for the purpose of housing rehabilitation or reconstruction.

b. Housing Counseling Services. Grantees are encouraged to coordinate with HUD-approved housing counseling services to ensure that information and services are made available to both renters and homeowners. Additional information is available for Louisiana at: <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=LA>, for Texas at: <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=TX>, and for West Virginia at: <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=WV>.

2. Economic Revitalization. For CDBG-DR purposes, economic revitalization may include any CDBG-DR eligible activity that demonstrably restores and improves some aspect of the local economy. The activity may address job losses, or negative impacts to tax revenues or businesses. Examples of eligible activities include providing loans and grants to businesses, funding job training, making improvements to commercial/retail districts, and financing other efforts that attract/retain workers in devastated communities.

All economic revitalization activities must address an economic impact(s) caused by the disaster (e.g., loss of jobs, loss of public revenue). Through its needs assessment and action plan, the grantee must clearly identify the economic loss or need resulting from the disaster, and how the proposed activities will address that loss or need. In proposing an allocation of CDBG-DR funds for economic revitalization under this notice, a grantee must identify how any remaining unmet housing needs will be addressed or how its economic revitalization activities will contribute to the long-term recovery and restoration of housing in the most impacted and distressed areas.

3. Infrastructure. Typical infrastructure activities include the repair, replacement, or relocation of damaged public facilities and improvements including, but not limited to, bridges, water treatment facilities, roads, and sewer and water

lines. In proposing an allocation of CDBG-DR funds under this notice for infrastructure, a grantee must identify how any remaining unmet housing needs will be addressed or how its infrastructure activities will contribute to the long-term recovery and restoration of housing in the most impacted and distressed areas.

Grantees that use CDBG-DR funds to assist flood control structures (i.e., dams and levees) are prohibited from using CDBG-DR funds to enlarge a dam or levee beyond the original footprint of the structure that existed prior to the disaster event. Grantees that use CDBG-DR funds for levees and dams are required to: (1) Register and maintain entries regarding such structures with the U.S. Army Corps of Engineers National Levee Database or National Inventory of Dams; (2) ensure that the structure is admitted in the U.S. Army Corps of Engineers PL 84-99 Program (Levee Rehabilitation and Improvement Program); (3) ensure the structure is accredited under the FEMA National Flood Insurance Program; (4) upload into DRGR the exact location of the structure and the area served and protected by the structure; and (5) maintain file documentation demonstrating that the grantee has both conducted a risk assessment prior to funding the flood control structure and that the investment includes risk reduction measures.

4. Preparedness and Mitigation. The Appropriations Act states that funds shall be used for recovering from a Presidentially declared major disaster and all assisted activities must respond to the impacts of the declared disaster. HUD encourages grantees to incorporate preparedness and mitigation measures into the aforementioned rebuilding activities, to rebuild communities that are more resilient to future disasters. Mitigation measures that are not incorporated into those rebuilding activities must be a necessary expense related to disaster relief or long-term recovery that responds to the eligible disaster. Furthermore, the costs associated with these measures may not prevent the grantee from meeting unmet needs.

5. Connection to the Disaster. Grantees must maintain records about each activity funded, as described in paragraph A.14 of section VI of this notice. In regard to physical losses, damage or rebuilding estimates are often the most effective tools for demonstrating the connection to the disaster. For housing market, economic, and/or nonphysical losses, post-disaster analyses or assessments may best

document the relationship between the loss and the disaster.

d. Clarity of Action Plan. All grantees must include sufficient information so that all interested parties will be able to understand and comment on the action plan and, if applicable, be able to prepare responsive applications to the grantee. The action plan (and subsequent amendments) must include a single chart or table that illustrates, at the most practical level, how all funds are budgeted (e.g., by program, subrecipient, grantee-administered activity, or other category).

e. Review and Approval of Action Plan. For funds provided under the Appropriations Act, the action plan must be submitted to HUD (including SF-424 and certifications) within 90 days of the date of the effective date this notice. HUD will review each action plan within 60 days from the date of receipt. The Secretary may disapprove an action plan as substantially incomplete if it is determined that the action plan does not meet the requirements of this notice.

f. Obligation and expenditure of funds. Once HUD approves the action plan, it will then issue a grant agreement obligating all funds to the grantee. In addition, HUD will establish the line of credit and the grantee will receive DRGR system access (if it does not already have DRGR system access). The grantee must also enter its action plan activities into the DRGR system in order to draw funds for those activities. Each activity must meet the applicable environmental requirements prior to the use of funds. After the Responsible Entity (usually the grantee) completes environmental review(s) pursuant to 24 CFR part 58 (as applicable) or as authorized by the Appropriations Act and receives from HUD or the State an approved Request for Release of Funds and certification (as applicable), the grantee may draw down funds from the line of credit for an activity. The disbursement of grant funds must begin no later than 180 days after the effective date of this notice.

g. Amending the Action Plan. The grantee must amend its action plan to update its needs assessment, modify or create new activities, or reprogram funds, as necessary. Each amendment must be highlighted, or otherwise identified, within the context of the entire action plan. The beginning of every action plan amendment must include a: (1) Section that identifies exactly what content is being added, deleted, or changed; (2) chart or table that clearly illustrates where funds are coming from and where they are moving to; and (3) revised budget allocation

table that reflects the entirety of all funds, as amended. A grantee's current version of its entire action plan must be accessible for viewing as a single document at any given point in time, rather than the public or HUD having to view and cross-reference changes among multiple amendments.

h. *Projection of expenditures and outcomes.* Each grantee must amend its published action plan to project expenditures and outcomes within 90 days of action plan approval. The projections must be based on each quarter's expected performance—beginning with the quarter funds are available to the grantee and continuing each quarter until all funds are expended. The projections will enable HUD, the public, and the grantee to track proposed versus actual performance. The published action plan must be amended for any subsequent changes, updates or revision of the projections. Guidance on the preparation of projection is available on the HUD Web site.

3. *HUD performance review authorities and grantee reporting requirements in the Disaster Recovery Grant Reporting (DRGR) System.*

a. *Performance review authorities.* 42 U.S.C. 5304(e) requires that the Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether the grantee has carried out its activities in a timely manner, whether the grantee's activities and certifications are carried out in accordance with the requirements and the primary objectives of the HCD Act and other applicable laws, and whether the grantee has the continuing capacity to carry out those activities in a timely manner.

This notice waives the requirements for submission of a performance report pursuant to 42 U.S.C. 12708 and 24 CFR 91.520. Alternatively, HUD is requiring that grantees enter information in the DRGR system in sufficient detail to permit the Department's review of grantee performance on a quarterly basis through the Quarterly Performance Report (QPR) and to enable remote review of grantee data to allow HUD to assess compliance and risk. HUD-issued general and appropriation-specific guidance for DRGR reporting requirements can be found on the HUD exchange at <https://www.hud.exchange.info/programs/drgr/>.

b. *DRGR Action Plan.* Each grantee must enter its action plan for disaster recovery, including performance measures, into HUD's DRGR system. As more detailed information about uses of funds is identified by the grantee, it

must be entered into the DRGR system at a level of detail that is sufficient to serve as the basis for acceptable performance reports and permit HUD review of compliance requirements.

The action plan must also be entered into the DRGR system so that the grantee is able to draw its CDBG-DR funds. The grantee may enter activities into the DRGR system before or after submission of the action plan to HUD. To enter an activity into the DRGR system, the grantee must know the activity type, national objective, and the organization that will be responsible for the activity.

All funds programmed or budgeted at a general level in the DRGR system will be restricted from access on the grantee's line of credit. Grantees must describe activities in DRGR at the necessary level of detail in order for HUD to release funds and make them available for use by the grantee.

Each activity entered into the DRGR system must also be categorized under a "project." Typically, projects are based on groups of activities that accomplish a similar, broad purpose (e.g., housing, infrastructure, or economic revitalization) or are based on an area of service (e.g., Community A). If a grantee describes just one program within a broader category (e.g., single family rehabilitation), that program is entered as a project in the DRGR system. Further, the budget of the program would be identified as the project's budget. If a State grantee has only identified the Method of Distribution (MOD) upon HUD's approval of the published action plan, the MOD itself typically serves as the projects in the DRGR system, rather than activity groupings. Activities are added to MOD projects as subrecipients decide which specific CDBG-DR programs and projects will be funded.

c. *Tracking oversight activities in the DRGR system; use of DRGR data for HUD review and dissemination.* Each grantee must also enter into the DRGR system summary information on monitoring visits and reports, audits, and technical assistance it conducts as part of its oversight of its disaster recovery programs. The grantee's QPR will include a summary indicating the number of grantee oversight visits and reports (see subparagraph e for more information on the QPR). HUD will use data entered into the DRGR action plan and the QPR, transactional data from the DRGR system, and other information provided by the grantee, to provide reports to Congress and the public, as well as to: (1) Monitor for anomalies or performance problems that suggest fraud, abuse of funds, and duplication

of benefits; (2) reconcile budgets, obligations, funding draws, and expenditures; (3) calculate expenditures to determine compliance with administrative and public service caps and the overall percentage of funds that benefit low- and moderate-income persons; and (4) analyze the risk of grantee programs to determine priorities for the Department's monitoring. No personally identifiable information shall be reported in DRGR.

d. *Tracking program income in the DRGR system.* Grantees must use the DRGR system to draw grant funds for each activity. Grantees must also use the DRGR system to track program income receipts, disbursements, revolving loan funds, and leveraged funds (if applicable). If a grantee permits local governments or subrecipients to retain program income, the grantee must establish program income accounts in the DRGR system. The DRGR system requires grantees to use program income before drawing additional grant funds, and ensures that program income retained by one organization will not affect grant draw requests for other organizations.

e. *DRGR system Quarterly Performance Report (QPR).* Each grantee must submit a QPR through the DRGR system no later than 30 days following the end of each calendar quarter. Within 3 days of submission to HUD, each QPR must be posted on the grantee's official Web site. In the event the QPR is rejected by HUD, the grantee must post the revised version, as approved by HUD, within 3 days of HUD approval. The grantee's first QPR is due after the first full calendar year quarter after HUD enters the grant award into the DRGR system. For example, a grant award made in April requires a QPR to be submitted by October 30. QPRs must be submitted on a quarterly basis until all funds have been expended and all expenditures and accomplishments have been reported. If a satisfactory report is not submitted in a timely manner, HUD may suspend access to CDBG-DR funds until a satisfactory report is submitted, or may withdraw and reallocate funding if HUD determines, after notice and opportunity for a hearing, that the jurisdiction did not submit a satisfactory report.

Each QPR will include information about the uses of funds in activities identified in the DRGR action plan during the applicable quarter. This includes, but is not limited to, the project name, activity, location, and national objective; funds budgeted, obligated, drawn down, and expended; the funding source and total amount of any non-CDBG-DR funds to be

expended on each activity; beginning and actual completion dates of completed activities; achieved performance outcomes, such as number of housing units completed or number of low- and moderate-income persons served; and the race and ethnicity of persons assisted under direct-benefit activities. For all housing and economic development activities, the address of each CDBG-DR assisted property must be recorded in the QPR. Grantees must not include such addresses in its public QPR; when entering addresses in the QPR, grantees must select "Not Visible on PDF" to exclude them from the report required to be posted on its Web site. The DRGR system will automatically display the amount of program income receipted, the amount of program income reported as disbursed, and the amount of grant funds disbursed. Grantees must include a description of actions taken in that quarter to affirmatively further fair housing, within the section titled "Overall Progress Narrative" in the DRGR system.

4. *Citizen participation waiver and alternative requirement.* To permit a more streamlined process, and ensure disaster recovery grants are awarded in a timely manner, provisions of 42 U.S.C. 5304(a)(2) and (3), 42 U.S.C. 12707, 24 CFR 570.486, and 24 CFR 91.115(b) and (c), with respect to citizen participation requirements, are waived and replaced by the requirements below. The streamlined requirements do not mandate public hearings but do require providing a reasonable opportunity (at least 14 days) for citizen comment and ongoing citizen access to information about the use of grant funds. The streamlined citizen participation requirements for a grant under this notice are:

a. *Publication of the action plan, opportunity for public comment, and substantial amendment criteria.* Before the grantee adopts the action plan for this grant or any substantial amendment to the action plan, the grantee will publish the proposed plan or amendment. The manner of publication must include prominent posting on the grantee's official Web site and must afford citizens, affected local governments, and other interested parties a reasonable opportunity to examine the plan or amendment's contents. The topic of disaster recovery should be navigable by citizens from the grantee (or relevant agency) homepage. Grantees are also encouraged to notify affected citizens through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, and/or

contacts with neighborhood organizations.

Grantees are responsible for ensuring that all citizens have equal access to information about the programs, including persons with disabilities and limited English proficiency (LEP). Each grantee must ensure that program information is available in the appropriate languages for the geographic areas to be served. Since State grantees under this notice may make grants throughout the State, including to entitlement communities, States should carefully evaluate the needs of disabled persons and those with limited English proficiency. For assistance in ensuring that this information is available to LEP populations, recipients should consult the *Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons*, published on January 22, 2007, in the **Federal Register** (72 FR 2732).

Subsequent to publication of the action plan, the grantee must provide a reasonable time frame (again, no less than 14 days) and method(s) (including electronic submission) for receiving comments on the plan or substantial amendment. In its action plan, each grantee must specify criteria for determining what changes in the grantee's plan constitute a substantial amendment to the plan. At a minimum, the following modifications will constitute a substantial amendment: A change in program benefit or eligibility criteria; the addition or deletion of an activity; or the allocation or reallocation of a monetary threshold specified by the grantee in their action plan. The grantee may substantially amend the action plan if it follows the same procedures required in this notice for the preparation and submission of an action plan for disaster recovery.

b. *Nonsubstantial amendment.* The grantee must notify HUD, but is not required to undertake public comment, when it makes any plan amendment that is not substantial. HUD must be notified at least 5 business days before the amendment becomes effective. However, every amendment to the action plan (substantial and nonsubstantial) must be numbered sequentially and posted on the grantee's Web site. The Department will acknowledge receipt of the notification of nonsubstantial amendments via email within 5 business days.

c. *Consideration of public comments.* The grantee must consider all comments, received orally or in writing, on the action plan or any substantial amendment. A summary of these

comments or views, and the grantee's response to each must be submitted to HUD with the action plan or substantial amendment.

d. *Availability and accessibility of the Action Plan.* The grantee must make the action plan, any substantial amendments, and all performance reports available to the public on its Web site and on request. In addition, the grantee must make these documents available in a form accessible to persons with disabilities and those with limited English proficiency. During the term of the grant, the grantee will provide citizens, affected local governments, and other interested parties with reasonable and timely access to information and records relating to the action plan and to the grantee's use of grant funds.

e. *Public Web site.* HUD is requiring grantees to maintain a public Web site that provides information accounting for how all grant funds are used and managed/administered, including links to all action plans, action plan amendments, performance reports, citizen participation requirements, and activity/program information for activities described in the action plan, including details of all contracts and ongoing procurement policies. To meet this requirement, each grantee must have a separate page dedicated to its disaster recovery that includes the information described at paragraph A.23 of section VI of this notice.

f. *Application status.* HUD is requiring grantees to provide multiple methods of communication, such as Web sites, toll-free numbers, or other means that provide applicants for recovery assistance with timely information on the status of their application, as provided for in paragraph A.1.b(2) in section VI of this notice.

g. *Citizen complaints.* The grantee will provide a timely written response to every citizen complaint. The response will be provided within 15 working days of the receipt of the complaint.

5. *Direct grant administration and means of carrying out eligible activities.* Requirements at 42 U.S.C. 5306 are waived to the extent necessary to allow a State to use its disaster recovery grant allocation directly to carry out State-administered activities eligible under this notice, rather than distribute all funds to local governments. Pursuant to this waiver, the standard at 24 CFR 570.480(c) and the provisions at 42 U.S.C. 5304(e)(2) will also include activities that the State carries out directly. Activities eligible under this notice may be carried out, subject to State law, by the State through its employees, through procurement

contracts, or through assistance provided under agreements with subrecipients or recipients. State grantees continue to be responsible for civil rights, labor standards, and environmental protection requirements, for compliance with 24 CFR 570.489 relating to conflicts of interest and for compliance with 24 CFR 570.489(m) relating to monitoring and management of subrecipients.

For activities carried out by entities eligible under section 105(a)(15) of the HCD Act, such entity will be subject to the definition of a nonprofit under that section rather than the definition located in 24 CFR 570.204, even in cases where the entity is receiving assistance through a local government that is an Entitlement jurisdiction.

6. *Consolidated Plan waiver.* HUD is temporarily waiving the requirement for consistency with the consolidated plan (requirements at 42 U.S.C. 12706, 24 CFR 91.325(a)(5) and 24 CFR 91.325(b)(2)), because the effects of a major disaster alter a grantee's priorities for meeting housing, employment, and infrastructure needs. In conjunction, 42 U.S.C. 5304(e), to the extent that it would require HUD to annually review grantee performance under the consistency criteria, is also waived. However, this waiver applies only until the grantee submits its next full (3–5 year) consolidated plan, or for 24 months after the effective date of this notice, whichever is less. If the grantee is not scheduled to submit a new 3–5 year consolidated plan within the next 2 years, HUD expects each grantee to update its existing 3–5 year consolidated plan to reflect disaster-related needs no later than 24 months after the effective date of this notice. Additionally, grantees are encouraged to incorporate disaster-recovery needs into their consolidated plan updates as soon as practicable, but any unmet disaster-related needs and associated priorities must be incorporated into the grantee's next consolidated plan update no later than its Fiscal Year 2019 update. HUD has issued guidance for incorporating CDBG–DR funds into consolidated plans via HUD's eCon Planning Suite. This guidance is on the HUD Exchange at: <https://www.hudexchange.info/resource/4400/updating-the-consolidated-plan-to-reflect-disaster-recovery-needs-and-associated-priorities/>. This waiver does not affect the requirements of HUD's July 16, 2015, final rule on Affirmatively Furthering Fair Housing (80 FR 42272), which requires grantees, among other requirements, to complete an Assessment of Fair Housing in accordance with the requirements of 24

CFR 5.160 and incorporate fair housing strategies and actions consistent with the AFH into the Consolidated Plan.

7. *Requirement for consultation during plan preparation.* Currently, the HCD Act and regulations require States to consult with affected local governments in nonentitlement areas of the State in determining the State's proposed method of distribution. HUD is waiving 42 U.S.C. 5306(d)(2)(C)(iv), 42 U.S.C. 5306(d)(2)(D), 24 CFR 91.325(b), and 24 CFR 91.110, with the alternative requirement that States receiving an allocation under this notice consult with all disaster-affected local governments (including any CDBG-entitlement communities and any local public housing authorities) in determining the use of funds. This ensures that State grantees sufficiently assess the recovery needs of all areas affected by the disaster. Additional guidance on consultation with local stakeholders can be found in the National Disaster Recovery Framework and its discussion of pre- and post-disaster planning, at: <https://www.fema.gov/national-disaster-recovery-framework>.

Consistent with the approach encouraged through the National Disaster Recovery Framework and National Preparedness Goal, all grantees must consult with States, tribes, local governments, Federal partners, nongovernmental organizations, the private sector, and other stakeholders and affected parties in the surrounding geographic area to ensure consistency of the action plan with applicable regional redevelopment plans. Grantees are encouraged to establish a recovery task force with representative members of each sector to advise the grantee on how its recovery activities can best contribute towards the goals of regional redevelopment plans.

8. *Overall benefit requirement.* The primary objective of the HCD Act is the “development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income” (42 U.S.C. 5301(c)). To carry out this objective, the statute requires that 70 percent of the aggregate of CDBG program funds be used to support activities benefitting low- and moderate-income persons. To ensure that maximum assistance is provided initially to low- and moderate-income persons, the 70 percent overall benefit requirement shall remain in effect for this allocation, subject to a waiver request by an individual grantee to authorize a lower overall benefit for its CDBG–DR grant based on a

determination by HUD of compelling need for the reduction.

A grantee may seek to reduce the overall benefit requirement below 70 percent of the total grant, but must submit a justification that, at a minimum: (a) Identifies the planned activities that meet the needs of its low- and moderate-income population; (b) describes proposed activity(ies) and/or program(s) that will be affected by the alternative requirement, including their proposed location(s) and role(s) in the grantee's long-term disaster recovery plan; (c) describes how the activities/programs identified in (b) prevent the grantee from meeting the 70 percent requirement; and (d) demonstrates that low- and moderate-income persons' disaster-related needs have been sufficiently met and that the needs of non-low- and moderate-income persons or areas are disproportionately greater, and that the jurisdiction lacks other resources to serve them.

9. *Use of the “upper quartile” or “exception criteria” for low- and moderate-income area benefit activities.* Section 101(c) of the HCD Act requires each funded activity to meet a national objective of the CDBG program, including the national objective of benefiting low- and moderate-income persons. Grantees may meet this national objective on an area basis, through an activity which is available to benefit all of the residents of an area where at least 51 percent of the residents are low- and moderate income. In some cases, HUD permits an exception to the low- and moderate-income area benefit requirement that an area contain at least 51 percent low- and moderate-income residents. This exception applies to entitlement communities that have few, if any, areas within their jurisdiction that have 51 percent or more low- and moderate-income residents. These communities are allowed to use a percentage less than 51 percent to qualify activities under the low- and moderate-income area benefit category. This exception is referred to as the “exception criteria” or the “upper quartile.” A grantee qualifies for this exception when less than one quarter of the populated-block groups in its jurisdictions contain 51 percent or more low- and moderate-income persons. In such communities, activities must serve an area that contains a percentage of low- and moderate-income residents that is within the upper quartile of all census-block groups within its jurisdiction in terms of the degree of concentration of low- and moderate-income residents. HUD assesses each grantee's census-block groups to determine whether a grantee qualifies to

use this exception and identifies the alternative percentage the grantee may use instead of 51 percent for the purpose of qualifying activities under the low- and moderate-income area benefit. HUD determines the lowest proportion a grantee may use to qualify an area for this purpose and advises the grantee, accordingly. Disaster recovery grantees are required to use the most recent data available in implementing the exception criteria. The "exception criteria" apply to disaster recovery activities funded pursuant to this notice in jurisdictions covered by such criteria, including jurisdictions that receive disaster recovery funds from a State.

10. Grant administration responsibilities and general administration cap.

a. Grantee responsibilities. Each grantee shall administer its award in compliance with all applicable laws and regulations and shall be financially accountable for the use of all funds provided in this notice.

b. General administration cap. For all grantees under this notice, the annual CDBG program administration requirements must be modified to be consistent with the Appropriations Act, which allows up to 5 percent of the grant (plus program income) to be used for administrative costs, by the grantee, UGLs or by subrecipients. Thus, the total of all costs classified as administrative must be less than or equal to the 5 percent cap.

(1) Combined technical assistance and administrative expenditures cap. The provisions of 42 U.S.C. 5306(d) and 24 CFR 570.489(a)(1)(i) and (iii) will not apply to the extent that they cap administration and technical assistance expenditures, limit a State's ability to charge a nominal application fee for grant applications for activities the State carries out directly, and require a dollar-for-dollar match of State funds for administrative costs exceeding \$100,000. 42 U.S.C. 5306(d)(5) and (6) are waived and replaced with the alternative requirement that the aggregate total for administrative and technical assistance expenditures must not exceed 5 percent of the grant plus program income. A State remains limited to spending a maximum of 20 percent of its total grant amount on a combination of planning and program administration costs. Planning costs subject to the 20 percent cap are those defined in 42 U.S.C. 5305(a)(12).

11. Planning-only activities. The annual State CDBG program requires that local government grant recipients for planning-only grants must document that the use of funds meets a national objective. In the State CDBG program,

these planning grants are typically used for individual project plans. By contrast, planning activities carried out by entitlement communities are more likely to include non-project-specific plans such as functional land-use plans, master plans, historic preservation plans, comprehensive plans, community recovery plans, development of housing codes, zoning ordinances, and neighborhood plans. These plans may guide long-term community development efforts comprising multiple activities funded by multiple sources. In the CDBG Entitlement program, these more general planning activities are presumed to meet a national objective under the requirements at 24 CFR 570.208(d)(4).

The Department notes that almost all effective recoveries in the past have relied on some form of area-wide or comprehensive planning activity to guide overall redevelopment independent of the ultimate source of implementation funds. To assist grantees, the Department is waiving the requirements at 24 CFR 570.483(b)(5) or (c)(3), which limit the circumstances under which the planning activity can meet a low- and moderate-income or slum-and-blight national objective. Instead, States must comply with 24 CFR 570.208(d)(4) when funding disaster recovery-assisted, planning-only grants, or directly administering planning activities that guide recovery in accordance with the Appropriations Act. In addition, the types of planning activities that States may fund or undertake are expanded to be consistent with those of entitlement communities identified at 24 CFR 570.205.

As provided in paragraph A.2 of section VI of this notice, grantees are required to use their planning funds to develop a disaster recovery and response plan that addresses long-term recovery and pre- and post-disaster hazard mitigation.

Plans should include an assessment of natural hazard risks, including risks expected to increase due to climate change, to low- and moderate-income residents based on an analysis of data and findings in (1) the National Climate Assessment (NCA),¹ the U.S. Climate Resilience Toolkit,² The Impact of Climate Change and Population Growth on the National Flood Insurance Program Through 2100,³ or the Community Resilience Planning Guide for Buildings and Infrastructure Systems

prepared by the National Institute of Standards and Technology (NIST);⁴ or (2) other climate risk related data published by the Federal Government, or other State or local government climate risk related data, including FEMA-approved hazard mitigation plans that incorporate climate change; and (3) other climate risk data identified by the jurisdiction. For additional guidance also see: The Coastal Hazards Center's *State Disaster Recovery Planning Guide*⁵ and FEMA's *Guide on Effective Coordination of Recovery Resources for State, Tribal, Territorial and Local Incidents*.⁶

12. Use of the urgent need national objective. The CDBG certification requirements for documentation of urgent need, located at 24 CFR 570.483(d), are waived for the grants under this notice and replaced with the following alternative requirement. In the context of disaster recovery, the standard urgent need certification requirements may impede recovery. Since the Department only provides CDBG-DR awards to grantees with documented disaster-related impacts and each grantee is limited to spending funds only in the most impacted and distressed areas, the following streamlined alternative requirement recognizes the urgency in addressing serious threats to community welfare following a major disaster.

Grantees need not issue formal certification statements to qualify an activity as meeting the urgent need national objective. Instead, grantees must document how each program and/or activity funded under the urgent need national objective responds to a disaster-related impact. For each activity that will meet an urgent need national objective, grantees must reference in their action plan needs assessment the type, scale, and location of the disaster-related impacts that each program and/or activity is addressing within 24-months of its first obligation of grant funds. Following this 24-month period, no new program or activity intended to meet the urgent need national objective may be introduced and allocated funds without a waiver from HUD. Grantees are advised to use the low- and moderate-income benefit national objective for all activities that qualify under the criteria for that national objective. At least 70 percent of the entire CDBG-DR grant award must

⁴ See <http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.1197.pdf>.

⁵ http://coastalhazardscenter.org/dev/wp-content/uploads/2012/05/State-Disaster-Recovery-Planning-Guide_2012.pdf.

⁶ <https://www.fema.gov/media-library/assets/documents/101940>.

¹ See <http://nca2014.globalchange.gov/highlights#submenu-highlights-overview>.

² See <https://toolkit.climate.gov>.

³ See http://www.acclimatise.uk.com/login/uploaded/resources/FEMA_NFIP_report.pdf.

be used for activities that benefit low- and moderate-income persons.

13. *Waiver and alternative requirement for distribution to CDBG metropolitan cities and urban counties.* 42 U.S.C 5302(a)(7) (definition of “nonentitlement area”) and provisions of 24 CFR part 570, including 24 CFR 570.480, are waived to permit a State to distribute CDBG-DR funds to units of local government and tribes.

14. *Recordkeeping.* When a State carries out activities directly, 24 CFR 570.490(b) is waived and the following alternative provision shall apply: 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-DR funds, under 24 CFR 570.493. Consistent with applicable statutes, regulations, waivers and alternative requirements, and other Federal requirements, the content of records maintained by the State shall be sufficient to: (1) Enable HUD to make the applicable determinations described at 24 CFR 570.493; (2) make compliance determinations for activities carried out directly by the State; and (3) show how activities funded are consistent with the descriptions of activities proposed for funding in the action plan and/or DRGR system. For fair housing and equal opportunity purposes, and as applicable, such records shall include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program.

15. *Change of use of real property.* This waiver conforms to the change of use of real property rule to the waiver allowing a State to carry out activities directly. For purposes of this program, all references to “unit of general local government” in 24 CFR 570.489(j), shall be read as “unit of general local government (UGLG) or State.”

16. *Responsibility for review and handling of noncompliance.* This change is in conformance with the waiver allowing the State to carry out activities directly. 24 CFR 570.492 is waived and the following alternative requirement applies for any State receiving a direct award under this notice: The State shall make reviews and audits, including on-site reviews of any subrecipients, designated public agencies, and UGLGs, 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. In the case of noncompliance with these requirements, the State shall take such actions as may be appropriate to prevent a continuance of the deficiency, mitigate any adverse effects or consequences,

and prevent a recurrence. The State shall establish remedies for noncompliance by any designated subrecipients, public agencies, or UGLGs.

17. *Program income alternative requirement.* The Department is waiving applicable program income rules at 42 U.S.C. 5304(j) and 570.489(e) to the extent necessary to provide additional flexibility as described under this notice. The alternative requirements provide guidance regarding the use of program income received before and after grant close out and address revolving loan funds.

a. *Definition of program income.*

(1) For purposes of this subpart, “program income” is defined as gross income generated from the use of CDBG-DR funds, except as provided in subparagraph (d) of this paragraph, and received by a State, local government, tribe or a subrecipient of a State, local government, or tribe. When income is generated by an activity that is only partially assisted with CDBG-DR funds, the income shall be prorated to reflect the percentage of CDBG-DR funds used (e.g., a single loan supported by CDBG-DR funds and other funds; a single parcel of land purchased with CDBG funds and other funds). Program income includes, but is not limited to, the following:

(a) Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG-DR funds.

(b) Proceeds from the disposition of equipment purchased with CDBG-DR funds.

(c) Gross income from the use or rental of real or personal property acquired by a State, UGLG, or tribe or subrecipient of a State, local government, or tribe with CDBG-DR funds, less costs incidental to generation of the income (i.e., net income).

(d) Net income from the use or rental of real property owned by a State, local government, or tribe or subrecipient of a State, local government, or tribe, that was constructed or improved with CDBG-DR funds.

(e) Payments of principal and interest on loans made using CDBG-DR funds.

(f) Proceeds from the sale of loans made with CDBG-DR funds.

(g) Proceeds from the sale of obligations secured by loans made with CDBG-DR funds.

(h) Interest earned on program income pending disposition of the income, including interest earned on funds held in a revolving fund account.

(i) Funds collected through special assessments made against nonresidential properties and properties

owned and occupied by households not of low- and moderate-income, where the special assessments are used to recover all or part of the CDBG-DR portion of a public improvement.

(j) Gross income paid to a State, local government, or tribe, or paid to a subrecipient thereof, from the ownership interest in a for-profit entity in which the income is in return for the provision of CDBG-DR assistance.

(2) “Program income” does not include the following:

(a) The total amount of funds that is less than \$35,000 received in a single year and retained by a State, local government, tribe, or retained by a subrecipient thereof.

(b) Amounts generated by activities eligible under section 105(a)(15) of the HCD Act and carried out by an entity under the authority of section 105(a)(15) of the HCD Act.

b. *Retention of program income.* State grantees may permit a local government or tribe that receives or will receive program income to retain the program income, but are not required to do so.

c. *Program income—use, close out, and transfer.*

(1) Program income received (and retained, if applicable) before or after close out of the grant that generated the program income, and used to continue disaster recovery activities, is treated as additional disaster recovery CDBG funds subject to the requirements of this notice and must be used in accordance with the grantee’s action plan for disaster recovery. To the maximum extent feasible, program income shall be used or distributed before additional withdrawals from the U.S. Treasury are made, except as provided in subparagraph D of this paragraph.

(2) In addition to the regulations dealing with program income found at 24 CFR 570.489(e) and 570.504, the following rules apply: A grantee may transfer program income before close out of the grant that generated the program income to its annual CDBG program. In addition, State grantees may transfer program income before close out to any annual CDBG-funded activities carried out by a local government or tribe within the State. Program income received by a grantee, or received and retained by a subrecipient, after close out of the grant that generated the program income, may also be transferred to a grantee’s annual CDBG award. In all cases, any program income received that is *not* used to continue the disaster recovery activity will not be subject to the waivers and alternative requirements of this notice. Rather, those funds will be subject to

the grantee's regular CDBG program rules.

d. *Revolving loan funds.* State grantees, and local governments or tribes (provided assistance by a State grantee) may establish revolving funds to carry out specific, identified activities. A revolving fund, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities. These activities generate payments, which will be used to support similar activities going forward. These payments to the revolving fund are program income and must be substantially disbursed from the revolving fund before additional grant funds are drawn from the U.S. Treasury for payments that could be funded from the revolving fund. Such program income is not required to be disbursed for nonrevolving fund activities.

State grantees may also establish a revolving fund to distribute funds to local governments or tribes to carry out specific, identified activities. The same requirements, outlined above, apply to this type of revolving loan fund. Note that no revolving fund established per this notice shall be directly funded or capitalized with CDBG-DR grant funds, pursuant to 24 CFR 570.489(f)(3).

18. *Reimbursement of disaster recovery expenses.* The provisions of 24 CFR 570.489(b) are applied to permit a State to charge to the grant otherwise allowable costs incurred by itself, its recipients or subrecipients (including public housing authorities (PHAs)) on or after the incident date of the covered disaster. The Department expects State grantees to include all preagreement activities in their action plans. Additionally, grantees are permitted to charge to grants the preaward and preapplication costs of homeowners, businesses, and other qualifying entities for eligible costs they have incurred in response to an eligible disaster covered under this notice. However, a grantee may not charge such preaward or preapplication costs to grants if the preaward or preapplication action results in an adverse impact to the environment. Grantees receiving an allocation under this notice are also subject to HUD's guidance on preaward expenses published in CPD Notice 2015-07, "Guidance for Charging Pre-Application Costs of Homeowners, Businesses, and Other Qualifying Entities to CDBG Disaster Recovery Grants," as amended (<https://www.hudexchange.info/resource/4777/notice-cpd-1507-guidance-for-charging-preapplication-costs-to-cdbg-disaster-recovery-grants/>). Grantees are required

to consult with the State Historic Preservation Officer, Fish and Wildlife Service and National Marine Fisheries Service, to obtain formal agreements for compliance with section 106 of the National Historic Preservation Act (54 U.S.C. 306108) and section 7 of the Endangered Species Act (16 U.S.C. 1536) when designing a reimbursement program. Grantees may also not use CDBG-DR funds to provide compensation to beneficiaries.

19. *One-for-One Replacement Housing, Relocation, and Real Property Acquisition Requirements.* Activities and projects assisted by CDBG-DR are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601 *et seq.*) ("URA") and section 104(d) of the HCD Act (42 U.S.C. 5304(d)) (Section 104(d)). The implementing regulations for the URA are at 49 CFR part 24. The regulations for Section 104(d) are at 24 CFR part 42, subpart C. For the purpose of promoting the availability of decent, safe, and sanitary housing, HUD is waiving the following URA and Section 104(d) requirements for grantees under this notice:

a. *One-for-one replacement.* One-for-one replacement requirements at section 104(d)(2)(A)(i) and (ii) and (d)(3) and 24 CFR 42.375 are waived in connection with funds allocated under this notice for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. The section 104(d) one-for-one replacement requirements generally apply to demolished or converted occupied and vacant occupiable lower-income dwelling units. This waiver exempts disaster-damaged units that meet the grantee's definition of "not suitable for rehabilitation" from the one-for-one replacement requirements. Before carrying out a program or activity that may be subject to the one-for-one replacement requirements, the grantee must define "not suitable for rehabilitation" in its action plan or in policies/procedures governing these programs and activities. Grantees with questions about the one-for-one replacement requirements are encouraged to contact the HUD regional relocation specialist responsible for their State.

HUD is waiving the one-for-one replacement requirements because they do not account for the large, sudden changes that a major disaster may cause to the local housing stock, population, or economy. Further, the requirement may discourage grantees from converting or demolishing disaster-damaged housing when excessive costs

would result from replacing all such units. Disaster-damaged housing structures that are not suitable for rehabilitation can pose a threat to public health and safety and to economic revitalization. Grantees should reassess post-disaster population and housing needs to determine the appropriate type and amount of lower-income dwelling units to rehabilitate and/or rebuild. Grantees should note, however, that the demolition and/or disposition of PHA-owned public housing units is covered by section 18 of the United States Housing Act of 1937, as amended, and 24 CFR part 970.

b. *Relocation assistance.* The relocation assistance requirements at section 104(d)(2)(A) of the HCD Act and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by this notice, for activities related to disaster recovery. Without this waiver, disparities exist in relocation assistance associated with activities typically funded by HUD and FEMA (e.g., buyouts and relocation). Both FEMA and CDBG funds are subject to the requirements of the URA; however, CDBG funds are subject to Section 104(d), while FEMA funds are not. The URA provides that a displaced person is eligible to receive a rental assistance payment that covers a period of 42 months. By contrast, Section 104(d) allows a lower-income displaced person to choose between the URA rental assistance payment and a rental assistance payment calculated over a period of 60 months. This waiver of the Section 104(d) requirements assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance under this notice.

c. *Arm's length voluntary purchase.* The requirements at 49 CFR 24.101(b)(2)(i) and (ii) are waived to the extent that they apply to an arm's length voluntary purchase carried out by a person who uses funds allocated under this notice and does not have the power of eminent domain, in connection with the purchase and occupancy of a principal residence by that person. Given the often large-scale acquisition needs of grantees, this waiver is necessary to reduce burdensome administrative requirements following a disaster. Grantees are reminded that tenants occupying real property acquired through voluntary purchase may be eligible for relocation assistance.

d. *Rental assistance to a displaced person.* The requirements at sections 204(a) and 206 of the URA, 49 CFR 24.2(a)(6)(viii), 24.402(b)(2), and 24.404

are waived to the extent that they require the grantee to use 30 percent of a low-income, displaced person's household income in computing a rental assistance payment if the person had been paying rent in excess of 30 percent of household income without "demonstrable hardship" before the project. Thus, if a tenant has been paying rent in excess of 30 percent of household income without demonstrable hardship, using 30 percent of household income to calculate the rental assistance would not be required. Before carrying out a program or activity in which the grantee provides rental assistance payments to displaced persons, the grantee must define "demonstrable hardship" in its action plan or in the policies and procedures governing these programs and activities. The grantee's definition of demonstrable hardship applies when implementing these alternative requirements.

e. *Tenant-based rental assistance.* The requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a)(6)(vii), 24.2(a)(6)(ix), and 24.402(b) are waived to the extent necessary to permit a grantee to meet all or a portion of a grantee's replacement housing financial assistance obligation to a displaced tenant by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy (e.g., Section 8 rental voucher or certificate), provided that the tenant is provided referrals to comparable replacement dwellings in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months. Failure to grant this waiver would impede disaster recovery whenever TBRA program subsidies are available but funds for cash relocation assistance are limited.

f. *Moving expenses.* The requirements at section 202(b) of the URA and 49 CFR 24.302, which require that a grantee offer a displaced person the option to receive a fixed moving-cost payment based on the Federal Highway Administration's Fixed Residential Moving Cost Schedule instead of receiving payment for actual moving and related expenses, are waived. As an alternative, the grantee must establish and offer the person a "moving expense and dislocation allowance" under a schedule of allowances that is reasonable for the jurisdiction and that takes into account the number of rooms in the displacement dwelling, whether the person owns and must move the furniture, and, at a minimum, the kinds of expenses described in 49 CFR 24.301. Without this waiver and alternative

requirement, disaster recovery may be impeded by requiring grantees to offer allowances that do not reflect current local labor and transportation costs. Persons displaced from a dwelling remain entitled to choose a payment for actual reasonable moving and related expenses if they find that approach preferable to the locally established "moving expense and dislocation allowance."

g. *Optional relocation policies.* The regulation at 24 CFR 570.606(d) is waived to the extent that it requires optional relocation policies to be established at the grantee level. Unlike the regular CDBG program, States may carry out disaster recovery activities directly or through subrecipients but 24 CFR 570.606(d) does not account for this distinction. This waiver makes clear grantees, including subrecipients, receiving CDBG disaster funds may establish separate optional relocation policies. This waiver is intended to provide States with maximum flexibility in developing optional relocation policies with CDBG-DR funds.

20. *Environmental requirements.*

a. *Clarifying note on the process for environmental release of funds when a State carries out activities directly.* Usually, a State distributes CDBG funds to local governments and takes on HUD's role in receiving environmental certifications from the grant recipients and approving releases of funds. For this grant, HUD will allow a State grantee to also carry out activities directly, in addition to distributing funds to subrecipients. Thus, per 24 CFR 58.4, when a State carries out activities directly, the State must submit the Certification and Request for Release of Funds to HUD for approval.

b. *Adoption of another agency's environmental review.* In accordance with the Appropriations Act, recipients of Federal funds that use such funds to supplement Federal assistance provided under sections 402, 403, 404, 406, 407, or 502 of the Stafford Act may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, and such adoption shall satisfy the responsibilities of the recipient with respect to such environmental review, approval, or permit that is required by the HCD Act. The grantee must notify HUD in writing of its decision to adopt another agency's environmental review. The grantee must retain a copy of the review in the grantee's environmental records.

c. *Unified Federal Review.* The Sandy Recovery Improvement Act was signed into law on January 29, 2013, and directed the Administration to

"establish an expedited and unified interagency review process (UFR) to ensure compliance with environmental and historic requirements under Federal law relating to disaster recovery projects, in order to expedite the recovery process, consistent with applicable law." The process aims to coordinate environmental and historic preservation reviews to expedite planning and decision-making for disaster recovery projects. This can improve the Federal Government's assistance to States, local, and tribal governments; communities; families; and individual citizens as they recover from future presidentially declared disasters. Grantees receiving and allocation of funds under this notice are encouraged to in this process as one means of expediting recovery. Tools for the UFR process can be found at here: <http://www.fema.gov/unified-federal-environmental-and-historic-preservation-review-presidentially-declared-disasters>.

d. *Release of funds.* In accordance with the Appropriations Act, and notwithstanding 42 U.S.C. 5304(g)(2), the Secretary may, upon receipt of a Request for Release of Funds and Certification, immediately approve the release of funds for an activity or project assisted with allocations under this notice if the recipient has adopted an environmental review, approval, or permit under subparagraph b above, or the activity or project is categorically excluded from review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*).

e. *Historic preservation reviews.*

To facilitate expedited historic preservation reviews under section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. Section 306108), HUD strongly encourages grantees to allocate general administration funds to retain a qualified historic preservation professional, and support the capacity of the State Historic Preservation Officer/Tribal Historic Preservation Officer to review CDBG-DR projects. For more information on qualified historic preservation professional standards see https://www.nps.gov/history/local-law/arch_stnds_9.htm.

21. *Duplication of benefits.* Section 312 of the Stafford Act, as amended, generally prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster for which such person, business concern, or other entity has received financial assistance under any other program or from insurance or any other source. To comply with Section 312 and the limitation on the use of CDBG-DR

funds under the Appropriations Act for necessary expenses, each grantee must ensure that each activity 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. Grantees are subject to the requirements of a separate notice explaining the duplication of benefit requirements (76 FR 71060, published November 16, 2011). As a reminder, and as noted in the November 16, 2011, notice, in paragraph B of section VI, *CDBG-DR funds may not be used to pay an SBA home or business loan*. Additionally, this notice does not require households and businesses to apply for SBA assistance prior to applying for CDBG-DR assistance. However, CDBG-DR grantees may institute such a requirement in order to target assistance to households and businesses with the greatest need. In addition to the requirements described here and in the November 16, 2011 notice, grantees must comply with HUD's guidance published on July 25, 2013, "HUD Guidance on Duplication of Benefits and CDBG Disaster Recovery (DR) Assistance," as amended, in regards to declined SBA loans (<https://www.hudexchange.info/resource/3137/cdbg-dr-duplication-of-benefit-requirements-and-provision-of-assistance-with-sba-funds/>).

22. *Procurement*. States must comply with the procurement requirements at 24 CFR 570.489(g).

Additionally, if a State grantee chooses to provide funding to another State agency, the State may specify in its procurement policies and procedures whether that State agency must follow the procurement policies and procedures that the State is subject to, or whether the State agency must follow the same policies and procedures to which all other subrecipients are subject.

HUD may request periodic updates from grantees that employ contractors. A contractor is a third-party firm that the grantee acquires through a procurement process to perform specific functions, consistent with the procurement requirements in the CDBG program regulations. For contractors employed to provide discrete services or deliverables only, HUD is establishing an additional alternative requirement to expand on existing provisions of 2 CFR 200.317 through 200.326 and 24 CFR 570.489(g) as follows:

a. Grantees are also required to ensure all contracts and agreements (with subrecipients, recipients, and contractors) clearly state the period of performance or date of completion;

b. Grantees must incorporate performance requirements and liquidated damages into each procured contract or agreement. Contracts that describe work performed by general management consulting services need not adhere to this requirement; and

c. Grantees may contract for administrative support but may not delegate or contract to any other party any inherently governmental responsibilities related to management of the funds, such as oversight, policy development, and financial management. Technical assistance resources for procurement are available to grantees either through HUD staff or through technical assistance providers engaged by HUD or the grantee.

23. *Public Web site*. HUD is requiring grantees to maintain a public Web site that provides information accounting for how all grant funds are used and managed/administered, including links to all action plans, action plan amendments, performance reports, citizen participation requirements, and activity/program information for activities described in the action plan, including details of all contracts and ongoing procurement policies. The creation and maintenance of the public Web site is one component of the Department's certification of a grantee's proficient financial controls and procurement processes as provided in paragraph A.1.a. of section VI of this notice. To meet this requirement, each grantee must make the following items available on its Web site: The action plan (including all amendments); each QPR (as created using the DRGR system); procurement policies and procedures; description of services or goods currently being procured by the grantee; a copy of contracts the grantee has procured directly; and a summary of all procured contracts, including those procured by the grantee, recipients, or subrecipients (e.g., a summary list of procurements, the phase of the procurement, requirements for proposals, and any liquidation of damages associated with a contractor's failure or inability to implement the contract, etc.). Grantees should post only contracts as defined in 2 CFR 200.22. To assist grantees in preparing this summary, HUD has developed a template. The template can be accessed at: <https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/>. Grantees are required to use this template, and attach an updated version to the DRGR system each quarter as part of their QPR submissions. Updated summaries must also be posted quarterly on each grantee's Web site.

24. *Timely distribution of funds*. The provisions at 24 CFR 570.494 and 24 CFR 570.902 regarding timely distribution of funds are waived and replaced with alternative requirements under this notice. Each grantee must expend 100 percent of its allocation of CDBG-DR funds on eligible activities within 6 years of HUD's execution of the grant agreement.

25. *Review of continuing capacity to carry out CDBG-funded activities in a timely manner*. If HUD determines that the grantee has not carried out its CDBG activities and certifications in accordance with the requirements in this notice, HUD will undertake a further review to determine whether or not the grantee has the continuing capacity to carry out its activities in a timely manner. In making the determination, the Department will consider the nature and extent of the recipient's performance deficiencies, types of corrective actions the recipient has undertaken, and the success or likely success of such actions, and apply the corrective and remedial actions specified in paragraph A.26 of section VI of this notice.

26. *Corrective and remedial actions*. To ensure compliance with the requirements of the Appropriations Act and to effectively administer the CDBG-DR program in a manner that facilitates recovery, particularly the alternative requirements permitting States to act directly to carry out eligible activities, HUD is waiving 42 U.S.C. 5304(e) to the extent necessary to establish the following alternative requirement: HUD may undertake corrective and remedial actions for States in accordance with the authorities applicable to entitlement grantees in subpart O (including corrective and remedial actions in 24 CFR 570.910, 570.911, and 570.913) or under subpart I of the CDBG regulations at 24 CFR part 570. This may include the termination, reduction or limitation of payments to State grantees receiving funds under this notice.

27. *Reduction, withdrawal, or adjustment of a grant, or other appropriate action*.

Prior to a reduction, withdrawal, or adjustment of a CDBG-DR grant, or other actions taken pursuant to this section, the recipient shall be notified of the proposed action and be given an opportunity for an informal consultation.

Consistent with the procedures described in this notice, the Department may adjust, reduce, or withdraw the CDBG-DR grant or take other actions as appropriate, except for funds that have been expended for eligible approved activities.

B. Housing and Related Floodplain Issues

28. *Housing-related eligibility waivers.* The broadening of eligible activities under the HCD Act is necessary following major disasters in which large numbers of affordable housing units have been damaged or destroyed, as is the case of the disasters eligible under this notice.

Therefore, 42 U.S.C. 5305(a)(24) is waived to the extent necessary to allow: (1) Homeownership assistance for households with up to 120 percent of the area median income; and (2) down payment assistance for up to 100 percent of the down payment (42 U.S.C. 5305(a)(24)(D)). While homeownership assistance may be provided to households with up to 120 percent of the area median income, only those funds used to serve households with up to 80 percent of the area median income may qualify as meeting the low- and moderate-income person benefit national objective.

In addition, 42 U.S.C. 5305(a) is waived and alternative requirements adopted to the extent necessary to permit new housing construction, and to require the following construction standards on structures constructed or rehabilitated with CDBG—DR funds as part of activities eligible under 42 U.S.C. 5305(a). All references to “substantial damage” and “substantial improvement” shall be as defined in 44 CFR 59.1 unless otherwise noted:

a. *Green Building Standard for Replacement and New Construction of Residential Housing.* Grantees must meet the Green Building Standard in this subparagraph for: (i) All new construction of residential buildings and (ii) all replacement of substantially damaged residential buildings. Replacement of residential buildings may include reconstruction (*i.e.*, demolishing and rebuilding a housing unit on the same lot in substantially the same manner) and may include changes to structural elements such as flooring systems, columns, or load bearing interior or exterior walls.

b. *Meaning of Green Building Standard.* For purposes of this notice, the Green Building Standard means the grantee will require that all construction covered by subparagraph a, above, meet an industry-recognized standard that has achieved certification under at least one of the following programs: (i) ENERGY STAR (Certified Homes or Multifamily High-Rise), (ii) Enterprise Green Communities; (iii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), (iv)

ICC–700 National Green Building Standard, (v) EPA Indoor AirPlus (ENERGY STAR a prerequisite), or (vi) any other equivalent comprehensive green building program acceptable to HUD.

c. *Standards for rehabilitation of nonsubstantially damaged residential buildings.* For rehabilitation other than that described in subparagraph (a), above, grantees must follow the guidelines specified in the HUD CPD Green Building Retrofit Checklist, available at <https://www.hudexchange.info/resource/3684/guidance-on-the-cpd-green-building-checklist/>. Grantees must apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall. When older or obsolete products are replaced as part of the rehabilitation work, rehabilitation is required to use ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)-designated products and appliances. For example, if the furnace, air conditioner, windows, and appliances are replaced, the replacements must be ENERGY STAR-labeled or FEMP-designated products; WaterSense-labeled products (*e.g.*, faucets, toilets, showerheads) must be used when water products are replaced. Rehabilitated housing may also implement measures recommended in a Physical Condition Assessment (PCA) or Green Physical Needs Assessment (GPNA).

d. *Implementation of green building standards.* (i) For construction projects completed, under construction, or under contract prior to the date that assistance is approved for the project, the grantee is encouraged to apply the applicable standards to the extent feasible, but the Green Building Standard is not required; (ii) for specific required equipment or materials for which an ENERGY STAR- or WaterSense-labeled or FEMP-designated product does not exist, the requirement to use such products does not apply.

e. *Elevation standards for new construction, repair of substantial damage, or substantial improvement.* The following elevation standards apply to new construction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1). All structures, defined at 44 CFR 59.1, designed principally for residential use and located in the 1 percent annual (or 100-year) floodplain that receive assistance for new construction, repair

of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b)(10), must be elevated with the lowest floor, including the basement, at least two feet above the 1 percent annual floodplain elevation. Residential structures with no dwelling units and no residents below two feet above the 1 percent annual floodplain, must be elevated or floodproofed, in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above the 1 percent annual floodplain.

All Critical Actions, as defined at 24 CFR 55.2(b)(3), within the 0.2 percent annual floodplain (or 500-year) floodplain must be elevated or floodproofed (in accordance with the FEMA standards) to the higher of the 0.2 percent annual floodplain flood elevation or three feet above the 1 percent annual floodplain. If the 0.2 percent annual floodplain or elevation is unavailable for Critical Actions, and the structure is in the 1 percent annual floodplain, then the structure must be elevated or floodproofed at least three feet above the 1 percent annual floodplain level. Applicable State, local, and tribal codes and standards for floodplain management that exceed these requirements, including elevation, setbacks, and cumulative substantial damage requirements, will be followed.

f. *Broadband infrastructure in housing.* Any new construction or substantial rehabilitation, as defined by 24 CFR 5.100, of a building with more than four rental units must include installation of broadband infrastructure, except where the grantee documents that: (a) The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible; (b) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or (c) the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

g. *Resilient Home Construction Standard.* Grantees are strongly encouraged to incorporate a Resilient Home Construction Standard, meaning that all construction covered by subparagraph (a) meet an industry-recognized standard such as those set by the FORTIFIED Home™ Gold level for new construction of single-family, detached homes; and FORTIFIED Home™ Silver level for reconstruction of the roof, windows and doors; or FORTIFIED Home™ Bronze level for repair or reconstruction of the roof; or any other equivalent comprehensive

resilient or disaster resistant building program. Further, grantees are strongly encouraged to meet the FORTIFIED Home™ Bronze level standard for roof repair or reconstruction, for all construction covered under subparagraph c. FORTIFIED Home™ is a risk-reduction program providing construction standards for new homes and retrofit standards for existing homes, which will increase a home's resilience to natural hazards, including high wind, hail, and tropical storms. Insurers can provide discounts for homeowner's insurance for properties certified as FORTIFIED. Grantees should advise property owners to contact their insurance agent for current information on what discounts may be available. More information is also available at <https://disastersafety.org/fortified/fortified-home/>.

29. *Primary Consideration of Unmet Housing Needs.* Grantees must propose an allocation of CDBG-DR funds that gives primary consideration to addressing unmet housing needs. Grantees may also allocate funds for infrastructure or economic revitalization, but in doing so grantees must identify how any remaining unmet housing needs will be addressed or how the economic revitalization or infrastructure activities will contribute to the long-term recovery and restoration of housing in the most impacted and distressed areas.

30. *Addressing Unmet Public Housing Needs.* The grantee must identify how it will address the rehabilitation, mitigation, and new construction needs of each disaster-impacted PHA within its jurisdiction, if applicable. The grantee must work directly with impacted PHAs in identifying necessary and reasonable costs and ensure that adequate funding from all available sources is dedicated to addressing the unmet needs of damaged public housing (e.g., FEMA, insurance, and funds available from HUD's Office of Public and Indian Housing. In the rehabilitation, reconstruction and replacement of public housing provided for in the action plan pursuant to paragraph A.2.a.3 of section VI of this notice, each grantee must identify funding to specifically address the unmet needs described in this subparagraph. Grantees are reminded that public housing is eligible for FEMA Public Assistance and must ensure that there is no duplication of benefits when using CDBG-DR funds to assist public housing. Information on the PHAs impacted by the disaster is available on the Department's Web site.

31. *Addressing Unmet Affordable Rental Housing Needs.* As part of the

requirement to give primary consideration to unmet housing needs, the grantee must identify how it will address the rehabilitation, reconstruction, replacement, and new construction of rental housing that is affordable to low or moderate income households in the most impacted and distressed areas and identify funding to specifically address the unmet needs identified in its action plan pursuant to paragraph A.2.a.3 of section VI of this notice. In order to meet the low-moderate housing national objective, affordable rental housing funded under this notice must be rented to a low and moderate income person at affordable rents. The period that the rental housing is affordable must be reasonably related to the amount of CDBG-DR funding used for the rental housing. The grantee should impose the minimum period of affordability through recorded use restrictions or other mechanisms to ensure that rental housing remains affordable for a stated period of time. The action plan must, at a minimum, provide (1) a definition of "affordable rents"; (2) the income limits for tenants of rental housing; (3) and a minimum period of affordability. Grantees may adopt the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f) to comply with this requirement.

32. *Housing incentives in disaster-affected communities.* Incentive payments are generally offered in addition to other programs or funding (such as insurance), to encourage households to relocate in a suitable housing development or an area promoted by the community's comprehensive recovery plan. For example, a grantee may offer an incentive payment (possibly in addition to a buyout payment) for households that volunteer to relocate outside of floodplain or to a lower-risk area.

Therefore, 42 U.S.C. 5305(a) and associated regulations are waived to the extent necessary to allow the provision of housing incentives. These grantees must maintain documentation, at least at a programmatic level, describing how the amount of assistance was determined to be necessary and reasonable, and the incentives must be in accordance with the grantee's approved action plan and published program design(s). This waiver does not permit a compensation program. If the grantee requires the incentives to be used for a particular purpose by the household receiving the assistance, then the eligible use for that activity will be that required use, not an incentive.

In undertaking a larger scale migration or relocation recovery effort that is intended to move households out

of high-risk areas, the grantee should consider how it can protect and sustain the impacted community and its assets. Grantees must also weigh the benefits and costs, including anticipated insurance costs, of redeveloping high-risk areas that were impacted by a disaster. Accordingly, grantees are prohibited from offering incentives to return households to disaster-impacted floodplains, unless the grantee can demonstrate to HUD how it will resettle such areas in a way that mitigates the risks of future disasters and increasing insurance costs resulting from continued occupation of high-risk areas, through mechanisms that can reduce risks and insurance costs, such as new land use development plans, building codes or construction requirements, protective infrastructure development, or through restrictions on future disaster assistance to such properties.

33. *Limitation on emergency grant payments—interim mortgage assistance.* 42 U.S.C. 5305(a)(8) is modified to extend interim mortgage assistance to qualified individuals from 3 months to up to 20 months. Interim mortgage assistance is typically used in conjunction with a buyout program, or the rehabilitation or reconstruction of single-family housing, during which mortgage payments may be due but the home is uninhabitable. The time required for a household to complete the rebuilding process may often extend beyond 3 months, during which mortgage payments may be due but the home is inhabitable. Thus, this interim assistance will be critical for many households facing financial hardship during this period. Grantees may use interim housing rehabilitation payments to expedite recovery assistance to homeowners, but must establish performance milestones for the rehabilitation that are to be met by the homeowner in order to receive such payments. A grantee using this alternative requirement must document, in its policies and procedures, how it will determine the amount of assistance to be provided is necessary and reasonable.

34. *Rental assistance to displaced homeowners.* The requirement of 42 U.S.C. 5305(a)(8) are modified to authorize grantees to extend rental assistance payments on behalf of qualified homeowners for up to 24 months. After a disaster, many homeowners encounter unanticipated delays and scarcity of available construction and/or elevation contractors in their area. While undergoing rehabilitation of their homes, most of these homeowners are forced to pay not only a mortgage, but

a rental payment as well since their homes are not inhabitable. In other cases, homeowners who have paid off their mortgages must accommodate this additional rental expense into their budgets. In order to provide temporary financial assistance to these families, many of whom are low- or moderate-income households, HUD is modifying the requirements at 42 U.S.C. 5305(a)(8) to the extent necessary to allow grantees to provide up to 24 months of homeowner rental assistance to eligible applicants within the grantee's single-family rehabilitation/reconstruction programs. In the case of rehabilitation programs in which the homeowner is responsible for construction oversight, the grantee must establish performance milestones for the rehabilitation that are to be met by the homeowner in order to receive such payments. A grantee using this alternative requirement must document, in its policies and procedures, how it will determine the amount of assistance to be provided is necessary and reasonable. Homeowners receiving interim mortgage assistance are not eligible for rental assistance.

35. Acquisition of real property; flood and other buyouts. Grantees under this notice are able to carry out property acquisition for a variety of purposes. However, the term "buyouts" as referenced in this notice refers to acquisition of properties located in a floodway or floodplain that is intended to reduce risk from future flooding or the acquisition of properties in Disaster Risk Reduction Areas as designated by the grantee and defined below. HUD is providing alternative requirements for consistency with the application of other Federal resources commonly used for this type of activity.

Grantees are encouraged to use buyouts strategically, as a means of acquiring contiguous parcels of land for uses compatible with open space, recreational, natural floodplain functions, other ecosystem restoration, or wetlands management practices. To the maximum extent practicable, grantees should avoid circumstances in which parcels that could not be acquired through a buyout remain alongside parcels that have been acquired through the grantee's buyout program.

a. Clarification of "Buyout" and "Real Property Acquisition" activities.

Grantees that choose to undertake a buyout program have the discretion to determine the appropriate valuation method, including paying either pre-disaster or post-disaster fair market value (FMV). In most cases, a program that provides pre-disaster FMV to buyout applicants provides

compensation at an amount greater than the post-disaster FMV. When the purchase price exceeds the current FMV, any CDBG-DR funds in excess of the FMV are considered assistance to the seller, thus making the seller a beneficiary of CDBG-DR assistance. If the seller receives assistance as part of the purchase price, this may have implications for duplication of benefits calculations or for demonstrating national objective criteria, as discussed below. However, a program that provides post-disaster FMV to buyout applicants merely provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG-DR assistance.

Regardless of purchase price, all buyout activities are a type of acquisition of real property (as permitted by 42 U.S.C. 5305(a)(1)). However, only acquisitions that meet the definition of a "buyout" are subject to the post-acquisition land use restrictions imposed by the applicable prior notices. The key factor in determining whether the acquisition is a buyout is whether the intent of the purchase is to reduce risk from future flooding or to reduce the risk from the hazard that lead to the property's Disaster Risk Reduction Area designation. To conduct a buyout in a Disaster Risk Reduction Area, the grantee must establish criteria in its policies and procedures to designate the area subject to the buyout, pursuant to the following requirements: (1) The hazard must have been caused or exacerbated by the Presidentially declared disaster for which the grantee received its CDBG-DR allocation; (2) the hazard must be a predictable environmental threat to the safety and well-being of program beneficiaries, as evidenced by the best available data and science; and (3) the Disaster Risk Reduction Area must be clearly delineated so that HUD and the public may easily determine which properties are located within the designated area.

The distinction between buyouts and other types of acquisitions is important, because grantees may only redevelop an acquired property if the property is not acquired through a buyout program (*i.e.*, the purpose of acquisition was something other than risk reduction). When acquisitions are not acquired through a buyout program, the purchase price must be consistent with applicable uniform cost principles (and the pre-disaster FMV may not be used).

b. Buyout requirements:

1. Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use

that is compatible with open space, recreational, or floodplain and wetlands management practices.

2. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than: (a) A public facility that is open on all sides and functionally related to a designated open space (*e.g.*, a park, campground, or outdoor recreation area); (b) a rest room; or (c) a flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream, or downstream and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure.

3. After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the recipient to any Federal entity in perpetuity.

The entity acquiring the property may lease it to adjacent property owners or other parties for compatible uses in return for a maintenance agreement. Although Federal policy encourages leasing rather than selling such property, the property may also be sold.

In all cases, a deed restriction or covenant running with the property must require that the buyout property be dedicated and maintained for compatible uses in perpetuity.

4. Grantees have the discretion to determine an appropriate valuation method (including the use of pre-flood value or post-flood value as a basis for property value). However, in using CDBG-DR funds for buyouts, the grantee must uniformly apply whichever valuation method it chooses.

5. All buyout activities must be classified using the "buyout" activity type in the DRGR system.

6. Any State grantee implementing a buyout program or activity must consult with affected UGLGs.

7. When undertaking buyout activities, in order to demonstrate that a buyout meets the low- and moderate-income housing national objective, grantees must meet all requirements of the HCD Act and applicable regulatory criteria described below. Grantees are encouraged to consult with HUD prior to undertaking a buyout program with the intent of using the low- and moderate-income housing (LMH) national objective. 42 U.S.C. 5305(c)(3) provides that any assisted activity under

this chapter that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low- and moderate-income only to the extent such housing will, upon completion, be occupied by such persons. In addition, the State CDBG regulations at 24 CFR 570.483(b)(3) and entitlement CDBG regulations at 24 CFR 570.208(a)(3) apply the LMH national objective to an eligible activity carried out for the purpose of providing or improving permanent residential structures that, upon completion, will be occupied by low- and moderate-income households. Therefore, a buyout program that merely pays homeowners to leave their existing homes does not result in a low- and moderate-income household occupying a residential structure and, thus, cannot meet the requirements of the LMH national objective. Buyout programs that assist low- and moderate-income persons can be structured in one of the following ways:

(a) The buyout program combines the acquisition of properties with another direct benefit—Low- and Moderate-Income housing activity, such as down payment assistance—that results in occupancy and otherwise meets the applicable LMH national objective criteria in 24 CFR part 570 (e.g., if the structure contains more than two dwelling units, at least 51 percent of the units must be occupied by low- and moderate-income households;

(b) The program meets the low- and moderate income area benefit criteria to demonstrate national objective compliance, provided that the grantee can document that the properties acquired through buyouts will be used in a way that benefits all of the residents in a particular area where at least 51 percent of the residents are low- and moderate-income persons. When using the area benefit approach, grantees must define the service area based on the end use of the buyout properties; or

(c) The program meets the criteria for the low- and moderate-income limited clientele national objective, including the prohibition on the use of the limited clientele national objective when an activity's benefits are available to all residents of the area. A buyout program could meet the national objective criteria for the limited clientele national objective if it restricts buyout program eligibility to exclusively low- and moderate-income persons, and the buyout provides an actual benefit to the low- and moderate income sellers by providing pre-disaster valuation uniformly to those who participate in the program.

c. Redevelopment of acquired properties.

1. Properties purchased through a buyout program may not typically be redeveloped, with a few exceptions. (see subparagraph a.2 above).

2. Grantees may redevelop an acquired property if the property is not acquired through a buyout program and the purchase price is based on the property's post-disaster value, consistent with applicable cost principles (the pre-disaster value may not be used). In addition to the purchase price, grantees may opt to provide relocation assistance to the owner of a property that will be redeveloped if the property is purchased by the grantee or subrecipient through voluntary acquisition, and the owner's need for additional assistance is documented.

3. In carrying out acquisition activities, grantees must ensure they are in compliance with their long-term redevelopment plans.

36. *Alternative requirement for housing rehabilitation—assistance for second homes.* The Department is instituting an alternative requirement to the rehabilitation provisions at 42 U.S.C. 5305(a) as follows: Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance, residential incentives, or to participate in a CDBG-DR buyout program (as defined by this notice). "Second homes" are defined in Internal Revenue Service (IRS) Publication 936 (Mortgage Interest Deductions).

37. *Flood insurance.* Grantees, recipients, and subrecipients must implement procedures and mechanisms to ensure that assisted property owners comply with all flood insurance requirements, including the purchase and notification requirements described below, prior to providing assistance. For additional information, please consult with the field environmental officer in the local HUD field office or review the guidance on flood insurance requirements on HUD's Web site.

a. *Flood insurance purchase requirements.* HUD does not prohibit the use of CDBG-DR funds for existing residential buildings in a Special Flood Hazard Area (or 100-year floodplain). However, Federal, State, local, and tribal laws and regulations related to both flood insurance and floodplain management must be followed, as applicable. With respect to flood insurance, a HUD-assisted homeowner for a property located in a Special Flood Hazard Area must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program. Section 102(a)

of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for any HUD-assisted property within a Special Flood Hazard Area. HUD also recommends the purchase of flood insurance outside of a Special Flood Hazard Area for properties that have been damaged by a flood, to better protect property owners from the economic risks of future floods and reduce dependence on Federal disaster assistance in the future, but this is not a requirement.

b. Future Federal assistance to owners remaining in a floodplain.

1. Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. In general, it provides that no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. This means that a grantee may not provide disaster assistance for the repair, replacement, or restoration to a person who has failed to meet this requirement and must implement a process to check and monitor for compliance.

2. Section 582 also imposes a responsibility on a grantee that receives CDBG-DR funds or that designates annually appropriated CDBG funds for disaster recovery. That responsibility is to inform property owners receiving disaster assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so. These requirements are enumerated at <http://uscode.house.gov/view.xhtml?req=granuleid:U.S.C.-prelim-title42-section5154a&num=0&edition=prelim>.

C. Infrastructure (Public Facilities, Public Improvements, Public Buildings)

38. *Buildings for the general conduct of government.* 42 U.S.C. 5305(a) is waived to the extent necessary to allow grantees to fund the rehabilitation or reconstruction of public buildings that are otherwise ineligible. HUD believes

this waiver is consistent with the overall purposes of the HCD Act, and is necessary for many grantees to adequately address critical infrastructure needs created by the disaster.

39. Elevation of Nonresidential Structures. Nonresidential structures must be elevated or floodproofed, in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above the 1 percent annual floodplain. All Critical Actions, as defined at 24 CFR 55.2(b)(3), within the 0.2 percent annual floodplain (or 500-year) floodplain must be elevated or floodproofed (in accordance with the FEMA standards) to the higher of the 0.2 percent annual floodplain flood elevation or three feet above the 1 percent annual floodplain. If the 0.2 percent annual floodplain or elevation is unavailable for Critical Actions, and the structure is in the 1 percent annual floodplain, then the structure must be elevated or floodproofed at least three feet above the 1 percent annual floodplain level. Applicable State, local, and tribal codes and standards for floodplain management that exceed these requirements, including elevation, setbacks, and cumulative substantial damage requirements, will be followed.

40. Use of CDBG as Match. Additionally, as provided by the HCD Act, funds may be used to meet a matching, share, or contribution requirement for any other Federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by the Federal Emergency Management Agency (FEMA) or the U.S. Army Corps of Engineers (USACE). By law, the amount of CDBG-DR funds that may be contributed to a USACE project is \$250,000 or less. Note that the Appropriations Act prohibits the use of CDBG-DR funds for any activity reimbursable by, or for which funds are also made available by FEMA or USACE.

D. Economic Revitalization.

41. National Objective Documentation for Economic Revitalization Activities. 24 CFR 570.483(b)(4)(i) is waived to allow the grantees under this notice to identify the 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. This method replaces the standard CDBG

requirement—in which grantees must review the annual wages or salary of a job in comparison to the person's total household income and size (*i.e.*, the number of persons). Thus, it streamlines the documentation process because it allows the collection of wage data for each position created or retained from the assisted businesses, rather than from each individual household.

42. Public benefit for certain Economic Revitalization activities. The public benefit provisions set standards for individual economic revitalization activities (such as a single loan to a business) and for economic revitalization activities in the aggregate. Currently, public benefit standards limit the amount of CDBG assistance per job retained or created, or the amount of CDBG assistance per low- and moderate-income person to which goods or services are provided by the activity. These dollar thresholds were set two decades ago and can impede recovery by limiting the amount of assistance the grantee may provide to a critical activity.

This notice waives the public benefit standards at 42 U.S.C. 5305(e)(3), 24 CFR 570.482(f)(1), (f)(2), (f)(3), (f)(4)(i), (f)(5), and (f)(6) for economic revitalization activities designed to create or retain jobs or businesses (including, but not limited to, long-term, short-term, and infrastructure projects). 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 is also waived to the extent these provisions are related to public benefit.

43. Clarifying note on Section 3 resident eligibility and documentation requirements. The definition of "low-income persons" in 12 U.S.C. 1701u and 24 CFR 135.5 is the basis for eligibility as a section 3 resident. This notice authorizes grantees to determine that an individual is eligible to be considered a section 3 resident if the annual wages or salary of the person are at, or under, the HUD-established income limit for a one-person family for the jurisdiction. This authority does not impact other section 3 resident eligibility requirements in 24 CFR 135.5. All direct recipients of CDBG-DR funding must submit form HUD-60002 annually through the Section 3 Performance Evaluation and Registry System (SPEARS) which can be found on HUD's Web site: http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opportunity/section3/section3/spears.

44. Waiver and modification of the job relocation clause to permit assistance to help a business return. CDBG requirements prevent program participants from providing assistance to a business to relocate from one labor market area to another if the relocation is likely to result in a significant loss of jobs in the labor market from which the business moved. This prohibition can be a critical barrier to reestablishing and rebuilding a displaced employment base after a major disaster. Therefore, 42 U.S.C. 5305(h), 24 CFR 570.210, and 24 CFR 570.482 are waived to allow a grantee to provide assistance to any business that was operating in the disaster-declared labor market 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.

45. Prioritizing small businesses. To target assistance to small businesses, the Department is instituting an alternative requirement to the provisions at 42 U.S.C. 5305(a) to require grantees to prioritize assisting businesses that meet the definition of a small business as defined by SBA at 13 CFR part 121 or, for businesses engaged in "farming operations" as defined at 7 CFR 1400.3, and that meet the United States Department of Agriculture Farm Service Agency (FSA), criteria that are described at 7 CFR 1400.500, which are used by the FSA to determine eligibility for certain assistance programs.

46. Prohibiting assistance to private utilities. Funds made available under this notice may not be used to assist a privately owned utility for any purpose.

E. Certifications and Collection of Information

47. Certifications waiver and alternative requirement. 24 CFR 91.325 is waived. Each State receiving a direct allocation under this notice must make the following certifications with its action plan:

a. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.

b. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.

c. The grantee certifies that the action plan for disaster recovery is authorized under State and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, and any contractor, subrecipient, or

designated public agency carrying out an activity with CDBG-DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this notice. The grantee certifies that activities to be undertaken with funds under this notice are consistent with its action plan.

d. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this notice.

e. The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

f. The grantee certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each UGLG receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).

g. The grantee certifies that it has consulted with affected UGLGs in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including the method of distribution of funding, or activities carried out directly by the State.

h. The grantee certifies that it is complying with each of the following criteria:

1. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in 2016 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) but prior to September 29, 2016.

2. With respect to activities expected to be assisted with CDBG-DR funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

3. The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent (or another percentage permitted by HUD in a waiver published in an applicable

Federal Register notice) of the grant amount is expended for activities that benefit such persons.

4. The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG-DR grant 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) Disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

i. The grantee certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d).

j. The grantee certifies that the grant will be conducted and administered in conformity with the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations, and that it will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified in an AFH conducted in accordance with the requirements of 24 CFR 5.150 through 5.180, and that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing.

k. The grantee certifies that it has adopted and is enforcing the following policies, and, in addition, States receiving a direct award must certify that they will require UGLGs that receive grant funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

l. The grantee certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that the grantee has reviewed the requirements of this notice and requirements of the Appropriations

Act applicable to funds allocated by this notice, and certifies to the accuracy of its certification documentation referenced at A.1.a. under section VI and its risk analysis document referenced at A.1.b. under section VI.

m. The grantee certifies that it will not use CDBG-DR funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or tribal government or delineated as a Special Flood Hazard Area in FEMA's most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the State, local, and tribal government land use regulations and hazard mitigation plans and the latest-issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

n. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

o. The grantee certifies that it will comply with environmental requirements at 24 CFR part 58.

p. The grantee certifies that it will comply with applicable laws.

VII. Duration of Funding

The Appropriations Act directs that these funds be available until expended. However, in accordance with 31 U.S.C. 1555, HUD shall close the appropriation account and cancel any remaining obligated or unobligated balance if the Secretary or the President determines that the purposes for which the appropriation has been made have been carried out and no disbursements have been made against the appropriation for two consecutive fiscal years. In such case, the funds shall not be available for obligation or expenditure for any purpose after the account is closed.

VIII. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this notice are as follows: 14.218; 14.228.

IX. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C.

4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

Dated: November 15, 2016.

Nani A. Coloretti,
Deputy Secretary.

Appendix A—Allocation of CDBG—DR Funds to Most Impacted and Distressed Areas Due to 2016 Federally Declared Disasters Thru September 29, 2016

This section describes the methods behind HUD's allocation of \$500 million in the 2016 CDBG—DR Funds. Section 145(a) of Division C of the Continuing Appropriations Act, Public Law 114-223, enacted on September 29, 2016, appropriates \$500 million through the Community Development Block Grant (CDBG) program for necessary expenses for authorized activities related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2016 and occurring prior to September 29, 2016.

This section requires that funds be awarded directly to the State or unit of general local government at the discretion of the Secretary. The key underlying metric used in the allocation process is the unmet need that remains to be addressed from qualifying disasters. Although funds may be used to address infrastructure and economic revitalization needs in addition to housing, this allocation only uses unmet needs related to housing to determine the most impacted and distressed areas that are eligible for grants and then to determine the amount of funding to be made available to each grantee. HUD only uses unmet housing needs for two reasons: (1) There is very limited data on infrastructure and economic revitalization unmet needs for the largest of the eligible disasters, and (2) the total funding provided through this allocation is limited relative to need.

Methods for estimating unmet housing needs. The data HUD staff have identified as being available to calculate unmet needs for qualifying disasters come from the FEMA Individual Assistance program data on housing-unit damage as of September 28, 2016.

The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for FEMA's Individual Assistance program. HUD calculates "unmet

housing needs" as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA, where:

Each of the FEMA inspected owner units are categorized by HUD into one of five categories:

- *Minor-Low*: Less than \$3,000 of FEMA inspected real property damage.
- *Minor-High*: \$3,000 to \$7,999 of FEMA inspected real property damage.
- *Major-Low*: \$8,000 to \$14,999 of FEMA inspected real property damage.
- *Major-High*: \$15,000 to \$28,800 of FEMA inspected real property damage and/or 4 to 6 feet of flooding on the first floor.
- *Severe*: Greater than \$28,800 of FEMA inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

To meet the statutory requirement of "most impacted" in this legislative language, homes are determined to have a high level of damage if they have damage of "major-low" or higher. That is, they have a real property FEMA inspected damage of \$8,000 or flooding over 1 foot. Furthermore, a homeowner is determined to have unmet needs if they reported damage and no insurance to cover that damage.

FEMA does not inspect rental units for real property damage so personal property damage is used as a proxy for unit damage. Each of the FEMA inspected renter units are categorized by HUD into one of five categories:

- *Minor-Low*: Less than \$1,000 of FEMA inspected personal property damage.
- *Minor-High*: \$1,000 to \$1,999 of FEMA inspected personal property damage.
- *Major-Low*: \$2,000 to \$3,499 of FEMA inspected personal property damage.
- *Major-High*: \$3,500 to \$7,499 of FEMA inspected personal property damage or 4 to 6 feet of flooding on the first floor.
- *Severe*: Greater than \$7,500 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

For rental properties, to meet the statutory requirement of "most impacted" in this legislative language, homes are determined to have a high level of damage if they have damage of "major-low" or higher. That is, they have a FEMA personal property damage assessment of \$2,000 or greater or flooding over 1 foot. Furthermore, landlords are presumed to have adequate insurance coverage unless the unit is occupied by a renter with income of \$20,000 or less. Units that are occupied by a tenant with income less than \$20,000 are used to calculate likely unmet needs for affordable rental housing.

The average cost to fully repair a home for a specific disaster to code within each of the damage categories noted above is calculated using the average real property damage repair costs determined by the Small Business Administration for its disaster loan program for the subset of homes inspected by both SBA and FEMA for 2011 to 2013 disasters. Because SBA is inspecting for full repair costs, it is presumed to reflect the full cost to repair the home, which is generally more than the FEMA estimates on the cost to make the home habitable.

For each household determined to have unmet housing needs (as described above), their estimated average unmet housing need less assumed assistance from FEMA, SBA, and Insurance was calculated at \$27,455 for major damage (low); \$45,688 for major damage (high); and \$59,493 for severe damage.

Most Impacted and Distressed Designation. President Obama signed the Continuing Resolution into law on September 29, 2016 and 33 disasters had received major declarations in calendar year 2016 by that date. To meet the statutory requirement that the funds be targeted to "the most impacted or distressed areas," this allocation:

(1) Limits allocations to those disasters where FEMA had determined the damage was sufficient to declare the disaster as eligible to receive Individual and Households Program (IHP) funding. Only 11 of 33 disasters that were declared in 2016 have an IHP designation.

(2) Limits the allocations to data from counties with high levels of damage. For this allocation, HUD is using the amount of serious unmet housing need as its measure of concentrated damage and limits the data used for the allocation only to counties exceeding a "natural break" in the data for their total amount of serious unmet housing needs. For the 2016 events, the serious unmet housing needs break at the county level occurs at \$25 million.

(3) Among disasters with data meeting the first two thresholds, HUD limits the allocation to jurisdictions that have substantially higher unmet needs than other jurisdictions. Louisiana, Texas, and West Virginia have far greater unmet needs than other jurisdictions affected by major disasters declared since January 1, 2016.

[FR Doc. 2016-27969 Filed 11-18-16; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR- 5849-N-10]

Notice of a Federal Advisory Committee; Manufactured Housing Consensus Committee; Teleconference

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development (HUD).

ACTION: Notice of a Federal Advisory Committee Meeting: Manufactured Housing Consensus Committee (MHCC).

SUMMARY: This notice sets forth the schedule and proposed agenda for a teleconference meeting of the MHCC. The teleconference meeting is open to the public. The agenda provides an opportunity for citizens to comment on the business before the MHCC.

DATES: The teleconference meeting will be held on December 12, 2016, 1:00 p.m. to 4:00 p.m. Eastern Standard Time

Immigration (USCIS) invites the general public and other Federal agencies to comment upon this proposed extension of a currently approved collection of information. In accordance with the Paperwork Reduction Act (PRA) of 1995, the information collection notice is published in the **Federal Register** to obtain comments regarding the nature of the information collection, the categories of respondents, the estimated burden (i.e. the time, effort, and resources used by the respondents to respond), the estimated cost to the respondent, and the actual information collection instruments. DATES: Comments are encouraged and will be accepted for 60 days until March 20, 2017.

ADDRESSES: All submissions received must include the OMB Control Number 1615-0037 in the body of the letter, the agency name and Docket ID USCIS-2007-0030. To avoid duplicate submissions, please use only *one* of the following methods to submit comments:

(1) *Online.* Submit comments via the Federal eRulemaking Portal Web site at <http://www.regulations.gov> under e-Docket ID number USCIS-2007-0030;

(2) *Mail.* Submit written comments to DHS, USCIS, Office of Policy and Strategy, Chief, Regulatory Coordination Division, 20 Massachusetts Avenue NW., Washington, DC 20529-2140.

FOR FURTHER INFORMATION CONTACT: USCIS, Office of Policy and Strategy, Regulatory Coordination Division, Samantha Deshommes, Chief, 20 Massachusetts Avenue NW., Washington, DC 20529-2140, telephone number 202-272-8377 (This is not a toll-free number. Comments are not accepted via telephone message). Please note contact information provided here is solely for questions regarding this notice. It is not for individual case status inquiries. Applicants seeking information about the status of their individual cases can check Case Status Online, available at the USCIS Web site at <http://www.uscis.gov>, or call the USCIS National Customer Service Center at 800-375-5283 (TTY 800-767-1833).

SUPPLEMENTARY INFORMATION:

Comments

You may access the information collection instrument with instructions, or additional information by visiting the Federal eRulemaking Portal site at: <http://www.regulations.gov> and enter USCIS-2007-0030 in the search box. Regardless of the method used for submitting comments or material, all submissions will be posted, without change, to the Federal eRulemaking

Portal at <http://www.regulations.gov>, and will include any personal information you provide. Therefore, submitting this information makes it public. You may wish to consider limiting the amount of personal information that you provide in any voluntary submission you make to DHS. DHS may withhold information provided in comments from public viewing that it determines may impact the privacy of an individual or is offensive. For additional information, please read the Privacy Act notice that is available via the link in the footer of <http://www.regulations.gov>.

Written comments and suggestions from the public and affected agencies should address one or more of the following four points:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Overview of This Information Collection

(1) *Type of Information Collection:* Extension, Without Change, of a Currently Approved Collection.

(2) *Title of the Form/Collection:* Refugee/Asylee Relative Petition.

(3) *Agency form number, if any, and the applicable component of the DHS sponsoring the collection:* I-730; USCIS.

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:* Primary: Individuals or households. Form I-730 is used by a refugee or asylee to file on behalf of his or her spouse and/or children for follow-to-join benefits provided that the relationship to the refugee/asylee existed prior to their admission to the United States.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* The estimated total number of respondents for the information

collection I-730 is 6,039 and the estimated hour burden per response is .667 hours.

(6) *An estimate of the total public burden (in hours) associated with the collection:* The total estimated annual hour burden associated with this collection is 4,028 hours.

(7) *An estimate of the total public burden (in cost) associated with the collection:* The estimated total annual cost burden associated with this collection of information is 739,778.

Dated: January 12, 2017.

Samantha Deshommes,

Chief, Regulatory Coordination Division, Office of Policy and Strategy, U.S. Citizenship and Immigration Services, Department of Homeland Security.

[FR Doc. 2017-01051 Filed 1-17-17; 8:45 am]

BILLING CODE 9111-97-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6012-N-01]

Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice allocates \$1,805,976,000 in Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated by the Further Continuing and Security Assistance Appropriations Act, 2017 for the purpose of assisting long-term recovery in Florida, Louisiana, North Carolina, South Carolina, Texas, and West Virginia. This allocation of CDBG-DR supplements funds appropriated by the Continuing Appropriation Act, 2017. It provided \$500 million in CDBG-DR funding that has been allocated to Louisiana, Texas, and West Virginia in response to qualifying disasters. In HUD's **Federal Register** notice published on November 21, 2016, at 81 FR 83254 (the Prior Notice), HUD described that allocation and applicable waivers and alternative requirements, relevant statutory and regulatory requirements, the grant award process, criteria for action plan approval, and eligible disaster recovery activities. Grantees receiving an allocation of funds under this notice are subject to the requirements of the Prior Notice, including provisions of the Prior Notice amended herein.

DATES: Effective Date: January 23, 2017.

FOR FURTHER INFORMATION CONTACT:

Stanley Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Mr. Gimont at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.) Email inquiries may be sent to: disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:**Table of Contents**

- I. Allocations
- II. Use of Funds
- III. Grant Amendment Process
- IV. Applicable Rules, Statutes, Waivers, and Alternative Requirements
- V. Duration of Funding
- VI. Catalog of Federal Domestic Assistance
- VII. Finding of No Significant Impact
- Appendix A: Allocation Methodology

I. Allocations

Section 101 of the Further Continuing and Security Assistance Appropriations Act, 2017 (division A of Pub. L. 114–

254, approved December 10, 2016) amended the Continuing Appropriations Act, 2017 (division C of Pub. L. 114–223) by adding a new section 192 that makes available \$1,808,976,000 in Community Development Block Grant (CDBG) funds for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2016 and occurring prior to December 10, 2016. Qualifying major disasters are declared by the President pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) (Stafford Act). The following allocations of funds appropriated by section 192 are in addition to the \$500 million appropriated by section 145(a) and allocated in the Prior Notice. Section 192 specifies that these additional funds are subject to the same authority and conditions as those in section 145(a),

except the major disaster must have occurred prior to December 10, 2016.

Section 145(a) provides that grants shall be awarded directly to a State or unit of general local government at the discretion of the Secretary. The Secretary has elected to award funds only to States in this notice. Unless noted otherwise, the term "grantee" refers to the State receiving an award from HUD under this notice. To comply with the statutory requirement that funds be used for disaster-related expenses in the most impacted and distressed areas, HUD allocates funds using the best available data that cover all of the eligible affected areas.

Section 192(b) permits HUD to use up to \$3,000,000 of the appropriated amount for necessary costs, including information technology costs, of administering and overseeing the obligation and expenditure of amounts made available by sections 145(a) and 192. The Department is deducting the full \$3,000,000, resulting in a total of \$1,805,976,000 available for allocation.

Based on further review of the impacts from the eligible disasters, and estimates of unmet need, HUD is making the following allocations:

TABLE 1—ALLOCATIONS UNDER PUBLIC LAW 114–245

Disaster No.	Grantee	Allocation	Minimum amount that must be expended for recovery in the HUD-identified "most impacted and distressed" areas
4263, 4277	State of Louisiana	\$1,219,172,000	(\$975,337,600) East Baton Rouge, Livingston, Ascension, Tangipahoa, Ouachita, Lafayette, Lafayette, Vermilion, Acadia, Washington, and St. Tammany Parishes.
4266, 4269, 4272	State of Texas	177,064,000	(\$141,651,200) Harris, Newton, Montgomery, Fort Bend, and Brazoria Counties.
4273	State of West Virginia	87,280,000	(\$69,824,000) Kanawha and Greenbrier Counties.
4285	State of North Carolina	198,553,000	(\$158,842,400) Robeson, Cumberland, Edgecombe, and Wayne Counties.
4286	State of South Carolina	65,305,000	(\$52,244,000) Marion County.
4280, 4283	State of Florida	58,602,000	(\$46,881,600) St. Johns County.
Total .....	.....	1,805,976,000	

Use of funds for all grantees is limited to unmet recovery needs from the major disasters identified in Table 1. Please note that in addition to the FEMA disaster numbers listed in the Prior Notice for the State of Texas, the State may also expend its allocation of funds from the Prior Notice on FEMA disaster number DR-4272.

Table 1 also shows the HUD-identified "most impacted and distressed" areas impacted by the disasters. At least 80 percent of the total funds provided to each State under this notice must address unmet needs within the HUD-identified "most impacted and distressed" areas, as identified in the last column in Table 1. For grantees that received an allocation under the Prior

Notice, 80 percent of both allocations may be used to address unmet needs within the HUD-identified "most impacted and distressed" areas that are identified in Table 1 of this notice. Grantees may determine where the remaining 20 percent may be spent by identifying areas it determines to be "most impacted and distressed." A detailed explanation of HUD's allocation methodology is provided at Appendix A.

II. Use of Funds

Funds allocated under this notice and funds allocated pursuant to the Prior Notice are subject to the requirements of the Prior Notice, including the provisions of the Prior Notice as

amended herein. As a reminder, section 145(a) requires that prior to the obligation of CDBG-DR funds, a grantee shall submit a plan to HUD for approval detailing the proposed use of all funds, including criteria for eligibility, and how the use of these funds will address long-term recovery and restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas. This action plan for disaster recovery must describe uses and activities that: (1) Are authorized under title I of the Housing and Community Development Act of 1974 (HCD Act) or allowed by a waiver or alternative requirement (see section IV., below); and (2) respond to disaster-

related impact to infrastructure, housing, and economic revitalization in the most impacted and distressed areas. To inform the plan, grantees must conduct an assessment of community impacts and unmet needs to guide the development and prioritization of planned recovery activities, pursuant to paragraph A.2.a. in section VI of the Prior Notice, as amended in this notice.

Pursuant to the Prior Notice, each grantee is required to expend 100 percent of its allocation of CDBG–DR funds on eligible activities within 6 years of HUD's execution of the grant agreement.

III. Overview of Grant Process

To begin expenditure of CDBG–DR funds, grantees must complete the expedited steps outlined in Section V. Overview of Grant Process in the Prior Notice. As stated below at paragraph IV.1.a, the deadlines established by the Prior Notice are now determined by the effective date of this notice.

IV. Applicable Rules, Statutes, Waivers, and Alternative Requirements

This section of the notice describes rules, statutes, waivers, and alternative requirements that apply to grantees receiving an allocation under this notice. All funds allocated by the Prior Notice and this notice are subject to the requirements of the Prior Notice, including provisions of the Prior Notice as amended herein. Further, the Secretary has determined that good cause exists for each waiver and alternative requirement established in the Prior Notice and that the waivers and alternative requirements are not inconsistent with the overall purpose of the HCD Act. The Secretary's determination extends to each waiver or alternative requirement amended by this notice.

Grantees may request additional waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Except where noted, waivers and alternative requirements described below apply to all grantees under this notice. Waivers and alternative requirements are effective five days after they are published in the **Federal Register**.

1. Incorporation of waivers, alternative requirements, and statutory changes previously described. The waivers and alternative requirements provided in the Prior Notice apply to the awards under this notice, except as modified herein. These waivers and alternative requirements provide additional flexibility in program design and implementation to support full and

swift recovery following the disasters, while also ensuring that statutory requirements are met. The requirements of the Prior Notice and this notice apply only to the CDBG–DR funds appropriated in sections 145(a) and 192.

The following clarifications or modifications apply to grantees in receipt of an allocation under this notice and to funds allocated under the Prior Notice:

a. All deadlines for the submission of the Secretary's certification, risk analysis, or the action plan referenced in the Prior Notice are now determined by the effective date of this notice. This means that the deadlines established by the Prior Notice for the submission of the Secretary's certification, risk analysis and action plan, as well as other deadlines, are extended to deadlines established by this notice. This allows grantees receiving an allocation of funds under both the Prior Notice and this notice to submit a single action plan and other documents governing both allocations.

b. Paragraph VI.A.2.a.6 of the Prior Notice at 81 FR 83258 is amended by revising the action plan requirement to identify a maximum amount of assistance available to beneficiaries under each program. In addition to the requirement described in the Prior Notice, for any residential rehabilitation or reconstruction program, grantees must establish a process by which it assesses the cost effectiveness of each rehabilitation or reconstruction project undertaken to assist a household. The requirement is amended by adding the following:

A description of the maximum amount of assistance available to a beneficiary under each of the grantee's disaster recovery programs. Additionally, for any residential rehabilitation or reconstruction program funded under this notice, each grantee must have policies and procedures to assess the cost effectiveness of each proposed project undertaken to assist a household, including criteria for determining when the cost of the rehabilitation or reconstruction of the unit will not be cost-effective relative to other means of assisting the property-owner, including through buyout or acquisition of the property, or the construction of area-wide protective infrastructure, rather than individual building mitigation solutions designed to protect individual structures. For example, as the grantee is designing its program, it might choose as comparison criteria the rehabilitation costs derived from the RS Means Residential Cost Data and costs to buyout or acquire the property as a means of determining whether or not to fund a rehabilitation project

A grantee may find it necessary to provide exceptions on a case-by-case basis to the maximum amount of assistance or cost effectiveness criteria and must describe the

process it will use to make such exceptions in its policies and procedures. Each grantee must adopt policies and procedures that communicate how it will analyze the circumstances under which an exception is needed and how it will demonstrate that the amount of assistance is necessary and reasonable. All CDBG–DR expenditures remain subject to the cost principles in 2 CFR part 200, including the requirement that costs be necessary and reasonable for the performance of the grantee's CDBG–DR grant.

c. Paragraph VI.A.2.a.7 of the Prior Notice at 81 FR 83258 is amended by rewriting and clarifying the action plan requirements for the descriptions of long-term recovery and hazard mitigation planning and addressing specific predevelopment principles as outlined in the Federal Resource Guide for Infrastructure Planning and Design, as follows:

A description of how the grantee plans to:

(a) Promote sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management and take into account continued sea level rise, if applicable. This information should be based on the history of FEMA flood mitigation efforts, and take into account projected increase in sea level (if applicable) and frequency and intensity of precipitation events, which are not considered in current FEMA maps and National Flood Insurance Program premiums;

(b) Adhere to the advanced elevation requirements established in paragraph B. of section VI of the Prior Notice;

(c) Coordinate with local and regional planning efforts to ensure consistency, including how the grantee will promote community-level and/or regional (e.g., multiple local jurisdictions) post-disaster recovery and mitigation planning;

(d) For infrastructure allocations, the grantee must also describe:

i. How mitigation measures will be integrated into rebuilding activities and the extent to which infrastructure activities funded through this grant will achieve objectives outlined in regionally or locally established plans and policies that are designed to reduce future risk to the jurisdiction;

ii. How infrastructure activities will be informed by a consideration of the costs and benefits of the project;

iii. How the State will seek to ensure that infrastructure activities will avoid disproportionate impact on vulnerable communities and create opportunities to address economic inequities facing local communities;

iv. How the State align investments with other planned state or local capital improvements and infrastructure development efforts, and will work to foster the potential for additional infrastructure funding from multiple sources, including existing state and local capital improvement projects in planning, and the potential for private investment; and

v. The extent to which the State will employ adaptable and reliable technologies to guard against premature obsolescence of infrastructure.

Additional guidance on predevelopment principles are described in the Federal Resource Guide for Infrastructure Planning and Design: (<http://portal.hud.gov/hudportal/documents/huddoc?id=BAInfraResGuideMay2015.pdf>)

The action plan must also provide for the use of CDBG–DR funds to develop a disaster recovery and response plan that addresses long-term recovery and pre- and post-disaster hazard mitigation, if one does not currently exist.

V. Duration of Funding

Section 192 directs that these funds be available until expended. However, consistent with OMB Circular A–11, if the Secretary or the President determines that the purposes for which the appropriation has been made have been carried out and no disbursements have been made against the appropriation for two consecutive fiscal years, any remaining unobligated balance will be made unavailable for obligation or expenditure.

VI. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this notice are as follows: 14.218; 14.228.

VII. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW., Room 10276, Washington, DC 20410–0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202–708–3055 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service at 800–877–8339 (this is a toll-free number).

Dated: January 9, 2017.

Nani A. Coloretti,
Deputy Secretary.

Appendix A—Allocation of CDBG–DR Funds to Most Impacted and Distressed Areas Due to 2016 Federally Declared Disasters Thru December 10, 2016

Background

Section 145(a) of Division C of the Continuing Appropriations Act, 2017 (P. L. 114–223, Division C), enacted on September 29, 2016, appropriated \$500,000,000 through the Community Development Block Grant disaster recovery (CDBG–DR) program for necessary expenses for authorized activities related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2016 but prior to September 29, 2016. Section 145(a) of P. L. 114–223, Division C stated:

SEC. 145. (a) In addition to the amount otherwise provided by section 101 for the “Community Planning and Development, Community Development Fund,” there is appropriated \$500,000,000 for an additional amount for fiscal year 2016, to remain available until expended, for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2016, and which the disaster occurred prior to the date of enactment of this Act, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*): Provided, That funds shall be awarded directly to the State or unit of general local government at the discretion of the Secretary: . . .

Subsequently, section 101 of the Further Continuing and Security Assistance Appropriations Act, 2017 (division A of Pub. L. 114–254, approved December 10, 2016) (Appropriations Act) amended the Continuing Appropriations Act, 2017 (division C of Public Law 114–223) by adding a new section 192. Section 192(a) appropriates \$1,808,976,000 in CDBG–DR funding for the same purposes, authorities and conditions as section 145(a) for major disasters declared in 2016 but prior to December 10, 2016. Section 192(b) authorizes HUD to deduct \$3,000,000 from this amount for the cost of administering both appropriations, resulting in a total of \$1,805,976,000 available for allocation.

Combined, the two appropriations make \$2,305,976,000 available for allocation, effectively matching HUD’s November 2016 estimate for serious unmet repair or replacement needs.

Most Impacted and Distressed Areas

As with prior CDBG–DR appropriations, HUD is not obligated to allocate section 192 funds for all major disasters declared in 2016 but prior to December 10, 2016. Relying on

the language of section 145(a), HUD is directed to use the funds “in the most impacted and distressed areas.” HUD has implemented this directive by limiting CDBG–DR formula allocations to jurisdictions with major disasters that meet three standards:

(1) Individual Assistance/IHP designation. HUD has limited allocations to those disasters where FEMA had determined the damage was sufficient to declare the disaster as eligible to receive Individual and Households Program (IHP) funding. President Obama signed P.L. 114–254 into law on December 10, 2016, and 45 disasters had received major declarations in calendar year 2016 by that date. Only 17 of 45 disasters that were declared in 2016 have an IHP designation.

(2) Concentrated damage. HUD has limited the allocations to counties with high levels of damage. For this allocation, HUD is using the amount of serious unmet housing need as its measure of concentrated damage and limits the data used for the allocation only to counties exceeding a “natural break” in the data for their total amount of serious unmet housing needs. For purposes of this allocation, the serious unmet housing needs break at the county level occurs at \$13 million. Serious unmet housing needs are calculated as the additional cost to repair the most damaged homes after subtracting out insurance, FEMA, and SBA assistance.

(3) Natural break. Among disasters with data meeting the first two thresholds, HUD identifies a natural break in calculated serious unmet recovery needs and funds only the jurisdictions that have substantially higher unmet needs than other jurisdictions. The jurisdictions clearing this threshold as a result of major disasters declared since January 1, 2016 now includes Florida, North Carolina, and South Carolina as a result of Hurricane Hermine or Hurricane Matthew, as well as Louisiana, Texas, and West Virginia which were qualified for funds appropriated by section 145(a) as a result of major disasters declared prior to September 29, 2016.

These allocations are thus based on the unmet costs to repair seriously damaged properties and infrastructure in the counties with more than \$13 million of serious unmet housing needs. These do not capture expected resiliency costs, although grantees may choose to use the CDBG funds for resiliency expenses. The estimated damage is based on the following factors:

(1) Seriously damaged owner occupied units without insurance repair estimate in Most Impacted Counties after FEMA, Insurance, and SBA;

(2) Seriously damaged rental units occupied by renters with income less than \$20,000 repair estimate in Most Impacted Counties after FEMA, Insurance, and SBA;

(3) Small businesses denied by SBA repair estimate; and

(4) The state match requirement to address the FEMA estimates for repair of permanent infrastructure in the FEMA Public Assistance program (categories C to G).

Methods for Estimating Unmet Needs for Housing

The data HUD staff have identified as being available to calculate unmet needs for

qualifying disasters come from the FEMA Individual Assistance program data on housing-unit damage as of December 9, 2016.

The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for FEMA's Individual Assistance program. HUD calculates "unmet housing needs" as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA, where:

Each of the FEMA inspected owner units are categorized by HUD into one of five categories:

- Minor-Low: Less than \$3,000 of FEMA inspected real property damage.
- Minor-High: \$3,000 to \$7,999 of FEMA inspected real property damage.
- Major-Low: \$8,000 to \$14,999 of FEMA inspected real property damage.
- Major-High: \$15,000 to \$28,800 of FEMA inspected real property damage and/or 4 to 6 feet of flooding on the first floor.
- Severe: Greater than \$28,800 of FEMA inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

To meet the statutory requirement of "most impacted" in this legislative language, homes are determined to have a high level of damage if they have damage of "major-low" or higher. That is, they have a real property FEMA inspected damage of \$8,000 or flooding over 1 foot. Furthermore, a homeowner is determined to have unmet needs if they reported damage and no insurance to cover that damage.

FEMA does not inspect rental units for real property damage so personal property damage is used as a proxy for unit damage. Each of the FEMA inspected renter units are categorized by HUD into one of five categories:

- Minor-Low: Less than \$1,000 of FEMA inspected personal property damage.
- Minor-High: \$1,000 to \$1,999 of FEMA inspected personal property damage.
- Major-Low: \$2,000 to \$3,499 of FEMA inspected personal property damage.
- Major-High: \$3,500 to \$7,499 of FEMA inspected personal property damage or 4 to 6 feet of flooding on the first floor.
- Severe: Greater than \$7,500 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

For rental properties, to meet the statutory requirement of "most impacted" in this legislative language, homes are determined to have a high level of damage if they have damage of "major-low" or higher. That is, they have a FEMA personal property damage assessment of \$2,000 or greater or flooding over 1 foot. Furthermore, landlords are presumed to have adequate insurance coverage unless the unit is occupied by a renter with income of \$20,000 or less. Units are occupied by a tenant with income less than \$20,000 are used to calculate likely unmet needs for affordable rental housing.

The average cost to fully repair a home for a specific disaster to code within each of the damage categories noted above is calculated using the average real property damage repair costs determined by the Small Business

Administration for its disaster loan program for the subset of homes inspected by both SBA and FEMA for 2011 to 2013 disasters. Because SBA is inspecting for full repair costs, it is presumed to reflect the full cost to repair the home, which is generally more than the FEMA estimates on the cost to make the home habitable.

For each household determined to have unmet housing needs (as described above), their estimated average unmet housing need less assumed assistance from FEMA, SBA, and insurance was calculated at \$27,455 for major damage (low); \$45,688 for major damage (high); and \$59,493 for severe damage.

Methods for Estimating Unmet Infrastructure Needs

To best proxy unmet infrastructure needs, HUD uses data from FEMA's Public Assistance program on the expected State match requirement (usually 25 percent of the estimated public assistance needs, it is 10 percent for DR-4277 in Louisiana). This allocation uses only a subset of the Public Assistance damage estimates reflecting the categories of activities most likely to require CDBG funding above the Public Assistance and State match requirement. Those activities are categories: C, Roads and Bridges; D, Water Control Facilities; E, Public Buildings; F, Public Utilities; and G, Recreational—Other. Categories A (Debris Removal) and B (Protective Measures) are largely expended immediately after a disaster and reflect interim recovery measures rather than the long-term recovery measures for which CDBG funds are generally used.

Methods for Estimating Unmet Economic Revitalization Needs

Based on SBA disaster loans to businesses, HUD calculates the median real estate and content loss by the following damage categories for each state:

- Category 1: Real estate + content loss = below 12,000
- Category 2: Real estate + content loss = 12,000–30,000
- Category 3: Real estate + content loss = 30,000–65,000
- Category 4: Real estate + content loss = 65,000–150,000
- Category 5: Real estate + content loss = above 150,000

For properties with real estate and content loss of \$30,000 or more, HUD calculates the estimated amount of unmet needs for small businesses by multiplying the median damage estimates for the categories above by the number of small businesses denied an SBA loan, including those denied a loan prior to inspection due to inadequate credit or income (or a decision had not been made), under the assumption that damage among those denied at pre-inspection have the same distribution of damage as those denied after inspection.

Allocation Calculation

Once eligible entities are identified using the above criteria, the allocation to individual grantees represents their proportional share of the estimated unmet needs. For the formula allocation, HUD

calculates total serious unmet recovery needs as the aggregate of:

- Serious unmet housing needs in most impacted counties.
- Serious unmet business needs.
- The estimated local match requirement for the repair of infrastructure estimated for FEMA's Public Assistance program.

Natural break for most impacted disasters. HUD limits funded disasters to those with that have substantially higher unmet needs than other jurisdictions. Florida, Louisiana, North Carolina, South Carolina, Texas, and West Virginia each have aggregate unmet needs in excess of \$50,000,000, an amount that is higher than other jurisdictions affected by major disasters declared between January 1 and December 10, 2016.

[FR Doc. 2017-01007 Filed 1-17-17; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF THE INTERIOR

Office of the Secretary

[FWS-R8-FHC-2016-N196;
FXFR1334088TWGOW4-123-FF08EACT00]

Renewal of the Trinity River Adaptive Management Working Group

AGENCY: Office of the Secretary, Interior.
ACTION: Notice.

SUMMARY: The Secretary of the Interior (Secretary), after consultation with the General Services Administration, has renewed the Trinity River Adaptive Management Working Group (Working Group) for 2 years. The Working Group provides recommendations on all aspects of the implementation of the Trinity River Restoration Program and affords stakeholders the opportunity to give policy, management, and technical input concerning Trinity River restoration efforts.

ADDRESSES: For more information on the Trinity River Adaptive Management Working Group and the Trinity River Restoration Program, see <https://www.fws.gov/arcata/fisheries/tamwg.html> and <http://www.trrp.net/>.

FOR FURTHER INFORMATION CONTACT: Joseph Polos, U.S. Fish and Wildlife Service, 1655 Heindon Road, Arcata, CA 95521; 707-822-7201.

SUPPLEMENTARY INFORMATION: The Working Group conducts its operations in accordance with the provisions of the Federal Advisory Committee Act (5 U.S.C. Appendix). It reports to the Trinity River Management Council (TMC) and functions solely as an advisory body. The TMC reports to the Secretary through the Mid-Pacific Regional Director of the Bureau of Reclamation and the Pacific Southwest Regional Director for the U.S. Fish and Wildlife Service. The Working Group

(2) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Overview of This Information Collection

(1) *Type of Information Collection:* Extension, without change, of a currently approved information collection.

(2) *Title of the Form/Collection:* Standards to Prevent, Detect, and Respond to Sexual Abuse and Assault in Confinement Facilities.

(3) *Affected public who will be asked or required to respond, as well as a brief abstract:* Primary: Individuals or households. DHS is setting standards for the prevention, detection, and response to sexual abuse in its confinement facilities. For DHS facilities and as incorporated in DHS contracts, these standards require covered facilities to retain and report to the agency certain specified information relating to sexual abuse prevention planning, responsive planning, education and training, and investigations, as well as to collect, retain, and report to the agency certain specified information relating to allegations of sexual abuse within the covered facility.

(4) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* 1,385,063 responses at 5 minutes (.08 hours) per response.

(6) *An estimate of the total public burden (in hours) associated with the collection:* 119,321 annual burden hours.

Dated: February 3, 2017.

Scott Elmore,

PRA Clearance Officer, Office of the Chief Information Officer, U.S. Immigration and Customs Enforcement, Department of Homeland Security.

[FR Doc. 2017-02586 Filed 2-7-17; 8:45 am]

BILLING CODE 9111-28-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5961-N-02]

Additional Clarifying Guidance, Waivers, and Alternative Requirements for Grantees in Receipt of Community Development Block Grant (CDBG) Disaster Recovery Grant Funds Under the Disaster Relief Appropriations Act, 2013

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Notice modifies a waiver and alternative requirement for the State of New Jersey's tenant-based rental assistance program funded through its Community Development Block Grant disaster recovery (CDBG-DR) grant pursuant to the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2) (the Appropriations Act). A waiver and alternative requirement for the tenant-based rental assistance program was initially published in a **Federal Register** notice on July 11, 2014 (79 FR 40134), and later modified in the **Federal Register** notice published on April 2, 2015 (80 FR 17772).

DATES: *Effective Date:* February 13, 2017.

FOR FURTHER INFORMATION CONTACT: Jessie Handforth Kome, Acting Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Mr. Stan Gimont at 202-401-2044. (Except for the "800" number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

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- I. Background
- II. Applicable Rules, Statutes, Waivers, and Alternative Requirements
- III. Catalog of Federal Domestic Assistance
- IV. Finding of No Significant Impact

I. Background

The Appropriations Act made available \$16 billion in Community Development Block Grant disaster recovery funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas, resulting from a major

disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. On March 1, 2013, the President issued a sequestration order pursuant to Section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (2 U.S.C. 901a), and reduced the amount of funding for CDBG-DR grants under the Appropriations Act to \$15.18 billion. To date, a total of \$15.18 billion has been allocated or set aside: \$13 billion in response to Hurricane Sandy, \$514 million in response to disasters occurring in 2011 or 2012, \$655 million in response to 2013 disasters, and \$1 billion for the National Disaster Resilience Competition. This notice modifies the waiver and alternative requirement initially published in the **Federal Register** notice on July 11, 2014 (79 FR 40133), and later modified in the **Federal Register** notice published on April 2, 2015 (80 FR 17772). All waivers and alternative requirements for Hurricane Sandy grantees in receipt of allocations under the Appropriations Act, are described within the **Federal Register** notices published by the Department on March 5, 2013 (78 FR 14329), April 19, 2013 (78 FR 23578), August 2, 2013 (78 FR 46999), November 18, 2013 (78 FR 69104), March 27, 2014 (79 FR 17173), July 11, 2014 (79 FR 40133), October 16, 2014 (79 FR 62182), April 2, 2015 (80 FR 17772), and May 11, 2015 (80 FR 26942), August 25, 2015 (80 FR 51589), November 18, 2015 (80 FR 72102), February 12, 2016 (81 FR 7567), and August 15, 2016 (81 FR 54114) (referred to collectively in this notice as the "prior notices"). The requirements of the prior notices continue to apply, except as modified by this notice.¹

II. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the

¹ Links to the prior notices, the text of the Appropriations Act, and additional guidance prepared by the Department for CDBG-DR grants, are available on the HUD Exchange Web site: <https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/>.

Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) (HCDA). Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

For the waiver and alternative requirement described in this notice, the Secretary has determined that good cause exists and that the waiver and alternative requirement are not inconsistent with the overall purpose of Title I of the HCDA. Grantees may request waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Under the requirements of the Appropriations Act, waivers must be published in the **Federal Register** no later than 5 days before the effective date of such waiver.

1. Tenant-based rental assistance (State of New Jersey, only). The State of New Jersey requested a waiver of 42 U.S.C. 5305(a) in order to provide up to \$17 million in tenant-based rental assistance to households beyond the permissible length of time, and this waiver was granted by the Department in the **Federal Register** notice published on July 11, 2014 (79 FR 40134). While existing CDBG regulations allow payments for these purposes, those regulations limit assistance to a period not to exceed three months. The State justified longer term assistance in order to meet the housing needs of vulnerable populations until the State completes construction of affordable rental units and those units are made available to low- and moderate-income (LMI) populations.

The State later requested that HUD increase the amount covered by the waiver from \$17 million to \$32 million, and extend the period of assistance by two years, to January 1, 2018, in order to meet the goals of a Voluntary Compliance Agreement (VCA) with the Department. HUD granted this waiver extension in the April 2, 2015 **Federal Register** notice (80 FR 17772) to support the State's compliance with its VCA and because of the continued lack of affordable housing caused by Hurricane Sandy.

The State of New Jersey recently requested an extension to the expenditure deadline to January 1, 2019, to allow the State to provide up to two years of assistance to this LMI population. Without this extension, 85% of this LMI population would not be able to receive the full two years of assistance under the TBRA program. Because the Department is committed to

assisting this population and allowing the State to disburse the full amount of assistance made available by the VCA, HUD is modifying its waiver of 42 U.S.C. 5305(a) to the extent necessary to allow the State to disburse the \$32 million in Community Development Block Grant disaster recovery (CDBG—DR) funds allocated to State's TBRA program until January 1, 2019. The funds extended through this waiver are subject to the 24-month limitation on assistance and all other waiver and alternative requirements related to the TBRA program in the notice published on July 11, 2014 (79 FR 40133), as modified by the notice published on April 2, 2015 (80 FR 17772), as well as the requirements of the VCA and any subsequent amendments to the VCA.

III. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this Notice is 14.269.

IV. Environmental Review

This Notice does not direct, provide for assistance or loan and mortgage insurance for, or otherwise govern or regulate, real property acquisition, disposition, leasing (other than tenant-based rental assistance), rehabilitation, alteration, demolition, or new construction, or establish, revise or provide for standards for construction or construction materials, manufactured housing, or occupancy. Accordingly, under 24 CFR 50.19(c)(1), this Notice is categorically excluded from environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321).

Dated: February 3, 2017.

Janet M. Golrick,
Acting Deputy Secretary.

[FR Doc. 2017-02585 Filed 2-7-17; 8:45 am]

BILLING CODE 4210-67-P

INTERNATIONAL TRADE COMMISSION

Notice of Receipt of Complaint; Solicitation of Comments; Relating to the Public Interest

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has received a complaint entitled *Certain Hybrid Electric Vehicles and Components Thereof*, DN 3196 the Commission is soliciting comments on

any public interest issues raised by the complaint or complainant's filing pursuant to the Commission's Rules of Practice and Procedure.

FOR FURTHER INFORMATION CONTACT: Lisa R. Barton, Secretary to the Commission, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 205-2000. The public version of the complaint can be accessed on the Commission's Electronic Document Information System (EDIS) at <https://edis.usitc.gov>, and will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 205-2000.

General information concerning the Commission may also be obtained by accessing its Internet server at United States International Trade Commission (USITC) at <https://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's Electronic Document Information System (EDIS) at <https://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission has received a complaint and a submission pursuant to § 210.8(b) of the Commission's Rules of Practice and Procedure filed on behalf of Paice LLC and Abell Foundation, Inc. on February 3, 2017. The complaint alleges violations of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain hybrid vehicles and components thereof. The complaint names as a respondent, Ford Motor Company of Dearborn, MI. The complainant requests that the Commission issue a limited exclusion order, cease and desist order and impose a bond upon respondents' alleged infringing articles during the 60-day Presidential review period pursuant to 19 U.S.C. 1337(j).

Proposed respondents, other interested parties, and members of the public are invited to file comments, not to exceed five (5) pages in length, inclusive of attachments, on any public interest issues raised by the complaint or § 210.8(b) filing. Comments should address whether issuance of the relief specifically requested by the complainant in this investigation would affect the public health and welfare in the United States, competitive

DEPARTMENT OF HOMELAND SECURITY

Coast Guard

[Docket No. USCG–2017–0124]

Information Collection Request to Office of Management and Budget; OMB Control Number: 1625–0057

AGENCY: Coast Guard, DHS.

ACTION: Sixty-day notice requesting comments.

SUMMARY: In compliance with the Paperwork Reduction Act of 1995, the U.S. Coast Guard intends to submit an Information Collection Request (ICR) to the Office of Management and Budget (OMB), Office of Information and Regulatory Affairs (OIRA), requesting a Reinstatement, without change, of a previously approved collection for which approval has expired for the following collection of information: 1625–0057, Small Passenger Vessels—Title 46 Subchapters K and T without change. Our ICR describes the information we seek to collect from the public. Before submitting this ICR to OIRA, the Coast Guard is inviting comments as described below.

DATES: Comments must reach the Coast Guard on or before October 6, 2017.

ADDRESSES: You may submit comments identified by Coast Guard docket number [USCG–2017–0124] to the Coast Guard using the Federal eRulemaking Portal at <http://www.regulations.gov>. See the “Public participation and request for comments” portion of the **SUPPLEMENTARY INFORMATION** section for further instructions on submitting comments.

A copy of the ICR is available through the docket on the Internet at <http://www.regulations.gov>. Additionally, copies are available from: Commandant (CG–612), Attn: Paperwork Reduction Act Manager, U.S. Coast Guard, 2703 Martin Luther King Jr. Ave. SE., Stop 7710, Washington, DC 20593–7710.

FOR FURTHER INFORMATION CONTACT: Contact Mr. Anthony Smith, Office of Information Management, telephone 202–475–3532, or fax 202–372–8405, for questions on these documents.

SUPPLEMENTARY INFORMATION:

Public Participation and Request for Comments

This Notice relies on the authority of the Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as amended. An ICR is an application to OIRA seeking the approval, extension, or renewal of a Coast Guard collection of information (Collection). The ICR contains

information describing the Collection’s purpose, the Collection’s likely burden on the affected public, an explanation of the necessity of the Collection, and other important information describing the Collection. There is one ICR for each Collection.

The Coast Guard invites comments on whether this ICR should be granted based on the Collection being necessary for the proper performance of Departmental functions. In particular, the Coast Guard would appreciate comments addressing: (1) The practical utility of the Collection; (2) the accuracy of the estimated burden of the Collection; (3) ways to enhance the quality, utility, and clarity of information subject to the Collection; and (4) ways to minimize the burden of the Collection on respondents, including the use of automated collection techniques or other forms of information technology. In response to your comments, we may revise this ICR or decide not to seek an extension of approval for the Collection. We will consider all comments and material received during the comment period.

We encourage you to respond to this request by submitting comments and related materials. Comments must contain the OMB Control Number of the ICR and the docket number of this request, [USCG–2017–0124], and must be received by October 6, 2017.

Submitting Comments

We encourage you to submit comments through the Federal eRulemaking Portal at <http://www.regulations.gov>. If your material cannot be submitted using <http://www.regulations.gov>, contact the person in the **FOR FURTHER INFORMATION CONTACT** section of this document for alternate instructions. Documents mentioned in this notice, and all public comments, are in our online docket at <http://www.regulations.gov> and can be viewed by following that Web site’s instructions. Additionally, if you go to the online docket and sign up for email alerts, you will be notified when comments are posted.

We accept anonymous comments. All comments received will be posted without change to <http://www.regulations.gov> and will include any personal information you have provided. For more about privacy and the docket, you may review a Privacy Act notice regarding the Federal Docket Management System in the March 24, 2005, issue of the **Federal Register** (70 FR 15086).

Information Collection Request

Title: Small Passenger Vessels—Title 46 Subchapters K and T.

OMB Control Number: 1625–0057.

Summary: The information requirements are necessary for the proper administration and enforcement of the program on safety of commercial vessels as it affects small passenger vessels. The requirements affect small passenger vessels (under 100 gross tons) that carry more than 6 passengers.

Need: Under the authority of 46 U.S.C. 3305 and 3306, the Coast Guard prescribed regulations for the design, construction, alteration, repair and operation of small passenger vessels to secure the safety of individuals and property on board. The Coast Guard uses the information in this collection to ensure compliance with the requirements.

Forms: CG–841, Certificate of Inspection; CG–854, Temporary Certificate of Inspection; CG–948, Permit to Proceed to Another Port for Repairs; CG–949, Permit to Carry Excursion Party; CG–3752, Application for Inspection of U.S. Vessel; CG–5256, U.S. Coast Guard Inspected Small Passenger Vessel.

Respondents: Owners and operators of small passenger vessels.

Frequency: On occasion.

Hour Burden Estimate: The estimated burden has decreased from 399,420 hours to 397,124 hours a year due to a decrease in the estimated annual number of respondents.

Authority: The Paperwork Reduction Act of 1995; 44 U.S.C. Chapter 35, as amended.

Dated: August 1, 2017.

Marilyn L. Scott-Perez,

U.S. Coast Guard, Chief, Office of Information Management.

[FR Doc. 2017–16505 Filed 8–4–17; 8:45 am]

BILLING CODE 9110–04–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–6039–N–01]

Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice provides guidance on issues arising from Community Development Block Grant disaster recovery (CDBG–DR) funds.

Specifically, this notice allocates additional funds for 2015 and 2016 disasters; establishes an allocation framework for disasters that occur in 2017 and later; provides waivers for previously funded National Disaster Resilience Competition grants and for grantees that received certain CDBG-DR funding; provides a waiver for Rebuild By Design activities; and establishes an alternative requirement that creates new national objective criteria for grantees undertaking CDBG-DR buyouts and housing incentives.

DATES: This notice will apply on: August 14, 2017.

FOR FURTHER INFORMATION CONTACT: Stan Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number (202) 708-3587. Persons with hearing or speech impairments may access this number

via TTY by calling the Federal Relay Service at (800) 877-8339. Facsimile inquiries may be sent to Mr. Gimont at (202) 401-2044. (Except for the "800" number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

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I. 2015 and 2016 Allocations

A. Background

Since December 2015, four different public laws have been enacted that have provided CDBG-DR appropriations to address major declared disasters that occurred in 2015, 2016, 2017, and later. Table 1 lists these various public laws, the related **Federal Register** notices that govern the funds, grantees that have received allocations, and amounts provided to those grantees.

Table 1 – FY 2016 and 2017 CDBG-DR Appropriations and Allocations

Appropriation Act	Public Law 114-113	Public Law 114-223	Public Law 114-254	Public Law 115-31	
Date of Enactment	December 18, 2015	September 29, 2016	December 10, 2016	May 5, 2017	
Date of Applicable Federal Register Notice	June 17, 2016	November 21, 2016	January 18, 2017		
Federal Register Notice Reference Number	81 FR 39687	81 FR 83254	82 FR 5591		
CDBG-DR Available	\$299,000,000	\$500,000,000	\$1,805,976,000	\$400,000,000	
2015 Disaster Grantees					Totals
Lexington County SC	\$16,332,000			\$5,038,000	\$21,370,000
Columbia SC	\$19,989,000			\$6,166,000	\$26,155,000
Richland County, SC	\$23,516,000			\$7,254,000	\$30,770,000
State of South Carolina	\$96,827,000			\$29,871,000	\$126,698,000
Houston, TX	\$66,560,000			\$20,532,000	\$87,092,000
San Marcos, TX	\$25,080,000			\$8,714,000	\$33,794,000
State of Texas	\$50,696,000			\$23,872,000	\$74,568,000
2016 Disaster Grantees					
State of Louisiana		\$437,800,000	\$1,219,172,000	\$51,435,000	\$1,708,407,000
State of West Virginia		\$17,000,000	\$87,280,000	\$45,595,000	\$149,875,000
State of Texas		\$45,200,000	\$177,064,000	\$16,631,000	\$238,895,000
State of North Carolina			\$198,553,000	\$37,976,000	\$236,529,000
State of South Carolina			\$65,305,000	\$29,781,000	\$95,086,000
State of Florida			\$58,602,000	\$59,335,000	\$117,937,000
Total	\$299,000,000	\$500,000,000	\$1,805,976,000	\$342,200,000	

*The allocation amounts for Pub. L. 115-31 column include amounts announced by the Department on May 18, 2017.

Each of the public laws identified above provides CDBG-DR funds for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (HCDA) related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a qualifying major disaster declared by the President pursuant to

the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (Stafford Act) (42 U.S.C. 5121 et seq.).

CDBG-DR grants under each appropriation are governed by one or more **Federal Register** notices that contain the requirements, applicable waivers, and alternative requirements that apply to the use of the funds. Congress requires that HUD publish waivers and alternative requirements in the **Federal Register**.

This **Federal Register** notice sets out the requirements, waivers, and alternative requirements that govern the funds appropriated under Public Law 115-31. Throughout this notice, references to **Federal Register** notices will be to the date the notices were published as noted in Table 1.

Under Public Law 115-31, Congress appropriated \$400 million in CDBG-DR funding to address remaining unmet needs (as defined by HUD) arising from qualifying major disasters that occurred

in 2015 and 2016, and for qualifying major disasters that occur in 2017 or later, until the funds are fully allocated. Congress required that HUD, in distributing the \$400 million, use the allocation methodologies identified in June 17, 2016, and January 18, 2017, **Federal Register** notices for disasters occurring in 2015 and 2016, respectively.

Table 1, under the column labeled Public Law 115–31, reflects the allocation of funds appropriated by that act for qualifying disasters in 2015 and 2016 (inclusive of the amounts announced on May 18, 2017). In HUD's June 17, 2016, **Federal Register** notice, HUD described the allocation and applicable waivers and alternative requirements, relevant statutory and regulatory requirements, grant award process, criteria for Action Plan approval, and eligible disaster recovery activities for the qualifying 2015 disasters. Grantees receiving an

allocation of funds under this **Federal Register** notice for qualifying 2015 disasters are subject to the authority and conditions of Public Law 114–113 and the requirements, waivers, and alternative requirements provided in the June 17, 2016, notice.

In HUD's November 21, 2016, and January 18, 2017, **Federal Register** notices, HUD described the allocation and applicable waivers and alternative requirements, relevant statutory and regulatory requirements, grant award process, criteria for Action Plan approval, and eligible disaster recovery activities for the qualifying 2016 disasters. Grantees receiving allocations of funds under these **Federal Register** notices for qualifying 2016 disasters are subject to the authority and conditions of Public Law 114–223 and 114–254 and the requirements, waivers and alternative requirements provided in the November 21, 2016, and January 18, 2017, **Federal Register** notices.

HUD is allocating the funds for the 2015 and 2016 disasters based on updated data HUD received from the Federal Emergency Management Agency (FEMA), and the Small Business Administration (SBA). HUD's allocations match the difference between HUD's 100 percent estimate of the serious unmet needs for repair in most impacted counties after taking into consideration other resources, including insurance, FEMA, SBA and the amounts previously allocated. HUD's methodology for allocation as specified in the June 17, 2016, and January 18, 2017, notices does not include additional funds for resilience activities. Detailed explanations of HUD's allocation methodologies for qualifying disasters from 2015 and 2016, are provided at Appendix A in the June 17, 2016 notice and Appendix A of the January 18, 2017 notice, respectively.

TABLE 2—QUALIFYING 2015 AND 2016 DISASTERS AND “MOST IMPACTED AND DISTRESSED” AREAS

FEMA disaster No.	Grantee	Minimum amount that must be expended for recovery in the HUD-identified “most impacted and distressed” areas
2015 Disasters		
4241	Lexington County (Urban County), SC	Lexington County Urban County Jurisdiction (\$5,038,000).
4241	Columbia, SC	Columbia (\$6,166,000).
4241	Richland County, SC	Richland County Urban County Jurisdiction (\$7,254,000).
4241	State of South Carolina	Charleston, Dorchester, Florence, Georgetown and Clarendon Counties* (\$23,896,800).
4223, 4245	Houston, TX	City of Houston (\$20,532,000).
4223, 4245	San Marcos, TX	City of San Marcos (\$8,714,000).
4223, 4245, 4272	State of Texas	Harris, Hays, Hidalgo, and Travis Counties (\$12,511,200).
2016 Disasters		
4263, 4277	State of Louisiana	East Baton Rouge, Livingston, Ascension, Tangipahoa, Ouachita, Lafayette, Lafayette, Vermilion, Acadia, Washington, and St. Tammany Parishes (\$41,148,000).
4273	State of West Virginia	Kanawha, Greenbrier, Clay, and Nicholas Counties** (\$36,476,000).
4266, 4269, 4272	State of Texas	Harris, Newton, Montgomery, Fort Bend, and Brazoria Counties (\$13,304,800).
4285	State of North Carolina	Robeson, Cumberland, Edgecombe, and Wayne Counties (\$30,380,800).
4286	State of South Carolina	Marion and Horry Counties (\$23,824,800).
4280, 4283	State of Florida	St. Johns County (\$47,468,000).

*Based on data presented by the grantee, HUD has approved the addition of Clarendon County to the 2015 South Carolina “most impacted and distressed” areas.

**Based on data presented by the grantee, HUD has approved the addition of Clay and Nicholas Counties to the 2016 West Virginia “most impacted and distressed” areas.

Use of funds for all grantees is limited to unmet recovery needs from the major disasters identified in Table 2. Table 2 shows the HUD-identified “most impacted and distressed” areas impacted by the identified disasters. At least 80 percent of the total funds provided to each grantee under this notice must address unmet needs within

the HUD-identified “most impacted and distressed” areas, as identified in Table 2. Grantees may spend the remaining 20 percent in the HUD-identified areas or areas the grantee determines to be “most impacted and distressed.”

B. Use of Funds

Public Law 115–31 requires funds to be used only for specific disaster recovery related purposes. This allocation provides funds to 2015 and 2016 CDBG–DR grantees for authorized disaster recovery efforts. Grantees allocated funds under this notice for 2015 and 2016 disasters must submit a

substantial Action Plan Amendment as outlined below.

C. Grant Amendment Process

To receive funds allocated by this notice, 2015 and 2016 grantees (listed in Table 1) must submit a substantial Action Plan Amendment to their approved Action Plan and meet the following requirements:

- Grantee must consult with affected citizens, stakeholders, local governments and public housing authorities to determine updates to its needs assessment;
- Grantee must amend its Action Plan to update its needs assessment, modify or create new activities, or reprogram funds. Each amendment must be highlighted, or otherwise identified within the context of the entire Action Plan. The beginning of every Action Plan Amendment must include a: (1) Section that identifies exactly what content is being added, deleted, or changed; (2) chart or table that clearly illustrates where funds are coming from and where they are moving to; and (3) a revised budget allocation table that reflects the entirety of all funds;
- Grantee must publish a substantial amendment to its previously approved Action Plan for Disaster Recovery prominently (see section VI.A.4.a of the November 21, 2016, notice and section VI.A.3.a of the June 17, 2016, notice) on the grantee's official Web site for no less than 14 calendar days. The manner of publication must include prominent posting on the grantee's official Web site and must afford citizens, affected local governments, and other interested parties a reasonable opportunity to examine the amendment's contents and provide feedback;
- Grantee must respond to public comment and submit its substantial Action Plan Amendment to HUD no later than 90 days after the effective date of this notice;
- HUD will review the substantial Action Plan Amendment within 45 days from date of receipt and determine whether to approve the Amendment per criteria identified in this notice and all applicable prior notices;
- HUD will send an Action Plan Amendment approval letter, revised grant conditions (may not be applicable to all grantees), and an amended unsigned grant agreement to the grantee. If the substantial Amendment is not approved, a letter will be sent identifying its deficiencies; the grantee must then re-submit the Amendment within 45 days of the notification letter;
- Grantee must ensure that the HUD approved substantial Action Plan Amendment (and original Action Plan)

is posted prominently on its official Web Site;

- Grantee must enter the activities from its published Action Plan Amendment into the Disaster Recovery Grant Reporting (DRGR) system and submit the updated DRGR Action Plan to HUD within the system;
- Grantee must sign and return the grant agreement to HUD;
- HUD will sign the grant agreement and revise the grantee's line of credit amount;
- Grantee may draw down funds from the line of credit after the Responsible Entity completes applicable environmental review(s) pursuant to 24 CFR part 58, or adopts another Federal agency's environmental review where authorized under provisions incorporated by reference in Public Law 115–31, and, as applicable, receives a response from HUD or the state that approves the grantee's Request for Release of Funds and certification;
- Grantee must amend its published Action Plan to include its projection of expenditures and outcomes within 90 days of the Action Plan Amendment approval.

D. Applicable Rules, Statutes, Waivers, and Alternative Requirements

Awards under this notice will be subject to the waivers and alternative requirements provided in the notices governing the award of CDBG–DR funds for 2015 and 2016 disasters, as identified in Table 1. These waivers and alternative requirements provide additional flexibility in program design and implementation to support full and swift recovery following the disasters, while also ensuring that statutory requirements are met. Grantees may request additional waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Waivers and alternative requirements are effective five days after they are published in the **Federal Register**.

E. Duration of Funding

Public Law 115–31 provides that these funds will remain available until expended. However, consistent with 31 U.S.C. 1555 and OMB Circular A–11, if the Secretary or the President determines that the purposes for which the appropriation has been made have been carried out and no disbursements have been made against the appropriation for two consecutive fiscal years, any remaining balance will be made unavailable for obligation or expenditure. Consistent with the June 17, 2016, November 21, 2016, and

January 18, 2017 notices, the provisions at 24 CFR 570.494 and 24 CFR 570.902 regarding timely distribution of funds are waived and replaced with alternative requirements under this notice. Grantees must expend 100 percent of their allocation of CDBG–DR funds on eligible activities within 6 years of HUD's execution of the grant agreement.

II. Waivers and Alternative Requirements for CDBG–DR Funds Appropriated by Public Law 114–223, 114–254 and 115–31 (Applicable Only to the State of Louisiana)

This section of the notice provides a waiver for the state of Louisiana, which has received CDBG–DR allocations pursuant to Public Law 114–223, 114–254 and 115–31. The state of Louisiana was allocated \$1,656,972,000 in CDBG–DR funds under Public Law 114–223 and 114–254 and HUD has approved the state's use of these CDBG–DR funds for three main recovery programs: Housing (86 percent), economic development (4 percent), and infrastructure (6 percent). These programs were developed to address the most urgent and significant unmet needs of those areas impacted by the eligible 2016 disasters. This notice allocates \$51,435,000 to Louisiana pursuant to Public Law 115–31, bringing the total amount allocated to the state for 2016 disasters to \$1,708,407,000.

1. *Waiver of the 70 percent overall benefit requirement (State of Louisiana only).* The overall benefit requirement set by the HCDA requires that 70 percent of the aggregate of the grantee's CDBG program's funds be used to support activities benefitting low- and moderate-income persons. It can be difficult for grantees working in disaster recovery to meet the overall benefit test, because disasters do not always affect low- and moderate-income areas and, therefore, this requirement can in some cases limit grantees' ability to assist the most damaged areas.

The November 21, 2016, notice maintained the 70 percent overall benefit requirement for all grantees receiving funds under these public laws, but provided the state of Louisiana and all other grantees with additional flexibility to request a lower overall benefit requirement. Specifically, that notice allows a grantee to request to further reduce its overall benefit requirement if it submitted a justification that, at a minimum: (a) Identifies the planned activities that meet the needs of its low- and moderate-income population; (b) describes proposed activity(ies) and/or program(s) that will be affected by the alternative

requirement, including their proposed location(s) and role(s) in the grantee's long-term disaster recovery plan; (c) describes how the activities/programs identified in (b) prevent the grantee from meeting the 70 percent requirement; and (d) demonstrates that low- and moderate-income (LMI) persons' disaster-related needs have been sufficiently met and that the needs of non-LMI persons or areas are disproportionately greater, and that the jurisdiction lacks other resources to serve them.

The state of Louisiana submitted a request to establish a lower overall benefit requirement based on the above criteria. In its request, the state contends that out of the 57,600 households that suffered major or severe damage during the flooding in 2016, only 44 percent were low- and moderate-income (LMI) persons. The State's request notes that due to the persistent flooding that occurs in these communities, offering assistance to all households in the areas affected by the storm, and not just LMI households, will help the impacted neighborhoods with critical rebuilding needs.

Accordingly, the state will target its CDBG-DR funds to households with major or severe damage that did not have flood insurance at the time of the storms (36,510 households). The state indicates that 53 percent of those households qualify as LMI, and that 65 percent of the funds for the state's homeowner program will benefit those LMI households. The state also estimates that 100 percent of its housing rental funds will benefit LMI households, and 50 percent of the funds allocated for infrastructure and economic development activities will also meet the LMI national objective. The state designed its program so that those in greatest need are provided with the greatest level of assistance, by covering 100 percent of unmet needs for households earning less than 120 percent of area median income (AMI) and covering 50 percent of unmet needs for households above 120 percent of AMI. This approach prioritizes the unmet needs of LMI households and encourages higher income households to leverage personal or private funds.

To enable the state to undertake the activities it has deemed most critical for its recovery, and to ensure that LMI households are sufficiently served and/or assisted, HUD is granting a waiver and alternative requirement to reduce the overall benefit requirement from 70 percent to not less than 55 percent of the state's allocation of CDBG-DR funds. This means that the state must use at least 55 percent of its CDBG-DR

allocations under Public Law 114-223, 114-254 and 115-31 to benefit LMI households (or not less than \$939,623,850.00).

Based on the analysis submitted by the state, the Secretary finds a compelling need for this reduction due to the circumstances outlined in the state's request. In particular, HUD notes that the areas most damaged by the storms have limited LMI populations; that all of the state's recovery programs will have some component that will specifically benefit LMI households; that the persistent nature of flooding has led the state to focus on the importance of rebuilding communities in a holistic manner; and that the state will prioritize the unmet needs of LMI households in its homeowner recovery programs. HUD does not see evidence that reduction to the 50 percent level sought by the state is necessary given its approved program design and early data with respect to its applicant pools. HUD, however, does advise the state to maintain its current program design and targeting strategy to ensure that projected LMI benefit levels are achieved and the state continues to demonstrate that low- and moderate-income persons' disaster-related needs have been sufficiently met.

This is a limited waiver modifying 42 U.S.C. 5301(c), 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.484, and 570.200(a)(3) only to the extent necessary to reduce the low- and moderate-income overall benefit requirement that the state of Louisiana must meet when carrying out activities identified in its approved action from 70 percent to not less than 55 percent of the state's allocations of CDBG-DR funds under Public Law 114-223, 114-254 and 115-31.

2. Waiver of Section 414 of the Stafford Act, 42 U.S.C. 5181 (State of Louisiana only). The state of Louisiana has requested a waiver of section 414 of the Stafford Act, as amended, for rehabilitation or reconstruction activities. This notice grants the State's request and specifies alternative requirements.

Section 414 of the Stafford Act (42 U.S.C. 5181) provides that "Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646) [42 U.S.C. 4601 *et seq.*] ["URA"] shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by [the URA]". Accordingly, tenants displaced from their homes as a result of the identified

disaster and who would have otherwise been displaced as a direct result of any acquisition, rehabilitation, or demolition, of real property for a federally assisted project or program may become eligible for a replacement housing payment notwithstanding their inability to meet occupancy requirements prescribed in the URA.

Section 414 of the Stafford Act (including its implementing regulation at 49 CFR 24.403(d)(1)), is waived to the extent that it would apply to the CDBG-DR funded rehabilitation and reconstruction activities undertaken by the state of Louisiana, or its subrecipients, for its grants under Public Law 114-223, Public Law 114-254 and Public Law 115-31; provided that the activities were not planned, approved, or otherwise underway prior to the disaster.

The Department has surveyed other federal agencies' interpretation and implementation of Section 414 and found varying views and strategies for long-term, post-disaster projects involving the acquisition, rehabilitation, or demolition of disaster-damaged housing. Under the CDBG-DR supplemental appropriations, the Secretary has the authority to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds. The Department, in special cases, has previously granted a waiver and provided alternative requirements of Section 414 to CDBG-DR grantees, including the Gulf States impacted by disasters in 2005 and 2008 (see 72 FR 48804) and the 2011 floods in the city of Minot, North Dakota (see 79 FR 60490).

The severe floods of 2016 damaged Louisiana's affordable rental housing stock. According to the State, approximately 28,470 rental units were damaged by the floods, resulting in lower vacancies, increased rental rates and further exacerbating the housing cost burden among low- and moderate-income renters. Many of the damaged rental housing units have since been vacated by tenants who have found permanent housing elsewhere.

The state of Louisiana's CDBG-DR Action Plan for recovery from the 2016 floods identifies this rental housing need and contains several programs geared toward the repair and increase of the affordable rental housing stock by using CDBG-DR funds to reconstruct or rehabilitate rental units that were damaged by the floods and to create new rental housing by providing funding for multi-family developments.

Existing CDBG-DR funding is only sufficient to bring less than six percent of disaster-impacted rental units into decent, safe, and sanitary condition. With a potential pool of 1,500 units eligible for rehabilitation or reconstruction, a strict interpretation of Section 414 of the Stafford Act and 49 CFR 24.403(d)(1) would pose a significant administrative burden and add delays to achieving overall program goals within the timeframe set forth by the applicable notices governing the use of the CDBG-DR funds. Additionally, the State has demonstrated that replacement housing payments for persons initially displaced by the disaster will reduce funds available for improving long-term housing affordability and sustainability.

The State has identified a relatively small population of households currently in need of continued temporary housing assistance of some form related to the flooding events, and the State's CDBG-DR Action Plan attempts to address this need by funding programs designed to assist the needs of persons who are homeless or at risk of becoming homeless due to the 2016 floods.

The Department's basis for this waiver and alternative requirements are unique to the State of Louisiana as documented in its request to the Department. The Department has considered the State's request and determined that good cause exists for a waiver and alternative requirements and that such waiver and alternative requirements are not inconsistent with the overall purposes of title I of the HCD Act.

1. The State's proposal maximizes its ability to increase the overall supply of affordable rental units. Such units will have affordability requirements for low-income persons.

2. The waiver will simplify the administration of the disaster recovery process and reduce the administrative burden associated with a strict interpretation of Stafford Act Section 414 requirements on the potential pool of 1,500 units eligible for rehabilitation or reconstruction.

3. This waiver does not apply to persons that meet the occupancy requirements to receive a replacement housing payment under the URA nor does it apply to persons displaced by other HUD-funded disaster recovery programs or projects. Such persons' eligibility for relocation assistance and payments under the URA is not impacted.

Due to the specific circumstances of Louisiana's recovery process, the Department is providing a waiver of Section 414 of the Stafford Act and its

implementing regulation at 49 CFR 24.403(d)(1), and establishing alternative requirements. For rehabilitation or reconstruction activities in support of bringing damaged rental units back into productive use, the State must adhere to the alternative requirements specified in this notice.

For tenants that have vacated housing units damaged by the 2016 floods, the State of Louisiana must:

1. Establish a publicly available re-housing plan for its rental housing programs that includes, at minimum, the following:

a. A rental registry containing information concerning the availability of all of the units assisted through its rental housing programs so that displaced low- and moderate-income households and other interested households may apply to live in these units;

b. Contact information and a description of any eligibility and applicable application process, including any deadlines;

c. Information on market rate rental units for non-LMI households displaced by the disaster;

d. A description of services to be made available, including, at minimum, outreach efforts to eligible persons and housing counseling providing information about available housing resources.

2. Establish and implement operating procedures to ensure that a good faith effort is made to contact each former residential tenants to inform them of the availability of their previous unit and other available units rehabilitated under the program.

3. Offer low- and moderate-income former tenants preferred status in the residential application process for the unit from which they were displaced and for other rental units repaired or created with CDBG-DR funds.

The State's request for waiver and alternative requirements indicates that landlords participating in the rental repair programs will be required to keep the restored units affordable for 5 to 20 years after initial occupancy. The State's policies and procedures governing each rental repair program must detail any imposed affordability requirements for that program.

This waiver has no effect on URA eligibility for relocation assistance and payments for existing tenant occupants of dwelling units who may be displaced or relocated temporarily as a direct result of a CDBG-DR activity.

III. Allocation Framework for Disasters in 2017 or Later

A. Background

After addressing remaining unmet need for 2015 and 2016 disasters, \$57,800,000 in CDBG-DR funding remains available to be allocated for major disasters occurring in 2017 or later. Public Law 115-31 specifies that the funds allocated for disasters in 2017 or later are subject to the same authority and conditions as those applicable to CDBG-DR funds appropriated by Public Law 114-223 and, therefore, these funds are also subject to the requirements of the November 21, 2016 notice, except the major disaster may occur in calendar year 2017 or later until such funds are fully allocated.

For 2017 and later disasters, HUD will use the methodology specified in Appendix A to the January 18, 2017 notice for determining if a disaster meets the minimum qualifications for funding using the limits established by that notice. For disasters that meet the minimum qualification, HUD will allocate the lesser of 100 percent of serious unmet needs as defined in the January 18, 2017 notice or remaining funds available from Public Law 115-31.

HUD will not evaluate a disaster for qualification to receive CDBG-DR funds until:

(i) The major disaster has been declared eligible for FEMA's Public Assistance (PA) Program and Individual and Households (IHP) Program;

(ii) FEMA has approved Individual Assistance applications totaling at least \$13 million in IHP financial assistance for the declared disaster in a single county; and

(iii) four months have passed since the disaster declaration that made IHP available, or the IHP registration period is closed, whichever comes first.

These criteria do not assure CDBG-DR eligibility, but they will lead HUD to acquire the data necessary to determine eligibility, and if eligible, calculate a formula allocation. HUD will allocate funds to 2017 disasters using the best available data at that time.

B. Use of Funds

Grantees receiving an allocation of funds for 2017 and later disasters pursuant to a subsequent notice are subject to the requirements of the November 21, 2016 notice, as amended, which require that prior to the obligation of CDBG-DR funds, a grantee shall submit a plan to HUD for approval detailing the proposed use of all funds, including criteria for eligibility, and how the use of these funds will address

long-term recovery and restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas. This Action Plan for disaster recovery must describe uses and activities that: (1) Are authorized under title I of the Housing and Community Development Act of 1974 (HCDA) or allowed by a waiver or alternative requirement; and (2) respond to disaster-related impact to infrastructure, housing, and economic revitalization in the most impacted and distressed areas. To inform the plan, grantees must conduct an assessment of community impacts and unmet needs to guide the development and prioritization of planned recovery activities, pursuant to paragraph A.2.a. in section VI of the November 21, 2016 notice, as amended.

Pursuant to the November 21, 2016 notice, each grantee receiving an allocation of funds for 2017 or later disasters in a subsequent notice is also required to expend 100 percent of its allocation of CDBG-DR funds on eligible activities within 6 years of HUD's execution of the grant agreement.

Grantees receiving an allocation of funds for 2017 or later disasters pursuant to a subsequent notice will be subject to the grant process provided for in section V of the November 21, 2016 notice.

IV. Public Law 113-2 Waivers and Alternative Requirements

A. Background

This section of the notice authorizes waivers and alternative requirements for certain grantees that received an allocation of funds appropriated under Public Law 113-2, which ultimately made available \$15.2 billion in CDBG-DR funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. The full amount of the appropriation has been allocated as follows: \$13 billion in response to Hurricane Sandy, \$514 million in response to disasters occurring in 2011 or 2012, \$655 million in response to 2013 disasters, and \$1 billion for the National Disaster Resilience Competition (NDRC).

This section of the notice specifies waivers and alternative requirements and modifies requirements for grantees that received awards under the NDRC (CDBG-NDR grantees), described in the **Federal Register** notice published by the Department on June 7, 2016 (81 FR 36557). The requirements of the June 7,

2016 notice continue to apply to these grantees, except as modified by this notice.¹

This section of the notice also provides a waiver of the low- and moderate-income overall benefit requirement for the City of Moore, OK, and the State of New York, which have each received a CDBG-DR award pursuant to Public Law 113-2. This section of the notice also modifies the process for the publication of the expenditure extensions approved by the Department under Public Law 113-2. This section of the notice additionally authorizes grantees receiving an allocation of CDBG-DR funds for Rebuild by Design projects to exclude expenditures of that allocation from the calculation of the grantee's overall low- and moderate-income benefit.

B. Applicable Rules, Statutes, Waivers, and Alternative Requirements

Public Law 113-2 authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCDA. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

For the waivers and alternative requirements described in this section of notice, the Secretary has determined that good cause exists and that the waivers and alternative requirements are not inconsistent with the overall purposes of title I of the HCDA. Grantees under Public Law 113-2 may request waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Under the requirements of Public Law 113-2, waivers must be published in the **Federal Register** no later than 5 days before the effective date of such waiver.

1. *Urgent need national objective certification requirements for CDBG-NDR grantees.* The June 7, 2016 notice provided CDBG-NDR grantees with a waiver and alternative requirement to

the certification requirements for the documentation of the urgent need national objective at 24 CFR 570.208(c) and 570.483(d), waiving the certification requirements until 24 months after the date the Department obligates funds to a grantee, and alternatively requiring each CDBG-NDR grantee to document how all programs and/or activities funded under the urgent need national objective respond to a disaster-related impact identified by the grantee. Elsewhere, this notice describes the extension of the expenditure deadline that the Department is authorized to provide to all CDBG-NDR grantees, allowing them to expend funds until September 30, 2022. For CDBG-NDR grantees funding activities that will satisfy the urgent need national objective, an extension of the existing alternative requirement to the standard urgent need certification requirement is also required, to ensure that the CDBG-NDR project can meet the urgent need national objective on a timeframe that coincides with an extended expenditure deadline.

Each CDBG-NDR grantee was required to document how all programs and/or activities funded under the urgent need national objective respond to a disaster-related impact. For activities that meet the urgent need national objective, grantees were required to reference in their Action Plan the type, scale, and location of the disaster-related impacts that each project, program, and/or activity will address. Without an extension of the prior waiver and alternative requirement to the certification requirements for documentation of the urgent need national objective, HUD's extension of the 24-month expenditure deadline could penalize grantees whose successful applications relied on the availability of the alternative urgent need national objective criteria.

Grantees documented urgent needs in their initial applications, and the grantees will expend funds to meet these urgent needs throughout the grant period. Therefore, section 3.V.A.1.d. of the June 7, 2016 notice is modified to add the following alternative requirement for CDBG-NDR grantees: "Notwithstanding the two year limitation on the use of the urgent need national objective referenced in paragraph one of this section, for activities designed to respond to disaster-related impacts that pose a serious and immediate threat to the health or welfare of the community, and which were adequately documented within the grantee's initial Action Plan, the grantee may continue to use the alternative certification of the urgent

¹ Links to the June 7, 2016 notice, the text of Public Law 113-2, and additional guidance prepared by the Department for CDBG-DR grants, are available on the HUD Exchange Web site: <https://www.hudexchange.info/programs/cdbg-dr/resilient-recovery/>.

need national objective until the end of the extended expenditure deadline approved by the Department, provided that the grantee updates the needs assessment of its Action Plan as new or more detailed/accurate disaster-related impacts are known.”

As a reminder, Action Plans must be amended, as necessary, to ensure that an updated needs assessment is included for each project, program, or CDBG-eligible activity undertaken with CDBG-NDR funds. This alternative requirement does not contemplate new projects or activities that were not documented as meeting an urgent need within a grantee’s initial Action Plan. Amendments to a CDBG-NDR Action Plan that describe additional projects or activities will trigger the substantial amendment requirements described in paragraph V.A.1.g.(i) in the June 7, 2016 notice and new projects or activities intended to meet the urgent need national objective may require a separate waiver from HUD to permit use of the alternative urgent need certification.

2. Revision of substantial amendment requirements for CDBG-NDR grantees. The June 7, 2016 notice specified the changes to an Action Plan that would constitute a substantial amendment, and described the process required for CDBG-NDR grantees to make a substantial amendment to an approved Action Plan. The June 7, 2016 notice indicated that HUD would review the proposed change(s) against the rating factors and threshold criteria and consider whether the revised Action Plan, inclusive of the proposed change, would continue to score in the fundable range for the NDRC. The June 7, 2016 notice also stated that HUD would only approve a substantial amendment if the revised score remains within the fundable range of CDBG-NDR scores. However, all NDR awards funded scaled and scoped versions of proposals in NDR applications, because the Department could not fully fund all the proposed activities described in applications that scored within the initial fundable range. Accordingly, determining whether a change to a grantee’s Action Plan would fall within the initial fundable range of CDBG-NDR scores is not an accurate method of determining whether a revised project would still be fundable. To address this and to further clarify the criteria and process for amendments to CDBG-NDR Action Plans, the Department is amending the third paragraph of section 3.I.B. of the June 7, 2016 notice by replacing it in its entirety with the following:

“A grantee may amend the Action Plan, but must receive prior HUD approval for substantial amendments to the plan. Before making any substantial amendment to the Action Plan, a grantee must follow the same citizen participation requirements required by the NOFA for the preparation and submission of an NDRC application, FR-5800-N-29A2 (NOFA). Additional information about citizen participation requirements can be found in section 3.V.A.3 below.”

Additionally, the Department is also amending section 3.V.A.1. of the June 7, 2016 notice by replacing it with the following:

“1. Application for CDBG-NDR Waiver and Alternative Requirement. The requirements for CDBG actions plans, located at 42 U.S.C. 12705(a)(2), 42 U.S.C. 5304(a)(1), 42 U.S.C. 5304(m), 42 U.S.C. 5306(d)(2)(C)(iii), and 24 CFR 91.220 and 91.320 are waived for funds provided under the NOFA. Instead, HUD required each grantee to submit an application for CDBG-NDR, and the Applicant’s Phase 1 and Phase 2 submissions for this competition together constitute an Action Plan required under Public Law 113–2. HUD notes that 24 CFR 570.304 and 24 CFR 570.485, to the extent they govern annual formula CDBG grant approvals, do not apply to National Disaster Resilience Competition (NDRC) allocations, but the standard of review of certifications continues to apply to grantee certifications. HUD will monitor the grantee’s activities and use of funds for consistency with its approved Action Plan and all other requirements, including performance and timeliness. Per the Appropriations Act, and in addition to the requirements at 24 CFR 91.500, the Secretary may disapprove a substantial amendment to an Action Plan (application) if it is determined that the amended application does not satisfy all the required elements included in this notice at 3.V.A.1.g.(i). However, in reviewing substantial amendments, HUD will not penalize grantees for scaling and scoping decisions made by HUD as part of the NDRC award selection process.”

The Appropriations Act, as used in the June 7, 2016 notice, refers to Public Law 113–2.

Additionally, the Department is also amending section 3.V.A.1.g. of the June 7, 2016 notice by replacing it in its entirety with the following:

“(g) Action Plan Amendments, Submission to HUD, Treatment of Leverage, Partners, and BCA. A grantee is encouraged to work with its HUD representative before making any amendments to its Action Plan to

determine whether the amendment would constitute a substantial amendment and to ensure that the proposed change complies with all applicable requirements.

(i) **Substantial Amendments.** The following modifications constitute a substantial amendment requiring HUD approval: Any change to the funded portions of the application that HUD determines, based generally on the guidelines of the NOFA (as adjusted for HUD’s scaling and scoping of the award), would present a significant change to the grantee’s capacity to carry out the grant (including loss of a partner without addressing lost capacity through replacement or contingency plan identified in the application); any change to the funded portions of the application that HUD determines, based generally on the guidelines of the NOFA (as adjusted for HUD’s scaling and scoping of the award), would undermine the grantee’s soundness of approach (including the benefit cost analysis); any change to the Most Impacted and Distressed target area(s) (a revised area must meet Most Impacted and Distressed threshold requirements in the NOFA, including Appendix G to the NOFA); any change in program benefit, beneficiaries, or eligibility criteria, and the allocation or reallocation of more than 10 percent of the grant award; any change to the leverage that was pledged and approved in the grantee’s grant agreement; or the addition or deletion of an eligible activity.

Amendments that do not fall within the definition of substantial amendment are referred to as ‘nonsubstantial amendments.’ A grantee must notify HUD at least 10 business days before a nonsubstantial amendment becomes effective.

For substantial amendments, grantees must complete the citizen participation requirements of this notice, at section 3.V.A.3, before HUD can approve the amendment. In addition to reviewing Action Plans against the criteria at 24 CFR 91.500, HUD will review and approve a substantial amendment to an Action Plan if the amendment results in an Action Plan that HUD determines: (i) Can be reasonably carried out by the grantee and that the grantee has addressed any loss in capacity due to dissolved partners that are not replaced; (ii) may differ from the previously approved Action Plan but does not significantly deviate from the scope and objectives of the previously approved Action Plan or the purpose of the NDRC; (iii) satisfies all of the required elements identified in the NOFA (as adjusted for HUD’s scaling and scoping of the

award), this amended section 3.V.A.1.g. and elsewhere in the June 7, 2016 notice, including Tie-back requirements, and does not fund activities identified in section III.C.2. of the NOFA as ineligible; (iv) demonstrates (through an updated BCA, if requested) that the benefits to the grantee's community and to the United States continue to justify the costs of the award; and (v) does not differ in the amount of leverage identified in the grantee's grant agreement (substitution of leverage sources is permitted).

To allow HUD to make this determination, a grantee must submit adequate documentation that demonstrates the following: capacity of the grantee and partners to implement the funded activities, any changes to partners who will assist in the amended activity, scope and beneficiaries of the funded activities, the direct and supporting leverage committed by the grantee, and an updated BCA (if requested). Grantees are encouraged to work with their HUD representatives before making any amendment to an Action Plan. As indicated in the NOFA, if a grantee makes or proposes to make a substantial amendment to its project, HUD reserves the right to disapprove the amendment or amend the grantee's award and reduce the grant amount or recapture the grant, as necessary.

(ii) *Information for Substantial and Nonsubstantial Amendments.* If the grantee proposes to amend its Action Plan, each proposed amendment must be highlighted, or otherwise identified, within the context of the approved Action Plan and be submitted to HUD. All amendments must comply with provisions of this notice, including Tie-back requirements. Grantees may not amend an Action Plan to include funding for ineligible activities identified in section III.C.2 of the NOFA. The beginning of every proposed amendment must include a section that identifies exactly what content is being added, deleted, or changed, and whether the grantee believes that the proposed amendment would result in a significant change to the grantee's capacity or soundness of approach. This section must also include a chart or table that clearly illustrates where funds are coming from and to where they are moving. The amendment must include a revised budget allocation table that reflects the entirety of all funds, as amended. A grantee's most recent version of its approved NDR application and its DRGR Action Plan must be accessible for viewing as a single document, at any given point in time, rather than requiring the public or HUD to view and cross-reference changes

among multiple amendments.

Requirements for the full expenditure of CDBG–NDR funds by a date established by HUD will continue to be enforced under any amendment to the Action Plan. Every amendment to the Action Plan (substantial and nonsubstantial) must be numbered sequentially and posted on the grantee's website. The Department will acknowledge receipt of a proposed amendment via email or letter within 5 business days of receipt. HUD may seek additional information from the grantee to determine whether a proposed amendment is a substantial amendment.

(iii) *Amendments that may affect the BCA previously accepted by HUD.* If requested by HUD, a grantee must submit an update to its BCA to support a request for a substantial amendment.

(iv) *Leverage Accepted by HUD.* Grantees are required to show, through quarterly reports, evidence that firmly committed leverage resources in the amount required by the grant terms and conditions have been received and used for the intended purposes. A grantee may not propose an amendment to reduce the amount of leverage pledged and identified in the grant agreement. Sources of leverage funds, however, may be substituted after grant award with HUD approval, if the dollar amount of leverage is equal to or greater than the total amount of leverage required by the grant terms and conditions. Substitution of a leverage source in the same amount committed and identified in the grant terms and conditions is a nonsubstantial amendment. Section 3.V.A.2.e describes additional DRGR leverage reporting requirements.

(v) *Partners Accepted by HUD.* The NOFA permitted a grantee to identify a partner in its application that the grantee would be otherwise required by program requirements to competitively procure. A grantee is not required to secure the services of any partner by competitive procurement if the partner is duly documented and identified in the initial approved Action Plan for the CDBG–NDR grant. The Department has granted permission for single source procurement of these partners, pursuant to 2 CFR 200.320(f)(3) (cited in the NOFA as 24 CFR 85.36(d)(4)(i)(C)), which has since been superseded by the Uniform Requirements) and advised state grantees that have not adopted the local government procurement requirements in 2 CFR part 200 to review state requirements associated with single source procurement and to follow all applicable procurement requirements. In many cases, this will entail the grantee undertaking a cost

analysis prior to making payments to such a partner, and the grantee will be responsible for ensuring compliance with requirements that all CDBG–NDR costs be necessary and reasonable (for local government grantees, see 2 CFR 200.323, for state governments that have not adopted 2 CFR 200.323, see state procurement requirements applicable to single source procurements). If a partner dissolves the partnership after award and before activities are complete, a grantee should make its best effort to replace the partner with a similarly skilled partner, if the grantee's approved CDBG–NDR application was rated and ranked based on the capacity of the dissolved partner. If the grantee is not able to replace the lost capacity of a partner by following a contingency plan included in its approved CDBG–NDR application, the grantee must complete a substantial amendment to its Action Plan that addresses the lost capacity. If a grantee proposes to add a partner that would otherwise have to be procured as a contractor after the award or if the partner was identified in the approved CDBG–NDR application but was found by HUD to lack sufficient documentation, then that selection of that partner would not be covered by the single-source permission above and would be subject to procurement requirements under 2 CFR part 200 or state law, as applicable. Additionally, as required by Appendix D to the NOFA, the grantee shall execute a written subrecipient agreement, developer agreement, contract, or other agreement, as applicable, with each partner regarding the use of the CDBG–NDR funds, before disbursing any CDBG–NDR funds to the partner. The written agreement must conform with all CDBG–NDR requirements and shall require the partner to comply with all applicable CDBG–NDR requirements, including those found in Disaster Relief Appropriations Act, 2013 (Pub. L. 113–2), title I of the HCDA (42 U.S.C. 5302 et seq.), the CDBG program regulations at 24 CFR part 570, this amended June 7, 2016 notice, and any other applicable **Federal Register** notices, and commitments made in the grantee's Phase 1 and Phase 2 approved CDBG–NDR applications."

Additionally, the Department is also amending the first paragraph of section 3.V.A.3.a. of the June 7, 2016 notice by replacing it in its entirety with the following:

a. Publication of the Action Plan, Access to Information, and Substantial Amendments: At all times, the grantee must maintain a public Web site that contains the latest versions of its Action Plan, including the DRGR Action Plan and the version as

submitted to HUD for the competition and including the following portions: Executive summary; Factor narratives; Eligibility; national objective; overall benefit; and schedule responses, threshold requirements documentation, and all exhibits (A–G) (but of the attachments, only Attachments D and F must be published); and opportunity for public comment, hearing, and substantial amendment criteria. Before the grantee submits a proposed substantial amendment, the grantee must publish the proposed submission, including a section that identifies exactly what content is being added, deleted, or changed, and whether the grantee believes that the proposed amendment would result in a significant change to the grantee's capacity or soundness of approach; a chart or table that clearly illustrates where funds are coming from and to where they are moving; and a revised budget allocation table that reflects the entirety of all funds, as amended.

3. Projection of Expenditures and Outcomes. The June 7, 2016 notice specified the time frames for grantees to report and update the projection of expenditures and performance outcomes for CDBG–NDR grants. As grantees have refined and finalized outcomes for each CDBG–NDR grant, the Department has determined that further clarification of the time frames for initially reporting and updating grantee projections of expenditures and outcomes is required. Accordingly, Section 3.II.B(9) of the June 7, 2016 notice is amended by replacing it in its entirety with the following:

(9) *Continuing responsibility related to certification.* After materials necessary to support the Secretary's certification are submitted and the grant agreement is signed, grantees have continuing responsibilities for maintaining the certification. HUD may request an update to the grantee's certification submission each time the grantee submits a substantial Action Plan Amendment, or if HUD has reason to believe the grantee has made material changes to grantee's support for its certifications.

Grantees must submit to the Department for approval an update to the program schedule (projection of expenditures) and milestones (outcomes) included in the approved CDBG–NDR application response to the Phase 2 Factor 3 Soundness of Approach rating factor. The projections must be based on each quarter's expected performance—beginning the quarter that funds are available to the grantee and continuing each quarter until all funds are expended. Each grantee must also include these projected expenditures and outcomes in the initial activity set-up in DRGR. Within 90 days of HUD's approval of the initial DRGR Action Plan, the projections entered into DRGR (as contained in the DRGR Action Plan) must be amended to reflect any subsequent changes, updates, or revision of the projections. Any subsequent changes, updates, or revision of the projections must receive written approval from HUD. Amending Action Plans solely to

accommodate changes to the timeline for projected expenditures does not fall within the definition of substantial amendment and is not subject to citizen participation requirements.

Guidance on the preparation of projections is available on HUD's Web site under the headings Office of Community Planning and Development, Disaster Recovery Assistance (<https://www.hudexchange.info/resource/3685/cdbg-dr-grantee-projections-of-expenditures-and-outcomes/>). The projections will enable HUD, the public, and the grantee to track proposed versus actual performance. HUD will make the DRGR Action Plan and performance reports available on the DRGR public Web site (<https://drgr.hud.gov/public/>).

Additionally, following execution of a grant agreement, the DRGR Action Plan that reflects the components funded through the CDBG–NDR grant must be posted on the grantee's Web site.

Additional information on the DRGR reporting system requirements can be found in section 3.V.A.2. below.

Grantees are also required to ensure all agreements (with subrecipients, recipients, and contractors) clearly state the period of performance or the date of completion. In addition, grantees must enter expected completion dates for each activity in the DRGR system. When target dates are not met, grantees are required to explain why in the activity narrative in the system.

Other reporting, procedural, and monitoring requirements are discussed under "Grant Administration" in section 3.V.A. of this amended June 7, 2016 notice. The Department will institute risk analysis and on-site monitoring of grantee management as well as collaborate with the HUD Office of Inspector General to plan and implement oversight of these funds.

In addition to the above changes, HUD is modifying the last paragraph of section 3.IV of the June 7, 2016 notice, by replacing it in its entirety with the following:

- "Grantee amends its published Action Plan (the DRGR Action Plan) to include any updates to its projection of expenditures and outcomes within 90 days of HUD's approval of the initial DRGR Action Plan."

4. Waiver of Limitation on Planning Costs (State of New Jersey only). The Department is modifying the alternative requirement in the June 7, 2016 notice which imposes a 20 percent limit on planning and administrative costs, and is imposing an alternative requirement for the state of New Jersey to accommodate activities to be funded under the state's approved CDBG–NDR Action Plan. The June 7, 2016 notice waived section 106(d) of the HCDA (42 U.S.C. 5306(d)) and 24 CFR 570.489(a)(1)(i), (ii), and (iii) for states and provided an alternative requirement that limits CDBG–NDR grantees to using no more than 20 percent of the total grant amount on a combination of

planning and general administrative costs (see paragraph V.A.10.b.(1) of the June 7, 2016 notice). The state submitted a Phase 2 application to HUD for the NDRC on October 27, 2015, describing an array of recovery and resilience activities that included both infrastructure and planning activities. In January 2016, the Department made a CDBG–NDR award of \$15 million to the state for two proposed planning-only projects, a Regional Resiliency Planning (RRP) Grant Program and a best practices toolkit. As part of its RRP Grant Program, the state proposed to invest CDBG–NDR funds in a program evaluation that investigates the efficacy of its grant program and facilitates replication of the program in other communities. Because the entirety of the state's CDBG–NDR award is for the purpose of planning-only activities, HUD is modifying the limitation described in the June 7, 2016 notice for the state of New Jersey only, and imposing the following alternative requirement:

To ensure that the state of New Jersey can devote the full amount of CDBG–NDR grant funds to both of its approved planning-only projects, the Department is waiving section 106(d) of the HCDA (42 U.S.C. 5306(d)) and 24 CFR 570.489(a)(1)(i), (ii), and (iii) to remove the limitation on planning expenses for this grant, thereby permitting the state to expend 100 percent of its CDBG–NDR grant on planning and administration expenses. Additionally, to ensure that the state devotes a minimum amount of its funds to local level planning activities as described in its approved CDBG–NDR Action Plan, the Department is requiring that at least 80 percent of the \$10 million provided for the RRP in the state's Action Plan (\$8 million) be expended on local planning grants.

As a reminder, the state must continue to limit its general administrative costs for the CDBG–NDR grant to 5 percent of its total grant award, as provided in Public Law 113–2 and the June 7, 2016 notice. The state must also adhere to the program funding amounts in the state's grant agreement terms and conditions, as amended.

5. Waiver of Limitation on Planning Costs (State of Connecticut only). The Department is modifying the alternative requirement in the June 7, 2016 notice which imposes a 20 percent limit on planning and administrative costs, and is imposing an alternative requirement for the state of Connecticut to accommodate activities to be funded under the state's approved CDBG–NDR Action Plan. The June 7, 2016 notice waived section 106(d) of the HCDA (42 U.S.C. 5306(d)) and 24 CFR 570.489(a)(1)(i), (ii), and (iii) for states and provides an alternative requirement that limits CDBG–NDR grantees to using no more than 20 percent of the total

grant amount on a combination of planning and general administrative costs (see paragraph V.A.10.b.(1) of the June 7, 2016 notice). The state submitted a Phase 2 application to HUD for the NDRC on October 27, 2015, describing an array of recovery and resilience activities that included both infrastructure and planning activities. In January 2016, the Department made a CDBG–NDR award of \$54,277,359 to the state for infrastructure and the following planning activities: Bridgeport South End Design Guidelines (\$330,000), Bridgeport South End District Energy Feasibility (\$350,000), Connecticut Connections Coastal Resilience Plan (\$8,203,323), and the State Agencies Fostering Resilience (SAFR) program (\$3,500,000), which includes both administration and planning expenses.

The sum of planning projects funded under this award is \$12,383,323, or 22.8 percent of the total grant award amount, and the maximum allowable amount that can be used for general administrative expenses is 5 percent of the grant total or \$2,713,868. In order to allow the state to fully fund its selected projects and properly administer its grant award, HUD is modifying the limitation described in the June 7, 2016 notice for the state of Connecticut, and imposing the following alternative requirement:

The Department is waiving section 106(d) of the HCDA (42 U.S.C. 5306(d)) and 24 CFR 570.489(a)(1)(i), (ii), and (iii) to increase the limitation on planning and general administration expenses for this grant to 27.8 percent or \$15,097,191.

As a reminder, the state of Connecticut must continue to limit its general administrative costs for the CDBG–NDR grant to 5 percent of its total grant award, as provided in the Appropriations Act and the June 7, 2016 notice. The state must also adhere to the program funding amounts in the state's grant agreement terms and conditions, as amended. The Appropriations Act referenced in the amended June 7, 2016 notice is Public Law 113–2.

6. Waiver for Eligible Activity (Commonwealth of Virginia only). The Department awarded the Commonwealth of Virginia CDBG–NDR funds to develop a Coastal Resilience Lab and Accelerator Center (the Center) that supports new business initiatives aimed at addressing flood risk. Many of the Center's components, however, are not otherwise CDBG-eligible activities. Accordingly, the Commonwealth requested and the Department is granting a waiver and establishing an alternative requirement to create a CDBG-eligible activity that comprises all the components proposed for the Center.

The Commonwealth's approved Action Plan states that the Center will “serve as the nexus for technological and organizational innovation around community revitalization, water management, resilience measurement,” and will “focus on generating economic growth by assisting entrepreneurs skilled at identifying problems, matching them with potential solutions, working with companies to create product, and moving product quickly to market.” To this end, the Commonwealth will use its CDBG–NDR grant to fund specific components of the project including the design plan for the operations of the Center, training, office space, and capital investment for emerging businesses focused on regional resilience solutions, targeted workforce development and support, public outreach, and sharing best practices.

In rare instances when necessary to achieve recovery goals, HUD has previously granted waivers and alternative requirements to allow a grantee to treat a large complex project as a single eligible activity with multiple components that contribute to long-term recovery. HUD's approval of the Commonwealth's application through the NDRC is intended to support the creation of a new regional industry cluster to serve as a model for other communities that want to support businesses in this field.

HUD has determined that many of the proposed project components in the Commonwealth's application, including the development of a public facility, support for small businesses through training and capital, supporting workforce development, public engagement, and knowledge dissemination are already eligible CDBG activities. Therefore, to streamline implementation of the Center and its programs and allow the Commonwealth to proceed with valuable project components that are not eligible CDBG activities, HUD is waiving section 105(a) (42 U.S.C. 5305(a)) and establishing an alternative requirement only to the extent necessary to create a new eligible activity for the Commonwealth's CDBG–NDR grant, referred to as the Center, comprised of the activities outlined in the Commonwealth's approved Action Plan for its CDBG–NDR grant. However, HUD reminds grantees that the following provision in the June 7, 2016 notice remains in effect: “When CDBG–NDR grantees provide funds to for-profit businesses, such funds may only be provided to a small business, as defined by the SBA under 13 CFR part 121. CDBG–NDR funds may not be used to directly assist a privately-owned utility for any purpose”.

7. Waiver and alternative requirement for low- and moderate-income area benefit activities (State of California only). The Department awarded the State of California CDBG–NDR funds to develop a Community and Watershed Resilience Program in response to the 2013 Rim Fire that was the third largest wildfire in California's history. The program will finance the development of a biomass facility and wood products campus in Tuolumne county as well as a forest and watershed health component focused on forest restoration efforts, rangeland improvements, and biomass removal and thinning throughout the region. The program also includes the establishment of a community resilience center that will offer business incubator and job training services, while also serving as an emergency evacuation center for the broader community.

The state's approved CDBG–NDR application noted that the most impacted and distressed area with remaining unmet disaster recovery needs to be served by the project encompasses the non-entitlement jurisdictions of Tuolumne, Mariposa and Calaveras counties, where 38 percent of the residents are low- and moderate-income (LMI). The state's application indicated that if CDBG–NDR funds were awarded for the program, the state would require a waiver that would permit activities carried out in areas with an LMI percentage of not less than 38 percent to qualify under the low- and moderate-income area benefit national objective.

Subsequent to the award and in response to HUD's scoping and scaling of the project, the state submitted a revised request to the Department, seeking a waiver and alternative requirement that would allow the state to apply exception criteria that recognizes that few, if any communities within the service area have 51 percent or more low- and moderate-income residents, per the requirements of 42 U.S.C. 5305(c)(2)(A), allowing the state to use a 38 percent LMI threshold to qualify activities under the LMI area benefit national objective. In its request, the state contends that the very nature of the initiatives financed with CDBG–NDR funds means that communities beyond the identified service area will also realize benefits, through reduced risks associated with wildfires, improved watersheds and new economic opportunities arising from efforts to commercialize the area's biomass.

Based on the state's request and the fact that the approved project has a combined LMI population that is not

greater than 38 percent of the area, HUD is granting a limited waiver modifying 42 U.S.C. 5305(c)(2)(A)(i), to the extent necessary to permit the state to use a percentage of not less than 38 percent to qualify activities under the low- and moderate-income area benefit national objective.

8. *Waiver of the 50 percent overall benefit requirement (City of Moore, OK only).* The primary objective of the HCDA is the “development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.” 42 U.S.C. 5301(c). To carry out this objective, the statute requires that 70 percent of the aggregate of the grantee’s CDBG program’s funds be used to support activities benefitting low- and moderate-income persons. This target can be difficult for many CDBG–DR grantees to reach as a disaster impacts entire communities—regardless of income. Further, it may limit grantees’ ability to provide assistance to the most damaged areas of need. Therefore, as described by the December 16, 2013 **Federal Register** notice (78 FR 76154), the city of Moore, Oklahoma, in addition to the other grantees under Public Law 113–2 received a waiver and alternative requirement reducing the amount of the city’s CDBG–DR funds that must be used for activities that benefit LMI persons to 50 percent. Additional flexibility was provided in the March 5, 2013 **Federal Register** notice (78 FR 14329). It allowed a grantee to request to further reduce its overall benefit requirement if it submitted a justification that, at a minimum: (a) Identifies the planned activities that meet the needs of its low- and moderate-income population; (b) describes proposed activity(ies) and/or program(s) that will be affected by the alternative requirement, including their proposed location(s) and role(s) in the grantee’s long-term disaster recovery plan; (c) describes how the activities/programs identified in (b) prevent the grantee from meeting the 50 percent requirement; and (d) demonstrates that the needs of non-low and moderate-income persons or areas are disproportionately greater, and that the jurisdiction lacks other resources to serve them. Upon HUD’s review of the justification, the request can be granted only if the Secretary finds a compelling need to reduce the overall benefit below 50 percent.

In response to the above, the city of Moore submitted a justification addressing the required criteria. The EF–5 tornado that struck Moore in 2013

also destroyed several affordable housing developments in the city which have not been replaced. The city council adopted a plan in March of 2013 that included infrastructure projects in support of a new affordable housing development project that will bring much needed LMI affordable units to the city. In order to carry out these activities the city acquired land in a closed mobile home park which will allow it to replace a portion of the LMI affordable rental housing destroyed by the EF–5 tornado. Demolition of the remaining structures and asbestos abatement has been completed and a Planned Unit Development (PUD) design for the site has been adopted. The SW 17th/Janeway Master Redevelopment plan will be a mixed use, mixed income urban village which will be built at an overall cost of \$36–\$40 million. This redevelopment will include the use of \$13.5 million in CDBG–DR grant funds and provides for 170 affordable LMI units and 30 market rate units. The city council approved the master plan and PUD in October 2016, and staff are currently developing a Request for Proposals to solicit development bids. After the completion of the SW 17th/Janeway development, the city expects that the percent of LMI residents in the block group which contains the development will rise to 57.2 percent, well above the 51 percent required to classify a project under the low/mod area benefit (LMA) national objective.

Through its Infrastructure Recovery and Implementation Plan (IRIP), designed in 2014, the city identified several flood control and drainage projects that will support the development of SW 17th/Janeway and its affordable housing units, and thus will directly benefit the LMI residents that return to the area. Currently, there are three infrastructure projects associated with the Round Rock development that will not meet the area benefit test that requires at least 51 percent of the residents in the area are LMI using the most current HUD FY 2016 data. The three projects include the Little River Sewer Interceptor project, the S. Telephone Road Improvements project, and the Little River Channel and Greenway project totaling over \$7.6 million in CDBG–DR investments. While these projects will directly benefit the new housing development, they will also benefit other block groups within the city. Without this waiver, the city could carry out these activities under the national objective of Urgent Need, but because of the large number of CDBG–DR funds

dedicated to these activities, the city would then not be able to meet its 50 percent LMI overall benefit requirement. Hence, the city cannot carry out these infrastructure activities without a waiver.

To enable the city to undertake these infrastructure activities it has deemed most critical for its recovery, and to ensure that LMI residents are adequately served and/or assisted, HUD is granting a limited waiver and alternative requirement to reduce the overall benefit from 50 percent to not less than 42 percent. Based on the city’s justification, the Secretary has found a compelling need for this reduction due to the circumstances outlined in Moore’s request. In particular, HUD notes that these projects will all directly serve the new housing development that will provide 170 units of affordable LMI housing, prioritizing the needs of those LMI residents because these three projects will ensure that the redevelopment site is no longer in a FEMA floodway, will repair and replace sewage lines that will service the development, and install traffic control lights and widen an intersection to handle the increased density the development will bring. The city has identified these infrastructure projects as a top priority to ensure the success of the SW 17th/Janeway redevelopment and this waiver will allow LMI persons to live there safely. This is a limited waiver modifying 42 U.S.C. 5301(c), 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.484, and 570.200(a)(3) only to the extent necessary to reduce the low- and moderate-income overall benefit requirement that the city must meet when carrying out activities with funds appropriated under Public Law 113–2 from 50 percent to not less than 42 percent.

9. *Waiver of the 50 percent overall benefit requirement (New York State, only).* As described in the March 5, 2013 notice, the state of New York and all other grantees under Public Law 113–2 received a waiver and alternative requirement requiring that at least 50 percent of CDBG–DR grant funds must be used for activities that benefit low- and moderate-income persons.

The state of New York has submitted a justification to HUD to reduce the overall benefit requirement for funds provided under Public Law 113–2. HUD has allocated \$4,416,882,000 in CDBG–DR funds to the state pursuant to Public Law 113–2, including \$185 million for projects identified by HUD through the Rebuild by Design competition. The state’s CDBG–DR grant is administered by the Governor’s Office of Storm Recovery (GOSR).

GOSR's approved action plan allocates its CDBG-DR grant to four main recovery programs: Housing (58 percent), economic development (3 percent), community reconstruction (18 percent) and infrastructure (21 percent). These programs were developed by GOSR to address the most urgent and significant unmet needs of those areas impacted by the storms that are eligible under Public Law 113-2—Hurricanes Sandy and Irene. In its request, GOSR contends that it has engaged in extensive and continued outreach to all persons and businesses impacted by the storms to inform the state's citizens of the availability of recovery programs and how to apply, and that all eligible applicants will receive assistance. Significantly, GOSR's analysis of the geographic areas most impacted by the storms demonstrates that the storms did not damage areas with significant LMI populations. Because HUD requires grantees receiving funds under Public Law 113-2 to spend at least 80 percent of each grant in the HUD identified most impacted counties, it is very difficult for the state to meet both this requirement and the requirement that at least 50 percent of the expended funds benefit LMI populations.

GOSR has submitted an extensive data analysis to illustrate that the demographics of the communities most impacted by the storms are generally not comprised of LMI block groups. GOSR's data illustrates that, outside of the five counties that comprise New York City, the storms impacted communities in which only about 20 percent of the population resides in LMI block groups. GOSR has reported that while there are 3.96 million people living in the state's most impacted counties (Nassau, Westchester, Suffolk, and Rockland), only 34 percent of those residents are LMI persons and only 25 percent of the block groups are considered LMI.

The state uses this data to illustrate its difficulty in meeting the LMI area benefit national objective, particularly as it relates to infrastructure. Many of the state's infrastructure projects are large in scale and have widespread positive impacts for persons of all income levels, including LMI persons, but it is nearly impossible for those projects to meet the LMI area benefit criteria. For example, one of the state's largest investments, the \$101 million Bay Park Wastewater Treatment Plant project, benefits a service area that includes more than 370 block groups. Even though this project benefits many thousands of LMI residents within these block groups (approximately 135,000 LMI persons), there are not enough LMI

persons to meet the 51 percent test for an LMI area benefit activity.

Given these challenges, the state has proposed allocating additional funds to initiatives that further address unmet needs of LMI persons, including the reallocation of \$50,000,000 of Community Reconstruction (CR) funds to projects within the city of New York that will meet the applicable LMI area benefit criteria.

To enable the state to undertake the activities it has deemed most critical for its recovery, and to ensure that LMI households are adequately served and/or assisted, HUD is granting a waiver and alternative requirement to reduce the overall benefit requirement for the state's grant from 50 percent to not less than 35 percent of the state's allocation of CDBG-DR funds, excluding the \$185 million allocated by HUD for Rebuild by Design projects and, consistent with existing program requirements and subject to the requirements in paragraph 10, below. This means that the state must use at least 35 percent of its CDBG-DR allocation (excluding RBD) under Public Law 113-2 to benefit LMI persons.

Based on the analysis submitted by the state, the Secretary has found a compelling need for this reduction due to the particular circumstances outlined in the state's request. In particular, HUD notes that the areas most damaged by the storms have limited LMI populations; that the infrastructure projects being undertaken by the state will nonetheless directly serve large populations of LMI persons; that the state has done significant outreach to communities in the most impacted counties and will serve all eligible applicants that have applied for assistance; and that the state will reallocate at least \$50,000,000 of Community Reconstruction funds to increase the number of LMI persons served. This is a limited waiver modifying 42 U.S.C. 5301(c), 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.484, and 570.200(a)(3) only to the extent necessary to reduce the low- and moderate-income overall benefit requirement that the state must meet when carrying out activities identified in its approved action with funds appropriated under Public Law 113-2 from 50 percent to not less than 35 percent.

10. Rebuild By Design Exception to Overall Benefit Requirement. In the October 16, 2014, *Federal Register* notice (79 FR 62182), HUD allocated \$930,000,000 of CDBG-DR funds made available under Public Law 113-2, for the implementation of six proposals selected through the HUD-sponsored

Rebuild by Design (RBD) competition. The RBD allocation was included as part of the larger allocation of CDBG-DR funds under Public Law 113-2 for long term recovery from Hurricane Sandy. Four grantees received an RBD allocation as part of their CDBG-DR grant for Hurricane Sandy recovery: The state of New York, the city of New York, the state of Connecticut, and the state of New Jersey.

The proposals selected through the Rebuild by Design Competition were identified prior to the development and approval of action plans for grantees receiving an allocation of CDBG-DR funds under Public Law 113-2. The October 16, 2014, notice notes that the individual proposals were selected to address the structural and environmental vulnerabilities that Hurricane Sandy exposed in communities throughout the region and to provide fundable solutions to better protect residents from future disasters. The notice also requires that projects funded with the RBD allocation reflect the proposals selected through the Rebuild by Design Competition to the greatest extent practicable and appropriate.

The RBD proposals were selected by HUD and the RBD allocation was included as part of each grantee's overall CDBG-DR allocation for Hurricane Sandy recovery, however, HUD recognizes that as the location and scope of an RBD project is further refined, the RBD portion of a grantee's overall CDBG-DR allocation may prevent certain grantees from meeting the requirement of the March 5, 2013, notice that at least 50 percent of each grantee's overall allocation of CDBG-DR funds be expended to meet the LMI national objective. Accordingly, the Secretary has found a compelling need for this waiver based on the facts presented above. In particular, HUD's selection of RBD projects within defined geographic areas may limit the ability of grantees to meet an LMI national objective within that defined area. This is a limited waiver and alternative requirement to modify 42 U.S.C. 5301(c), 42 U.S.C. 5304(b)(3)(A), 24 CFR 570.484, and 570.200(a)(3) only to the extent necessary to allow the four grantees receiving an allocation of CDBG-DR funds specifically for RBD projects, to either include or exclude the expenditure of its RBD allocation in the calculation of the grant's overall LMI benefit. If a grantee chooses to exclude the expenditures of its RBD allocation from its overall benefit calculation, it is required to notify HUD and the public through a non-substantial amendment to its approved action plan.

11. Publication of Approved Expenditure Extension Requests.

Pursuant to the requirements of section 904(c) under title IX of Public Law 113–2, CDBG–DR and CDBG–NDR funds must be expended within 24 months following obligation, unless an extension is provided. The Office of Management and Budget (OMB) granted the Department a waiver of the statute's two-year expenditure timeline, recognizing that certain disaster recovery activities satisfy the OMB criteria for activities that are long-term by design where it is impracticable to expend funds within the 24-month period and achieve program missions. HUD may grant extensions for activities that satisfy the OMB criteria. The **Federal Register** notice published by the Department on May 11, 2015 (80 FR 26942) and the June 7, 2016 notice established the process and requirements for extension of the deadline for the expenditure of funds under Public Law 113–2, including the requirement that HUD publish its approval of the extension of grantee expenditure deadlines in the **Federal Register**. In order to provide the public with more timely information about the expenditure deadlines for funds provided under Public Law 113–2, the Department is amending both the May 11, 2015 notice and the June 7, 2016 notice, respectively, to provide for the publication of expenditure deadline extensions on the Department's Web site.

Accordingly, the last bullet of Section VI of the May 11, 2015 notice is amended to read:

- “If approved, HUD will publish the extension approval on its web site at: <https://www.hudexchange.info/programs/cdbg-dr/>. HUD will consolidate grantee extension approvals for publication. Therefore, extension approval is effective as of the date of the extension approval letter, rather than as of the date the approval is published on the HUD web site.”

The first paragraph Section II.A.2 of the June 7, 2016 notice is also amended to read:

“For any portion of funds that the grantee believes will not be expended by the deadline and that it desires to retain, the NOFA required the Grantee to submit a letter to HUD justifying why it is necessary to extend the deadline for a specific portion of the funds. Appendix E of the NOFA also required Applicants to submit extension requests with the application if the Applicant submitted a schedule that indicated time needed for completion of the proposal exceeds 24 months. Some Applicants submitted extension requests to HUD within their

applications and such extensions were considered within the application review process. If granted, any extensions will be published on the HUD web site at: <https://www.hudexchange.info/programs/cdbg-dr/>. Under the NOFA, grantees that did not submit an extension request with their Applications are eligible to request an extension prior to the expiration of the twenty-four month deadline for the expenditure of obligated funds. As required by Appendix E of the NOFA, the extension request must justify the need for the extension, detail the compelling legal, policy or operational challenges necessitating the extension, and identify the date when funds covered by the extension will be expended. The Grantee must justify how, under the proposed schedule, the Project will proceed in a timely manner. For example, large and complex infrastructure Projects are likely to require more than 24 months to complete. An extension request for such a Project should justify the new timeline for any proposed extension by comparing it to completion deadlines for other similarly sized Projects.”

V. New LMI National Objective Criteria for Buyouts and Housing Incentives (Applicable to Multiple Appropriations)

Historically, various **Federal Register** notices published by HUD have authorized CDBG–DR grantees to carry out “buyouts,” which have been generally limited to the acquisition of properties located in a floodway or floodplain or Disaster Risk Reduction Area for pre-or post-flood value for the purpose of reducing risk from future disasters. These notices also generally prohibit redevelopment of property acquired through buyouts. Certain previous CDBG–DR **Federal Register** notices also waive 42 U.S.C. 5305(a) and associated regulations to allow grantees to offer housing incentives to resettle beneficiaries who were in disaster-affected communities. As described in those notices, housing incentives are usually offered to encourage households to relocate to a suitable housing development or to an area promoted by the community's comprehensive recovery plan, and may be in addition to acquisition or buyout awards.

In this notice, HUD is establishing an alternative requirement to clarify the criteria under which buyout activities and housing incentives can meet an LMI national objective. Grantees authorized to use housing incentives as described above, must continue to comply with the other eligibility requirements of applicable **Federal Register** notices

governing those incentives—specifically, the requirement that grantees “providing housing incentives must maintain documentation, at least at a programmatic level, describing how the amount of assistance was determined to be necessary and reasonable. In addition, the incentives must be in accordance with the grantee's approved Action Plan and published program design(s). Note that this waiver does not permit a compensation program. Additionally, a grantee may require the incentive to be used for a particular purpose by the household receiving the assistance.”

The CDBG regulations limit activities that meet the LMI national objective to only the activities meeting the four established criteria in 24 CFR 570.208(a)(1) through (4) and 570.483(b)(1) through (4). Prior **Federal Register** notices have advised grantees of the criteria under which a buyout activity can meet a LMI housing (LMH) national objective (80 FR 72102). Notwithstanding that guidance, however, HUD has determined that providing CDBG–DR grantees with an additional method to demonstrate how buyouts and housing incentives can assist LMI households, beyond those described in the previous notices, will ensure that grantees and HUD can account for and assess the benefit that CDBG–DR assistance may have on LMI households when buyouts and housing incentives are used in long term recovery. Given the primary objective of the HCDA to assist low- and moderate income persons, the Secretary has determined that there is good cause to establish an alternative requirement under which CDBG–DR grantees are authorized to qualify the assistance provided to LMI persons through buyout and housing incentive programs, due to the benefits received by the individuals that receive buyout and housing incentive awards that allow them to move from areas that are likely to be affected by future disasters.

In addition to the existing criteria at 24 CFR 570.208(a)(1)–(4) and 570.483(b)(1)–(4), HUD is establishing an alternative requirement to include two new LMI national objective criteria for buyouts (LMB) and housing incentives (LMHI) that benefit LMI households that use CDBG–DR funding provided by Public Law 113–2, 114–113, 114–223, 114–254 and 115–31.

For a buyout award or housing incentive to meet the new LMB and LMHI national objectives, grantees must demonstrate the following:

- (1) The CDBG–DR funds have been provided for an eligible buyout activity that benefits LMI households by

supporting their move from high risk areas. The following activities shall qualify under this criterion, and must also meet the eligibility criteria of the notices governing the use of the CDBG-DR funds:

(a) Low/Mod Buyout (LMB). When CDBG-DR funds are used for a buyout award to acquire housing owned by a qualifying LMI household, where the award amount is greater than the pre-disaster fair market value of that property;

(b) Low/Mod Housing Incentive (LMHI). When CDBG-DR funds are used for a housing incentive award, tied to the voluntary buyout or other voluntary acquisition of housing owned by a qualifying LMI household, for which the housing incentive is for the purpose of moving outside of the affected floodplain or to a lower-risk area; or when the housing incentive is for the purpose of providing or improving residential structures that, upon completion, will be occupied by an LMI household.

(2) Activities that meet the above criteria will be considered to benefit low and moderate income persons unless there is substantial evidence to the contrary.

Any activities that meet the newly established national objective criteria described above will count towards the calculation of a CDBG-DR grantee's overall LMI benefit to comply with the primary objective described in 24 CFR 570.200(a)(3) and 24 CFR 570.484(b).

Grantees receiving an allocation of CDBG-DR funds pursuant to the following appropriations acts must specifically request a waiver and alternative requirement from HUD in order apply the new national objective criteria established in this section of the notice: Public Law 109-148, 109-234, and 110-116 (Katrina, Rita, and Wilma); Public Law 110-252 and 110-328 (2008 Disasters), Public Law 111-112 (2010 disasters), and Public Law 112-55 (2011 disasters).

VI. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this notice are as follows: 14.218; 14.228; and 14.269.

VII. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

Dated: July 31, 2017.

Janet Golrick,
Acting Deputy Secretary.

[FR Doc. 2017-16411 Filed 8-4-17; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Docket No. FWS-HQ-IA-2017-0037;
FXIA16710900000-156-FF09A30000]

Foreign Endangered Species; Issuance of Permits

AGENCY: Fish and Wildlife Service,
Interior.

ACTION: Notice of issuance of permits.

SUMMARY: We, the U.S. Fish and Wildlife Service (Service), have issued the following permits to conduct certain activities with endangered species, marine mammals, or both. We issue these permits under the Endangered Species Act (ESA).

ADDRESSES: Documents and other information submitted with these applications are available for review, subject to the requirements of the Privacy Act and Freedom of Information Act, by any party who submits a written request for a copy of such documents to the U.S. Fish and Wildlife Service, Division of Management Authority, Branch of Permits, MS: IA, 5275 Leesburg Pike, Falls Church, VA 22041; fax (703) 358-2281. To locate the **Federal Register** notice that announced our receipt of the application for each permit listed in this document, go to www.regulations.gov and search on the permit number provided in the tables in **SUPPLEMENTARY INFORMATION**.

FOR FURTHER INFORMATION CONTACT: Joyce Russell, (703) 358-2023 (telephone); (703) 358-2281 (fax); or DMAFR@fws.gov (email).

SUPPLEMENTARY INFORMATION: On the dates below, as authorized by the provisions of the ESA, as amended (16 U.S.C. 1531 *et seq.*), we issued requested permits subject to certain conditions set forth therein. For each permit for an endangered species, we found that (1) the application was filed in good faith, (2) the granted permit would not operate to the disadvantage of the endangered species, and (3) the granted permit would be consistent with the purposes and policy set forth in section 2 of the ESA.

ENDANGERED SPECIES

Permit No.	Applicant	Receipt of application Federal Register notice	Permit issuance date
12500C	Charles Waibel	82 FR 4914 January 17, 2017	4/13/2017
06382C	Richard Killion	82 FR 4914 January 17, 2017	4/13/2017
15671C	New Mexico State University/Timothy F. Wright	82 FR 4914 January 17, 2017	3/27/2017
93065B	University of South Carolina	81 FR 63788 September 16, 2016	1/12/2017
209142	Adalgisa Caccone	82 FR 14742 March 22, 2017	4/25/2017
13615C	Stevens Forest Ranch	82 FR 13486 March 13, 2017	05/01/17

northern border by small¹ pleasure boats to report their arrival and make entry without having to travel to a designated port of entry for an inspection by a CBP officer. United States citizens, Lawful Permanent Residents of the United States, Canadian citizens, and Landed Residents of Canada who are nationals of the Visa Waiver Program countries listed in 8 CFR 217.2(a) are eligible to apply for the permit.

The information collected on CBP Form I-68 allows eligible individuals who enter the United States from Canada by small pleasure boats to be inspected only once during the boating season, rather than each time they make an entry. This information collection is provided for by 8 CFR 235.1(g) and Section 235 of Immigration and Nationality Act. CBP Form I-68 is accessible at <http://www.cbp.gov/newsroom/publications/forms?title=68&=Apply>.

CBP has developed a smart phone application known as Reporting Offsite Arrival—Mobile (ROAM) that will generally allow travelers to electronically complete their I-68 application, report their arrival in the United States, and make U.S. entry using automated document (passport) reading, global positioning system (GPS) location, and video chat. CBP believes providing the traveling public with the option to use this smart phone app will increase traveler compliance with U.S. arrival and entry requirements. Additionally, the ROAM app will allow CBP officers to remotely conduct traveler interviews with a phone's video chat capability, and replace other technologies used for remote inspections that are obsolete or inefficient.

CBP Form I-68 Paper Version

Estimated Number of Respondents: 18,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Responses: 18,000.

Estimated Time per Respondent: 10 minutes.

Estimated Total Annual Burden Hours: 2,988.

ROAM App

Estimated Number of Respondents: 50,000.

Estimated Number of Annual Responses per Respondent: 1.

Estimated Number of Total Annual Responses: 50,000.

Estimated Time per Response: 5 minutes.

Estimated Total Annual Burden Hours: 4,150.

Dated: February 13, 2019.

Seth D Renkema,

Branch Chief, Economic Impact Analysis Branch, U.S. Customs and Border Protection.

[FR Doc. 2019-02627 Filed 2-15-19; 8:45 am]

BILLING CODE 9111-14-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-6136-N-01]

Waivers, Alternative Requirements and Extensions for Community Development Block Grant Disaster Recovery Grantees

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice governs Community Development Block Grant disaster recovery (CDBG-DR) funds awarded under several appropriations. Specifically, this notice provides waivers and establishes alternative requirements for certain grantees that have submitted waiver requests for grants provided pursuant to Public Laws 112-55, 113-2, 114-113, 114-223, 114-254, 115-31, 115-56 and 115-123. This notice also provides further clarification on the application of the green building standards established by the Department for 2017 CDBG-DR grantees in the February 9, 2018 *Federal Register* notice (83 FR 5844). Additionally, this notice addresses the availability of an alternative requirement to Section 414 of the Stafford Act and other URA provisions for grantees that received an allocation of CDBG-DR funds under Public Laws 114-113, 114-223, 114-254, and 115-31.

DATES: Applicability Date: February 25, 2019.

FOR FURTHER INFORMATION CONTACT:

Claudette Fernandez, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW, Room 7286, Washington, DC 20410, telephone number 202-708-3587. Persons with hearing or speech disability may access this number via TTY/VRS by calling the Federal Relay Service at 800-877-8339. Facsimile inquiries may be sent to Ms. Fernandez at 202-708-0033. (Except for the "800" number, these telephone numbers are not toll-free.) Email inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

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- I. Public Law 112-55 Waivers and Alternative Requirements
- II. Public Law 113-2 Extensions, Waivers and Alternative Requirements
- III. Public Law 114-113 and 115-31 Waivers and Alternative Requirements
- IV. Public Law 114-113, 114-223, 114-254 and 115-31 Waivers and Alternative Requirements
- V. Public Law 114-223, 114-254 and 115-31 Waivers and Alternative Requirements
- VI. Public Law 115-56 and 115-123 Waivers and Alternative Requirements
- VII. Catalog of Federal Domestic Assistance
- VIII. Finding of No Significant Impact

I. Public Law 112-55 Waivers and Alternative Requirements

New LMI National Objective Criteria for Buyouts and Housing Incentives (New York State only)

New York State was awarded \$71,654,166 of CDBG-DR funds under Public Law 112-55 for recovery from Hurricane Irene and Tropical Storm Lee (77 FR 22583) and \$4,416,882,000 of CDBG-DR funds under Public Law 113-2 for recovery from Hurricane Sandy. This section of the notice specifies waivers and alternative requirements and modifies requirements for CDBG-DR funds awarded to New York State under Public Law 112-55 to allow the State to better coordinate recovery efforts across multiple CDBG-DR allocations.

Public Law 112-55 authorizes the Secretary to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5. As required by Public Law 112-55, waivers and alternative requirements provided in this paragraph are in response to a request by New York State explaining why the waiver is required to facilitate the use of the funds and based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the Housing and Community Development Act of 1974, as amended (HCDA).

The Department's April 16, 2012 notice authorized New York State to carry out "buyouts," which for purposes of grants under Public Law 112-55, are a type of acquisition activity limited to acquisition of properties located in a

¹ Weighing less than five net tons.

floodway or floodplain that is intended to reduce risk from future flooding. The April 16, 2012 notice prohibits redevelopment of property acquired through buyouts and imposes other requirements on the use of CDBG-DR funds for this activity. This same notice also waives 42 U.S.C. 5305(a) and associated regulations to allow New York State to offer housing incentives. Housing incentives are usually offered to encourage households to relocate to a suitable housing development or to an area promoted by the community's comprehensive recovery plan and may be provided in addition to acquisition or buyout awards.

The **Federal Register** notices governing New York State's grants for disasters occurring in 2012 also included waivers and alternative requirements authorizing similar buyout and housing incentive activities.

The Department's December 27, 2017 notice (82 FR 61320) provided an alternative requirement that established criteria under which buyout activities and housing incentives related to recovery from New York State's 2012 disasters (and other specified disasters) can meet a low- and moderate-income (LMI) national objective (82 FR 61322). HUD defined these alternative national objective criteria as Low/Mod Buyout (LMB) and Low/Mod Housing Incentive (LMHI). In that **Federal Register** notice, HUD did not make the LMB and LMHI criteria applicable to New York State's grant under the Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. 112-55), because Public Law 112-55 only permits HUD to grant waivers and alternative requirements upon a request by a grantee receiving funds under that appropriation.

The State has now requested that HUD establish the alternative requirement for meeting an LMI national objective for buyout activities and housing incentives carried out with CDBG-DR funds under Public Law 112-55. New York State is currently using the new national objective criteria for the buyout program funded with CDBG-DR funds awarded under Public Law 113-2. The State contends that granting this waiver and alternative requirement for its grant under Public Law 112-55 "will ensure a consistency of approach between the grants and allow. . . [the State] to account for the benefits provided to LMI households through these important, long term recovery activities." The LMB and LMHI national objective criteria will provide a valuable method to demonstrate how these program activities assist LMI households.

Based on the above, in addition to the existing national objective criteria at 24 CFR 570.483(b)(1)-(4), HUD is establishing this alternative requirement to add additional national objective criteria for activities benefiting low and moderate income persons to allow New York State to use the LMB and LMHI national objective criteria described in section II of the Department's December 27, 2017 notice to demonstrate a national objective for buyout activities and housing incentives it carries out under its Public Law 112-55 CDBG-DR award.

II. Public Law 113-2 Extensions, Waivers and Alternative Requirements

This section of the notice applies to certain grantees that received an allocation of funds appropriated under Public Law 113-2, which ultimately made available \$15.2 billion in CDBG-DR funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013.

Public Law 113-2 authorizes the Secretary to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCDA. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5.

For the waivers and alternative requirements described in this section of notice, the Secretary has determined that good cause exists and that the waivers and alternative requirements are not inconsistent with the overall purposes of title I of the HCDA. Grantees under Public Law 113-2 may request waivers and alternative requirements from the Department as needed to address specific needs related to their recovery activities. Public Law 113-2 also authorizes the Department to provide waivers and establish alternative requirements absent a request from a CDBG-DR grantee.

1. *Additional eligible activities for the extension of expenditure deadlines.* The Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2) requires grantees to expend CDBG-DR funds within 24

months of the date on which the Department obligates funds to a grantee and authorizes the Office of Management and Budget (OMB) to grant a waiver of the 24-month expenditure deadline. OMB authorized the Department to provide CDBG-DR grantees with expenditure deadline extensions for activities that are inherently long-term and where it would be impracticable to expend funds within the 24-month period and still achieve program missions, up to an amount approved by OMB.

In the May 11, 2015 notice (80 FR 26942), the Department established the process and criteria for the submission of expenditure deadline extension requests for CDBG-DR grantees in receipt of funds under Public Law 113-2. Section III of the May 11, 2015 notice established four categories of disaster recovery activities that would be eligible for an extension of the 24-month expenditure deadline: Public facilities and improvements; housing; economic revitalization; and grant administration. Since the publication of the May 11, 2015 notice, the Department has reviewed and acted on expenditure deadline extension requests from several CDBG-DR grantees. As recovery activities approach completion and with a requirement that all CDBG-DR funds provided under Public Law 113-2 be expended no later than September 30, 2022, the Department has determined that additional categories of disaster recovery activities that are not identified in the May 11, 2015 notice are also inherently long-term in nature, and present implementation challenges that make it impracticable for grantees to achieve disaster recovery program missions within the 24-month expenditure deadline. The Department, for instance, recognizes that many Public Law 113-2 grantees are engaged in long term planning activities to enhance the resiliency of their jurisdiction to future disasters. Similarly, the Department has determined that certain public service activities, most notably various job training initiatives, continue to play an important role in grantee post-disaster economic recovery efforts. These types of activities therefore warrant inclusion in the activities that may qualify for an extension of the 24-month expenditure deadlines. The Department, however, shall only extend planning and public service activities that are authorized in a grantee's action plan as of the applicability date of this notice. Accordingly, the Department is replacing section III of the May 11, 2015 notice with the following:

“III. Eligible Activities

The National Disaster Recovery Framework acknowledges that long-term recovery is inherently a multi-year process. The Department recognizes that grantees allocate a significant portion of CDBG–DR funds to complex and large-scale programs and projects that are long-term in nature and that planning and public services are often critical components of long-term recovery. The Department also recognizes that grantees will require CDBG–DR administrative funds to conduct grant closeout and engage in ongoing program oversight, and that these efforts will inevitably extend beyond the twenty-four-month expenditure deadline that applies to each obligation.

Within the amounts waived by OMB as not being subject to the expenditure deadline, the Department will limit its consideration of expenditure deadline extension requests to certain types of eligible disaster recovery activities undertaken by grantees which are determined to be long-term in nature. The Department will consider grantee programs and projects within the following six categories for expenditure deadline extensions:

- *Public facilities and improvements.* Typical public facilities and improvement activities include the rehabilitation, replacement, or relocation of damaged public facilities and improvements, as well as investments to increase the resiliency of those facilities and improvements.
- *Housing.* Typical housing activities include new construction, elevation, and rehabilitation of single family or multifamily residential units.
- *Economic revitalization.* Economic revitalization activities often include the provision of loans and grants to small businesses, job training programs, the construction of education facilities to teach technical skills, making improvements to commercial or retail districts, and financing other efforts that attract and retain workers in disaster-impacted communities.
- *Grant administration.* Typical administrative activities include salaries, wages, and related costs of grantee or subrecipient staff and others engaged in program management, monitoring, and evaluation. Administrative costs are limited by the Appropriations Act to five percent of each grantee's total allocation.
- *Public Services.* Public service activities typically include employment services (e.g., job training), fair housing counseling, and education programs.
- *Planning.* Planning activities often include community development plans,

functional plans (e.g., for resiliency) and capacity building activities.”

2. *Change in the Substantial Amendment Criteria.*

The Department's March 5, 2013 notice (78 FR 14329) established the criteria for substantial amendments to action plans for disaster recovery and included the requirement that an allocation or re-allocation of more than \$1 million would constitute a substantial amendment. Grantees awarded funds under Public Law 113–2 are nearing the end of their recovery programs and are moving towards the eventual closeout of their CDBG–DR awards. Whereas grantees in the earliest stages of recovery rely more often on estimated activity budgets, grantees approaching closeout rely more on actual budgets and more routinely reallocate funds between activities and projects as their budgets transition from estimates of program costs to actual costs. Accordingly, to provide grantees with increased flexibility in the reallocation of CDBG–DR funds and consistent with the Department's definition of a substantial amendment for 2015, 2016 and 2017 CDBG–DR grantees, the Department is deleting the third paragraph of section VI.A.3.a. of the March 5, 2013 notice and establishing the following new definition of a substantial amendment for all grantees allocated funds under Public Law 113–2:

“Subsequent to publication of the action plan, the grantee must provide a reasonable time frame and method(s) (including electronic submission) for receiving comments on the plan or substantial amendment. In its action plan, each grantee must specify criteria for determining what changes in the grantee's plan constitute a substantial amendment to the plan. At a minimum, the following modifications will constitute a substantial amendment: A change in program benefit or eligibility criteria; the addition or deletion of an activity; the allocation or reallocation of a monetary threshold amount as specified by the grantee in its action plan; or a change in the monetary threshold amount above which allocations or reallocations trigger a substantial amendment. The grantee may substantially amend the action plan if it follows the same procedures required in this Notice for the preparation and submission of an action plan for Disaster Recovery. Prior to submission of a substantial amendment, the grantee is encouraged to work with its HUD representative to ensure the proposed change is consistent with this Notice, and other requirements made applicable by the Federal award.”

If a grantee chooses to change the threshold amount established by HUD in the March 5, 2013 notice (\$1 million), a grantee shall undertake a substantial amendment to make changes to its

monetary threshold above which allocations and reallocations constitute a substantial amendment. Once that substantial amendment is approved by HUD, the grantee shall apply the new definition of a substantial amendment.

3. *Buildings for the general conduct of government (City of Minot, North Dakota only).*

The Department's June 7, 2016 notice (81 FR 36557) established the requirements for grantees receiving CDBG–DR funds through the National Disaster Resilience Competition (CDBG–NDR), under Public Law 113–2. The city of Minot was awarded a CDBG–NDR grant of \$74,340,770 and its approved Phase 2 application included an allocation of \$3,750,000 for the relocation of its City Hall.

The city's existing City Hall and its emergency communications center are in the city's flood inundation area and within the most recent FEMA-identified flood plain. The city plans to use CDBG–NDR grant funds to acquire a building for the City Hall, emergency communications center, and for the Center for Technical Education that will also be established pursuant to the city's approved Phase 2 CDBG–NDR application. The importance of the City Hall relocation with the emergency police dispatch center is further reflected in the city's commitment of \$1 million of its own funds to this aspect of the CDBG–NDR award.

To implement this portion of the city's CDBG–NDR award, the city has requested a waiver of 42 U.S.C. 5305(a)(2), which excludes acquisition, construction, reconstruction, or installation of buildings for the general conduct of government from eligible public facilities activities. The Department has determined that the city's waiver request is consistent with the underlying premise and purpose of the city's CDBG–NDR grant and is approving the requested waiver to authorize the expenditure of CDBG–NDR grant funds for the acquisition, rehabilitation and reuse of a commercial office structure for use as its primary governmental offices, consistent with the city's approved Phase 2 CDBG–NDR application. Therefore, HUD is waiving the prohibition on buildings for the general conduct of government in 42 U.S.C. 5305(a)(2) and associated regulations at 24 CFR 570.207(a) to permit the City of Minot to carry out the public facility activity referred to as City Hall and comprised of activities as outlined in the city's CDBG–NDR application and approved CDBG–NDR action plan.

4. *Clarification that certain actions constitute part of new construction and*

disposition activities associated with relocation of the Isle de Jean Charles community (State of Louisiana only). The Department awarded the State of Louisiana \$92,629,249 in CDBG–NDR funds, of which \$48,373,249 was to enable the community on the Isle de Jean Charles (IDJC) to relocate to a new and more resilient community. As part of this award, the State grantee will construct new housing on land it acquires for relocation purposes. This housing will be transferred to former residents of the Isle de Jean Charles community that relocate to the new community.

In its approved application for CDBG–NDR funds, the State noted that IDJC has experienced a 98 percent loss of land since 1955, with only 320 acres remaining of what was a 22,400-acre island in 1955. The State's Phase 1 application notes that the island's residents will relocate to a new community, but as long as the island itself exists, the residents will retain their property on the island for ceremonial, cultural, historic and recreational uses. The Phase 1 application also notes that the connecting road to the island will very soon be impassable and that access will then be available only by boat.

To implement the IDJC portion of its grant, the State of Louisiana has explored a variety of voluntary relocation assistance options to facilitate the movement of island residents to the planned new community. Both the State and IDJC community have indicated that to effectively relocate as many island residents as possible, it is critical to provide those residents with continued access to their property for ceremonial, cultural, historic and recreational uses for the finite remaining life of the island.

While it is important to permit the community's continued access to the island for these limited purposes, it is also important to take reasonable measures to ensure that the land is no longer used for primary residences or otherwise developed in ways that frustrate the purposes of the grant to relocate the community to a safer area. The current residents of the island will continue to own their property on the island. However, as a condition of receiving newly constructed housing, the State plans to restrict owners' use of their former land on the island as a primary residence. The State indicates that it may need to record mortgage liens or limited real property interests such as easements or deed restrictions on the property of relocated island residents to restrict the use of the island land as a primary residence.

For this reason, HUD is clarifying that costs incurred by the State to establish and record mortgage liens or limited real property interests on the island to restrict the use of the land as a primary residence are eligible costs that may be charged to the grant as part of the State's new construction and disposition activities to relocate island residents. HUD considers the costs incurred to restrict continued use of the island property as a primary residence to meet the same national objective as the new construction and disposition activities. HUD is also clarifying that since the actions to limit use as a primary residence are undertaken as a condition of new construction and disposition activities to provide relocated residents with more resilient housing, the actions are not undertaken as part of acquisition activities that trigger buyout requirements.

The State should impose conditions on assistance to relocate island residents that are consistent with the purpose of the CDBG–NDR award. Specifically, the State should prohibit new construction, reconstruction, and major rehabilitation on the property and prohibit use of the property as a primary residence. CDBG–NDR funds may not be used for rehabilitation of structures on the island. However, if the State chooses to permit limited, minor rehabilitation of structures on the property with other, non-grant funds to allow for the continued interim use of the property for ceremonial, cultural, historic and recreational uses, the State should specify in its policies and procedures the allowable activities that would constitute a minor rehabilitation. Under the second homes prohibition established for all CDBG–NDR grantees in the June 7, 2016 notice (81 FR 36578), the State may not provide CDBG–NDR funds for rehabilitation of residential structures on the island.

5. Rental Assistance Waiver extension (State of New Jersey only). In the Department's August 15, 2016 notice (81 FR 54114), the State of New Jersey was granted a waiver for the use of CDBG–DR funds for rental assistance for New Jersey homeowners in the Rehabilitation, Reconstruction, Elevation and Mitigation (RREM) Program and the Low and Moderate-Income (LMI) Homeowners Rebuilding Program (LMI Program). In the State of New Jersey, more than 7,600 homeowners have participated in the State's RREM Program or the LMI Program to rebuild their Sandy-damaged homes. Nearly 6,400 of those homeowners have completed construction; however, the approximately 1,200 remaining

participants, many of whom are LMI households, are still in the construction phase due to insufficient funding to complete the project, contractor disputes or delays associated with the re-opening of certain claims under the National Flood Insurance Program. While undergoing rehabilitation of their homes, most of these applicants are required to continue to make payments for the mortgage on the home in addition to paying rent for alternative housing during the rehabilitation. The August 15, 2016 notice waived the requirements at section 105(a)(8) of the HCDA to the extent necessary to allow the State of New Jersey to use up to \$30 million of its CDBG–DR allocation to provide up to 21 months of rental assistance through its Rental Assistance Program (RAP) to eligible RREM and LMI program applicants. The State estimates that approximately 200 of the 400 current RAP recipients in both rehabilitation programs will exhaust their maximum 21 months of RAP assistance in January 2019. The State is taking several actions to close out RAP and address the remaining rehabilitations of these homes. To address the continuing need of RREM and LMI program participants, the State of New Jersey will submit a substantial amendment to allocate an additional \$50 million to its housing rehabilitation programs to assist participants in the completion of their homes. The State also indicates that it has increased its project management support to the remaining homeowner-managed construction projects to accelerate completions. To date, the State has only disbursed \$11.6 million of the \$30 million allowed under the previous waiver for RAP assistance and has not requested an increase to this cap. Without the waiver provided herein, the State could not continue to use CDBG–DR funds for these payments to individuals or families.

Accordingly, to allow the State of New Jersey to continue RAP and to assist homeowners in completing the rehabilitation of their homes, HUD is extending its original waiver granted in the August 15, 2016 notice to allow the State to use up to \$30 million of its CDBG–DR allocation to provide RAP assistance to eligible RREM and LMI program applicants for an additional 19 months, for a total of 40 months. The State must implement this alternative requirement consistent with the approach outlined in its requests and as described herein. This waiver and alternative requirement shall remain in effect until June 30, 2022, after which

the State will no longer be able to use CDBG-DR funds for any RAP assistance.

6. *Waiver and alternative requirement to permit certain activities as part of the Iowa Watershed Approach (State of Iowa only).* The Department awarded the State of Iowa \$96,887,177 in CDBG-NDR funds to support the Iowa Watershed Approach, a holistic watershed-scale program designed to sustain the State's agricultural economy while protecting vulnerable residents and communities. HUD funding will enable several watersheds to form Watershed Management Authorities, which will develop hydrological assessment and watershed plans, and implement pilot projects in the upper and lower watersheds, as well as invest in more resilient, healthy homes in Dubuque.

As part of the Iowa Watershed Approach, the State's NDR application proposed to fund subrecipients to install improvements and implement stormwater management practices on mostly privately-owned agricultural land to collect and hold back water in times of increased rain to prevent or minimize the impact of downstream flooding. To the extent some of these activities take place on privately-owned land, all of the activities may not be eligible under section 105(a)(2) of the HCDA, which permits the acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements. However, HUD recognizes that the improvements and planned management practices to be installed or applied on private lands provide public benefits that are similar to the public benefits derived from public works, facilities, and other improvements

generally eligible under section 105(a)(2). Accordingly, the Department is approving a waiver and alternative requirement to expand section 105(a)(2) of the HCDA to the extent necessary to permit Iowa to carry out the activities described in its NDR application by installing improvements and implementing stormwater management practices for the purpose of preventing downstream flooding. This eligible activity includes the expenditure of CDBG-NDR funds for actions necessary to obtain mandatory environmental permits (if approved by the permitting agency). The State must demonstrate at a program level that such payments are necessary and reasonable and are required in order to secure the permits needed to implement its CDBG-NDR project.

III. Public Law 114-113 and 115-31 Waivers and Alternative Requirements

This section of the notice applies to grantees that received an allocation for a major disaster in 2015 and 2016 under Public Law 114-113 and Public Law 115-31. Public Laws 114-113 and 115-31 authorize the Secretary to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary, or use by the recipient, of these funds, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5. As required by Public Laws 114-113 and 115-31, waivers and alternative requirements provided in this section are based upon a determination by the Secretary that

good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCDA.

1. Most Impacted and Distressed Area Requirements (South Carolina and Texas only).

This paragraph amends the Department's August 7, 2017 notice, which allocated additional CDBG-DR funds for qualified disasters that occurred in 2015. Table 2 of the August 7, 2017 notice indicates the HUD-identified "most impacted and distressed" (MID) areas impacted by the qualified disasters and the amounts that each grantee is required to expend in the MID areas. The notice required that at least 80 percent of the total combined funds provided within each State address unmet needs within the HUD-identified MID areas. The methodology, however, that HUD used to calculate the required amount to be expended in the MID areas for South Carolina and Texas was not correct. For the State of South Carolina, the amount established for its MID area expenditures did not account for CDBG-DR funds that would also be expended by Lexington County, Columbia, and Richland County as CDBG-DR grantees. For the State of Texas, the MID area expenditure calculation should have been based on a consideration of damage data received by HUD from December 2016, or fuller data received in May 2017. The MID calculation in the August 7, 2017 notice for Texas, however, only reflects the consideration of the December 2016 data. Therefore, this notice replaces Table 2 of the August 7, 2017 notice to reflect the corrected MID area expenditure amounts for the States of South Carolina and Texas:

TABLE 2—QUALIFYING 2015 AND 2016 DISASTERS AND "MOST IMPACTED AND DISTRESSED" AREAS

FEMA disaster No.	Grantee	Minimum amount that must be expended for recovery in the HUD-identified "most impacted and distressed" areas
2015 Disasters		
4241	Lexington County (Urban County), SC	(\$5,038,000) Lexington County Urban County Jurisdiction.
4241	Columbia, SC	(\$6,166,000) Columbia.
4241	Richland County, SC	(\$7,254,000) Richland County Urban County Jurisdiction.
4241	State of South Carolina	(\$20,205,200) Charleston, Dorchester, Florence, Georgetown and Clarendon Counties.
4223, 4245	Houston, TX	(\$20,532,000) City of Houston.
4223, 4245	San Marcos, TX	(\$8,714,000) City of San Marcos.
4223, 4245, 4272	State of Texas	(\$13,248,400) Harris, Hays, Hidalgo, and Travis Counties.
2016 Disasters		
4263, 4277	State of Louisiana	(\$41,148,000) East Baton Rouge, Livingston, Ascension, Tangipahoa, Ouachita, Lafayette, Vermilion, Acadia, Washington, and St. Tammany Parishes.
4273	State of West Virginia	(\$36,476,000) Kanawha, Greenbrier, Clay, and Nicholas Counties.
4266, 4269, 4272	State of Texas	(\$13,304,800) Harris, Newton, Montgomery, Fort Bend, and Brazoria Counties.
4285	State of North Carolina	(\$30,380,800) Robeson, Cumberland, Edgecombe, and Wayne Counties.
4286	State of South Carolina	(\$23,824,800) Marion and Horry Counties.

TABLE 2—QUALIFYING 2015 AND 2016 DISASTERS AND “MOST IMPACTED AND DISTRESSED” AREAS—Continued

FEMA disaster No.	Grantee	Minimum amount that must be expended for recovery in the HUD-identified “most impacted and distressed” areas
4280, 4283	State of Florida	(\$47,468,000) St. Johns County.

2. *Waiver and alternative requirement for 70 percent overall low- and moderate-income benefit requirement (Lexington County, South Carolina only).* This paragraph specifies a waiver and alternative requirement for CDBG-DR funds awarded to Lexington County under Public Laws 114–113 and 115–31 in order to allow the County to meet the unmet needs of residents in the HUD-defined MID areas. Lexington County was allocated \$16,332,000 of CDBG-DR funds under Public Law 114–113 and was awarded an additional \$5,038,000 under Public Law 115–31, both for recovery from 2015 severe storms and flooding (81 FR 39687 and 82 FR 36812).

The overall benefit requirement established by the HCDA requires that 70 percent of the aggregate of a grantee’s CDBG-DR fund expenditures shall be used to support activities benefitting low- and moderate-income persons. Under certain circumstances, it can be difficult for grantees working in disaster recovery to meet this overall benefit test, because disasters do not always affect low- and moderate-income (LMI) areas and this requirement can therefore (in some cases) limit a grantee’s ability to assist the MID areas resulting from the disaster. The Department’s June 17, 2016 notice maintained the 70 percent overall benefit requirement for all CDBG-DR grantees receiving funds under Public Law 114–113 but provided grantees with the option of submitting a request to HUD for a lower overall benefit requirement. Specifically, the notice allows a grantee to request to further reduce its overall benefit requirement if it submitted a justification that, at a minimum: (a) Identifies the planned activities that meet the needs of its low- and moderate-income population; (b) describes proposed activity(ies) and/or program(s) that will be affected by the alternative requirement, including their proposed location(s) and role(s) in the grantee’s long-term disaster recovery plan; (c) describes how the activities/programs identified in (b) prevent the grantee from meeting the 70 percent requirement; and (d) demonstrates that LMI persons’ disaster-related needs have been sufficiently met and that the needs of non-LMI persons or areas are disproportionately greater, and that the

jurisdiction lacks other resources to serve them.

Lexington County submitted a request to establish a lower overall benefit requirement based on the above criteria. In its request, the County contends that its three established programs: Minor Residential Rehabilitation, Residential Buyout and Public Infrastructure Improvement, will meet all the unmet housing needs of its LMI population in the county. Specifically, in its Residential Buyout program the County has worked to prioritize the needs of LMI persons in its four identified Disaster Reduction Risk Areas who are most at-risk to repetitive flooding damage. The majority of the applications the County received for its Minor Residential Rehabilitation program were in the eligible buyout areas and were encouraged to move to the Residential Buyout program. After three years of public outreach, the County ultimately had 135 applications that were either eligible for its Minor Residential Rehabilitation program or its Residential Buyout program, and the County will be able to assist them all. Of the 135 eligible applications, 52 of those households are LMI. According to data provided by the County, once the Minor Residential Rehabilitation and Residential Buyout programs are completed it will have addressed all LMI unmet needs in those two programs.

The County’s Public Infrastructure program is still in the design phase, but the County’s unmet needs analysis has shown that the projects left to be funded involve damaged bridges and improvements needed for storm water management systems. The County’s analysis shows that while LMI persons will likely benefit from all of its public infrastructure projects, none of the bridges that need repair are in areas that will qualify as LMI areas under the applicable national objective criteria. However, the improvements to the storm water management systems will benefit an LMI area, will be leveraged with additional federal and private funds, and will incorporate buyout properties into the program. The County plans to allocate around \$300,000 to repair the damaged bridges and over \$1 million to improve storm water management systems.

To enable the County to undertake the activities it has determined to be most critical for its recovery, and to ensure that LMI persons are sufficiently served or assisted, HUD is granting a waiver and alternative requirement to reduce the overall benefit requirement from 70 percent to not less than 50 percent of the County’s total allocation of CDBG-DR funds. This is a limited waiver modifying sections 101(c) and 104(b)(3)(A) of the HCDA and 24 CFR 570.200(a)(3) only to the extent necessary to reduce the LMI overall benefit requirement that the County of Lexington must meet when carrying out activities identified in its approved action plan from 70 percent to not less than 50 percent of the grantee’s allocations of CDBG-DR funds under Public Laws 114–113 and 115–31. Based on the analysis submitted by the County, the Secretary finds a compelling need for this reduction due to the circumstances outlined in the County’s request. In particular, HUD notes that the County has accepted applications in its buyout and housing program for three years following the disaster event, with significant amounts of public outreach during that time to ensure that it reached all affected communities including: updates on its disaster recovery website, neighborhood meetings and public presentations at County council meetings.

IV. Public Law 114–113, 114–223, 114–254 and 115–31 Waivers and Alternative Requirements

This section of the notice applies to grantees that received an award for a major disaster in 2015, 2016, or 2017 under Public Law 114–113, Public Law 114–223, Public Law 114–254 or Public Law 115–31, and an award for a 2017 major disaster under Public Laws 115–56 or 115–123.

1. *Planning and Administration Expenditures.* Grantees that received an allocation for a major disaster in 2015, 2016, or 2017 under Public Law 114–113, Public Law 114–223, Public Law 114–254 or Public Law 115–31, and an award for a 2017 major disaster under Public Laws 115–56 or 115–123, are subject to different requirements with respect to determining how planning and administrative funds will be accounted for in the requirement that 80 percent of the total grant award be

expended in the HUD-identified “most impacted and distressed” areas. To avoid the administrative burden of tracking MID area expenditures differently between different grants, HUD is authorizing grantees under Public Laws 114–113, 114–223, 114–254 and 115–31 to follow the provisions of the Department’s February 9, 2018 notice. Specifically, for these grantees and for allocations pursuant to the above Public Laws, HUD will include 80 percent of a grantee’s expenditures for grant administration in its determination that 80 percent of the total award has been expended in the MID areas. HUD will include expenditures for planning activities towards a grantee’s 80 percent expenditure requirement only if the grantee amends its action plan to include a description of how those planning activities benefit the HUD-identified MID areas.

2. *Waiver of Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)*. Section 414 of the Stafford Act (42 U.S.C. 5181) provides that “Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91–646) [42 U.S.C. 4601 et seq.] [“URA”] shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by [the URA].” Accordingly, homeowner occupants and tenants displaced from their homes as a result of the identified disaster and who would have otherwise been displaced, as a direct result of any acquisition, rehabilitation, or demolition of real property for a federally funded program or project, may become eligible for a replacement housing payment, notwithstanding their inability to meet occupancy requirements prescribed in the URA.

Grantees that received an allocation for a major disaster in 2015, 2016, or 2017 under Public Laws 114–113, 114–223, 114–254 or 115–31, and an award for a 2017 major disaster under Public Laws 115–56 or 115–123, are subject to different requirements with respect to protections afforded to tenants and homeowners under Section 414 of the Stafford Act. The Department issued a waiver of Section 414 for all grantees receiving an allocation for a 2017 major disaster under Public Laws 115–56 and 115–123 and provided an alternative requirement in the Department’s February 9, 2018 notice (83 FR 5844), as

amended and replaced by language in the August 14, 2018 notice (83 FR 40314) that did not apply to grantees receiving an allocation for a major disaster in 2015, 2016, or 2017 under Public Laws 114–113, 114–223, 114–254 or 115–31.

To avoid the administrative burden of implementing two different sets of URA requirements, HUD is authorizing grantees under Public Laws 114–113, 114–223, 114–254 and 115–31 that also received an award under Public Law 115–56 or 115–123 to either: (a) Continue to follow Section 414 of the Stafford Act (or any grantee-specific alternative requirement previously authorized by HUD); or (b) follow the alternative requirement of this section as previously established for Public Law 115–56 and 115–123, if the relevant activity has not yet received a Request for Release of Funds (RROF) as of the applicability date of this Notice. If a grantee chooses to follow option (b) above then it must identify this approach in its policies and procedures related to that particular activity, and consistently apply that option for all displaced persons affected by that activity.

This waiver and alternative requirement is as follows: Section 414 of the Stafford Act (including its implementing regulation at 49 CFR 24.403(d)(1)), is waived to the extent that it would apply to real property acquisition, rehabilitation or demolition of real property for a CDBG–DR funded project, undertaken by the grantee or subrecipient, commencing more than one year after the Presidentially declared disaster, provided that the project was not planned, approved, or otherwise underway prior to the disaster. For purposes of this paragraph, a CDBG–DR funded project shall be determined to have commenced on the earliest of: (1) The date of an approved RROF and certification, or (2) the date of completion of the site-specific review when a program utilizes tiered environmental reviews, or (3) the date of sign-off by the approving official when a project converts to exempt under 24 CFR 58.34(a)(12). The Secretary has the authority to waive provisions of the Stafford Act and its implementing regulations that the Secretary administers in connection with the obligation of CDBG–DR funds covered under this waiver and alternative requirement, or the grantees’ use of these funds. The Department has determined that good cause exists for a waiver and that such waiver is not inconsistent with the overall purposes of title I of the HCDA. The waiver will simplify the administration of the

disaster recovery process and reduce the administrative burden associated with the implementation of Stafford Act Section 414 requirements for projects commencing more than one year after the date of the Presidentially declared disaster, considering the majority of such persons displaced by the disaster will have returned to their dwellings or found another place of permanent residence. This waiver does not apply with respect to persons that meet the occupancy requirements to receive a replacement housing payment under the URA nor does it apply to persons displaced or relocated temporarily by other HUD-funded programs or projects. Such persons’ eligibility for relocation assistance and payments under the URA is not impacted by this waiver.

3. *One-for-One Replacement Housing, Relocation, and Real Property Acquisition Requirements.*

Similar to the Section 414 waiver above, grantees that have received an allocation of CDBG–DR funds for 2017 disasters under Public Law 115–56 and 115–123 are currently subject to different requirements with respect to One-for-One Replacement Housing, Relocation, and Real Property Acquisition Requirements, than grantees that received an allocation of CDBG–DR funds for 2015, 2016 and 2017 disasters pursuant to Public Laws 114–113, 114–223, 114–254, and 115–31. To avoid the administrative burden of implementing two different sets of URA requirements, HUD is authorizing grantees under Public Laws 114–113, 114–223, 114–254, or 115–31 that also received an award under Public Law 115–56 or 115–123, to either continue to follow the section on One-for-One Replacement Housing, Relocation, and Real Property Acquisition Requirements as provided in Section VI.A.19. of the June 17, 2016 notice (81 FR 39700) and Section VI.A.19. of the November 21, 2016 notice (81 FR 83266); or (b) follow the requirements of the same section in Section VI.A.23.a. through e. (excluding Section VI.A.23.f.) of the February 9, 2018 notice (83 FR 5858), if the relevant activity has not yet received a Request for Release of Funds (RROF) as of the applicability date of this Notice. If a grantee chooses to follow option (b) above then it must identify this approach in its policies and procedures related to that particular activity, and consistently apply that option for all displaced persons affected by that activity.

The provisions in Section VI.A.23.a. through e. of the February 9, 2018 notice governing One-for-One Replacement Housing, Relocation, and Real Property Acquisition Requirements are not

amended but are restated below for reference:

"23. *One-for-One Replacement Housing, Relocation, and Real Property Acquisition Requirements.* Activities and projects undertaken with CDBG-DR funds are subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601 *et seq.*) ("URA") and section 104(d) of the HCD Act (42 U.S.C. 5304(d)) (section 104(d)). The implementing regulations for the URA are at 49 CFR part 24. The regulations for section 104(d) are at 24 CFR part 42, subpart C. For the purpose of promoting the availability of decent, safe, and sanitary housing, HUD is waiving the following URA and section 104(d) requirements with respect to the use of CDBG-DR funds allocated under this notice:

a. Section 104(d) one for one replacement. One-for-one replacement requirements at section 104(d)(2)(A)(i) and (ii) and (d)(3) of the HCD Act and 24 CFR 42.375 are waived in connection with funds allocated under this notice for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. The section 104(d) one-for-one replacement requirements generally apply to demolished or converted occupied and vacant occupiable lower-income dwelling units. This waiver exempts disaster-damaged units that meet the grantee's definition of "not suitable for rehabilitation" from the one-for-one replacement requirements. Before carrying out activities that may be subject to the one-for-one replacement requirements, the grantee must define "not suitable for rehabilitation" in its action plan or in policies and procedures governing these activities. A grantee with questions about the one-for-one replacement requirements is encouraged to contact the HUD regional relocation specialist responsible for its jurisdiction. HUD is waiving the section 104(d) one-for-one replacement requirement for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation because it does not account for the large, sudden changes that a major disaster may cause to the local housing stock, population, or economy. Further, the requirement may discourage grantees from converting or demolishing disaster-damaged housing when excessive costs would result from replacing all such units. Disaster-damaged housing structures that are not suitable for rehabilitation can pose a threat to public health and safety and to economic revitalization. Grantees should reassess post-disaster population and housing needs to determine the appropriate type and amount of lower-income dwelling units to rehabilitate and/or rebuild. Grantees should note that the demolition and/or disposition of PHA-owned public housing units is covered by section 18 of the United States Housing Act of 1937, as amended, and 24 CFR part 970.

b. Relocation assistance. The relocation assistance requirements at section 104(d)(2)(A) of the HCD Act and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24,

as modified by this notice, for activities related to disaster recovery. Without this waiver, disparities exist in relocation assistance associated with activities typically funded by HUD and FEMA (e.g., buyouts and relocation). Both FEMA and CDBG funds are subject to the requirements of the URA; however, CDBG funds are subject to section 104(d), while FEMA funds are not. The URA provides at 49 CFR 24.402(b) that a displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months. By contrast, section 104(d) allows a lower-income displaced person to choose between the URA rental assistance payment and a rental assistance payment calculated over a period of 60 months. This waiver of the section 104(d) relocation assistance requirements assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance under this notice.

c. Tenant-based rental assistance. The requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a)(6)(vii), 24.2(a)(6)(ix), and 24.402(b) are waived to the extent necessary to permit a grantee to meet all or a portion of a grantee's replacement housing payment obligation to a displaced tenant by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy (e.g., Section 8 rental voucher or certificate), provided that comparable replacement dwellings are made available to the tenant in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months. Failure to grant this waiver would impede disaster recovery whenever TBRA program subsidies are available but funds for cash replacement housing payments are limited and such payments are required by the URA to be based on a 42-month term.

d. Arm's length voluntary purchase. The requirements at 49 CFR 24.101(b)(2)(i) and (ii) are waived to the extent that they apply to an arm's length voluntary purchase carried out by a person who uses funds allocated under this notice and does not have the power of eminent domain, in connection with the purchase and occupancy of a principal residence by that person. Given the often large-scale acquisition needs of grantees, this waiver is necessary to reduce burdensome administrative requirements following a disaster. Grantees are reminded that tenants occupying real property acquired through voluntary purchase may be eligible for relocation assistance.

e. Optional relocation policies. The regulation at 24 CFR 570.606(d) is waived to the extent that it requires optional relocation policies to be established at the grantee level. Unlike the regular CDBG program, States may carry out disaster recovery activities directly or through subrecipients, but 24 CFR 570.606(d) does not account for this distinction. This waiver makes clear that grantees receiving CDBG-DR funds under this notice may establish optional relocation policies or permit their subrecipients to establish separate optional relocation policies. This waiver is intended to provide States with maximum flexibility in

developing optional relocation policies with CDBG-DR funds."

V. Public Law 114-223, 114-254 and 115-31 Waivers and Alternative Requirements

This paragraph of the notice applies to the State of Louisiana, which received allocations for major disasters in 2016 under Public Laws 114-223, 114-254 and 115-31. The Department may grant a waiver pursuant to the authority provided under the above appropriations, which authorize the Secretary to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, non-discrimination, labor standards, and the environment). As required by Public Laws 114-223, 114-254 and 115-31, the waiver and alternative requirement provided in this paragraph is based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCDA.

Rental assistance to tenants—42 U.S.C. 5305(a)(8) is modified to permit rental assistance for up to 24 months (State of Louisiana only).

The Department has received a request from the State of Louisiana to provide up to 24 months of tenant-based rental assistance (TBRA) to households impacted by a covered disaster when those households do not meet the definition of a "displaced person" under the URA. Existing CDBG regulations allow these payments to cover rent and utilities for a short period of time as a public service activity under 42 U.S.C. 5305(a)(8), but these payments cannot extend for so long that they no longer qualify as an eligible public service activity. Following a disaster, however, households may be forced to abandon their residences and may be unable to return if the damage to the units have made them uninhabitable. Furthermore, scarcity of affordable replacement units in the recovery period following a disaster, and security and utility deposits can further exacerbate affordability concerns for tenants. This waiver and alternative requirement will provide additional time to stabilize persons or households in permanent housing and is consistent with the goal of preventing homelessness.

Due to the severe flooding that occurred in 2016, the housing stock and shelters in several parishes of the State were severely damaged or destroyed.

The State notes that thousands of families continue to be doubled up with family and friends, facing eviction, in temporary housing conditions, including FEMA trailers that will be removed or have rents increased in the near future. The damage from the flooding diminished the opportunities for homeless or at-risk persons or households to independently establish re-housing. This waiver and alternative requirement will provide additional time to stabilize persons or households in permanent housing. The goal of this waiver and alternative requirement is to prevent homelessness and provide additional time to stabilize persons or households in permanent housing along with supportive services. In developing the policies and procedures for the Rapid Rehousing program, the State must list the services to be provided and outline a referral process that will enable the targeted households to apply to live in affordable housing units, including those that are created under other CDBG-DR funded programs.

The use of CDBG-DR funds for this purpose advances the Department's priority to support forward-thinking solutions to help communities that are struggling to house and serve persons and families that are homeless or at risk of homelessness as a result of a disaster. For the reasons above, HUD is expanding the definition of public service at 42 U.S.C. 5305(a)(8) to include the following activity: Provision of rental assistance to disaster-impacted households for up to 24 months. This activity is subject to the 15 percent cap on public services.

In implementing this waiver and alternative requirement, the State must document in its policies and procedures how it will determine that the amount of assistance to be provided is necessary and reasonable and not duplicative of any other funding source, including insurance. Additionally, the State is reminded that any rental assistance provided by FEMA must first be exhausted prior to providing CDBG-DR funds for this purpose. Eligible assistance includes rental assistance and utility payments and may also include rental costs (*i.e.*, security deposits and utility deposits) when the grantee determines that such payments are necessary and reasonable to help prevent a household from being homeless.

A homeowner receiving any form of CDBG-DR interim mortgage assistance that may be offered by the State is not eligible for rental assistance as authorized by this section. This waiver and alternative requirement shall expire on September 30, 2022.

VI. Public Law 115-56 and 115-123 Waivers and Alternative Requirements

This section of the notice authorizes waivers and alternative requirements for certain grantees that received an allocation of funds appropriated under Public Laws 115-56 and 115-123, which together made available \$17.4 billion in CDBG-DR funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization due to qualified disasters that occurred in calendar year 2017.

Public Laws 115-56 and 115-123 both authorize the Secretary to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). As required by these appropriations, each waiver and alternative requirement in this section is based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCDA.

1. *Clarification of the Green Building Standards.* The Department's February 9, 2018 notice (83 FR 5844) included the requirement for the application of green building standards that have applied to CDBG-DR awards since 2013. Section VI.B.32. of the February 9, 2018 notice requires grantees to meet the green building standards for "(i) All new construction of residential buildings and (ii) all replacement of substantially damaged residential buildings." Section VI.B.32. subparagraph b. of the February 9, 2018 notice includes a list of green building standards that grantees may adopt and asks grantees to identify which green building standard it will use to meet the requirements. Some grantees have interpreted this requirement to mean that they must choose only one of the specified green building standards and must apply that one standard to all CDBG-DR funded activities that are subject to the requirement. HUD's requirement, however, is only intended to require grantees to identify which green building standard it will meet for each project. It is not intended to require grantees to limit themselves to using only one of the authorized standards. To clarify HUD's intention, HUD is replacing section VI.B.32. subparagraph b. of the February 9, 2018 notice with the following:

"b. Meaning of Green Building Standard. For purposes of this notice, the Green Building Standard means the grantee will require all construction covered by subparagraph a., above, to meet an industry-recognized standard that has achieved certification under at least one of the following programs: (i) ENERGY STAR (Certified Homes or Multifamily High-Rise), (ii) Enterprise Green Communities, (iii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), (iv) ICC-700 National Green Building Standard, (v) EPA Indoor AirPlus (ENERGY STAR a prerequisite), or (vi) any other equivalent comprehensive green building program acceptable to HUD. Grantees must identify, in each project file, which Green Building Standard will be used on any building covered by subparagraph a., along with a checklist or other documentation demonstrating the elements of the chosen standard have been followed. This will allow grantees flexibility in the implementation of this requirement and will also allow HUD to readily identify the authorized standard chosen for each building."

2. *Waiver to increase tourism and business marketing cap (Commonwealth of Puerto Rico only).* In the August 14, 2018 notice, the Department granted the Commonwealth of Puerto Rico a waiver to create a new eligible activity to use up to \$15,000,000 of CDBG-DR funds for tourism marketing activities to promote travel and to attract new businesses to disaster-impacted areas, consistent with the amount allocated by the Commonwealth in the action plan submitted to HUD pursuant to the February 9, 2018 notice. This notice increases the amount by \$10,000,000, allowing the Commonwealth to use up to \$25,000,000 in CDBG-DR funds to promote travel and to attract new businesses to disaster-impacted areas. This additional \$10,000,000 in CDBG-DR funds represents a substantial and necessary infusion of CDBG-DR resources to sustain the following unmet tourism marketing and business promotion needs identified in the Commonwealth's prior waiver request: (1) Advertising and publicity to correct and update public perception of Puerto Rico as a tourism destination and location for new business investment; and (2) sales promotion and publicity to update professional planners' perceptions of the destination and its ability to host business events (*e.g.*, conventions, quarterly sales conferences, corporate meetings, association conferences) and new businesses. As the Commonwealth of Puerto Rico is proposing advertising and marketing activities rather than direct assistance to tourism-dependent and other businesses, and because the measures of long-term benefit from the

proposed activities must be derived using indirect means, 42 U.S.C. 5305(a) is waived only to the extent necessary to expand the tourism and business marketing eligible activity to permit no more than \$25,000,000 for assistance for tourism and business marketing activities to promote travel and to attract new businesses to disaster-impacted areas. No elected officials or candidates for political office shall appear in tourism or business marketing materials financed with CDBG-DR funds. Given the importance of tourism and new business investment to the overall economy, HUD is authorizing this use of funds without regard to unmet housing need.

This waiver will expire two years after the Commonwealth first draws CDBG-DR funds under the allocation of CDBG-DR funds provided in the February 9, 2018 notice. The requirements of the August 14, 2018 notice for the Commonwealth apply to all amounts used for tourism and business marketing, including the additional \$10,000,000 permitted by this waiver. The Commonwealth cannot use its CDBG-DR tourism expenditures to supplant Commonwealth or local government funds for tourism and business marketing activities, and it must develop metrics in its action plan that will demonstrate the impact of its CDBG-DR tourism and business marketing expenditures.

The Commonwealth shall coordinate its tourism promotion and business marketing activities with its designated Opportunity Zones.

3. Waiver and alternative requirement for homeowner mortgage assistance (Commonwealth of Puerto Rico only). The widespread damage to the Commonwealth's housing stock following Hurricane Maria has also negatively impacted the Commonwealth's housing market. Elderly homeowners in particular have experienced new difficulties in meeting their mortgage obligations. To assist these homeowners during the period of recovery, HUD is expanding the definition of public service at 42 U.S.C. 5305(a)(8) to include this activity and allow the Commonwealth to use up to \$5,000,000 of CDBG-DR funds for the purpose of paying arrearages on taxes and insurance for Home Equity Conversion Mortgages (HECM) insured by the Federal Housing Administration, provided such arrearages have been incurred by the homeowner following and not before the qualified disaster and that such payments serve only to make the homeowner current in his/her required tax and insurance payments for the HECM.

Payments pursuant to this paragraph shall be made by the Commonwealth to: (1) The HECM servicer where the HECM servicer advanced taxes and insurance payments on behalf of the borrower, or (2) to the local taxing authority and/or property insurer on behalf of the borrower. The Commonwealth is reminded that as a public service activity, the HECM assistance authorized herein is subject to the 15 percent cap on the use of CDBG-DR for public service activities. This waiver and alternative requirement shall expire two years after the date on which the Commonwealth first draws CDBG-DR funds for the purpose of providing the assistance authorized herein.

4. Rental assistance to tenants—42 U.S.C. 5305(a)(8) is modified to permit rental assistance to tenants for up to 24 months (Commonwealth of Puerto Rico only).

The Department has received a request from the Commonwealth of Puerto Rico to provide up to 24 months of tenant-based rental assistance (TBRA) to households impacted by a covered disaster when those households do not meet the definition of a "displaced person" under the URA. Existing CDBG regulations allow these payments to cover rent and utilities for a short period as a public service under 42 U.S.C. 5305(a)(8), but these payments cannot extend for so long that they are no longer qualify as an eligible public service activity. Following a disaster, however, households may be forced to abandon their residences and may be unable to return if the damage to the units have made them uninhabitable. Furthermore, scarcity of affordable replacement units in the recovery period following a disaster, and security and utility deposits can further exacerbate affordability concerns for tenants. This alternative requirement will provide additional time to stabilize persons or households in permanent housing and is consistent with the goal of preventing homelessness.

As a result of Hurricanes Maria and Irma, rental units across the Commonwealth were seriously damaged or destroyed and affordable rental housing units are urgently needed, especially for the elderly who are in need of rental assistance. Many elderly residents are at immediate risk of becoming homeless because they cannot afford to pay rent without assistance. The goal of this waiver is to prevent and minimize the time disaster-impacted households are homeless by providing rental assistance and re-housing services, and by linking the households with services that can help them become stable and self-sufficient. In

developing the policies and procedures for this TBRA program, the Commonwealth must list services to be provided and outline a referral process that will enable the targeted households to apply to live in affordable housing units, including those that are created under other CDBG-DR funded programs. The Commonwealth must clearly demonstrate in its action plan the concrete steps it will take to prevent households from becoming homeless after the exhaustion of the CDBG-DR TBRA assistance.

The use of CDBG-DR funds for this purpose advances the Department's priority to support forward-thinking solutions to help communities that are struggling to house and serve persons and families that are homeless or at risk of homelessness as a result of a disaster. For the reasons above, HUD is expanding the definition of public service at 42 U.S.C. 5305(a)(8) to include the following activity: Provision of rental assistance to disaster-impacted households for up to 24 months. This activity is subject to the 15 percent cap on public services.

In implementing this alternative requirement, the Commonwealth must document, in its policies and procedures, how it will determine that the amount of assistance to be provided is necessary and reasonable and not duplicative of any other funding source. Additionally, the Commonwealth is reminded that any rental assistance provided by FEMA or insurance must first be exhausted prior to providing CDBG-DR funds for this purpose. Eligible assistance includes rental assistance and utility payments and may also include rental costs (i.e., security deposits and utility deposits) when the grantee determines that such payments are necessary and reasonable to help prevent a household from being homeless.

A homeowner receiving any form of CDBG-DR interim mortgage assistance that may be offered by the Commonwealth is not eligible for rental assistance as authorized by this section. This waiver and alternative requirement shall expire on September 30, 2022.

5. Waiver to increase tourism marketing cap to further permit some activities in support of the tourism industry (U.S. Virgin Islands only). In the Department's August 14, 2018 notice, HUD granted the U.S. Virgin Islands (USVI) a waiver to spend up to \$5,000,000 of CDBG-DR funds on tourism marketing activities to promote travel to disaster-impacted areas related to the effects of Hurricanes Irma and Maria, consistent with the amount allocated by the USVI in the action plan

submitted to HUD pursuant to the February 9, 2018 notice.

The USVI is seeking a waiver request to allow it to spend an additional \$20,000,000 on activities to promote tourism within those same areas, for a combined total of \$25,000,000. This increase in funding for tourism marketing activities is based upon the USVI Department of Tourism's identification of specific travel and tourism niches in which the USVI is acknowledged to be competitive, including sports and adventure; meetings, incentives, conferences and exhibitions; and destination weddings and honeymoons.

Accordingly, 42 U.S.C. 5305(a) is waived only to the extent necessary to make eligible use of no more than \$25,000,000 for assistance for tourism marketing, provided the assisted activities are designed to support tourism to the disaster-impacted areas related to the effects of Hurricanes Irma and Maria. This waiver will expire two years after the USVI first draws CDBG-DR funds under the allocation of CDBG-DR funds provided in the February 9, 2018 notice. The requirements of the August 14, 2018 notice for the USVI apply to all amounts used for tourism marketing, including the additional \$20,000,000 permitted by this waiver. These include requirements for the USVI to develop metrics in its action plan that will demonstrate the impact of its CDBG-DR tourism expenditures and that no elected officials or candidates for political office shall appear in tourism marketing materials financed with CDBG-DR funds. Any CDBG-DR tourism expenditures may not supplant USVI or local government funds for tourism marketing.

The USVI shall coordinate its tourism promotion and marketing activities with its designated Opportunity Zones.

6. Rental assistance to tenants—42 U.S.C. 5305(a)(8) is modified to permit rental assistance to tenants for up to 24 months (U.S. Virgin Islands only).

The Department has received a request from the USVI to provide up to 24 months of tenant-based rental assistance (TBRA) to households impacted by a covered disaster when those households do not meet the definition of a "displaced person" under the URA. Existing CDBG regulations allow these payments to cover rent and utilities for a short period as a public service under 42 U.S.C. 5305(a)(8), but these payments cannot extend for so long that they are no longer a public service. Following a disaster, however, households may be forced to abandon their residences and may be unable to return if the damage

to the units have made them uninhabitable. Furthermore, scarcity of affordable replacement units in the recovery period following a disaster, and security and utility deposits can further exacerbate affordability concerns for tenants. This waiver and alternative requirement will provide additional time to stabilize persons or households in permanent housing and is consistent with the goal of preventing homelessness.

Many of the homeowners in USVI own their homes outright or reside in long-standing familiar homes. This practice has allowed them to live on very low, fixed expenses each month and therefore these homeowners may not have the means to pay rent at a different location while their home is under repair. Additionally, many homeowners have either expended their FEMA temporary assistance and rental assistance provided by insurance or did not qualify for any rental assistance in the first place. Thus, temporary rental assistance for homeowners is necessary to prevent displacement and/or homelessness while these homes are repaired or reconstructed. The goal of this waiver and alternative requirement is to prevent and minimize the time households are homeless as a result of the disaster by providing rental assistance and re-housing services. In developing the policies and procedures for the rental assistance program, the grantee must list services to be provided and outline a referral process that will enable the targeted households to apply to live in affordable housing units, including those that are created under other CDBG-DR funded programs. Grantees must also clearly demonstrate in its action plan the concrete steps it will take to prevent households from becoming homeless after the exhaustion of CDBG-DR TBRA assistance.

The use of CDBG-DR funds for this purpose advances the Department's priority to support forward-thinking solutions to help communities that are struggling to house and serve persons and families that are homeless or at risk of homelessness as a result of a disaster. For the reasons above, HUD is expanding the definition of public service at 42 U.S.C. 5305(a)(8) to include the following activity: provision of rental assistance to disaster-impacted households for up to 24 months. This activity is subject to the 15 percent cap on public services.

In implementing this waiver and alternative requirement, the USVI must document, in its policies and procedures, how it will determine that the amount of assistance to be provided is necessary and reasonable and not

duplicative of any other funding source, including insurance. Additionally, the USVI is reminded that any rental assistance provided by FEMA must first be exhausted prior to providing CDBG-DR funds for this purpose. Eligible assistance includes rental assistance and utility payments and may also include rental costs (*i.e.*, security deposits and utility deposits) when the grantee determines that such payments are necessary and reasonable to help prevent a household from being homeless.

A homeowner receiving any form of CDBG-DR interim mortgage assistance that may be offered by the USVI is not eligible for rental assistance as authorized by this section. This waiver and alternative requirement shall expire on September 30, 2022.

VII. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this notice are as follows: 14.218 for Entitlement CDBG grantees and 14.228 for State CDBG grantees.

VIII. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW, Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Hearing- or speech-impaired individuals may access this number through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

Dated: February 8, 2019.

David Woll, Jr.,

Acting Assistant Secretary, Office of Community Planning and Development.

[FR Doc. 2019-02695 Filed 2-15-19; 8:45 am]

BILLING CODE 4210-67-P



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

SEP 17 2018

Ms. Savannah Howell
Community Development Program Manager
Recovery Operations
City of Tuscaloosa
2201 University Boulevard
Tuscaloosa, AL 35401

Dear Ms. Howell:

Pursuant to the Disaster Relief Appropriations Act, 2013 (the Act), the Department has awarded a grant of \$43,932,000 in Community Development Block Grant disaster recovery (CDBG-DR) funds to the city of Tuscaloosa (B-13-MS-01-0002). These funds have been fully obligated to the grantee under eleven obligations. Pursuant to the requirements of the Act, obligated funds must be expended within 24 months following obligation, unless an extension of that deadline has been approved by HUD.

On May 11, 2015, the Department published a *Federal Register* Notice outlining the process and criteria for a grantee receiving funds under the Act to receive an extension of an expenditure deadline (80 FR 26942). On July 17, 2018, the city of Tuscaloosa submitted the CDBG-DR Expenditure Deadline Extension Request as required by the Notice, with a request to extend the expenditure deadline for a portion of the grant funds. The amount of funds that will be extended are shown below by program category and obligation round. The grantee may make budget adjustments between Disaster Recovery Grant Reporting (DRGR) activities within each identified program category and obligation round, however, funds may not be adjusted between these categories or obligation rounds without express authorization from HUD as defined in the May 11, 2015, *Federal Register* Notice.

Program Category	Amount Extended*
Infrastructure (R9)	\$29,821.15
Grant Administration (R11)	\$534,689.94
Economic Development (R11)	\$1,274,454.74
Infrastructure (R11)	\$2,895,117.81
Total:	\$4,698,083.64

* The Amount Extended represents the sum of the balance remaining for the DRGR Activities included in the grantee's extension request within each Program Category and Obligation Round as of the date of this letter.

As outlined in the Notice, the Department has assessed the Expenditure Deadline Extension Request to ensure the revised expenditure deadline is sufficient, and the grantee's projection of quarterly expenditures are achievable based on the grantee's past performance and expenditure rate. The Department has concluded that the grantee's requested timeline appears to be achievable, and the extension is granted as requested. The Department is approving the city of Tuscaloosa's request to extend the time for the expenditure of funds identified above until September 30, 2022.

Within 30 calendar days of this notice, the grantee must make amendments to its written Action Plan and Quarterly Expenditure Projections that may be needed to reflect the extension. The Department will coordinate with the grantee to revise the DRGR Action Plan and Block Dates as needed, and to take any other appropriate action.

Thank you for your interest in the Department's programs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stanley Girmont", is positioned above the printed name.

Stanley Girmont
Deputy Assistant Secretary
for Grant Programs



July 17, 2018

Thomas E. Tiffin Jr.
Community Planning and Development Specialist
U.S. Department of Housing and Urban Development
950 22nd Street North; Suite 900
Birmingham, AL 35203-5301

RE: City of Tuscaloosa B-13-MS-01-0002 Expenditure Deadline Extension Request

Mr. Tiffin,

The City of Tuscaloosa would like to formally request an expenditure deadline extension request for B-13-MS-01-0002 activities that are obligated in Round 9 and Round 11 in the City's Action Plan. Currently, the expenditure deadline for Round 9 activities is September 27, 2018 and the expenditure deadline for Round 11 activities is April 13, 2019. For all activities, the City would like to request an expenditure deadline until September 30, 2022. As of letter date, the City of Tuscaloosa has obligated its entire awarded grant, \$43,932,000 and drawn \$38,723,257 for reimbursement.

In order to effectively and efficiently spend HUD dollars and complete the disaster recovery projects undertaken an extension is necessary. There are several factors that contribute to the need for an extension as listed on the required and attached templates; however, several of the factors are as follows. In regard to a large portion of the infrastructure activities, the City waited to release the activities for bid when the market was not saturated as to unnecessarily inflate project costs. In a few cases, activities were rebid when prices came in significantly over budget to ensure that federal dollars were used in an appropriate manner which delayed project commencement. Also, there are several activities that have been undertaken with other entities; when dealing with these entities and their particular guidelines, the process is much lengthier than expected. In regard to the



OFFICE OF THE MAYOR

2201 University Blvd. • Tuscaloosa, AL 35401 • Office 205-248-5001 • City Hall 205-248-5311

TUSCALOOSA.COM    @TuscaloosaCity

Mr. Tom Tiffin
July 17, 2018
Page 2

Administration activity in particular, an extension is necessary to ensure that all activities are monitored and that acceptable data is collected for reporting.

The City of Tuscaloosa has been a good steward of federal dollars in regard to investing those dollars in the most efficient and effective way into the most devastated areas of our city following the April 27, 2011 disaster. I have witnessed firsthand the profound impact that these activities have had on the City of Tuscaloosa in regard to economic growth, socioeconomic equality, affordable housing, improved infrastructure, job creation, and many other things of which you cannot assign a number.

In order to continue the disaster recovery activities currently underway and take one step closer to a complete recovery, I respectfully request an expenditure deadline for the activities notated on the required attachments. Should you have any questions regarding this request, please contact Savannah Howell at showell@tuscaloosa.com or 205-248-5712.

Sincerely,

A handwritten signature in black ink, appearing to read "Walt Maddox".

Walter Maddox
Mayor

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

In order to request an extension of the 24-month expenditure deadline on CDBG-DR funds from HUD, grantees must complete the following template for each grantee program or project for which an extension is requested.*

OMB authorized HUD to provide CDBG-DR grantees with expenditure deadline extensions for specific activity types. Only activities within the following activity category types are eligible to request an extension of the 24-month expenditure deadline: **housing; economic revitalization; public facilities and improvements; and administration.**

**Note: A local program or project may be reflected in DRGR as more than one activity. An example would be a single family rehabilitation program that will be serve both Urgent Need and Low/Moderate income households. In these instances, both DRGR activities should be submitted using a single template.*

1. GRANT INFORMATION

a. Grant Number	B-13-MS-01-0002
b. Grantee Name	City of Tuscaloosa, Alabama
c. Requesting Agency	City of Tuscaloosa, Alabama
d. CDBG-DR Obligation Date	Round 9 - 09/26/2016
e. Expenditure Deadline Date (24 months following Obligation Date)	Round 9 - 09/27/2018

2. IDENTIFY EXTENSION REQUEST

a. DRGR Project #	CD-2013-DR-024-RD9
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b. Information on grantee program or project for which a waiver is requested

Note: Please copy this information directly from DRGR for each DRGR activity related to the grantee program or project for which a waiver is requested.

Grantee Project or Program	DRGR Grantee Activity Number	DRGR Activity Title	Responsible Organization	DRGR National Objective	DRGR Activity Description	DRGR Budgeted Amount
Activity (Example)						
Activity #1	DR-INFRA-05-RD9-STREET RECON II - 14TH AVENUE EAST	Street Reconstruction - 14th Avenue East - RD9	City of Tuscaloosa Alabama	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$138,959.50
Activity #2	DR-INFRA-05-RD9-STREET RECON II - 15TH AND 9TH	Street Reconstruction II - 15th Ave and 9th St E - RD9	City of Tuscaloosa Alabama	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$165,961.85
TOTAL AMOUNT						\$304,921.35

3. ELIGIBILITY

Description of program or project for which an extension is being requested and the eligible activity category	Public facilities and improvements (infrastructure) to serve the low-moderate population. These street reconstruction activities occur in disaster stricken areas to support residential areas that were severely affected from the disaster. The improvements associated with these activities include, but are not limited to or inclusive of each activity, reconstruction, curb and gutter, drainage, sidewalk, and water line improvements.
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4. JUSTIFICATION

a. Explain the reason an extension is needed <i>Provide an explanation for why an extension is being requested, including all relevant and compelling statutory, regulatory, policy, or operational challenges, and how receiving an extension will promote a more effective, efficient recovery effort.</i>	These activities will be substantially complete by the September 27, 2018 expenditure deadline. However, these two activities are part of a much larger project that is also funded in the City's Round 11 allocation. Since these activities are tied together, retainage on the two activities in Round 9 cannot be paid out until all activities (Round 9 and 11) are completed. It is the City's practice to hold retainage until a project is complete. Receiving an extension would allow for the City to pay for the retainage using CDBG-DR funds and not have to tap into City funds that can be utilized for additional infrastructure projects to support redevelopment following the storm.
b. Reduction in the likelihood of waste, fraud, and abuse <i>If applicable, describe how the provision of an extension would reduce the likelihood of waste, fraud, and abuse.</i>	An extension would ensure that funds are used in the most efficient and effective way as it relates to recovery in Tuscaloosa. In addition, the extension would ensure that the funds are used on their intended purpose that significantly impacts the recovery and not on other eligible expenses that may not impact the recovery as much.

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

<p>c. Community Stakeholders <i>Identify all community stakeholders (including state or local entities, subrecipients, nonprofits, and civic organizations), their role in program or project implementation, and the impact, if any, an extension would have on these stakeholders.</i></p>	<p>City of Tuscaloosa residents in the activity areas. These residents will be receiving neighborhood specific improvements. There are no negative impacts associated with an extension as the activity will be substantially complete sans retainage.</p>
<p>5. IMPACT</p>	
<p>a. Revised expenditure deadline for program/project completion <i>Provide the revised DRGR activity end date for each activity subject to an extension.</i></p>	<p>All activities with a new proposed end date of 09/30/2022.</p>
<p>b. Proposed timeline for revised expenditure deadline (See "Projected Qtrly Expenditures" sheet) <i>Provide quarterly expenditure projections for the program/project for which the extension is requested.</i></p>	<p>Complete Sheet2: Projected Qtrly Expenditures.</p>
<p>c. Risk associated with not receiving an extension <i>Describe the risks associated with NOT receiving the requested extension, such as the estimated percentage of funds which would be at risk of recapture or specific recovery needs that would not be met if the particular program or project cannot be completed or undertaken.</i></p>	<p>Based on the City's estimates, 9.78% of funds would be at risk for recapture (beginning in Q4 2018 to Q4 2022). Should an extension not be received, the City would not be able to pay for the retainage using CDBG-DR funds and would have to tap into City funds that would have been utilized for additional infrastructure projects to support redevelopment following the storm.</p>
<p>6. INTERNAL CONTROLS</p>	
<p>a. Monitoring process and internal controls to compensate for the extended deadline <i>Describe the monitoring process and internal controls that the grantee and any subrecipients will implement to ensure compliance with the revised expenditure deadline.</i></p>	<p>The City of Tuscaloosa would continue enforcing its usual monitoring process for infrastructure activities; however, the activities will be substantially complete and will only lack the close-out monitoring visit and submission of close-out documents once all Round 11 Street Reconstruction activities are completed. City staff, including the assigned project manager, will continue to keep open lines of communication about activity status to ensure the project is completed within the timeframe as stated in the executed contract.</p>

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

In order to request an extension of the 24-month expenditure deadline on CDBG-DR funds from HUD, grantees must complete the following template for each grantee program or project for which an extension is requested.*

OMB authorized HUD to provide CDBG-DR grantees with expenditure deadline extensions for specific activity types. Only activities within the following activity category types are eligible to request an extension of the 24-month expenditure deadline: **housing; economic revitalization; public facilities and improvements; and administration.**

**Note: A local program or project may be reflected in DRGR as more than one activity. An example would be a single family rehabilitation program that will be serve both Urgent Need and Low/Moderate income households. In these instances, both DRGR activities should be submitted using a single template.*

1. GRANT INFORMATION

a. Grant Number	B-13-MS-01-0002
b. Grantee Name	City of Tuscaloosa, Alabama
c. Requesting Agency	City of Tuscaloosa, Alabama
d. CDBG-DR Obligation Date	Round 11 - 04/12/2017
e. Expenditure Deadline Date (24 months following Obligation Date)	Round 11 - 04/13/2019

2. IDENTIFY EXTENSION REQUEST

a. DRGR Project #	CD-2013-DR-028-RD11
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b. Information on grantee program or project for which a waiver is requested

Note: Please copy this information directly from DRGR for each DRGR activity related to the grantee program or project for which a waiver is requested.

Grantee Project or Program	DRGR Grantee Activity Number	DRGR Activity Title	Responsible Organization	DRGR National Objective	DRGR Activity Description	DRGR Budgeted Amount
Activity (Example)						
Activity #1	DR-ADMIN-01-RD11	Program Administration - RD11	City of Tuscaloosa	N/A	Administration of disaster recovery activities	\$878,412.76
Activity #2						
TOTAL AMOUNT						\$878,412.76

3. ELIGIBILITY

Description of program or project for which an extension is being requested and the eligible activity category	Program Administration for disaster recovery activities. Typical administration activities include, but are not limited to, Action Plan amendments, QPRs, other reports, and monitoring.
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4. JUSTIFICATION

a. Explain the reason an extension is needed <i>Provide an explanation for why an extension is being requested, including all relevant and compelling statutory, regulatory, policy, or operational challenges, and how receiving an extension will promote a more effective, efficient recovery effort.</i>	An extension is needed to ensure that activities funded with CDBG-DR funds continue to be monitored for compliance. Compliance factors include, but are not limited to, eligible use of funds, timeliness, national objective, duplication of benefit, and job creation/retention. Quarterly progress reports, projected expenditures and performance measures, FSRS, Section 3, and other reports will need to have data gathered and completed for submission to HUD on other CDBG-DR assisted activities. Receiving an extension for the administration activity will decrease the likelihood of waste, fraud, and abuse due to the ongoing oversight and monitoring that will take place as well as the transparency that will be provided through reports that are submitted to HUD.
b. Reduction in the likelihood of waste, fraud, and abuse <i>If applicable, describe how the provision of an extension would reduce the likelihood of waste, fraud, and abuse.</i>	Receiving an extension for the administration activity will decrease the likelihood of waste, fraud, and abuse due to the ongoing oversight and monitoring that will take place as well as the transparency that will be provided through reports that are submitted to HUD.

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

<p>c. Community Stakeholders <i>Identify all community stakeholders (including state or local entities, subrecipients, nonprofits, and civic organizations), their role in program or project implementation, and the impact, if any, an extension would have on these stakeholders.</i></p>	<p>Stakeholders are City of Tuscaloosa citizens that are benefitting from the improvements made with CDBG-DR funds as it is the City's duty to ensure that funds are spent in accordance with regulations and in the most efficient and effective way to aid disaster recovery. There are no negative impacts associated with an extension.</p>
<p>5. IMPACT</p>	
<p>a. Revised expenditure deadline for program/project completion <i>Provide the revised DRGR activity end date for each activity subject to an extension.</i></p>	<p>The administration activity has a new proposed end date of 09/30/2022.</p>
<p>b. Proposed timeline for revised expenditure deadline (See "Projected Qtrly Expenditures" sheet) <i>Provide quarterly expenditure projections for the program/project for which the extension is requested.</i></p>	<p>Complete Sheet2: Projected Qtrly Expenditures.</p>
<p>c. Risk associated with not receiving an extension <i>Describe the risks associated with NOT receiving the requested extension, such as the estimated percentage of funds which would be at risk of recapture or specific recovery needs that would not be met if the particular program or project cannot be completed or undertaken.</i></p>	<p>Based on the City's estimates, 49.58% of funds would be at risk for recapture (beginning with Q3 2019 to Q4 2022). The risk associated with not receiving an extension include activities not being reported to HUD in a completed state which leads to inconclusive data regarding how disaster recovery funds were spent and in turn incomplete information for HUD to include in its reports. Additionally, the City of Tuscaloosa would not be able to monitor to activities to ensure that funds were spent in accordance with federal, state, and local regulations.</p>
<p>6. INTERNAL CONTROLS</p>	
<p>a. Monitoring process and internal controls to compensate for the extended deadline <i>Describe the monitoring process and internal controls that the grantee and any subrecipients will implement to ensure compliance with the revised expenditure deadline.</i></p>	<p>The City uses the quarterly projected performance measure and financial reports required of HUD to monitor the progress of performance and expenditures. In addition, the monitoring and internal controls that are used to ensure that other activities (infrastructure and economic development activities) are spent in a timely manner will have a domino effect on the administration funds being spent in compliance with the revised expenditure deadline.</p>

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

In order to request an extension of the 24-month expenditure deadline on CDBG-DR funds from HUD, grantees must complete the following template for each grantee program or project for which an extension is requested.*

OMB authorized HUD to provide CDBG-DR grantees with expenditure deadline extensions for specific activity types. Only activities within the following activity category types are eligible to request an extension of the 24-month expenditure deadline: **housing; economic revitalization; public facilities and improvements; and administration.**

**Note: A local program or project may be reflected in DRGR as more than one activity. An example would be a single family rehabilitation program that will be serve both Urgent Need and Low/Moderate income households. In these instances, both DRGR activities should be submitted using a single template.*

1. GRANT INFORMATION

a. Grant Number	B-13-MS-01-0002
b. Grantee Name	City of Tuscaloosa, Alabama
c. Requesting Agency	City of Tuscaloosa, Alabama
d. CDBG-DR Obligation Date	Round 11 - 04/12/2017
e. Expenditure Deadline Date (24 months following Obligation Date)	Round 11 - 04/13/2019

2. IDENTIFY EXTENSION REQUEST

a. DRGR Project #	CD-2013-DR-030-RD11
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b. Information on grantee program or project for which a waiver is requested

Note: Please copy this information directly from DRGR for each DRGR activity related to the grantee program or project for which a waiver is requested.

Grantee Project or Program	DRGR Grantee Activity Number	DRGR Activity Title	Responsible Organization	DRGR National Objective	DRGR Activity Description	DRGR Budgeted Amount
Activity (Example)						
Activity #1	DR-ECODEV-02-RD11-THE EDGE	The Edge - RD11	City of Tuscaloosa	LMI	Construction of business incubator in a low mod area for the creation of low moderate income jobs	\$1,329,933.37
Activity #2						
TOTAL AMOUNT						\$1,329,933.37

3. ELIGIBILITY

Description of program or project for which an extension is being requested and the eligible activity category	Economic revitalization in a low-moderate income area that will create low-moderate income jobs. The Edge, a partnership among the City of Tuscaloosa, The University of Alabama, and West Alabama Chamber of Commerce, is a business incubator that will house start-up businesses, provide free business resource help such as financial planning and business plans, and undertake business research projects.
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4. JUSTIFICATION

a. Explain the reason an extension is needed <i>Provide an explanation for why an extension is being requested, including all relevant and compelling statutory, regulatory, policy, or operational challenges, and how receiving an extension will promote a more effective, efficient recovery effort.</i>	The Edge activity has several funding partners - HUD CDBG-DR, ADECA (Alabama Department of Economic and Community Affairs) CDBG-DR, EDA, and City of Tuscaloosa. Due to the requirements of each funding source, the time to start the activity was delayed in comparison to the City's initial timeline. The activity is currently underway. Although, the activity will be substantially complete at the time of the April 13, 2019 deadline for Round 11 expenditures, close-out of the project will still remain. In order to allow for a concise and thorough project close out, an extension is requested to avoid waste and abuse of CDBG-DR funds. This in turn will allow for a more effective and efficient recovery. Additionally, once construction is complete the City will need to continue to monitor for some time to ensure that the national objective of low-moderate income job creation and retention is met as stated in applicable federal regulations and federal register notices.
b. Reduction in the likelihood of waste, fraud, and abuse <i>If applicable, describe how the provision of an extension would reduce the likelihood of waste, fraud, and abuse.</i>	The extension of the economic revitalization activity will allow for a concise and thorough project close-out for each funding source which will reduce the likelihood of fraud, waste, and abuse. In addition, the extension would ensure that the funds are used on their intended purpose that significantly impacts the recovery and not on other eligible expenses that may not impact the recovery as much.

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

<p>c. Community Stakeholders <i>Identify all community stakeholders (including state or local entities, subrecipients, nonprofits, and civic organizations), their role in program or project implementation, and the impact, if any, an extension would have on these stakeholders.</i></p>	<p>The University of Alabama; West Alabama Chamber of Commerce, businesses housed in the current EDGE facility; ADECA (Alabama Department of Economic and Community Affairs); EDA (Economic Development Administration); prospective businesses. ADECA and EDA are funding partners for the activity. The University of Alabama and West Alabama Chamber of Commerce are activity partners that bring the programs offered through the EDGE to fruition. The businesses housed in the current facility and prospective businesses will utilize the EDGE for resources. There will be no negative impact on these stakeholders if an extension is granted. However, if an extension is not granted, as explained below the facility would not be completed and business resources for the community would be lost in addition to job creation and business revenues.</p>
5. IMPACT	
<p>a. Revised expenditure deadline for program/project completion <i>Provide the revised DRGR activity end date for each activity subject to an extension.</i></p>	<p>All activities with a new proposed end date of 09/30/2022.</p>
<p>b. Proposed timeline for revised expenditure deadline (See "Projected Qtrly Expenditures" sheet) <i>Provide quarterly expenditure projections for the program/project for which the extension is requested.</i></p>	<p>Complete Sheet2: Projected Qtrly Expenditures.</p>
<p>c. Risk associated with not receiving an extension <i>Describe the risks associated with NOT receiving the requested extension, such as the estimated percentage of funds which would be at risk of recapture or specific recovery needs that would not be met if the particular program or project cannot be completed or undertaken.</i></p>	<p>Based on the City's estimates, 67.27% of funds would be at risk for recapture (beginning with Q3 2019 to Q4 2022). If an extension is not granted, the activity would stand incomplete as the City of Tuscaloosa is the only funding source for the construction of the facility. Additionally, this would significantly impact The University of Alabama and West Alabama Chamber of Commerce. The Edge currently operates out a small facility it has outgrown; it cannot meet the expectations from the business community in its current state. Should the facility constructed with CDBG-DR funds not be finished, all of the businesses that are currently housed and the business resources for the community would be lost. Additionally, the potential start-up businesses, along with job creation for the low-moderate income community, would be lost. Business revenues for Tuscaloosa that could be invested back into the City would also suffer. The loss of low-moderate income jobs is perhaps the greatest impact.</p>
6. INTERNAL CONTROLS	
<p>a. Monitoring process and internal controls to compensate for the extended deadline <i>Describe the monitoring process and internal controls that the grantee and any subrecipients will implement to ensure compliance with the revised expenditure deadline.</i></p>	<p>The City of Tuscaloosa would continue enforcing its usual monitoring process for economic revitalization activities which is a mixture of desk and site visits to ensure that the national objective has been met through the creation and retention of low-moderate income jobs. While construction of the activity is undergoing, infrastructure monitoring checklists will be used. Site visits are initially triggered, if not already initiated, after 30% of activity funds are expended. The monitoring checklist developed for CDBG-DR infrastructure activities will be used to monitor the activities. The areas to be monitored, the number of monitoring visits, and their frequency is based on a number of factors, including, but not limited to, previous performance, the scope and complexity of the project, and previous audit finding. Particular controls will be set in place to monitor duplication of benefit. Specifically, each monitoring visit checklist prompts the reviewer to determine the percentage complete of the activity and status. Additionally, weekly meetings are held by City project managers to discuss the status of projects, any potential or existing roadblocks, and the strategies to address those. Open lines of communication are kept between City project managers and staff with activity contractors and engineers. The contractors will be held to the timeframe for completion by bound contracts. In regard to documenting job creation and retention, close communication will be kept with The University of Alabama and West Alabama Chamber of Commerce to ensure that job creation and retention data is reported in a timely manner.</p>

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

In order to request an extension of the 24-month expenditure deadline on CDBG-DR funds from HUD, grantees must complete the following template for each grantee program or project for which an extension is requested.*

OMB authorized HUD to provide CDBG-DR grantees with expenditure deadline extensions for specific activity types. Only activities within the following activity category types are eligible to request an extension of the 24-month expenditure deadline: **housing; economic revitalization; public facilities and improvements; and administration.**

**Note: A local program or project may be reflected in DRGR as more than one activity. An example would be a single family rehabilitation program that will be serve both Urgent Need and Low/Moderate income households. In these instances, both DRGR activities should be submitted using a single template.*

1. GRANT INFORMATION

a. Grant Number	B-13-MS-01-0002
b. Grantee Name	City of Tuscaloosa, Alabama
c. Requesting Agency	City of Tuscaloosa, Alabama
d. CDBG-DR Obligation Date	Round 11 - 04/12/2017
e. Expenditure Deadline Date (24 months following Obligation Date)	Round 11 - 04/13/2019

2. IDENTIFY EXTENSION REQUEST

a. DRGR Project #	CD-2013-DR-031-RD11
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b. Information on grantee program or project for which a waiver is requested

Note: Please copy this information directly from DRGR for each DRGR activity related to the grantee program or project for which a waiver is requested.

Grantee Project or Program	DRGR Grantee Activity Number	DRGR Activity Title	Responsible Organization	DRGR National Objective	DRGR Activity Description	DRGR Budgeted Amount
Activity (Example)						
Activity #1	DR-INFRA-01-RD11-ALBERTA TECH LIBRARY	Alberta Technology Library - RD 11	City of Tuscaloosa	LMI	Construction of a public facility for benefit in a low mod area	\$39,576.67
Activity #2	DR-INFRA-02-RD11-HARGROVE/HACKBERRY	Hargrove Rd./Hackberry Ln. Realignment - RD11	City of Tuscaloosa	LMI	Construction and reconstruction of streets in the disaster impacted area to improve safety, drainage, etc. and support redevelopment	\$611,272.57
Activity #3	DR-INFRA-04-RD11 - MCFARLAND/15TH	McFarland Blvd./15th Street Infrastructure - RD11	City of Tuscaloosa	LMI	Construction and reconstruction of streets in the disaster impacted area to support commercial redevelopment as well as increase safety	\$65,324.25
Activity #4	DR-INFRA-05-RD11 - TECH INFRA	Technology Infrastructure - RD11	City of Tuscaloosa	LMI	Improvements to public facilities and other DR assisted activities with technology to provide increased safety, wifi capabilities, education,etc.	\$844,091.01
Activity #5	DR-INFRA-06-RD11 - PARA PARK - JAYCEE	PARA Park - Jaycee - RD11	Tuscaloosa Park and Recreation Authority	LMI	Improvements to public park in a low moderate area that was severely damaged as a result of the disaster	\$177,913.84
Activity #6	DR-INFRA-07-RD11 - ALBERTA PARKWAY	Alberta Parkway - RD11	City of Tuscaloosa	LMI	Construction and reconstruction of streets in the disaster impacted area to support residential areas and schools. Creation of a shared use path for connections to businesses, schools, housing, etc.	\$2,473,406.22
Activity #7	DR-INFRA-08-RD11 - ALBERTA PARK	Alberta Park - RD11	City of Tuscaloosa	LMI	Construction of a public park in a low mod area in close vicinity to neighborhoods, fire station, police station, school, and library	\$204,349.23
Activity #8	DR-INFRA-09-RD11 - 10TH AVENUE	10th Avenue Revitalization - RD11	City of Tuscaloosa	LMI	Construction and reconstruction of streets in the disaster impacted area to support residential areas and schools. Creation of a shared use path for connections to businesses, schools, housing, etc.	\$528,118.00

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

Activity #9	DR-INFRA-10-RD11 - STREET RECON II ENGINEERING	Street Reconstruction Phase II Engineering - RD11	City of Tuscaloosa	LMI	Engineering for the reconstruction of streets in low mod areas that will support redevelopment	\$173,550.51
Activity #10	DR-INFRA-11-RD11 - STREET RECON II - 17TH AVENUE EAST	Street Reconstruction II - 17th Avenue East - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$56,930.23
Activity #11	DR-INFRA-12-RD11 - STREET RECON II - KICKER ROAD	Street Reconstruction II - Kicker Road - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$265,306.35
Activity #12	DR-INFRA-13-RD11 - STREET RECON II - 21ST AVENUE EAST	Street Reconstruction II - 21st Avenue East - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$269,216.60
Activity #13	DR-INFRA-14-RD11 - STREET RECON II - 22ND AVENUE EAST	Street Reconstruction II - 22nd Avenue East - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$185,403.00
Activity #14	DR-INFRA-15-RD11 - STREET RECON II - 23RD AVENUE EAST	Street Reconstruction II - 23rd Avenue East - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$190,071.83
Activity #15	DR-INFRA-16-RD11 - STREET RECON II - 28TH AVENUE EAST	Street Reconstruction II - 28th Avenue East - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$183,519.35
Activity #16	DR-INFRA-17-RD11 - STREET RECON II - 24TH AVENUE East	Street Reconstruction II - 24th Avenue East - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$159,843.10
Activity #17	DR-INFRA-18-RD11 - STREET RECON II - 25TH AVENUE East	Street Reconstruction II - 25th Avenue East - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$85,436.50
Activity #18	DR-INFRA-19-RD11 - STREET RECON II - FERNWOOD COURT	Street Reconstruction II - Fernwood Court - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$145,701.15
Activity #19	DR-INFRA-20-RD11 - PARA PARK - HARMON	PARA Park - Harmon - RD11	Tuscaloosa Park and Recreation Authority	LMI	Improvements to public park in a low moderate area that was severely damaged as a result of the disaster	\$1,036.75
Activity #20	DR-INFRA-23-RD11 - JUANITA DRIVE	Juanita Drive - RD11	City of Tuscaloosa	LMI	Street improvements in a low mod residential area	\$35,883.41
Activity #21	DR-INFRA-24-RD11 - 20TH AVENUE EAST	Street Reconstruction II - 20th Avenue East - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$231,038.90
Activity #22	DR-INFRA-25-RD11 - 14TH AVENUE EAST	Street Reconstruction II - 14th Avenue East - RD11	City of Tuscaloosa	LMI	Reconstruction of street and minor drainage improvements for the low mod area that will support redevelopment	\$1,760.50
TOTAL AMOUNT						\$6,928,749.97

3. ELIGIBILITY

Description of program or project for which an extension is being requested	Public facilities and improvements (infrastructure) to serve the low-moderate population. Activities in this project include street reconstruction in various disaster stricken areas to support residential areas that were equally affected from the disaster. Improvements to public parks in the disaster area, a technical public library in the disaster area, and other street reconstruction
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CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

which an extension is being requested and the eligible activity category	residential areas that were severely affected from the disaster, improvements to public parks in the disaster area, a technology public library in the disaster area, and other street reconstruction and improvements in the disaster area to promote connectivity among low moderate income neighborhoods, and foster residential and commercial redevelopment.
4. JUSTIFICATION	
a. Explain the reason an extension is needed <i>Provide an explanation for why an extension is being requested, including all relevant and compelling statutory, regulatory, policy, or operational challenges, and how receiving an extension will promote a more effective, efficient recovery effort.</i>	Most of the activities listed, although underway, will simply not be complete or encroach upon the April 13, 2019 deadline for Round 11 expenditures. The majority can be contributed to fact that the City waited to release these projects for bid when the market was not saturated as to unnecessarily inflate the project costs. In a few instances, projects were rebid when prices came in significantly over budget to ensure that federal dollars were used in an appropriate manner which delayed project commencement. Several of the activities listed are being undertaken with other entities such as the Alabama Department of Transportation and the Tuscaloosa Parks and Recreational Authority. When dealing with these entities and their particular guidelines, the process is sometimes much lengthier than expected, particularly close-outs of activities which takes much longer. Should an extension be approved, these projects will complete a significant part of the City's disaster recovery plan, which is to connect low-moderate income neighborhoods and populations to schools, jobs, recreational areas, medical care, resources, shopping, and other neighborhoods while also bridging the gap among all socioeconomic statuses.
b. Reduction in the likelihood of waste, fraud, and abuse <i>If applicable, describe how the provision of an extension would reduce the likelihood of waste, fraud, and abuse.</i>	An extension would ensure that funds are used in the most efficient and effective way as it relates to recovery in Tuscaloosa. As I mentioned before, waste and abuse of funds has already been avoided by not bidding projects when the market was saturated and rebidding those projects that significantly came in over budget from the construction estimate. In addition, the extension would ensure that the funds are used on their intended purpose that significantly impacts the recovery and not on other eligible expenses that may not impact the recovery as much.
c. Community Stakeholders <i>Identify all community stakeholders (including state or local entities, subrecipients, nonprofits, and civic organizations), their role in program or project implementation, and the impact, if any, an extension would have on these stakeholders.</i>	Alabama Department of Transportation; Tuscaloosa Parks and Recreation Authority; City of Tuscaloosa citizens; City of Tuscaloosa residents in the activity areas. The Alabama Department of Transportation and Tuscaloosa Parks and Recreation Authority are the only stakeholders with an active role in the activities as they are activity partners in regard to construction and completion of a some activities. The other stakeholders are Tuscaloosa citizens and residents that will be receiving the City wide or neighborhood specific improvements. No negative impacts are associated with an extension; if any impact, it would be positive allowing for additional activity time especially for the activity partners.
5. IMPACT	
a. Revised expenditure deadline for program/project completion <i>Provide the revised DRGR activity end date for each activity subject to an extension.</i>	All activities with a new proposed end date of 09/30/2022.
b. Proposed timeline for revised expenditure deadline (See "Projected Qtrly Expenditures" sheet) <i>Provide quarterly expenditure projections for the program/project for which the extension is requested.</i>	Complete Sheet2: Projected Qtrly Expenditures.

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

<p>c. Risk associated with not receiving an extension <i>Describe the risks associated with NOT receiving the requested extension, such as the estimated percentage of funds which would be at risk of recapture or specific recovery needs that would not be met if the particular program or project cannot be completed or undertaken.</i></p>	<p>Based on the City's estimates, 32.47% of funds would be at risk for recapture (beginning with estimated expenditures in Q3 2019 to Q4 2022). Additionally, should an extension not be granted, the City would not have the capacity to fund the remaining activity needs which would essentially put the activities at a halt and disrupt the disaster recovery. Specifically, many street reconstruction activities in residential areas would not receive the reconstruction to the roadways including curb and gutter, drainage, sidewalk, and water line improvements among other things that were damaged as part of the disaster and would halt the support of redevelopment in those particular areas. The same explanation holds true for the Hargrove Road/Hackberry Lane, Alberta Parkway, 10th Avenue and the other infrastructure roadway activities as those activities support both redevelopment in a residential and commercial capacity with one addition; the completion of the City Walk, a shared use pedestrian path would not be completed to provide low income areas connections to schools, jobs, shopping, medical care, neighborhoods, etc. The parks and technology library would be left incomplete and not provide a recreational area for nearby low income neighborhoods and schools. In addition, if an extension is not granted, the technology infrastructure needed for the particular roadway projects will not include lighting, security cameras, wifi connections, etc., which ensure that the citizens in these low income areas feel safe when using the City Walk and sidewalks to access the areas mentioned above.</p>
<p>6. INTERNAL CONTROLS</p>	
<p>a. Monitoring process and internal controls to compensate for the extended deadline <i>Describe the monitoring process and internal controls that the grantee and any subrecipients will implement to ensure compliance with the revised expenditure deadline.</i></p>	<p>The City of Tuscaloosa would continue enforcing its usual monitoring process for infrastructure activities which is a mixture of desk and site visits including employee interviews. Site visits are initially triggered, if not already initiated, after 30% of activity funds are expended. The monitoring checklist developed for CDBG-DR infrastructure activities will be used to monitor the activities. The areas to be monitored, the number of monitoring visits, and their frequency is based on a number of factors, including, but not limited to, previous performance, the scope and complexity of the project, and previous audit finding. Particular controls will be set in place to monitor duplication of benefit. Specifically, each monitoring visit checklist prompts the reviewer to determine the percentage complete of the activity and status. Additionally, weekly meetings are held by City project managers to discuss the status of projects, any potential or existing roadblocks, and the strategies to address those. Open lines of communication are kept between City project managers and staff with activity contractors and engineers. The contractors will be held to the timeframe for completion by bound contracts.</p>



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

MAR 18 2019

Ms. Savannah Howell
Community Development Program Manager
Recovery Operations
City of Tuscaloosa
2201 University Boulevard
Tuscaloosa, AL 35401

Dear Ms. Howell:

Pursuant to the Disaster Relief Appropriations Act, 2013 (the Act), the Department has awarded a grant of \$43,932,000 in Community Development Block Grant disaster recovery (CDBG-DR) funds to the city of Tuscaloosa (B-13-MS-01-0002). These funds have been fully obligated to the grantee under eleven obligations. Pursuant to the requirements of the Act, obligated funds must be expended within 24-months following obligation, unless an extension of that deadline has been approved by HUD.

On May 11, 2015, the Department published a *Federal Register* Notice outlining the process and criteria for a grantee receiving funds under the Act to receive an extension of an expenditure deadline (80 FR 26942). On January 7, 2019, the city of Tuscaloosa submitted the CDBG-DR Expenditure Deadline Extension Request as required by the Notice, with a request to extend the expenditure deadline for a portion of the grant funds. The amount of funds that will be extended are shown below by program category and obligation round. The grantee may make budget adjustments between Disaster Recovery Grant Reporting (DRGR) activities within each identified program category and obligation round, however, funds may not be adjusted between these categories or obligation rounds without express authorization from HUD as defined in the May 11, 2015, *Federal Register* Notice.

Program Category	Amount Extended*
Planning – Round 11	\$153,777.58
Total:	\$153,777.58

* The Amount Extended represents the sum of the balance remaining for the DRGR Activities included in the grantee's extension request within each Program Category and Obligation Round as of the date of this letter.

As outlined in the Notice, the Department has assessed the Expenditure Deadline Extension Request to ensure the revised expenditure deadline is sufficient, and the grantee's projection of quarterly expenditures are achievable based on the grantee's past performance and expenditure rate. The Department has concluded that the grantee's requested timeline appears to be achievable, and the extension is granted as requested. The Department is approving the city of Tuscaloosa's request to extend the time for the expenditure of funds identified above until September 30, 2022.

Within 30 calendar days of this notice, the grantee must make amendments to its written Action Plan and Quarterly Expenditure Projections that may be needed to reflect the extension. The Department will coordinate with the grantee to revise the DRGR Action Plan and Block Dates as needed, and to take any other appropriate action.

Thank you for your interest in the Department's programs.

Sincerely,



Stanley Gimont
Deputy Assistant Secretary
for Grant Programs



January 31, 2019

Thomas E. Tiffin Jr.
Community Planning and Development Specialist
U.S. Department of Housing and Urban Development
950 22nd Street North; Suite 900
Birmingham, AL 35203-5301

RE: City of Tuscaloosa B-13-MS-01-0002 Expenditure Deadline Extension Request – Planning Activity

Mr. Tiffin,

Previously, the City of Tuscaloosa requested an extension for administration, infrastructure, and economic development activities. It is the City's understanding, that the planning activity for disaster recovery activities is now eligible for an extension. Therefore, the City of Tuscaloosa would like to formally request an expenditure deadline extension request for the planning activity obligated in Round 11 in the City's Action Plan. Currently, the expenditure deadline for the Round 11 planning activity is April 12, 2019. The City would like to request an expenditure deadline until September 30, 2022. As of letter date, the City of Tuscaloosa has obligated its entire awarded grant, \$43,932,000, and drawn \$39,795,424.10 for reimbursement.

An extension for the planning activity is needed to ensure that proper planning remains in place for CDBG-DR activities that are still underway and have yet to take place. There are a few current disaster recovery activities in which technology and fiber coordination are needed as well as other planning items. Several activities in Round 11 that are nearing completion are projected to have remaining dollars left, due to efficient management by the City of Tuscaloosa of CDBG-DR funds, and the City intends to reallocate those funds to another eligible CDBG-DR activity to be completed before September 30, 2022. Doing so will almost certainly require planning activity. Receiving an extension for the planning activity will decrease the likelihood of waste, fraud, and abuse of disaster recovery funds as well as City operational funds after the activity is completed due to the proper planning that takes place before the during the activities.



OFFICE OF THE MAYOR

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TUSCALOOSA.COM    @TuscaloosaCity

Mr. Thomas E. Tiffin Jr.
January 31, 2019
Page Two

The City of Tuscaloosa has been a great steward of federal dollars in regard to investing those dollars in the most efficient and effective way into the most devastated areas of our city following the April 27, 2011 disaster. I have witnessed firsthand the profound impact that these activities have had on the City of Tuscaloosa in regard to economic growth, socioeconomic equality, affordable housing, improved infrastructure, job creation, and many other things of which you cannot assign a number.

In order to continue the disaster recovery activities currently underway and take one step closer to a complete recovery, I respectfully request an expenditure deadline for the planning activity on the required attachment. Should you have any questions regarding this request, please contact Savannah Howell at showell@tuscaloosa.com or 205-248-5712.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter Maddox". The signature is written in a cursive, flowing style.

Walter Maddox
Mayor

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

In order to request an extension of the 24-month expenditure deadline on CDBG-DR funds from HUD, grantees must complete the following template for each grantee program or project for which an extension is requested.*

OMB authorized HUD to provide CDBG-DR grantees with expenditure deadline extensions for specific activity types. Only activities within the following activity category types are eligible to request an extension of the 24-month expenditure deadline: **housing; economic revitalization; public facilities and improvements; and administration.**

**Note: A local program or project may be reflected in DRGR as more than one activity. An example would be a single family rehabilitation program that will be serve both Urgent Need and Low/Moderate income households. In these instances, both DRGR activities should be submitted using a single template.*

1. GRANT INFORMATION

a. Grant Number	B-13-MS-01-0002
b. Grantee Name	City of Tuscaloosa, Alabama
c. Requesting Agency	City of Tuscaloosa, Alabama
d. CDBG-DR Obligation Date	Round 11 - 04/12/2017
e. Expenditure Deadline Date (24 months following Obligation Date)	Round 11 - 04/12/2019

2. IDENTIFY EXTENSION REQUEST

a. DRGR Project #	CD-2013-DR-029-RD11
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b. Information on grantee program or project for which a waiver is requested

Note: Please copy this information directly from DRGR for each DRGR activity related to the grantee program or project for which a waiver is requested.

Grantee Project or Program	DRGR Grantee Activity Number	DRGR Activity Title	Responsible Organization	DRGR National Objective	DRGR Activity Description	DRGR Budgeted Amount
Activity (Example)						
Activity #1	DR-PLANNING-01-RD11	Comprehensive Planning - RD11	City of Tuscaloosa	N/A	Planning activities associated with disaster recovery activities	\$153,777.58
Activity #2						
TOTAL AMOUNT						\$153,777.58

3. ELIGIBILITY

Description of program or project for which an extension is being requested and the eligible activity category	Planning activities for disaster recovery activities. Typical planning activities include, but are not limited to, studies of a general nature and studies to be performed that are necessary for identifying the area's unmet needs. One specific example, is the technology and fiber coordination among various disaster recovery activities.
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4. JUSTIFICATION

a. Explain the reason an extension is needed <i>Provide an explanation for why an extension is being requested, including all relevant and compelling statutory, regulatory, policy, or operational challenges, and how receiving an extension will promote a more effective, efficient recovery effort.</i>	An extension is needed to ensure that proper planning remains in place for CDBG-DR activities that are still underway and have yet to take place. As mentioned above, there are a few current disaster recovery activities in which technology and fiber coordination are needed as well as other planning items. The City has received an extension for all Infrastructure and Economic Development activities in Round 11, several Infrastructure activities in Round 9, and Administration funds in Round 11. Several activities in Round 11 that are nearing completion are projected to have remaining dollars left, due to efficient management by the City of Tuscaloosa of CDBG-DR funds, and the City intends to reallocate those funds to another eligible CDBG-DR activity to be completed before September 30, 2022. Doing so will almost certainly require planning activity. Receiving an extension for the planning activity will decrease the likelihood of waste, fraud, and abuse of disaster recovery funds as well as City operational funds after the activity is completed due to the proper planning that takes place before and during the activities.
b. Reduction in the likelihood of waste, fraud, and abuse <i>If applicable, describe how the provision of an extension would reduce the likelihood of waste, fraud, and abuse.</i>	Receiving an extension for the planning activity will decrease the likelihood of waste, fraud, and abuse of federal dollars as well as City of Tuscaloosa operational dollars after project completion due to the proper planning that will be able to take place on the front end of the project.

CDBG-DR Expenditure Deadline Extension Request Template (P.L. 113-2 Grantees Only) [OMB CONTROL NUMBER: 2506-0206]

<p>c. Community Stakeholders <i>Identify all community stakeholders (including state or local entities, subrecipients, nonprofits, and civic organizations), their role in program or project implementation, and the impact, if any, an extension would have on these stakeholders.</i></p>	<p>Stakeholders are City of Tuscaloosa citizens that are benefitting from the improvements made with CDBG-DR funds as it is the City's duty to ensure that funds are spent in accordance with regulations and in the most efficient and effective way to aid disaster recovery. There are no negative impacts associated with an extension.</p>
<p>5. IMPACT</p>	
<p>a. Revised expenditure deadline for program/project completion <i>Provide the revised DRGR activity end date for each activity subject to an extension.</i></p>	<p>The planning activity has a new proposed end date of 09/30/2022.</p>
<p>b. Proposed timeline for revised expenditure deadline (See "Projected Qtrly Expenditures" sheet) <i>Provide quarterly expenditure projections for the program/project for which the extension is requested.</i></p>	<p>Complete Sheet2: Projected Qtrly Expenditures.</p>
<p>c. Risk associated with not receiving an extension <i>Describe the risks associated with NOT receiving the requested extension, such as the estimated percentage of funds which would be at risk of recapture or specific recovery needs that would not be met if the particular program or project cannot be completed or undertaken.</i></p>	<p>Based on the City's estimates, 93.33% of funds obligated in Round 11 would be at risk for recapture (beginning with Q3 2019 to Q4 2022). The risk associated with not receiving an extension include improper planning for execution of planned and ongoing approved activities in the City's Action Plan as well as an CDBG-DR funds that are reallocated to another eligible activity and approved in the Action Plan. Improper planning could lead to failed coordination among CDBG-DR activities as well as increased operational expenses to be incurred by the City in the future instead of using those dollars in a more effective manner throughout the community.</p>
<p>6. INTERNAL CONTROLS</p>	
<p>a. Monitoring process and internal controls to compensate for the extended deadline <i>Describe the monitoring process and internal controls that the grantee and any subrecipients will implement to ensure compliance with the revised expenditure deadline.</i></p>	<p>The City uses the quarterly projected performance measure and financial reports required of HUD to monitor the progress of performance and expenditures. In addition, the monitoring and internal controls that are used to ensure that other activities (infrastructure and economic development activities) are spent in a timely manner will have a domino effect on the planning funds being spent in compliance with the revised expenditure deadline.</p>

**Suggested Assessment/
Guide for Community Analysis of Impediments**

Community Name: City of Tuscaloosa

Date: _____ ADECA Reviewer: _____

- I. **Needs Assessment: Identification of Impediments/Problems Related to Fair Housing Choice:** Briefly list information on relevant public policies, i.e., local zoning regulations, school districts, subdivision regulations, building codes/code enforcement, realtor and financial institution lending practices, etc. *Use additional pages as necessary.*

*****Electronic copies of the City of Tuscaloosa's Fair Housing Plan, Housing Concentration Maps and Tuscaloosa Residential Real Estate Short-Term Impact and Analysis of April 27th Disaster are available to ADECA upon request should any additional information be required for completion of the Analysis of Impediments documents.**

Impediments:

1. Low Income
2. Limited Public Transportation Services
3. Limited Opportunities for Employment, Education and Other Services in Areas of Affordable Housing
4. Site Selection for Affordable Housing (for low income persons or persons with disabilities)
5. Limited Education on Fair Housing Laws
6. Zoning Laws and Historic Preservation Rules Related to the Improvement of Existing Houses

Cities and Towns Only:

- A1. Are minorities totally absent as residents of your community?
☐ Yes ☒ No Please explain: Minorities represent approximately 36% of the population. The largest minority groups include African American and Asian and Pacific Islander.
- A2. Do all or most of the minorities in your community live in one neighborhood? ☐ Yes ☒ No Please explain: Minorities live in many neighborhoods throughout the City of Tuscaloosa. Census tract

data concludes that minorities make up anywhere between less than 1% to 98% of various census tracts/neighborhoods across the City.

- A3. Are all or most of the minorities in your community restricted to certain neighborhoods? ☐ Yes ☒ No Please explain: Minorities live in many neighborhoods throughout the City of Tuscaloosa. Census tract data concludes that minorities make up anywhere between less than 1% to 98% of various census tracts/neighborhoods across the City.
- A4. Do minorities work in your community but live elsewhere?
☒ Yes ☐ No Please explain: The City keeps no formal record of whether minorities work in the City but live elsewhere. However, the City is confident in assuming this information
- A5. Are realtors/leasing agents hesitant to show minorities rental or ownership units in certain areas of the community?
☐ Yes ☒ No Please explain: To the best of City of Tuscaloosa staff knowledge, no violations, lawsuits or other action has been brought against realtors/leasing agents with regard to rental or ownership of units in areas of the community. The City works with the Tuscaloosa Community Housing Resource Board (formed in 1980) to provide education of fair housing regulations to realtors and the public in order to promote fair housing choices within the community.
- A6. Are realtors/leasing agents hesitant to show minorities rental or ownership units in certain apartment complexes, condominiums, or subdivisions?
☐ Yes ☒ No Please explain: To the best of City of Tuscaloosa staff knowledge, no violations, lawsuits or other action has been brought against realtors/leasing agents with regard to rental or ownership of units in apartment complexes, condominiums or subdivisions within the community. The City works with the Tuscaloosa Community Housing Resource Board (formed in 1980) to provide education of fair housing regulations to realtors and the public in order to promote fair housing choices within the community.
- A7. Do local banks/credit unions consistently refuse to provide mortgage or home improvement loans in certain areas of the community?
☐ Yes ☒ No Please explain: Based on reports and surveys conducted by various groups and boards within the City, City staff is not aware of any reported problems with consistent refusal of mortgages or home improvement loans in certain areas of the community.

- A8. Is home/renter insurance difficult to obtain in certain areas of the community? ☐ Yes ☒ No Please explain: City of Tuscaloosa staff is not aware of any complaints that have been made. Also, City staff is not aware of any hurdles that refrain low-mod individuals from obtaining insurance.
- A9. Is public assisted or subsidized housing available in your community? ☒ Yes ☐ No If yes, list types and number of public assisted or subsidized housing available (for example, public housing authority units, Section 8, etc.): Tuscaloosa Housing Authority (THA), Community Service Programs of West Alabama (CSP), and Habitat for Humanity Tuscaloosa offer public assisted or subsidized housing within the Tuscaloosa community. THA has 850 units of public housing and 1250 vouchers for Section 8; CSP has 33 units available for subsidy under type HUD PRAC 811 and 40 units available for subsidy under HUD PRAC 202. CSP also has 114 units and 4 single family homes available for Section 8 vouchers. A total of 2,291 units of publicly assisted or subsidized housing are available in the Tuscaloosa community.

Counties Only:

- B1. Are all or most of the minorities in your county concentrated in certain communities? ☐ Yes ☐ No Please explain: _____
- B2. Are realtors/leasing agents hesitant to show minorities rental or ownership units in certain areas of the county? ☐ Yes ☐ No Please explain: _____
- B3. Do local banks/credit unions consistently refuse to provide mortgage or home improvement loans in certain county communities? ☐ Yes ☐ No Please explain: _____
- B4. Is home/renter insurance difficult to obtain in certain county communities? ☐ Yes ☐ No Please explain: _____
- B5. Is public assisted or subsidized housing available in any areas of your county? ☐ Yes ☐ No If yes, list types, number, and community of public assisted or subsidized housing available (for example, public housing authority units, Section 8, etc.): _____

All Cities, Towns, and Counties:

- C1. Is your community or county growing in population?
■ Yes □ No Please explain: Tuscaloosa has grown from a population of 79,501 in July 1990 to 99,605 in July 2011
- C2. Has your community or county added a significant number of new single family or multi-family residential units within the last five (5) years?
■ Yes □ No Please explain: The City is always looking for ways to improve its available housing stock for protected classes such as low to moderate income individuals and families and persons with disabilities. A large portion of the City's CDBG-DR allocation is being used to reconstruct housing units and complexes damaged during the storm that serve these protected classes. Organizations such as Tuscaloosa Housing Authority (THA), Community Service Programs of West Alabama (CSP), and Habitat for Humanity Tuscaloosa are working to provide housing stock for the low to moderate income community. Over the past five (5) years, the City has added approximately 436 units of affordable housing. Tuscaloosa Housing Authority has built 17 single-family homes and redeveloped 344 multi-family units. Community Service Programs of West Alabama has built 45 single-family homes and Habitat for Humanity has built 30 homes.
- C3. Does the community or county have zoning or similar regulations?
■ Yes Date Adopted: May 22, 2012 □ No
- C4. Does the community or county have housing code regulations?
■ Yes Date Adopted: February 12, 2008 □ No
- C5. Does the community or county have subdivision regulations?
■ Yes Date Adopted: September 22, 1980, regulation has been omitted but can be found on file in the City Clerk's office □ No
- C6. If yes to C3, C4, or C5, are these regulations being enforced?
■ Yes □ No Please explain: The City of Tuscaloosa's Planning & Development department enforces zoning regulations on all commercial and residential structures. These regulations are part of the City's written code and are available for public review.
- C7. If you answered yes to C3, does the community's or county's zoning policy hinder multi-family construction, construction of low income family housing, or prohibit mobile homes? □ Yes ■ No
Please explain: _____

C8. Does the community's or county's school district discourage or prohibit minorities from buying and living outside of predominantly minority areas?
☐ Yes ☒ No Please explain: _____

C9. Has the local governing body adopted a *Fair Housing Resolution*?
☐ Yes ☒ No Date Adopted: _____
Due to the existence of the Alabama Fair Housing Law which covers all residents of the State, the City of Tuscaloosa has not passed a separate fair housing law covering only the City. The City operates under, and enforces, the Alabama Fair Housing Laws. The City does operate the Tuscaloosa Housing Counseling Program to assist with any fair housing or housing discrimination complaints throughout the City. Additionally, the Tuscaloosa Community Housing Resource Board (formed in 1980) provides education of fair housing regulations to realtors and the public to promote fair housing choices within the community.

C10. Has the local governing body adopted a *Fair Housing Ordinance*?
☐ Yes ☒ No Date Adopted: _____
Due to the existence of the Alabama Fair Housing Law which covers all residents of the State, the City of Tuscaloosa has not passed a separate fair housing law covering only the City. The City operates under, and enforces, the Alabama Fair Housing Laws. The City does operate the Tuscaloosa Housing Counseling Program to assist with any fair housing or housing discrimination complaints throughout the City. Additionally, the Tuscaloosa Community Housing Resource Board (formed in 1980) provides education of fair housing regulations to realtors and the public to promote fair housing choices within the community.

C11. Does your community or county assist people who believe they have encountered housing discrimination? ☒ Yes ☐ No
Please explain: The City of Tuscaloosa has been operating the HUD certified Tuscaloosa Housing Counseling Program for the past 25+ years to provide comprehensive housing counseling assistance and assistance to persons who feel they are the victims of housing discrimination. Although complaints concerning discrimination are rarely received, the Program is able to aid an individual file a complaint with HUD (HUD Form HUD-903).

C12. Does your community or county assist people who believe they have been denied an opportunity at Fair Housing Choice? ☒ Yes ☐ No
Please explain: The City of Tuscaloosa has been operating the HUD certified Tuscaloosa Housing Counseling Program for the past 25+ years

to provide comprehensive housing counseling assistance and assistance to persons who feel they are the victims of housing discrimination. Although complaints concerning discrimination are rarely received, the Program is able to aid an individual file a complaint with HUD (HUD Form HUD-903).

C13. Have there been any fair housing complaints, violations, or judicial actions initiated against your community or county within the past five years?
☐ Yes ☒ No If yes, briefly describe the complaints, violations, or judicial actions and the current status. City of Tuscaloosa staff is not aware of any housing complaints, violations or judicial actions initiated against the community within the last five years.

C14. Has the community or county received a CDBG grant in the last five (5) years? ☒ Yes ☐ No If yes, were any conditions placed on your community's or county's last CDBG grant by ADECA or HUD because of a failure to comply with Fair Housing? ☐ Yes ☒ No If yes, please explain: _____

II. **Proposed Changes:** If any impediments or barriers to fair housing in the community or county were identified in *Item 1: Needs Assessment: Identification of Impediments /Problems Related to Fair Housing Choice*, list the proposed changes necessary to correct the identified problems. *Attach separate page(s) to describe this.*

1. Low Income

A. Affordable housing programs carried out by the City of Tuscaloosa under the Community Development Block Grant Program and the HOME program will continue to be implemented

B. Affordable housing programs carried out by Community Service Programs of West Alabama, Incorporated (CSP), Habitat for Humanity, and West Side CDC will continue to be implemented

C. Provide an emergency home repair program through assistance of City staff

D. Stillman College program for housing rehabilitation

E. Operate the Tuscaloosa Housing Counseling Program

F. Continue to promote and operate the HOME Program for new and existing homebuyers through various assistance activities

2. Limited Public Transportation Services

A. The City of Tuscaloosa will use a portion of federal grant funds to continue funding the following public service transportation activities:

FOCUS on Senior Citizens, Transportation for persons with disabilities, Senior Activities Program at the McDonald Hughes Community Center, Youth Activities Programs at the Hughes Center, Youth Activities Programs at the Jaycee Park Boys and Girls Clubs

B. The City will provide a portion of the General Fund revenues to the Tuscaloosa County Parking & Transit Authority (TCPTA) to operate the public bus service

C. The Transportation Committee of the West Alabama Task Force for Self-Sufficiency will meet to seek ways to eliminate transportation barriers faced by low income persons

3. Limited Opportunities for Employment, Education and Other Services in Areas of Affordable Housing

A. Stillman College Activities

4. Site Selection for Affordable Housing (for low income persons or persons with disabilities)

A. The City of Tuscaloosa will make CDBG and HOME Program funds available to persons with disabilities for housing rehabilitation or home purchase

B. Continue to support the Alabama Community Living Coalition's Access Alabama Program to provide homebuyer assistance to persons with disabilities

C. Re-assess and prepare a map of individuals receiving rental assistance under HUD funded programs to determine if affordable rental units are being made available in most areas of the City as provided by Tuscaloosa Housing Authority

5. Limited Education on Fair Housing Laws

A. Maintain programs that provide fair housing education for homebuyers and real estate agents

B. The Tuscaloosa Housing Counseling Program will continue to provide fair housing counseling to prospective tenants and homebuyers and survey local mortgage lenders to ensure the use of Fair Housing materials (posters, logos, etc.)

C. Review reports of local mortgage lenders to determine if opportunities for home purchase assistance are being provided to all persons in all areas of the City

6. Zoning Laws and Historic Preservation Rules Related to the Improvement of Existing Houses

A. Review and update as necessary the Community Planning and Development Departments assessment of zoning laws for construction on substandard size lots

B. Attend meetings conducted by the Alabama Historical Commission to consider the problem of historic preservation and restoration related to the provision of affordable housing

III. Correction Details: For each impediment or barrier to fair housing in the community or county identified in *Item 1: Needs Assessment: Identification of Impediments /Problems Related to Fair Housing Choice* and described in Item II, develop a schedule or timetable for the correction of the impediment or barrier which should include:

- 1. A specific schedule of corrective actions;**
- 2. A mechanism for updating the analysis periodically;**
- 3. Assurances that the schedule of actions will be implemented regardless of any changes in the community's administration; and**
- 4. Commitment from local officials for carrying out the schedule of actions (i.e., signature of chief elected official, adoption by local governmental unit, etc.)**

Impediment #1: Low Income

Actions Taken to Help Eliminate Impediment:

1. The City of Tuscaloosa has used HOME funds to assist low income persons under the Homebuyer Assistance Program, the Homeowner Rehabilitation Program. In addition, following the natural disasters of 2011, the City allocated funds for the implementation of a Tenant Based Rental Assistance (TBRA) Program. The TBRA Program is a rental subsidy that can be used to help individuals' household costs such as rent, utility costs, security deposits, and the utility deposits.
2. In the City's 2013 Program year, the City will allocate \$119,112 in HOME Program funds to Habitat for Humanity of Tuscaloosa, Incorporated (HFH) to provide for the construction of new houses for low income homebuyers.
3. Stillman College received a HUD grant for Historically Black Colleges and Universities to continue their neighborhood redevelopment program.
4. The Tuscaloosa Housing Counseling Program provided comprehensive housing counseling assistance to 661 low-income households in the 2011 program year and even more for 2012. For PY 2013, the City of Tuscaloosa anticipates a substantial increase in the number of people to be assisted and/or counseled.
5. In 2013, the Tuscaloosa Housing Authority plans to utilize \$1,495,783 in Public Housing Capital Funds to complete renovations and repairs in existing apartment units.
6. In 2013, the Tuscaloosa Housing Authority plans to apply for \$320,000 in Section 8 Program vouchers to provide rental assistance for 25 low to moderate income households.
7. In 2013, the Tuscaloosa Housing Authority plans to submit a 4% Tax Exempt Bond Application in an effort to raise necessary equity for the development of Rosedale Phase III.

Impediment #2: Limited Public Transportation Services

Actions Taken to Help Eliminate Impediment:

1. The City of Tuscaloosa will continue to utilize federal grant funds for 2013 to continue funding for the following public service transportation activities:

**Transportation for Seniors Provided by FOCUS on Senior Citizens
Transportation for Persons with Disabilities
Senior Activities Program at the McDonald Hughes
Community Center**

2. The City of Tuscaloosa has provided 2013 General Fund revenues to the Tuscaloosa County Parking and Transit Authority (TCPTA) for operating the public bus service.
3. The TCPTA received a grant to implement a system of coordinated van services to clients of three local social service agencies as well as agencies in nearby counties.
4. In September 1998, several local churches formed the Mid-Tuscaloosa Interface Cluster which provides van transportation from home to work and back for low income families.
5. Easter Seals of West Alabama continues to provide transportation services for persons with disabilities who need help getting to/from their place of employment.

Impediment #3: Limited Opportunities for Employment, Education, and Other Services in Areas of Affordable Housing

Actions Taken to Help Eliminate Impediment:

1. The City of Tuscaloosa is continuing to work with the Tuscaloosa County Community Housing Resource Board (Fair Housing Board) to complete a survey of the housing needs of the Hispanic population and to print and distribute a new brochure (in Spanish) concerning housing assistance, general housing information, and fair housing laws.
2. A Computer Training System in Creekwood Village Apartments was established in 1997 by HUD and Stillman College.
3. Stillman College continues to receive HUD grants to continue the activities of their Community Development Corporation and Economic Development Program targeted to low income areas surrounding the college.
4. In 2011, the Weaver Bolden Library of West Tuscaloosa became once again one of the main educational components of the McKenzie Court Housing Development and the entire West Tuscaloosa community.

5. The City of Tuscaloosa has targeted low income, predominantly minority areas for housing rehabilitation, code enforcement, blight removal, new housing construction, and home purchase assistance.
6. The Tuscaloosa Family Resource Center was established to provide educational, health, and other needed services to low income residents of east Tuscaloosa.
7. The Tuscaloosa Housing Counseling Program continues to assist low income persons with educational and employment opportunity information.
8. Tuscaloosa's One Place (TOP) provides continued career development and job placement training counseling. In addition, this organization provides GED preparation and parenting classes to low income persons.

Impediment #4: Site Selection for Affordable Housing for Low Income Persons or Persons with Disabilities

Actions Taken to Help Eliminate Impediment:

1. The City of Tuscaloosa has provided HOME funds to Habitat for Humanity of Tuscaloosa, Inc. to pay for site improvements for new affordable houses for low income homebuyers.
2. The City of Tuscaloosa has made CDBG and HOME Program funds available to persons with disabilities and to low-income persons for housing rehabilitation or home purchases. In prior years, HOME deferred payment loans of \$15,000 have been provided to enable several disabled persons to purchase homes. Also, other disabled persons with extreme hardships were assisted with loans covering the complete the purchase price of their homes. In addition, throughout the program years, other low income households were provided with deferred payment loans to enable them to purchase homes at locations throughout the City.
3. The City allocated \$18,000 in 2012 CDBG funds to Community Service Programs (CSP) to provide "Meals on Wheels" services to persons with disabilities. A proposed \$13,000 will be provided for these services in PY 2013.
4. The Alabama Community Living Coalition established a program called Access Alabama to provide home purchase assistance to persons with disabilities.

5. Following the natural disaster of 2011, Community Service Programs of West Alabama informed the City of its plan for a Senior Housing in the Hurricane Creek Trace Development by making application and applying for funds from the Alabama Housing Finance Authority for Low-Income Housing Tax Credits.

Impediment #5: Limited Education on Fair Housing Laws

Actions Taken to Help Eliminate Impediment:

1. Over the years, the City of Tuscaloosa has provided funds to the Tuscaloosa County Community Housing Resource Board (Fair Housing Board) to complete a survey of the housing needs of the Hispanic population and to print and distribute a new brochure (in Spanish) concerning housing assistance, general housing information, and fair housing laws.
2. Tuscaloosa Housing Counseling Program: In the City's 2011 and 2012 Program year, the City again provided CDBG and HOME Program funds to continue the operation of this HUD certified, comprehensive housing counseling program which has been operated by the City since 1977. The counselors from the Tuscaloosa Housing Counseling Program surveyed the offices of local mortgage lenders to verify the display and use of posters and other information concerning fair housing on loan applications.
3. The City of Tuscaloosa will again proclaim the month of April 2013 to be Fair Housing Month in Tuscaloosa and is still utilizing Fair Housing Posters and Logos.

Impediment #6: Zoning Laws and Historic Preservation Rules Related to the Improvement of Existing Houses

Actions Taken to Help Eliminate Impediment:

1. Zoning Amendment: On February 5, 1998, the City Council adopted a change to the City's Zoning Ordinance to permit the construction of single family homes on smaller existing lots than previously permitted and to permit the construction of a house on each lot (if each lot measures at least 50 feet wide and contain 5,000 square feet) where two or more lots are contiguous to each other and in one ownership. This amendment also permits the construction of duplex units (two-family houses) on smaller existing lots than previously permitted.

2. Under the Planned Unit Development regulations of the City's Zoning Ordinance, housing units can be constructed on smaller lots with smaller setbacks than would normally be permitted, thus saving money on the cost of property of each house constructed. Hundreds of housing units have been constructed under these regulations in the past few years.
3. On May 22, 2012, in accordance with the Tuscaloosa Forward Strategic Plan to Renew and Rebuild, the City Council adopted new mixed residential zoning ordinances for areas impacted by the April 27 tornado. These new zoning districts and accompanying ordinances allow a higher density and more urban pattern of residential development. Properties that once had only the right to contain detached single-family homes now have expanded rights that enable the construction of attached housing types such as duplexes, town homes, and apartments. In addition, the new zones require that the new types of dwellings be built with quality materials and in a pattern that integrates into the fabric of existing neighborhoods. All of these together results in the ability for communities to provide higher quality affordable housing units in locations that are ideally situated near schools, parks, employment, goods, and services.

Information Sources (check all that apply):

- Internet searches
- Phone interviews
- In-person interviews
- ☐ Public meeting(s). List locations and dates: _____
- Surveys. Describe: The City used a survey completed by the Tuscaloosa County Community Housing and Resource Board (TCCHRB)
- Other. Describe: Federal census tract data and other reports, independently produced scholarly articles and publications

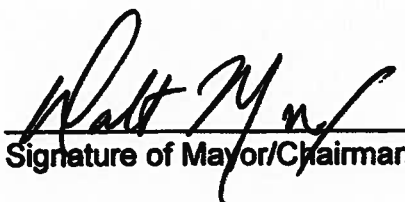
Suggested Implementation Action Steps

Fair Housing implementation action steps will vary by community or county depending on the responses to *Item 1: Needs Assessment: Identification of Impediments/ Problems Related to Fair Housing Choice*.

The following are actions which may be appropriate in overcoming identified barriers to Fair Housing Choice in Community Development Block Grant communities. The following is only a suggested list of actions and the community should use these suggestions, as necessary, to best serve its needs:

1. **Adopt Fair Housing Ordinance:** Promote efforts to enact a local fair housing ordinance which is substantially equivalent to the Federal Fair Housing Law and preferably one with enforcement mechanisms and penalties.
2. **Housing Authority Housing:** Promote the revision of the local housing authority's formal and informal policies and practices so that public housing units are not assigned to cause or perpetuate racially or ethnically separate treatment of housing opportunities.
3. **Section 8 Housing:** Review/revise the formal and informal policies and procedures guiding the operation of the Section 8 existing program to ensure that race or ethnicity is not an eligibility criterion for the program and/or some units participating in the program.
4. **New Assisted Housing:** Work with developers and residents to ensure new assisted housing is located outside areas of minority or low-income concentrations.
5. **Zoning Review:** Review local zoning laws and the impact of existing zoning on multi-family and/or less expensive single family construction; modify zoning laws to permit or facilitate such construction.
6. **CDBG Housing Rehabilitation:** Review the CDBG rehabilitation program to ensure it serves very low-income minority residents as well as low and moderate income minorities and non-minorities.
7. **Local Capital Improvement Practices:** Review local practices with respect to the capital improvements program and general revenue projects to ensure CDBG funds are not being used in place of, rather than to supplement, these programs in minority areas.
8. **Public Information:** Develop and promote a public information program using local newspapers, radio stations, bulletin boards, utility bill mailings, website, etc., to ensure that all segments of the community are aware of fair housing requirements, especially realtors, landlords, financial institutions, and the minority community. Display fair housing poster and/or brochures in public buildings and use the "Equal Housing Opportunity" slogan and logo in the classified ad section of local newspapers.

9. **Fair Housing Assistance Program:** Develop and promote a fair housing assistance program to make housing opportunities in non-minority areas known to minorities, to monitor compliance, and to pursue discrimination complaints.
10. **CRA (Larger Communities):** Meet with local financial institutions serving the community to discuss the implications of the "Community Reinvestment Act" (CRA) and the need to broaden lending practices to all geographic locations and to support community revitalization.
11. **Monitor Fair Housing:** Develop a monitoring procedure for compliance with Federal, State, and local fair housing laws.
12. **Community-Based Organization:** Promote and/or advocate for the development of a fair housing committee, community relations committee, weed and seed committee, neighborhood watch, or similar organization in the local community.
13. **Fair Housing Events:** Sponsor fair housing poster contests, speech contests, writing contests, or similar events in schools during National Fair Housing Month (April of each year).
14. **Fair Housing Exhibits:** Display fair housing exhibits at local shopping malls, fairs, exhibitions, etc.
15. **Affirmative Marketing to Target Groups:** Encourage local real estate industry groups to participate in voluntary affirmative marketing agreement programs or VAMAs (primarily found in large cities) whenever possible.



Signature of Mayor/Chairman

3-6-13

Date

**FOUR-FACTOR ANALYSIS
FOR LIMITED ENGLISH PROFICIENCY PERSONS**

**COMMUNITY DEVELOPMENT
BLOCK GRANT
DISASTER RECOVERY PROGRAM**

**CITY OF TUSCALOOSA
TUSCALOOSA, ALABAMA**

Purpose: In compliance with Executive Order 13166, City of Tuscaloosa, (Tuscaloosa, Alabama) has developed the following Four Factor Analysis for Limited English Proficiency (LEP) persons.

History: Title VI of the Civil Rights Act of 1964 is the federal law which protects individuals from discrimination on the basis of their race, color, or national origin in programs that receive federal financial assistance. In certain situations, failure to ensure that persons who have limited English proficiency can effectively participate in, or benefit from, federally assisted programs may violate Title VI's prohibition against national origin discrimination.

Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English may be entitled to language assistance under Title VI in order to receive a particular service, benefit, or encounter.

City of Tuscaloosa (Tuscaloosa, Alabama) Four-Factor Analysis: The following Four-Factor Analysis will serve as the guide for determining which language assistance measures the City of Tuscaloosa (Tuscaloosa, Alabama) will undertake to guarantee access to the City of Tuscaloosa (Tuscaloosa, Alabama) Community Development Block Grant Disaster Recovery (CDBG-DR) programs by LEP persons.

1. Number or proportion of LEP persons served or encountered in the eligible service population (served or encountered includes those persons who would be served by the recipient if the person received education and outreach and the recipient provided sufficient language services).

Tuscaloosa County utilized Census 2000 Special Tabulation 194 and Table 2, Summary Social, Economic, and Housing Characteristics. Based on this data, Tuscaloosa County does not meet the 1,000 or 5% LEP persons threshold for any languages identified (Spanish or Spanish Creole, Indo European, Asian or Pacific Islander, Other).

2. The frequency with which the LEP persons come into contact with the program.

The proposed project does include acquisition, relocation, housing rehabilitation, and/or water/sewer hookups. Therefore, residents are likely to have considerable direct contact with the program and its staff.

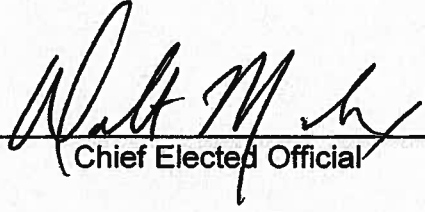
3. The nature and importance of the program, activity, or service provided by the program.

The proposed project does provide direct assistance to project area beneficiaries related to housing; therefore, the nature of the activity or service is of significant importance to the proposed project area(s) residents.

4. The resources available and costs to the recipient.

Currently, the ADECA website can be utilized to translate some written materials. Additionally, local volunteers have been identified to provide oral translation services at public meetings and during conversations with LEP residents during the implementation of the proposed project. Furthermore, many of the common forms used in the implementation of a CDBG project are available in multiple languages on the HUD and DOL websites. Additionally, translation activities are an eligible CDBG administrative expense. Therefore, limited LAP measures are reasonable given the resources available to City of Tuscaloosa (Tuscaloosa, Alabama).

Certification: Based on the above Four-Factor Analysis, the City of Tuscaloosa (Tuscaloosa, Alabama) is not required to develop a LAP. However, the City of Tuscaloosa (Tuscaloosa, Alabama) will make all reasonable attempts to accommodate language access needs of residents requesting oral translation during citizen participation activities.



Chief Elected Official

3-6-13

Date

Area Name	Total	Do Not Speak English Well	Do Not Speak English Well as % of Total	Speak Spanish or Creole	Speak Spanish or Creole as % of Total	Speak Other Indo European	Speak Other Indo European as % of Total	Speak Asian or Pacific Islander	Speak Asian or Pacific Islander as % of Total	Speak Other	Speak Other as % of Total
Autauga	43671	270	0.62%	125	0.29%	120	0.27%	25	0.06%	0	0.00%
Baldwin	140415	795	0.57%	495	0.35%	210	0.15%	90	0.06%	0	0.00%
Barbour	29038	165	0.57%	90	0.31%	65	0.22%	0	0.00%	0	0.00%
Bibb	20826	65	0.31%	40	0.19%	0	0.00%	0	0.00%	0	0.00%
Blount	51024	295	0.58%	255	0.50%	0	0.00%	0	0.00%	0	0.00%
Bullock	11714	105	0.90%	80	0.68%	0	0.00%	0	0.00%	0	0.00%
Butler	21399	115	0.54%	85	0.40%	0	0.00%	0	0.00%	0	0.00%
Calhoun	112249	705	0.63%	335	0.30%	230	0.20%	0	0.00%	0	0.00%
Chambers	36583	150	0.41%	80	0.22%	65	0.18%	0	0.00%	0	0.00%
Cherokee	23988	20	0.08%	10	0.04%	10	0.04%	0	0.00%	0	0.00%
Chilton	38593	230	0.60%	160	0.41%	0	0.00%	0	0.00%	0	0.00%
Choctaw	15922	95	0.60%	55	0.35%	35	0.22%	4	0.03%	0	0.00%
Clarke	27867	90	0.32%	50	0.18%	0	0.00%	0	0.00%	0	0.00%
Clay	14254	85	0.60%	70	0.49%	15	0.11%	0	0.00%	0	0.00%
Cleburne	14123	50	0.35%	40	0.28%	10	0.07%	0	0.00%	0	0.00%
Coffee	43615	385	0.88%	190	0.44%	100	0.23%	0	0.00%	0	0.00%
Colbert	54984	220	0.40%	145	0.26%	0	0.00%	45	0.08%	0	0.00%
Conecuh	14089	65	0.46%	30	0.21%	0	0.00%	0	0.00%	0	0.00%
Coosa	12202	45	0.37%	25	0.20%	0	0.00%	0	0.00%	0	0.00%
Covington	37631	115	0.31%	65	0.17%	35	0.09%	20	0.05%	0	0.00%
Crenshaw	13655	20	0.15%	20	0.15%	0	0.00%	0	0.00%	0	0.00%
Cullman	77483	325	0.42%	215	0.28%	70	0.09%	0	0.00%	0	0.00%
Dale	49129	490	1.00%	235	0.48%	145	0.30%	0	0.00%	0	0.00%
Dallas	46365	145	0.31%	65	0.14%	60	0.13%	0	0.00%	0	0.00%
DeKalb	64452	450	0.70%	350	0.54%	0	0.00%	0	0.00%	0	0.00%
Elmore	65874	365	0.55%	235	0.36%	75	0.11%	35	0.05%	20	0.03%
Escambia	38440	120	0.31%	75	0.20%	25	0.07%	0	0.00%	0	0.00%
Etowah	103459	395	0.38%	230	0.22%	95	0.09%	0	0.00%	0	0.00%

Area Name	Total	Do Not Speak English Well	Do Not Speak English Well as % of Total	Speak Spanish or Spanish Creole	Speak Spanish or Spanish Creole as % of Total	Speak Other Indo European	Speak Other Indo European as % of Total	Speak Asian or Pacific Islander	Speak Asian or Pacific Islander as % of Total	Speak Other	Speak Other as % of Total
Fayette	18495	45	0.24%	25	0.14%	20	0.11%	0	0.00%	0	0.00%
Franklin	31223	220	0.70%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Geneva	25764	130	0.50%	70	0.27%	45	0.17%	0	0.00%	0	0.00%
Greene	9974	45	0.45%	30	0.30%	0	0.00%	0	0.00%	0	0.00%
Hale	17185	45	0.26%	0	0.00%	20	0.12%	0	0.00%	0	0.00%
Henry	16310	70	0.43%	45	0.28%	0	0.00%	0	0.00%	0	0.00%
Houston	88787	325	0.37%	135	0.15%	105	0.12%	0	0.00%	0	0.00%
Jackson	53926	155	0.29%	75	0.14%	50	0.09%	0	0.00%	0	0.00%
Jefferson	662047	4555	0.69%	2475	0.37%	1210	0.18%	650	0.10%	220	0.03%
Lamar	15904	50	0.31%	0	0.00%	25	0.16%	0	0.00%	0	0.00%
Lauderdale	87966	425	0.48%	210	0.24%	180	0.20%	35	0.04%	0	0.00%
Lawrence	34803	185	0.53%	125	0.36%	0	0.00%	0	0.00%	0	0.00%
Lee	115092	805	0.70%	465	0.40%	0	0.00%	170	0.15%	0	0.00%
Limestone	65676	505	0.77%	335	0.51%	0	0.00%	90	0.14%	0	0.00%
Lowndes	13473	35	0.26%	15	0.11%	15	0.11%	0	0.00%	0	0.00%
Macon	24105	210	0.87%	185	0.77%	25	0.10%	0	0.00%	0	0.00%
Madison	276700	2160	0.78%	1040	0.38%	530	0.19%	520	0.19%	70	0.03%
Marengo	22539	100	0.44%	80	0.35%	15	0.07%	0	0.00%	0	0.00%
Marion	31214	95	0.30%	55	0.18%	0	0.00%	30	0.10%	0	0.00%
Marshall	82231	555	0.67%	460	0.56%	0	0.00%	0	0.00%	0	0.00%
Mobile	399843	2770	0.69%	1225	0.31%	715	0.18%	795	0.20%	30	0.01%
Monroe	24324	130	0.53%	110	0.45%	0	0.00%	0	0.00%	0	0.00%
Montgomery	223510	1670	0.75%	765	0.34%	345	0.15%	470	0.21%	85	0.04%
Morgan	111064	975	0.88%	730	0.66%	150	0.14%	0	0.00%	0	0.00%
Perry	11861	45	0.38%	30	0.25%	0	0.00%	0	0.00%	0	0.00%
Pickens	20949	90	0.43%	65	0.31%	0	0.00%	0	0.00%	0	0.00%
Pike	29605	170	0.57%	130	0.44%	20	0.07%	20	0.07%	0	0.00%

Area Name	Total	Do Not Speak English Well	Do Not Speak English Well as % of Total	Speak Spanish or Spanish Creole	Speak Spanish or Spanish Creole as % of Total	Speak Other Indo European	Speak Other Indo European as % of Total	Speak Asian or Pacific Islander	Speak Asian or Pacific Islander as % of Total	Speak Other	Speak Other as % of Total
Randolph	22380	110	0.49%	50	0.22%	0	0.00%	0	0.00%	0	0.00%
Russell	49756	285	0.57%	160	0.32%	70	0.14%	55	0.11%	0	0.00%
St. Clair	64742	275	0.42%	190	0.29%	50	0.08%	0	0.00%	0	0.00%
Shelby	143293	885	0.62%	470	0.33%	310	0.22%	0	0.00%	0	0.00%
Sumter	14798	85	0.57%	60	0.41%	25	0.17%	0	0.00%	0	0.00%
Talladega	80321	350	0.44%	230	0.29%	90	0.11%	30	0.04%	0	0.00%
Tallapoosa	41475	165	0.40%	110	0.27%	0	0.00%	25	0.06%	0	0.00%
Tuscaloosa	164875	1020	0.62%	570	0.35%	285	0.17%	130	0.08%	40	0.02%
Walker	70713	260	0.37%	150	0.21%	0	0.00%	0	0.00%	0	0.00%
Washington	18097	70	0.39%	45	0.25%	0	0.00%	0	0.00%	0	0.00%
Wilcox	13183	65	0.49%	30	0.23%	10	0.08%	0	0.00%	0	0.00%
Winston	24843	65	0.26%	50	0.20%	0	0.00%	0	0.00%	0	0.00%
Total	4,402,419	26,305	0.60%	14,720	0.33%	5,555	0.13%	3,214	0.07%	465	0.01%

APPROVED AS TO FORM

Office of the City Attorney

Prepared By: GHW
Requested: OCA
Presentation on: 05-15-12
Suspension of Rules: YES

ORDINANCE AMENDING ORDINANCE NO. 7821

AN ORDINANCE AMENDING AN ORDINANCE ESTABLISHING
PROFESSIONAL SERVICE CONTRACT PROCUREMENT STANDARDS

(A12-0523)

BE IT ORDAINED BY THE CITY COUNCIL OF TUSCALOOSA AS FOLLOWS:

SECTION ONE: Chapter 2, Article VI of the Code of Tuscaloosa ("PURCHASING PROCEDURES") is amended to be read as follows:

"Sec. 2-81. Contract Procurement Standards.

(a) *Contract procurements, generally.*

1. All procurements of professional service contracts shall comply with all applicable federal, state and local laws, rules and regulations. To the extent this Chapter may conflict with any valid superseding federal or state law, it shall automatically conform to such federal or state law.

2. All procurements of public works construction and other non-professional service contracts shall comply with all applicable federal, state and local laws, rules and regulations. To this extent this chapter may conflict with any valid superseding federal or state law, it shall automatically conform to such federal or state law.

3. Unless otherwise required by federal law, rule, and/or regulation, all City of Tuscaloosa contract procurements shall comply with applicable Alabama Competitive Bid and Public Works Laws.

4. Unless otherwise required by a federal law, rule or regulation, competitive bidding shall not be required to procure the following:

a. Contracts for securing services of attorneys, physicians, architects, teachers, superintendents of construction, artists, appraisers, engineers, consultants, certifies public accountants,

public accountants, or other individuals possessing a high degree of professional skill where the personality of the individual plays a decisive part.

b. Contracts for fiscal or financial advice or services.

c. The selection of paying agents and trustees for any security issued by the City of Tuscaloosa.

d. Professional services contracts for codification and publication of the laws and ordinances of the City of Tuscaloosa.

e. The purchase of insurance.

5. Unless otherwise required by a federal law, rule or regulation, the Tuscaloosa City Council may adopt a resolution authorizing and awarding a professional service contract as described in Sec. 2-81(a)(3) in its discretion and without utilization of a formal or informal competitive bid process.

6. Notwithstanding the foregoing, the City may, in its discretion, issue a Request for Proposal ("RFP") or Request for Statement of Qualifications ("RFQ") to introduce a competitive element into the selection of any professional service. Generally, the RFP or RFQ may require a statement of experience and qualifications, references, a price / hourly rate quote (if applicable), and any other requirement deemed appropriate by the City that does not conflict with federal, state or local law; provided, however, that the final form of any lawful RFP or RFQ shall be in the discretion of the City and may or may not include any of the abovementioned elements, and may include additional elements.

(b) *Procurement of contracts subject to 24 CFR § 85.36 requirements.*

1. *City procurement procedures to conform to federal law.* The City will use its own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in 24 CFR 85.36.

a. *Contract administration system.* The City will maintain a contract administration system through the establishment of a city representative for each contract. The City representative will monitor contract performance and consult with the Office of

the City Attorney as required to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

b. *Standards of conduct.* Elected officials, staff or agents of the City are prohibited from personally benefitting from procurements under this Section. No employee, officer or agent of the City shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest as defined in 24 CFR 85.36, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, or any member of his immediate family, his partner, or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The City's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. To the extent permitted by state (Title 36, Chapter 25, Alabama Code) or local law or regulations, such standards of conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the officers or employees of the City of Tuscaloosa, Alabama, or agents, or by contractors or their agents.

c. *Unnecessary / duplicative items.* Prior to award, the City shall perform a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

d. *Responsible contractors.* The City will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. The City will require contractors to execute a "Disbarment and Suspension Statement" certifying / verifying that the contractor is not suspended or disbarred or otherwise excluded under 2

CFR Section 408.220 of the government-wide non-procurement, disbursement and suspension list.

e. *Records.* The City will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

f. *Protest procedures.* Protests made under this section shall be presented in writing to the designated City representative within three (3) days. Further protest may be handled and resolved pursuant to the same procedure established in Ala. Code § 41-16-61. To wit, any taxpayer of the area within the jurisdiction of the City and any bona fide unsuccessful bidder on a particular contract shall be empowered to bring a civil action in the appropriate court to enjoin execution of any contract entered into in violation of the provisions of this section. The City shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust this remedy before pursuing a protest with the Federal agency.

2. *Competition.* All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of 24 CFR § 85.36.

a. *Situations restrictive of competition.* Some of the situations considered to be restrictive of competition, and therefore prohibited, include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business;

(ii) Requiring unnecessary experience and excessive bonding;

(iii) Noncompetitive pricing practices between firms or between affiliated companies;

(iv) Noncompetitive awards to consultants that are on retainer contracts;

(v) Organizational conflicts of interest;

(vi) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement; and,

(vii) Any arbitrary action in the procurement process.

b. *Geographical preferences.* The City will not impose in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. Nothing in this section preempts state licensing laws.

c. *Written Selection Procedures.* The City will establish written selection procedures for procurement transactions in the form of a Request for Proposal ("RFP"), Request for Statement of Qualifications ("RFQ"), sealed bid, or other pre-established procurement document for each procurement transaction. In the event that procedures are not established in the procurement document, written proposals will be rated by a pre-selected panel of qualified City employees. The panel will agree upon a rating system prior to review of proposals that will consist of either a numerical grading system or a pass/fail grading system, or a combination of the two. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of

the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and,

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

d. *Prequalification.* If the City chooses to prequalify contractors, then the City will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the City will not preclude potential bidders from qualifying during the solicitation period.

3. *Methods of procurement.* Any method of procurement under this section shall comply with the requirements of 24 CFR § 85.36 and any other applicable federal, state or local law, rule or regulation, whichever requirement is stricter.

a. *Procurement by small purchase procedures.* Small purchase procedures are those relatively simple and informal procurement methods for securing services. To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for procurement by small purchase procedures, the City of Tuscaloosa shall apply the stricter state law standards. Generally, all expenditure of funds of whatever nature for labor, service, work, or for the purchase of materials, equipment, supplies, or other personal property involving \$15,000 or more must be competitively bid pursuant to the requirements of the Alabama Bid Law.

b. *Procurement by sealed bids (formal advertising).* Bids shall be publicly solicited and a firm-fixed-price contract (lump sum or unit price) shall be awarded to the responsible, responsive bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method shall be the preferred method for procuring construction. The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the

date set for opening the bid. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond. All bids will be publicly opened at the time and place prescribed in the invitation for bids. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason. To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for procurement by sealed bids (formal advertising), the City of Tuscaloosa shall apply the stricter state law standards. Before entering into any contract for a public works involving an amount in excess of \$50,000, the City of Tuscaloosa shall advertise for sealed bids. In order for sealed bidding to be feasible, the following conditions must be present:

- (i) A complete, adequate, and realistic specification or purchase description is available;
- (ii) Two or more responsible bidders are willing and able to compete effectively and for the business; and
- (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

b. *Procurement by competitive proposals.* If this method is used, the following requirements apply:

- (i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
- (ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) The method for conducting technical evaluations of the proposals received and for selecting awardees will be established in the Request for Proposal ("RFP"), Request for Statement of Qualifications ("RFQ"), or other pre-established procurement document for each procurement transaction. In the event that procedures are not established in the procurement document, written proposals will be rated by a pre-selected panel of qualified City employees. The panel will agree upon a rating system prior to review of proposals that will consist of either a numerical grading system or a pass/fail grading system, or a combination of the two;

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and,

(v) In its discretion, the City may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(vi) To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for procurement by competitive proposals, the City of Tuscaloosa shall apply the stricter state law standards.

c. *Procurement by noncompetitive proposals.* Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

(i) The item is available only from a single source;

(ii) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(iii) The awarding agency authorizes noncompetitive proposals; or

(iv) After solicitation of a number of sources, competition is determined inadequate.

Cost analysis (i.e. verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits) is required.

4. *Contracting with small and minority firms, women's business enterprise and labor surplus area firms.* The City will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps shall include: placing qualified small and minority businesses and women's business enterprises on solicitation lists; assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises; establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and, requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in this section.

5. *Contract cost and price.* The City shall perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the City must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking. A price analysis will be used in all other instances to determine the reasonableness of the proposed

contract price. The City will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles. The City may reference its own cost principles that comply with the applicable Federal cost principles. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

6. *Bonding requirements.* For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the following minimum requirements shall apply:

a. The City shall require a bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

b. The City shall require a performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

c. The City shall require a payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

d. To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for bonding requirements, the City of Tuscaloosa shall apply the stricter state law standards.

7. *Contract provisions.* Contracts procured pursuant to this section shall contain the following contract provisions:

a. *Violation or breach of contract terms.* If the Contractor is adjudged as bankrupt, or if he makes a general assignment for the benefit of his creditors, or if a receiver is appointed on account of his insolvency, or persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise is guilty of a substantial violation of a provision of the agreement, or is assessed liquidated damages as set forth herein, then the City may, without prejudice to any of its other rights or remedies and after giving the Contractor and his surety, if any, seven (7) days' written notice, during which period the Contractor fails to cure the violation, terminate the employment of the Contractor. In such case, the Contractor shall not be entitled to receive any further payment from the City.

b. *Termination for cause and for convenience.* The City reserves the right with or without cause to terminate the agreement by giving written notice to Contractor of such termination at least fifteen (15) days before the effective date thereof. In the event of termination, Contractor shall cease performing any work pursuant to the agreement and be entitled to compensation for services rendered through the effective date of termination.

c. *Access to records.* The City, any subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the Contractor which are directly pertinent to the contract for the purpose of making audit, examination, excerpts, and transcriptions.

d. *Retention of records.* Contractor is required to retain all records as required by applicable federal law for three years after the City or any or subgrantee makes final payments and all other pending matters are closed.

e. *Compliance, generally.* For contracts in excess of \$100,000, Contractors are required to comply with all applicable standards, orders, or requirements issued under section 306 of

the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

f. *Energy efficiency.* Contractors are required to comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

g. *Value engineering.* For architectural/engineering (A/E) contracts, Contractor is encouraged to develop, prepare, and submit to the City value engineering change proposals (VECP's) voluntarily. Value engineering change proposal (VECP) means a proposal that requires a change to this, the current contract, to implement, and results in reducing the overall projected cost to the City without impairing essential functions or characteristics."

h. *Equal Employment Opportunity.* Contractors shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (Applies to all construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees).

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j. *Davis-Bacon.* Contractors shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 5). (Applies to all construction contracts in excess of \$2,000 awarded by grantees and subgrantees when required by Federal grant program legislation).

j. *Work Hours and Safety Standards.* Contractors shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5). (Applies to

all construction contracts awarded by grantees and subgrantees in excess of \$2,000, and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers.

k. *Miscellaneous.* All contracts shall contain provisions giving notice of awarding agency requirements and regulations pertaining to reporting, notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract, and awarding agency requirements and regulations pertaining to copyrights and rights in data.

FUNDING REQUIRED: ☐ Yes ☒ No

By: _____
Finance Director

COUNCIL ACTION

Resolution _____
Ordinance _____
Introduced _____
Passed _____
2nd Reading _____
Unanimous _____
Failed _____
Tabled _____
Amended _____
Comments: _____

APPROVED AS TO FORM

200
Office of the City Attorney

Prepared By: GHW

Requested: Com. Dev. Com.

Presentation on: 06-25-13

Suspension of Rules: YES

ORDINANCE NO. 7972

**AN ORDINANCE AMENDING SECTION 2-81 OF THE CODE OF TUSCALOOSA
ESTABLISHING CONTRACT PROCUREMENT STANDARDS
(A12-0523)**

BE IT ORDAINED BY THE CITY COUNCIL OF TUSCALOOSA AS FOLLOWS:

SECTION ONE: Chapter 2, Article VI of the Code of Tuscaloosa ("PURCHASING PROCEDURES") is amended to be read as follows:

"Sec. 2-81. Contract Procurement Standards.

(a) *Contract procurements, generally.*

1. All procurements of professional service contracts shall comply with all applicable federal, state and local laws, rules and regulations. To the extent this Chapter may conflict with any valid superseding federal or state law, it shall automatically conform to such federal or state law.
2. All procurements of public works construction and other non-professional service contracts shall comply with all applicable federal, state and local laws, rules and regulations. To this extent this chapter may conflict with any valid superseding federal or state law, it shall automatically conform to such federal or state law.
3. Unless otherwise required by federal law, rule, and/or regulation, all City of Tuscaloosa contract procurements shall comply with applicable Alabama Competitive Bid and Public Works Laws.
4. Unless otherwise required by a federal law, rule or regulation, competitive bidding shall not be required to procure the following:
 - a. Contracts for securing services of attorneys, physicians, architects, teachers, superintendents of construction, artists, appraisers, engineers, consultants, certified public accountants, public accountants, or other individuals possessing a high degree of professional skill where the personality of the individual plays a decisive part.
 - b. Contracts for fiscal or financial advice or services.

c. The selection of paying agents and trustees for any security issued by the City of Tuscaloosa.

d. Professional services contracts for codification and publication of the laws and ordinances of the City of Tuscaloosa.

e. The purchase of insurance.

5. Unless otherwise required by a federal law, rule or regulation, the Tuscaloosa City Council may adopt a resolution authorizing and awarding a professional service contract as described in Sec. 2-81(a)(3) in its discretion and without utilization of a formal or informal competitive bid process.

6. Notwithstanding the foregoing, the City may, in its discretion, issue a Request for Proposal ("RFP") or Request for Statement of Qualifications ("RFQ") to introduce a competitive element into the selection of any professional service. Generally, the RFP or RFQ may require a statement of experience and qualifications, references, a price / hourly rate quote (if applicable), and any other requirement deemed appropriate by the City that does not conflict with federal, state or local law; provided, however, that the final form of any lawful RFP or RFQ shall be in the discretion of the City and may or may not include any of the abovementioned elements, and may include additional elements.

(b) *Procurement of contracts subject to 24 CFR § 85.36 requirements.*

1. *City procurement procedures to conform to federal law.* The City will use its own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in 24 CFR 85.36.

a. *Contract administration system.* The City will maintain a contract administration system through the establishment of a city representative for each contract. The City representative will monitor contract performance and consult with the Office of the City Attorney as required to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

b. *Standards of conduct.* Elected officials, staff or agents of the City are prohibited from personally benefitting from procurements under this Section. No employee, officer or agent of the City shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest as defined in 24 CFR 85.36, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, or any member of his immediate family, his partner, or an organization which employs, or is about to employ, any of

the above, has a financial or other interest in the firm selected for award. The City's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. To the extent permitted by state (Title 36, Chapter 25, Alabama Code) or local law or regulations, such standards of conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the officers or employees of the City of Tuscaloosa, Alabama, or agents, or by contractors or their agents.

c. *Unnecessary / duplicative items.* Prior to award, the City shall perform a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

d. *Responsible contractors.* The City will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. The City will require contractors to execute a "Disbarment and Suspension Statement" certifying / verifying that the contractor is not suspended or disbarred or otherwise excluded under 2 CFR Section 408.220 of the government-wide non-procurement, disbursement and suspension list.

e. *Records.* The City will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

f. *Protest procedures.* Protests made under this section shall be presented in writing to the designated City representative within three (3) days. Further protest may be handled and resolved pursuant to the same procedure established in Ala. Code § 41-16-61. To wit, any taxpayer of the area within the jurisdiction of the City and any bona fide unsuccessful bidder on a particular contract shall be empowered to bring a civil action in the appropriate court to enjoin execution of any contract entered into in violation of the provisions of this section. The City shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust this remedy before pursuing a protest with the Federal agency.

2. **Competition.** All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of 24 CFR § 85.36.

a. **Situations restrictive of competition.** Some of the situations considered to be restrictive of competition, and therefore prohibited, include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business;

(ii) Requiring unnecessary experience and excessive bonding;

(iii) Noncompetitive pricing practices between firms or between affiliated companies;

(iv) Noncompetitive awards to consultants that are on retainer contracts;

(v) Organizational conflicts of interest;

(vi) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement; and,

(vii) Any arbitrary action in the procurement process.

b. **Geographical preferences.** The City will not impose in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. Nothing in this section preempts state licensing laws.

c. **Written Selection Procedures.** The City will establish written selection procedures for procurement transactions in the form of a Request for Proposal ("RFP"), Request for Statement of Qualifications ("RFQ"), sealed bid, or other pre-established procurement document for each procurement transaction. In the event that procedures are not established in the procurement document, written proposals will be rated by a pre-selected panel of qualified City employees. The panel will agree upon a rating system prior to review of proposals that will consist of either

a numerical grading system or a pass/fail grading system, or a combination of the two. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and,

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

d. *Prequalification.* If the City chooses to prequalify contractors, then the City will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the City will not preclude potential bidders from qualifying during the solicitation period.

3. *Methods of procurement.* Any method of procurement under this section shall comply with the requirements of 24 CFR § 85.36 and any other applicable federal, state or local law, rule or regulation, whichever requirement is stricter.

a. *Procurement by small purchase procedures.* Small purchase procedures are those relatively simple and informal procurement methods for securing services. To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for procurement by small purchase procedures, the City of Tuscaloosa shall apply the stricter state law standards. Generally, all expenditure of funds of whatever nature for labor, service, work, or for the purchase of materials, equipment, supplies, or other personal property involving \$15,000 or more must be competitively bid pursuant to the requirements of the Alabama Bid Law.

b. *Procurement by sealed bids (formal advertising).* Bids shall be publicly solicited and a firm-fixed-price contract (lump sum or unit price) shall be awarded to the responsible, responsive bidder whose bid,

conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method shall be the preferred method for procuring construction. The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bid. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond. All bids will be publicly opened at the time and place prescribed in the invitation for bids. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason. To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for procurement by sealed bids (formal advertising), the City of Tuscaloosa shall apply the stricter state law standards. Before entering into any contract for a public works involving an amount in excess of \$50,000, the City of Tuscaloosa shall advertise for sealed bids. In order for sealed bidding to be feasible, the following conditions must be present:

- (i) A complete, adequate, and realistic specification or purchase description is available;
- (ii) Two or more responsible bidders are willing and able to compete effectively and for the business; and
- (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

b. *Procurement by competitive proposals.* If this method is used, the following requirements apply:

- (i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
- (ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) The method for conducting technical evaluations of the proposals received and for selecting awardees will be established in the Request for Proposal ("RFP"), Request for Statement of Qualifications ("RFQ"), or other pre-established procurement document for each procurement transaction. In the event that procedures are not established in the procurement document, written proposals will be rated by a pre-selected panel of qualified City employees. The panel will agree upon a rating system prior to review of proposals that will consist of either a numerical grading system or a pass/fail grading system, or a combination of the two;

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and,

(v) In its discretion, the City may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(vi) To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for procurement by competitive proposals, the City of Tuscaloosa shall apply the stricter state law standards.

c. *Procurement by noncompetitive proposals.* Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

- (i) The item is available only from a single source;
- (ii) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (iii) The awarding agency authorizes noncompetitive proposals; or

- (iv) After solicitation of a number of sources, competition is determined inadequate.

Cost analysis (i.e. verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits) is required.

4. *Contracting with small and minority firms, women's business enterprise and labor surplus area firms.* The City will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps shall include: placing qualified small and minority businesses and women's business enterprises on solicitation lists; assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises; establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and, requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in this section.

5. *Contract cost and price.* The City shall perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the City must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price. The City will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles. The City may reference its own cost principles that comply with the applicable Federal cost principles. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

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d. To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for bonding requirements, the City of Tuscaloosa shall apply the stricter state law standards.

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a. *Violation or breach of contract terms.* If the Contractor is adjudged as bankrupt, or if he makes a general assignment for the benefit of his creditors, or if a receiver is appointed on account of his insolvency, or persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise is guilty of a substantial violation of a provision of the agreement, or is assessed liquidated damages as set forth herein, then the City may, without prejudice to any of its other rights or remedies and after giving the Contractor and his surety, if any, seven (7) days' written notice, during which period the Contractor fails to cure the violation, terminate the employment of the Contractor. In such case, the Contractor shall not be entitled to receive any further payment from the City.

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k. *Miscellaneous.* All contracts shall contain provisions giving notice of awarding agency requirements and regulations pertaining to reporting, notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract, and awarding agency requirements and regulations pertaining to copyrights and rights in data.

FUNDING REQUIRED: ☐ Yes ☒ No

By: _____

Finance Director

COUNCIL ACTION

Resolution _____
Ordinance _____
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Debby K. Clement 56
Asst. City Clerk

Sec. 2-80.1. - Contract procurement standards.

Contract procurements, generally.

- (1) All procurements of professional service contracts shall comply with all applicable federal, state and local laws, rules and regulations. To the extent this chapter may conflict with any valid superseding federal or state law, it shall automatically conform to such federal or state law.
- (2) All procurements of public works construction and other non-professional service contracts shall comply with all applicable federal, state and local laws, rules and regulations. To this extent this chapter may conflict with any valid superseding federal or state law, it shall automatically conform to such federal or state law.
- (3) Unless otherwise required by federal law, rule, and/or regulation, all city contract procurements shall comply with applicable the state competitive bid and public works laws.
- (4) Unless otherwise required by a federal law, rule or regulation, competitive bidding shall not be required to procure the following:
 - a. Contracts for securing services of attorneys, physicians, architects, teachers, superintendents of construction, artists, appraisers, engineers, consultants, certified public accountants, public accountants, or other individuals possessing a high degree of professional skill where the personality of the individual plays a decisive part.
 - b. Contracts for fiscal or financial advice or services.
 - c. The selection of paying agents and trustees for any security issued by the city.
 - d. Professional services contracts for codification and publication of the laws and ordinances of the city.
 - e. The purchase of insurance.
- (5) Unless otherwise required by a federal law, rule or regulation, the city council may adopt a resolution authorizing and awarding a professional service contract as described in subsection (a) (3) in its discretion and without utilization of a formal or informal competitive bid process.
- (6) Notwithstanding the foregoing, the city may, in its discretion, issue a request for proposal ("RFP") or request for statement of qualifications ("RFQ") to introduce a competitive element into the selection of any professional service. Generally, the RFP or RFQ may require a statement of experience and qualifications, references, a price/hourly rate quote (if applicable), and any other requirement deemed appropriate by the City that does not conflict with federal, state or local law; provided, however, that the final form of any lawful RFP or RFQ shall be in the discretion of the City and may or may not include any of the abovementioned elements, and may include additional elements.

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 - a. *Contract administration system.* The city will maintain a contract administration system through the establishment of a city representative for each contract. The city representative will monitor contract performance and consult with the office of the city attorney as required

to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

- b. *Standards of conduct.* Elected officials, staff or agents of the city are prohibited from personally benefitting from procurements under this section. No employee, officer or agent of the city shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest as defined in 24 CFR § 85.36, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, or any member of his immediate family, his partner, or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The city's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. To the extent permitted by state (Ala. Code tit. 36, ch. 25) or local law or regulations, such standards of conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the officers or employees of the city, or agents, or by contractors or their agents.
 - c. *Unnecessary/duplicative items.* Prior to award, the city shall perform a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
 - d. *Responsible contractors.* The city will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. The city will require contractors to execute a "disbarment and suspension statement" certifying/verifying that the contractor is not suspended or disbarred or otherwise excluded under 2 CFR § 408.220 of the government-wide non-procurement, disbursement and suspension list.
 - e. *Records.* The city will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
 - f. *Protest procedures.* Protests made under this section shall be presented in writing to the designated city representative within three (3) days. Further protest may be handled and resolved pursuant to the same procedure established in Ala. Code § 41-16-61. To wit, any taxpayer of the area within the jurisdiction of the city and any bona fide unsuccessful bidder on a particular contract shall be empowered to bring a civil action in the appropriate court to enjoin execution of any contract entered into in violation of the provisions of this section. The city shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust this remedy before pursuing a protest with the federal agency.
- (2) *Competition.* All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of 24 CFR § 85.36.
- a. *Situations restrictive of competition.* Some of the situations considered to be restrictive of competition, and therefore prohibited, include but are not limited to:
 - 1. Placing unreasonable requirements on firms in order for them to qualify to do business;

2. Requiring unnecessary experience and excessive bonding;
 3. Noncompetitive pricing practices between firms or between affiliated companies;
 4. Noncompetitive awards to consultants that are on retainer contracts;
 5. Organizational conflicts of interest;
 6. Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement; and,
 7. Any arbitrary action in the procurement process.
- b. *Geographical preferences.* The city will not impose in-state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. Nothing in this section preempts state licensing laws.
- c. *Written selection procedures.* The city will establish written selection procedures for procurement transactions in the form of a request for proposal ("RFP"), request for statement of qualifications ("RFQ"), sealed bid, or other pre-established procurement document for each procurement transaction. In the event that procedures are not established in the procurement document, written proposals will be rated by a pre-selected panel of qualified city employees. The panel will agree upon a rating system prior to review of proposals that will consist of either a numerical grading system or a pass/fail grading system, or a combination of the two (2). These procedures will ensure that all solicitations:
1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and,
 2. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- d. *Prequalification.* If the city chooses to prequalify contractors, then the city will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the city will not preclude potential bidders from qualifying during the solicitation period.
- (3) *Methods of procurement.* Any method of procurement under this section shall comply with the requirements of 24 CFR § 85.36 and any other applicable federal, state or local law, rule or regulation, whichever requirement is stricter.
- a.

Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services. To the extent the state competitive bid and/or public works laws establish stricter standards for procurement by small purchase procedures, the city shall apply the stricter state law standards. Generally, all expenditure of funds of whatever nature for labor, service, work, or for the purchase of materials, equipment, supplies, or other personal property involving fifteen thousand dollars (\$15,000.00) or more must be competitively bid pursuant to the requirements of the state bid law.

- b. ***Procurement by sealed bids (formal advertising).*** Bids shall be publicly solicited and a firm-fixed-price contract (lump sum or unit price) shall be awarded to the responsible, responsive bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method shall be the preferred method for procuring construction. The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bid. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond. All bids will be publicly opened at the time and place prescribed in the invitation for bids. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason. To the extent the state competitive bid and/or public works laws establish stricter standards for procurement by sealed bids (formal advertising), the city shall apply the stricter state law standards. Before entering into any contract for a public works involving an amount in excess of fifty thousand dollars (\$50,000.00), the city shall advertise for sealed bids. In order for sealed bidding to be feasible, the following conditions must be present:
1. A complete, adequate, and realistic specification or purchase description is available;
 2. Two (2) or more responsible bidders are willing and able to compete effectively and for the business; and
 3. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
- b. ***Procurement by competitive proposals.*** If this method is used, the following requirements apply:
1. Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
 2. Proposals will be solicited from an adequate number of qualified sources;
 3. The method for conducting technical evaluations of the proposals received and for selecting awardees will be established in the request for proposal ("RFP"), request for statement of qualifications ("RFQ"), or other pre-established procurement document for each procurement transaction. In the event that procedures are not established in the procurement document, written proposals will be rated by a pre-selected panel of

qualified city employees. The panel will agree upon a rating system prior to review of proposals that will consist of either a numerical grading system or a pass/fail grading system, or a combination of the two (2);

4. Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and,
 5. In its discretion, the city may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
 6. To the extent the state competitive bid and/or public works laws establish stricter standards for procurement by competitive proposals, the city shall apply the stricter state law standards.
- c. *Procurement by noncompetitive proposals.* Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one (1) source, or after solicitation of a number of sources, competition is determined inadequate. Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one (1) of the following circumstances applies:
1. The item is available only from a single source;
 2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 3. The awarding agency authorizes noncompetitive proposals; or
 4. After solicitation of a number of sources, competition is determined inadequate.
- Cost analysis (i.e. verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits) is required.

- (4) *Contracting with small and minority firms, women's business enterprise and labor surplus area firms.* The city will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps shall include: placing qualified small and minority businesses and women's business enterprises on solicitation lists; assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises; establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; using the services and assistance of the small business administration and the minority business development agency of the department of commerce; and, requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in this section.
- (5) *Contract cost and price.* The city shall perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point,

the city must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price. The city will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with federal cost principles. The city may reference its own cost principles that comply with the applicable federal cost principles. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

- (6) *Bonding requirements.* For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the following minimum requirements shall apply:
- a. The city shall require a bid guarantee from each bidder equivalent to five (5) percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.
 - b. The city shall require a performance bond on the part of the contractor for one hundred (100) percent of the contract price. A "performance bond" is one (1) executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
 - c. The city shall require a payment bond on the part of the contractor for one hundred (100) percent of the contract price. A "payment bond" is one (1) executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.
 - d. To the extent the state competitive bid and/or public works laws establish stricter standards for bonding requirements, the city shall apply the stricter state law standards.
- (7) *Contract provisions.* Contracts procured pursuant to this section shall contain the following contract provisions:
- a. *Violation or breach of contract terms.* If the contractor is adjudged as bankrupt, or if he makes a general assignment for the benefit of his creditors, or if a receiver is appointed on account of his insolvency, or persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise is guilty of a substantial violation of a provision of the agreement, or is assessed liquidated damages as set forth herein, then the city may, without prejudice to any of its other rights or remedies and after giving the contractor and his surety, if any, seven (7) days' written notice, during which period the contractor fails to cure the violation, terminate the employment of the contractor. In such case, the contractor shall not be entitled to receive any further payment from the city.
 - b.

Termination for cause and for convenience. The city reserves the right with or without cause to terminate the agreement by giving written notice to contractor of such termination at least fifteen (15) days before the effective date thereof. In the event of termination, contractor shall cease performing any work pursuant to the agreement and be entitled to compensation for services rendered through the effective date of termination.

- c. **Access to records.** The city, any subgrantee, the federal grantor agency, the comptroller general of the united states, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to the contract for the purpose of making audit, examination, excerpts, and transcriptions.
- d. **Retention of records.** Contractor is required to retain all records as required by applicable federal law for three (3) years after the city or any or subgrantee makes final payments and all other pending matters are closed.
- e. **Compliance, generally.** For contracts in excess of one hundred thousand dollars (\$100,000.00), contractors are required to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).
- f. **Energy efficiency.** Contractors are required to comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).
- g. **Value engineering.** For architectural/engineering (A/E) contracts, contractor is encouraged to develop, prepare, and submit to the city value engineering change proposals (VECP's) voluntarily. Value engineering change proposal (VECP) means a proposal that requires a change to this, the current contract, to implement, and results in reducing the overall projected cost to the city without impairing essential functions or characteristics.
- h. **Equal employment opportunity.** Contractors shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (Applies to all construction contracts awarded in excess of ten thousand dollars (\$10,000.00) by grantees and their contractors or subgrantees).
- i. **Anti-kickback.** Contractors shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3). (Applies to all contracts and subgrants for construction or repair).
- j. **Davis-Bacon.** Contractors shall comply with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 5). (Applies to all construction contracts in excess of \$2,000 awarded by grantees and subgrantees when required by Federal grant program legislation).
- j. **Work hours and safety standards.** Contractors shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5). (Applies to all construction contracts awarded by grantees and subgrantees in excess of two thousand dollars (\$2,000.00), and in excess of two thousand five hundred dollars (\$2,500.00) for other contracts which involve the employment of mechanics or laborers).

- k. *Miscellaneous.* All contracts shall contain provisions giving notice of awarding agency requirements and regulations pertaining to reporting, notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract, and awarding agency requirements and regulations pertaining to copyrights and rights in data.

(Ord. No. 7972, § 1, 6-25-13)

Editor's note— Ord. No. 7972, § 1, adopted June 25, 2013, amended § 2-80.1 to read as set out herein. Former § 2-80.1. pertained to professional service contract procurement standards and was derived from Ord. No. 7821, § 1, adopted May 15, 2012.



June 1, 2012

Community Planning and Development

NSP Policy Alert!

Guidance on the Procurement of Developers and Subrecipients – June 1, 2012

This guidance supplements the NSP Policy Alert “Guidance on Developers, Subrecipients, and Contractors” updated on November 16, 2011 and expands on information from the NSP Policy Alert “Guidance on NSP-Eligible Acquisition & Rehabilitation Activities” published on December 11, 2009.

Grantee Designation of Entities and their Roles

Neighborhood Stabilization Program (NSP) grantees may work with developers, subrecipients, contractors, or any combination of these entities to implement their programs. However, different HUD and OMB rules apply to these entities depending on the specific situation.

The November 2011 guidance defines the three entities, responds to common questions regarding developer fees, and lists administrative implications by entity type. The December 2009 guidance includes definitions of third party entities, how these are selected and implications of their designation as developers or subrecipients. This alert serves to clarify the procurement requirements for NSP grantees; it deals only with real estate development arrangements and thus excludes contractors. Contractors might work for a developer, but do not have site control and do not assume the risk of development.

In order to understand which entities are required to follow procurement rules, it is important that grantees designate each entity as a subrecipient or developer or both [in this case they need to have two separate agreements] at the outset of their program. This identity stays with the entity for the duration of the agreement; entities generally do not change roles.

Grantees can designate an entity as a developer using several guidelines:

1. The regulatory definition: Developers are indirectly described in 24 CFR 570.202(b)(1):

“Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes;”

For the purpose of NSP (and CDBG), *private entities* include developers. Much like income eligible households, developers are considered beneficiaries or “end users” of NSP funds. For new construction, a developer is defined under 570.204 (Community Based Development Organizations CBDO) or under the section above. This section of the CDBG housing rehabilitation regulations comes closest to describing the range of NSP new construction activities, which are ineligible in CDBG.

2. The relationship: A grantee entrusts a developer with funds to complete a project. Developers are not providing specific goods or services back to the grantee. Developers must have site control (ownership or lease in some cases) and must plan, obtain permits, and manage the project from start to finish, not just serve as contractors.
3. For-profit entities are designated as developers. Private non-profits may also serve as developers. Public non-profits (Housing or Redevelopment Authorities) and public agencies may not act as developers (see below.)

Grantees can designate an entity as a subrecipient using several guidelines:

1. In general, subrecipients act as an extension of the grantee and must follow all the same rules as grantees.
2. The limitation of 24 CFR 570.202(b)(1) to private individuals and entities means that public non-profits such as housing authorities must be treated as subrecipients. This designation prohibits public authorities from earning fees, requires maintenance of more detailed records and entails using federal procurement procedures. The prohibition against public non-profits receiving fees, while embedded in CDBG rules, is based on OMB Circulars regarding Uniform Administrative Procedures and Cost Principles (24 CFR 85.22). This section allows "Reasonable fees or profit to cost-type contractors but not any fee or profit (or other increment above allowable costs) to the grantee or subgrantee." HUD cannot waive this OMB standard.

In the case of selecting a non-profit as a partner, a grantee must decide if the non-profit will be treated as a subrecipient or a developer or holds both roles [in this case there must be separate agreements]. For example, it is possible to engage a non-profit entity that provides housing counseling and does development. The grantee can designate the part of the non-profit organization that carries out the housing counseling as a subrecipient, because it is providing a service to the grantee and designate a different part of the same organization as a developer to carry out the acquisition and rehabilitation and receive a fee as a developer. Costs must be tracked carefully and developer fees cannot be assessed on the counseling services.

Designation of non-profits as developers or subrecipients

ENTITY	Can be Developer	Can be Subrecipient
Private For-profit	Yes	No
Private Non-Profit	Yes	Yes
Public Non-Profit (Housing or Redevelopment Authority)	No	Yes
Public Entity (State or local government agency)	No	Yes

Once a grantee has designated each entity with which it works as either a subrecipient or a developer or both (separate sub-entities that belong the same non-profit), then the grantee will be able to determine the corresponding procurement requirements, which are summarized in a table on page 4.

Subrecipients selecting third parties

In contrast to developers, subrecipients must follow CDBG procurement rules at 24 CFR 570.611(b) and Office of Management and Budget (OMB) procurement rules (Part 84, A-122 for non-profit subrecipients and Part 85, A-87 for public entity subrecipients) to hire a contractor or for the purchase of goods and services.

Summary of Procurement Requirements by Entity

ENTITY	May be selected <u>without</u> federal procurement process?	May select contractors/other partners <u>without</u> procurement process?
For-profit	Yes	Yes
Private Non-Profit acting as developer	Yes	Yes
Private Non-Profit acting as subrecipient	Yes	No
Public Non-Profit (Housing/Redevelopment Authority)	Yes	No
Public Entity (State or local government agency)	Yes	No

Consideration of state and local laws

Grantees and public subrecipients should follow relevant local and state laws regarding procurement requirements. Whereas Federal “small purchase” procedures allow contracts under \$100,000 to be awarded without a full competitive bidding process, States and other localities may have requirements with lower thresholds. OMB generally recommends sealed bids for construction contract procurement. Many communities use the competitive proposal method of procurement to develop a pre-approved group of contractors, appraisers, etc., and then obtain price quotes for specific jobs as they are identified. This ensures a competitive procurement at the front end and still enables the grantee to secure contractors (or other services) in a timely manner.

Additional related resources on procurement

- Managing CDBG: A Guidebook for Grantees on Subrecipient Oversight, March 2005
- CDBG Video Training Module: Admin Planning and Financial Management, February 2008
- Basically CDBG Training Manual, November 2007: Chapter 11 (Financial Management) and Chapter 14 (Procurement)



November 16, 2011
Community Planning and Development

NSP Policy Alert!

Guidance on Developers, Subrecipients, and Contractors – Updated November 16, 2011

Note: The NSP Program Administration Implications by Entity Type Table was revised November 16, 2011 to clarify guidance on housing counseling activities administered by developers. The original guidance was issued August 27, 2010.

Neighborhood Stabilization Program (NSP) grantees may work with developers, subrecipients, contractors, or any combination of these entities to implement their programs. However, different sets of HUD and OMB rules apply to these entities in certain situations. Accordingly, an NSP grantee must carefully consider the implications of any decision to implement NSP-funded activities through one type of entity versus another. HUD has developed the following guidance to clarify the definitions of each of these entity types, as well as the requirements for NSP grantees which establish relationships with such entities. This guidance consolidates information that has been addressed in previous NSP policy alerts, and offers new guidance regarding developer fees based on more recent questions received from NSP grantees and affiliates.

Definitions

Subrecipient: A nonprofit or public agency that assists a grantee or another subrecipient to administer all or a portion of the NSP program. As provided in the NSP Bridge Notice, published on June 19, 2009, "Subrecipient shall have the same meaning as at the first sentence of 24 CFR 570.500(c). This includes any nonprofit organization (including a unit of general local government) awarded funds by a state. The term also includes any land bank receiving NSP funds from a grantee or another subrecipient." Section 570.500(c) reads as follows: "Subrecipient means a public or private nonprofit agency, authority, or organization, or a for-profit entity authorized under 570.201(o), receiving CDBG funds from the recipient or another subrecipient to undertake activities eligible for such assistance under subpart C of this part."

Developer: A for-profit or private nonprofit individual or entity that the grantee provides NSP assistance to for the purpose of (1) acquiring homes and residential properties to rehabilitate for use or resale for residential purposes and (2) constructing new housing in connection with the redevelopment of demolished or vacant properties. Developers are program beneficiaries and thus distinct from subrecipients, grantee employees, and contractors. Developers may receive NSP funds from either the grantee or a subrecipient. Developer led rehabilitation is undertaken pursuant to 24 CFR 570.202(b)(1). New housing construction is undertaken pursuant to 24 CFR 570.204, or the NSP notice published on October 6, 2008, as amended.

NSP grantees should note that they may but are not required to treat all third-party development entities as subrecipients. HUD regulations treat developers as private entities entitled to benefit under 570.202(b)(1). This is important in situations where a private for-profit or non-profit organization receiving

NSP funds is neither a contractor nor a subrecipient. In such instances, the developer is not an intermediary acting for the grantee, but is receiving assistance itself as a beneficiary under the program.

Examples include a for-profit or nonprofit entity receiving a housing rehabilitation grant or loan to improve property it owns. Public nonprofits such as Housing Authorities or Redevelopment Authorities do not qualify as developers because 570.202(b)(1) requires them to be private entities.

Both grantees and subrecipients can engage developers. However, to be treated as a developer, the entity must demonstrate ownership or control of the property to be rehabilitated or redeveloped. That is, a grantee or a subrecipient cannot designate an entity as a developer if it is simply providing construction services on a property owned by the grantee or subrecipient; such an entity would be classified as a contractor.

Contractor. An entity that supply goods and services at an agreed-upon rate or price. When a grantee or subrecipient hires a contractor, the contractor must be procured pursuant to Part 84.

Additional Considerations Regarding Developer Fees

Questions pertaining to developer fees are among those most frequently asked by Neighborhood Stabilization Program (NSP) grantees and affiliates. This section is intended to provide grantees with a few additional points to keep in mind as they contemplate entering into agreements with private developers.

- Grantees and subrecipients may not earn a developer's fee. An entity may charge developer's fees only under 24 CFR 570.202(b)(1), which allows a grantee to provide CDBG funds (or NSP funds) to assist in the acquisition and rehabilitation/ reconstruction of property by private individuals or entities. The right to charge a developer's fee is available only to an entity that receives assistance from the grantee or the subrecipient and assumes some of the risk of the project, which the developer does by investing some of his/her own money in the project. Grantees and subrecipients are compensated for the actual costs of carrying out eligible activities, which reduces or eliminates any development risk if actual costs exceed estimates. Therefore, accounting principles and cost circulars do not allow grantees or subrecipients to collect a developer's fee. (Note that this is a CDBG policy that has existed for decades.)
- Public entities having an identity of interest with the grantee may only carry out NSP development activities for an NSP grantee under a subrecipient agreement, not under a developer agreement
- When negotiating a developer fee, it is crucial for grantees to clearly specify what project costs can and cannot be paid with NSP fees. For example, if a developer's budget called for directly paying a project manager and also a developer fee that would be double-dipping and would not be allowed. Direct costs or indirect costs of a developer related to project management should be paid only through the fee. Grantees may also require a developer to pay some of the holding costs and receive reimbursement through the fee. Though not required by NSP, such a provision is used to encourage developers to complete projects in a timely manner. If a developer agreement does not include specific property addresses, then the contract should include a detailed list of criteria describing eligibility for acquisition and include a list of NSP-related obligations that carry forward with the property. It is also advisable for grantees to retain the right to individually sign off on each acquisition by a developer.

NSP Program Administration Implications by Entity Type

	Grantee	Developer	Subrecipient	Contractor
Federal Procurement Process?	Yes	No	Yes	N/A (procured)
Revenue/Program Income CFR 570.504	Must treat excess revenues as Program Income, to be used for other NSP-eligible activities	Not required to return excess revenues. However, HUD strongly encourages grantees to implement mechanisms which prevent undue enrichment.	Must treat excess revenues as Program Income and return to grantee, or if the grantee wishes, subrecipients may keep program income to implement other NSP-eligible activities.	N/A (Contractors not subject to Program Income requirements)
Activity Delivery and General Administration 24 CFR 570.205 and 570.206	10% cap on admin and Program Income; no cap on activity delivery costs.	May receive a developer fee which includes a reasonable profit margin. May charge contractor fee or brokerage fee if performing these separate services.	May receive activity delivery costs and admin funds for all direct costs. Any indirect costs may only be charged to NSP with an approved indirect cost allocation plan.	All costs built into bid. Bids should incorporate costs and expected rate of return.
OMB Cost Principles	Part 85, A-87	Doesn't have to follow OMB circulars	<i>Nonprofits:</i> Part 84, A-122 <i>Public Entities:</i> Part 85, A-87	N/A
Obligations: Acquisition 24 CFR 570.201(a)	Funds are obligated when there is a purchase agreement in place for a given property.	N/A	Funds are obligated when there is a purchase agreement in place.	N/A
Obligations: Rehabilitation 24 CFR 570.202	Funds are obligated when there is a written agreement with a contractor in place.	Funds are obligated when a developer's agreement is executed and a developer provides the grantee a detailed cost estimate for the rehab work.	Funds obligated with a written agreement with a contractor.	Funds are obligated when rehab contract is signed.
Obligations: Homeownership Assistance 570.201(n)	Execution of an instrument that awards homeownership assistance to an individual who will purchase a property pursuant to NSP eligible use (B) or (E).	May not directly provide homeownership assistance.	Execution of an instrument that awards homeownership assistance to an individual who will purchase a property pursuant to NSP eligible use (B) or (E).	N/A
Obligations: Demolition 24 CFR 570.201(d)	Funds are obligated when there is a contract for demolition activities.	N/A	Funds are obligated when there is a contract for demolition activities.	N/A
Obligations: Redevelopment; Public Facilities / Improvements 24 CFR 570.204, 24 CFR 570.201(c)	Funds are obligated when there is a written agreement with a contractor in place.	When developers engage in new residential construction, the requirements for acquisition and rehabilitation apply. Developers may not construct public facilities.	Funds are obligated when there is a written agreement with a contractor in place.	May build a public facility for a grantee or subrecipient.
Housing Counseling 24 CFR 570.201(e)	Total dollar amount of an agreement is obligated when the agreement is executed with a provider of counseling services.	Must ensure that buyers have received 8 hours of housing counseling, but may not provide counseling through developer agreement. Developers with HUD-approved counseling programs may offer counseling services under a separate contract. REVISED NOV 16, 2011	May perform housing counseling directly or through contractor. Total dollar amount of an agreement is obligated when agreement is executed with a counseling services provider.	May perform housing counseling for either grantee or subrecipient.
Registration for First Look Program Allowed?	May register for First Look	<i>Nonprofits:</i> May register for First Look <i>For-profit:</i> Ineligible for First Look	May register for First Look	Must coordinate with grantee/subrecipient to access First Look.

employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- (i) The employee, officer or agent,
- (ii) Any member of his immediate family,
- (iii) His or her partner, or
- (iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(4) Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

(6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such

use is feasible and reduces project costs.

(7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only—

- (i) After a determination that no other contract is suitable, and
- (ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

(12) Grantees and subgrantees will have protest procedures to handle and

resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(c) *Competition.* (1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of § 85.36. Some of the situations considered to be restrictive of competition include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business,

(ii) Requiring unnecessary experience and excessive bonding,

(iii) Noncompetitive pricing practices between firms or between affiliated companies,

(iv) Noncompetitive awards to consultants that are on retainer contracts,

(v) Organizational conflicts of interest,

(vi) Specifying only a *brand name* product instead of allowing an *equal* product to be offered and describing the performance of other relevant requirements of the procurement, and

(vii) Any arbitrary action in the procurement process.

(2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services,

geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a *brand name* or *equal* description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(4) Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(d) *Methods of procurement to be followed.* (1) Procurement by *small purchase procedures.* Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall

be obtained from an adequate number of qualified sources.

(2) Procurement by *sealed bids* (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in § 85.36(d)(2)(i) apply.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

(A) A complete, adequate, and realistic specification or purchase description is available;

(B) Two or more responsible bidders are willing and able to compete effectively and for the business; and

(C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

(A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;

(B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;

(C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

(D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(3) Procurement by *competitive proposals*. The technique of competitive proposals is normally conducted with

more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;

(ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(4) Procurement by *noncompetitive proposals* is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

(A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The awarding agency authorizes noncompetitive proposals; or

(D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

(e) *Contracting with small and minority firms, women's business enterprise and labor surplus area firms.* (1) The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

(2) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

(f) *Contract cost and price.* (1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular

procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

(2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see § 85.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) *Awarding agency review.* (1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or

service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

(i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iii) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product; or

(iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

(3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.

(i) A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

(ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) *Bonding requirements.* For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) *A bid guarantee from each bidder equivalent to five percent of the bid price.* The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) *A performance bond on the part of the contractor for 100 percent of the contract price.* A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) *A payment bond on the part of the contractor for 100 percent of the contract price.* A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) *Contract provisions.* A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other

clauses approved by the Office of Federal Procurement Policy.

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

(2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

(3) Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees)

(4) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair)

(5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees and subgrantees when required by Federal grant program legislation)

(6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)

(7) Notice of awarding agency requirements and regulations pertaining to reporting.

(8) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

(9) Awarding agency requirements and regulations pertaining to copy-rights and rights in data.

(10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

(12) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000).

(13) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

[53 FR 8068, 8087, Mar. 11, 1988, as amended at 60 FR 19639, 19642, Apr. 19, 1995]

§ 85.37 Subgrants.

(a) *States.* States shall follow state law and procedures when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. States shall:

(1) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations;

(2) Ensure that subgrantees are aware of requirements imposed upon them by Federal statute and regulation;

(3) Ensure that a provision for compliance with § 85.42 is placed in every cost reimbursement subgrant; and

(4) Conform any advances of grant funds to subgrantees substantially to the same standards of timing and

(f) *Federal equipment.* In the event a grantee or subgrantee is provided federally-owned equipment:

(1) Title will remain vested in the Federal Government.

(2) Grantees or subgrantees will manage the equipment in accordance with Federal agency rules and procedures, and submit an annual inventory listing.

(3) When the equipment is no longer needed, the grantee or subgrantee will request disposition instructions from the Federal agency.

(g) *Right to transfer title.* The Federal awarding agency may reserve the right to transfer title to the Federal Government or a third party named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:

(1) The property shall be identified in the grant or otherwise made known to the grantee in writing.

(2) The Federal awarding agency shall issue disposition instruction within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar-day period the grantee shall follow § 85.32(e).

(3) When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

§ 85.33 Supplies.

(a) *Title.* Title to supplies acquired under a grant or subgrant will vest, upon acquisition, in the grantee or subgrantee respectively.

(b) *Disposition.* If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.

§ 85.34 Copyrights.

The Federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:

(a) The copyright in any work developed under a grant, subgrant, or contract under a grant or subgrant; and

(b) Any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support.

§ 85.35 Subawards to debarred and suspended parties.

Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

§ 85.36 Procurement.

(a) *States.* When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

(b) *Procurement standards.* (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No

Selecting developers

Developers may be chosen by grantees or subrecipients based on qualifications. They do not need to go through a competitive process, just as a household that receives a rehabilitation loan is not competitively procured. Grantees negotiate both a fee and a process with developers, which are solidified in a developer agreement, and the developer assumes part of the risk of the project. Grantees (or subrecipients) then ensure that costs and developer fees are reasonable by underwriting the project. That is, they evaluate costs, estimate income and expenses, and weigh risks and rewards to determine the appropriate fees. However, it is ultimately a grantee's prerogative if it wishes to go through a procurement process to select a developer (see Part 85.36 for procurement guidance), unless required by state or local.

Eligible entities that are designated as developers are not required to follow certain CDBG [NSP] regulations such as the program income, procurement and reporting rules that typically apply to grantees and subrecipients. As a result, if grantees or subrecipients would like to impose these requirements on developers, they must specify them in the developer agreement. This is the primary legal document that developers must follow and often serves as the basis for evaluating program expenditures during monitoring reviews.

Selecting subrecipients

Subrecipients, such as non-profit organizations and public entities under 570.501(a) can also be designated by the NSP grantee without a procurement process. See also 570.500(c) for guidance. However, subrecipient agreements must conform to all the regulations under 570.503. As with developers, grantees are not required by NSP/CDBG rules to use a procurement process to select subrecipients, but it may be required by state or local law.

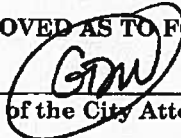
Developers selecting third parties

Developers do not need to procure their contractors and do not follow OMB Cost Principles. However, in order for a grantee to meet its NSP requirements, it must ensure that the developer's costs are reasonable and have records to demonstrate how they made this determination. Appendix A to Part 570 "Guidelines and Objectives for Evaluating Project Costs and Financial Requirements IV" suggests that to determine the reasonableness of each cost element, a reviewer would compare the cost element with a third party, fair market price quotation for that cost element. If a reviewer does not use third party price quotations to verify cost elements, then the reviewer would need to conduct its own cost analysis using appropriate cost estimating manuals or services.

The developer in turn must demonstrate that costs are reasonable and that any in-house staff or subcontractors with whom it works are employing principles of cost reasonableness. Price testing using quotes is one way to show that costs are reasonable; another is the use of published construction cost data. The developer does not need to demonstrate that a competitive bid process took place, because competitive bids stem from the procurement rules which do not apply to developers. The fact that a developer receives a fee does not trigger procurement rules.

In the case of entities who are directly affiliated with a developer (an identity of interest situation) the grantee should be careful in reviewing the eligibility and reasonableness of costs, especially the developer's profit and overhead. The grantee should look at all of the types of return that the developer is earning (developer's fee, builder's profit, rental income, etc.) and ensure that, in sum, the return is reasonable for the type of construction and local market.

APPROVED AS TO FORM


Office of the City Attorney

Prepared By: GHW

Requested: OCA

Presentation on: 11-15-16

Suspension of Rules: NO

ORDINANCE NO. 8450

**AN ORDINANCE AMENDING SECTION 2-80.1 OF THE CODE OF
TUSCALOOSA ESTABLISHING CONTRACT PROCUREMENT
STANDARDS
(A16-1176)**

BE IT ORDAINED BY THE CITY COUNCIL OF TUSCALOOSA AS FOLLOWS:

SECTION ONE: Chapter 2, Article VI of the Code of Tuscaloosa ("PURCHASING PROCEDURES") is amended to be read as follows:

"Sec. 2-80.1. Contract Procurement Standards.

(a) *Contract procurements, generally.*

1. All procurements of professional service contracts shall comply with all applicable federal, state and local laws, rules and regulations. To the extent this Chapter may conflict with any valid superseding federal or state law, it shall automatically conform to such federal or state law.
2. All procurements of public works construction and other non-professional service contracts shall comply with all applicable federal, state and local laws, rules and regulations. To this extent this chapter may conflict with any valid superseding federal or state law, it shall automatically conform to such federal or state law.
3. Unless otherwise required by federal law, rule, and/or regulation, all City of Tuscaloosa contract procurements shall comply with applicable Alabama Competitive Bid and Public Works Laws.
4. Unless otherwise required by a federal law, rule or regulation, competitive bidding shall not be required to procure the following:
 - a. Contracts for securing services of attorneys, physicians, architects, teachers, superintendents of construction, artists, appraisers, engineers, consultants, certified public accountants,

public accountants, or other individuals possessing a high degree of professional skill where the personality of the individual plays a decisive part.

b. Contracts for fiscal or financial advice or services.

c. The selection of paying agents and trustees for any security issued by the City of Tuscaloosa.

d. Professional services contracts for codification and publication of the laws and ordinances of the City of Tuscaloosa.

e. The purchase of insurance.

5. Unless otherwise required by a federal law, rule or regulation, the Tuscaloosa City Council may adopt a resolution authorizing and awarding a professional service contract as described in Sec. 2-81(a)(4) in its discretion and without utilization of a formal or informal competitive bid process.

6. Notwithstanding the foregoing, the City may, in its discretion, issue a Request for Proposal ("RFP") or Request for Statement of Qualifications ("RFQ") to introduce a competitive element into the selection of any professional service. Generally, the RFP or RFQ may require a statement of experience and qualifications, references, a price / hourly rate quote (if applicable), and any other requirement deemed appropriate by the City that does not conflict with federal, state or local law; provided, however, that the final form of any lawful RFP or RFQ shall be in the discretion of the City and may or may not include any of the abovementioned elements, and may include additional elements.

(b) *Procurement of contracts subject to 2 CFR Part 200 requirements.*

1. *Applicability.* The requirements of this section apply to procurements related to the following federal programs: Community Development Block Grant (CDBG) Program (24 CFR part 570); CDBG Disaster Recovery Grants; HOME Investment Partnerships (HOME) Program (24 CFR part 92); Housing Trust Fund (HTF) Program (24 CFR part 93); Housing Opportunities for Persons With AIDS (HOPWA) Program (24 CFR part 574); Emergency Solutions Grants (ESG) Program (24 CFR part 576); Continuum of Care (CoC) Program (24 CFR part 578); and, CPD Programs awarded by Notice of Funding Availability (NOFA).

2. *City procurement procedures to conform to federal law.* The City will use its own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable federal law and the standards identified in 2 CFR Part 200.

a. *Contract administration system.* The City will maintain a contract administration system through the establishment of a city representative for each contract. The City representative will monitor contract performance and consult with the Office of the City Attorney as required to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

b. *Standards of conduct; conflicts of interest.* Elected officials, staff or agents of the City are prohibited from personally benefitting from procurements under this Section. No employee, officer or agent of the City shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest as defined in 2 CFR § 200.318(c)(1), real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, or any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ, any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The City's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subcontracts. Violations of such standards by the officers or employees of the City of Tuscaloosa, Alabama, or agents, or by contractors or their agents shall be reported to the Alabama Ethics Commission pursuant to Ala. Code § 36-25-17.

c. *Unnecessary / duplicative items.* Prior to award, the City shall perform a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

d. *Responsible contractors.* The City will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the procurement.

Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. The City will require contractors to executed a "Disbarment and Suspension Statement" certifying / verifying that the contractor is not suspended or disbarred or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. See 2 CFR § 200.213..

e. *Records.* The City will maintain records sufficient to detail the history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

f. *Protest procedures.* Protests made under this section shall be presented in writing to the designated City representative within three (3) days. Further protest may be handled and resolved pursuant to the same procedure established in Ala. Code § 41-16-61. To wit, any taxpayer of the area within the jurisdiction of the City and any bona fide unsuccessful bidder on a particular contract shall be empowered to bring a civil action in the appropriate court to enjoin execution of any contract entered into in violation of the provisions of this section. The City shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust this remedy before pursuing a protest with the Federal agency.

g. *Intergovernmental agreements.* The City shall enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

h. *Excess and surplus property.* The City shall use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

i. *Value engineering clauses.* The City shall use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions whenever such use is feasible.

j. *Time and materials type contracts.* The City may use a time and material type contract as defined in 2 CFR § 200.318(j) only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.

k. *Procurement of recovered materials.* The City shall follow the requirements of 2 CFR § 200.322 with regard to the procurement of recovered materials.

3. *Competition.* All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of 2 CFR § 200.319.

a. *Contractor disqualification.* In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals are excluded from competing for such procurements.

b. *Situations restrictive of competition.* Some of the situations considered to be restrictive of competition, and therefore prohibited, include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business;

(ii) Requiring unnecessary experience and excessive bonding;

(iii) Noncompetitive pricing practices between firms or between affiliated companies;

(iv) Noncompetitive awards to consultants that are on retainer contracts;

(v) Organizational conflicts of interest;

(vi) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement; and,

(vii) Any arbitrary action in the procurement process.

c. *Geographical preferences.* The City will not impose in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. Nothing in this section preempts state licensing laws.

d. *Written Selection Procedures.* The City will establish written selection procedures for procurement transactions in the form of a Request for Proposal ("RFP"), Request for Statement of Qualifications ("RFQ"), sealed bid, or other pre-established procurement document for each procurement transaction. In the event that procedures are not established in the procurement document, written proposals will be rated by a pre-selected panel of qualified City employees. The panel will agree upon a rating system prior to review of proposals that will consist of either a numerical grading system or a pass/fail grading system, or a combination of the two. These procedures will ensure that all solicitations:

(i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and,

(ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

e. *Prequalification.* If the City chooses to prequalify contractors, then the City will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the City will not preclude potential bidders from qualifying during the solicitation period.

4. *Methods of procurement.* Any method of procurement under this section shall comply with the requirements of 2 CFR § 200.320 and any other applicable federal, state or local law, rule or regulation, whichever requirement is stricter.

a. *Procurement by micro-purchases.* Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (\$200.67 Micro-purchase). The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$3,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation. To the extent practicable, the City shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the City considers the price to be reasonable.

b. *Procurement by small purchase procedures.* Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for procurement by small purchase procedures, the City of Tuscaloosa shall apply the stricter state law standards. Generally, all expenditure of funds of whatever nature for labor, service, work, or for the purchase of materials, equipment, supplies, or other personal property involving \$15,000 or more

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must be competitively bid pursuant to the requirements of the Alabama Bid Law.

c. *Procurement by sealed bids (formal advertising).* Bids shall be publicly solicited and a firm-fixed-price contract (lump sum or unit price) shall be awarded to the responsible, responsive bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method shall be the preferred method for procuring construction. The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bid. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond. All bids will be publicly opened at the time and place prescribed in the invitation for bids. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason. To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for procurement by sealed bids (formal advertising), the City of Tuscaloosa shall apply the stricter state law standards. Before entering into any contract for a public works involving an amount in excess of \$50,000, the City of Tuscaloosa shall advertise for sealed bids. In order for sealed bidding to be feasible, the following conditions must be present:

- (i) A complete, adequate, and realistic specification or purchase description is available;
- (ii) Two or more responsible bidders are willing and able to compete effectively and for the business; and
- (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

d. *Procurement by competitive proposals.* This method shall be conducted with more than one source submitting an offer, and with either a fixed-price or cost-reimbursement type contract to be awarded. This method shall be generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;

(ii) Proposals will be solicited from an adequate number of qualified sources;

(iii) The method for conducting technical evaluations of the proposals received and for selecting awardees will be established in the Request for Proposal ("RFP"), Request for Statement of Qualifications ("RFQ"), or other pre-established procurement document for each procurement transaction. In the event that procedures are not established in the procurement document, written proposals will be rated by a pre-selected panel of qualified City employees. The panel will agree upon a rating system prior to review of proposals that will consist of either a numerical grading system or a pass/fail grading system, or a combination of the two;

(iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and,

(v) In its discretion, the City may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(vi) To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for procurement by competitive proposals, the City of Tuscaloosa shall apply the stricter state law standards.

e. *Procurement by noncompetitive proposals.* Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

(i) The item is available only from a single source;

(ii) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(iii) The awarding agency authorizes noncompetitive proposals; or

(iv) After solicitation of a number of sources, competition is determined inadequate.

Cost analysis (i.e. verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits) is required.

5. *Contracting with small and minority firms, women's business enterprise and labor surplus area firms.* The City will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps shall include: placing qualified small and minority businesses and women's business enterprises on solicitation lists; assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources; dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises; establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; using the services and assistance of the Small Business

Administration and the Minority Business Development Agency of the Department of Commerce; and, requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in this section.

6. *Contract cost and price.* The City shall perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the City must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price. The City will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles. The City may reference its own cost principles that comply with the applicable Federal cost principles. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

7. *Federal awarding agency or pass-through entity review.* The City must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. These review requirements shall be governed by 2 CFR § 200.324.

8. *Bonding requirements.* For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the following minimum requirements shall apply:

a. The City shall require a bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

b. The City shall require a performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

c. The City shall require a payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

d. To the extent the Alabama Competitive Bid and/or Public Works Laws establish stricter standards for bonding requirements, the City of Tuscaloosa shall apply the stricter state law standards.

9. *Contract provisions.* Contracts procured pursuant to this section shall contain the following contract provisions:

a. *Violation or breach of contract terms.* Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. To wit, if the Contractor is adjudged as bankrupt, or if he makes a general assignment for the benefit of his creditors, or if a receiver is appointed on account of his insolvency, or persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise is guilty of a substantial violation of a provision of the agreement, or is assessed liquidated damages as set forth herein, then the City may, without prejudice to any of its other rights or remedies

and after giving the Contractor and his surety, if any, seven (7) days' written notice, during which period the Contractor fails to cure the violation, terminate the employment of the Contractor. In such case, the Contractor shall not be entitled to receive any further payment from the City.

b. *Termination for cause and for convenience.* For all contracts in excess of \$10,000, the City reserves the right with or without cause to terminate the agreement by giving written notice to Contractor of such termination at least fifteen (15) days before the effective date thereof. In the event of termination, Contractor shall cease performing any work pursuant to the agreement and be entitled to compensation for services rendered through the effective date of termination.

c. *Access to records.* The City, any subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the Contractor which are directly pertinent to the contract for the purpose of making audit, examination, excerpts, and transcriptions.

d. *Retention of records.* Contractor is required to retain all records as required by applicable federal law for three years after the City or any or subgrantee makes final payments and all other pending matters are closed.

e. *Equal Employment Opportunity.* Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

f. *Davis-Bacon Act.* When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by the City must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as

supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The City must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The City must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The City must report all suspected or reported violations to the Federal awarding agency.

g. *Contract Work Hours and Safety Standards Act.* Where applicable, all contracts awarded by the City in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

FUNDING REQUIRED: ☐ Yes ☒ No

COUNCIL ACTION

By: _____
Finance Director

Resolution _____
Ordinance _____
Introduced _____
Passed _____
2nd Reading _____
Unanimous _____
Failed _____
Tabled _____
Amended _____
Comments: _____

Published 11.21.16
Intralox News

Intro: (PHY-y)
Unan: (TMY-y) m-absent
Adopted 11.15.16
Debby K. Clement
Asst. City Clerk

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TUSCALOOSA CITY COUNCIL MEETING AGENDA

Tuesday, November 15, 2016

1. CALL TO ORDER: 6:00 p.m.

Council Prayer: Dear God, bless our proceedings today. Give us wisdom to know what is just and the strength to do what is right. Amen.

Pledge of Allegiance: I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

2. APPROVAL OF MINUTES

Council President Pro Tem: As the Council has received a synopsis of the previous meeting, I move that we dispense with the reading of the minutes of the same unless there are any deletions, additions, or corrections.

3. PROCLAMATIONS AND STATEMENTS BY MAYOR AND COUNCIL

Mayor Announcements

Department Announcements

4. AGENDA ITEM COMMENTS BY CITIZENS

Citizens are encouraged to sign in with the City Clerk in order to assure that their comments related to a specific agenda item are received prior to consideration by the City Council. Speakers are limited to five (5) minutes each.

5. UNFINISHED BUSINESS

Council/Committee Reports

Clerk's Report of Mayor's Veto

6. CONSENT AGENDA: (items "a through g") All matters listed on the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion and vote. There will be no separate debate, amendment, or substitution of these items. If the same is desired by the Mayor and/or any member of the Council, upon request made on the record, that item will be removed from the Consent Agenda and considered separately under the regular Order of Business.

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- a. Authorizing an adjustment and refund of excess deposit to Young Men's Christian Association of Tuscaloosa County for installation of water mains and services for YMCA of Tuscaloosa Family Center; total: \$1,594.95. **P4**
- b. Authorizing request for street lighting system modifications. **P5**
- c. Authorizing sole source purchase for repair of one (1) Flygt Model CP 3530-880 Raw Sewage Pump s/n 9340882; total: \$34,718.40. (Jim House and Associates) **P6**
- d. Approving request and agreement for water service to ZF Chassis System water main relocation; total: \$34,788.89. **P7**
- e. Granting permit for Amason & Associates, Inc. to construct water lines for ZF Chassis System water main relocation. **P8**
- f. Authorizing payment to Stephanie Hoskins in settlement of a claim; total: \$544.99. (16-0333) **P9**
- g. Authorizing change order no. 2 for the University Boulevard Storm Sewer and Sanitary Sewer Project; deductive total: \$7,211.00. (A16-0319; Southern Civil Contracting, Inc.) **PP10-11**

7. PUBLIC HEARINGS

Approving the ABC application of TA Operating LLC for alcohol license at Travel Centers of America; 3501 Buttermilk Road; Cottdale, 35453:

- 16-045 off premises retail beer license. **P12**

Approving the ABC application of Maya 1, Inc. for alcohol license at Tuscaloosa Jet Pep; 4130 McFarland Blvd. E.; 35405:

- 16-046a off premises retail beer license. **P13**
- 16-046b off premises retail table wine license. **P14**

8. RESOLUTIONS AND ORDINANCES NOT OF A GENERAL NATURE OR PERMANENT OPERATION

Declaring an emergency and authorizing an emergency public works contract for Lift Station 39 emergency pump repair; total: not to exceed \$18,759.33. (A16-1210; Hydra Service, Inc.) **P15**

Authorizing a contract with Level Masonry Company, Inc.; total: \$4,577.08. (A16-1209) **P16**

Authorizing the Mayor to execute a certification to Section 35(f) of the U. S. Housing Act of 1937, as amended, with the Tuscaloosa Housing Authority pertaining to the development of Jackson Apartments. (A16-1206) **P17**

Removing signor to the Municipal Court Cash Bond Account and Municipal Court Restitution Account. (A15-0840) **P18**

If necessary, Council rules of procedure will be suspended at this time.

9. ORDINANCES AND RESOLUTIONS OF A GENERAL NATURE OR PERMANENT OPERATION

FOR INTRODUCTION

Amending Section 2-80.1 of the Code of Tuscaloosa establishing contract procurement standards. (A16-1176) (may be adopted by unanimous consent following introduction)
PP19-34

FOR ADOPTION

10. AUDITING ACCOUNTS

Authorizing the payment of bills; total: \$5,069.19. P35

11. CITIZEN'S COMMENTS AND OTHER COMMUNICATIONS

12. EXECUTIVE SESSION

13. POLICY IMPLEMENTATION

Mayor: Subject to the exercise of mayoral veto on ordinances of a general nature or permanent operation, all applicable departments are hereby ordered to otherwise implement council policy this date enacted.

14. ADJOURN

11/14/16

Debby K. Clements
Assistant City Clerk



Following each item of business is the page number of the item as it appears in the full agenda presented to council members. Should you have questions about a particular item, you may contact the Office of the City Clerk at (205) 248-5010 or by email to tmeggs@tuscaloosa.com or dclements@tuscaloosa.com. Please refer to the page number of the item in question so it can be more quickly accessed.

TUSCALOOSA CITY COUNCIL MEETING SYNOPSIS

Tuesday, November 15, 2016

CONVENED: 6:00 p.m.

MEMBERS PRESENT

Mayor Walt Maddox

President Pro Tem Taylor

Councilmembers Odom, Almond, Calderone, Tyner and Pugh

ABSENT

Councilmember McKinstry

BUSINESS CONDUCTED: All votes are unanimous unless otherwise indicated.

Approved minutes of previous meeting (T/Ty)

PROCLAMATIONS AND STATEMENTS BY MAYOR AND COUNCIL

AGENDA ITEM COMMENTS BY CITIZENS

UNFINISHED BUSINESS

CONSENT AGENDA

Approved items "a through g" on the consent agenda. (Ty/T)

- a. Authorized an adjustment and refund of excess deposit to Young Men's Christian Association of Tuscaloosa County for installation of water mains and services for YMCA of Tuscaloosa Family Center; total: \$1,594.95.
- b. Authorized request for street lighting system modifications.
- c. Authorized sole source purchase for repair of one (1) Flygt Model CP 3530-880 Raw Sewage Pump s/n 9340882; total: \$34,718.40. (Jim House and Associates)
- d. Approved request and agreement for water service to ZF Chassis System water main relocation; total: \$34,788.89.
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PUBLIC HEARINGS

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- 16-045 off premises retail beer license. (Ty/T)

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- 16-046a off premises retail beer license. (P/T)
- 16-046b off premises retail table wine license. (T/C)

RESOLUTIONS AND ORDINANCES NOT OF A GENERAL NATURE OR PERMANENT OPERATION

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Authorized a contract with Level Masonry Company, Inc.; total: \$4,577.08. (A16-1209) (C/Ty)

Authorized the Mayor to execute a certification to Section 35(f) of the U. S. Housing Act of 1937, as amended, with the Tuscaloosa Housing Authority pertaining to the development of Jackson Apartments. (A16-1206) (C/P)

Removed signor to the Municipal Court Cash Bond Account and Municipal Court Restitution Account. (A15-0840) (C/Ty)

The Council suspended the rules of procedure. (Ty/T)

Authorized a minor public works contract with CB Plumbing and Construction; total: \$24,400.00. (A16-1131) (Ty/P)

The Council returned to the regular agenda.

ORDINANCES AND RESOLUTIONS OF A GENERAL NATURE OR PERMANENT OPERATION

FOR INTRODUCTION

Amending Section 2-80.1 of the Code of Tuscaloosa establishing contract procurement standards. (A16-1176) (introduction, P/Ty; unanimous, T/Ty)

FOR ADOPTION

AUDITING ACCOUNTS

Authorized the payment of bills; total: \$ 5,069.19. (Ty/T)


OTHER MATTERS BROUGHT BEFORE THE COUNCIL

Mr. Jerry Carter addressed the Council regarding concerns over what he believed to be a flagrant display of racism and hate.

POLICY IMPLEMENTATION BY MAYOR:

"Subject to the exercise of mayoral veto on ordinances of a general nature or permanent operation, all applicable departments are hereby ordered to otherwise implement council policy this date enacted."

ADJOURNED 6:17 p.m. (Ty/T)

Debby Clements 
Assistant City Clerk

Following each item of business are the initials of the Councilmember who introduced the item and the Councilmember who seconded the matter: O-Odom, T-Taylor, A-Almond, C-Calderone, Ty-Tyner, P-Pugh, M-McKinstry. Only "No" votes are distinguished.

APPROVED AS TO FORM

20m
Office of the City Attorney

Prepared By: THN/b
Requested: Recovery Operations
Presentation on: 6-25-13
Suspension of Rules: No

RESOLUTION

RESOLUTION ADOPTING AND APPROVING FINANCIAL STANDARDS AND HUD
EXHIBIT 3-18 IN REGARD TO DISASTER RELIEF GRANT FUNDS
(A13-0514)

BE IT RESOLVED BY THE CITY COUNCIL OF TUSCALOOSA as follows:

The Financial Standards attached as Exhibit "A" to this resolution, and the United States Department of Housing and Urban Development Exhibit 3-18, attached as Exhibit "B" to this resolution, are hereby approved and adopted for purposes related to implementing the City of Tuscaloosa Disaster Recovery Projects and Programs funded by federal grants.

FUNDING REQUIRED: ☐ Yes ☒ No

By: _____

Finance Director

COUNCIL ACTION

Resolution _____
Ordinance _____
Introduced _____
Passed _____
2nd Reading _____
Unanimous _____
Failed _____
Tabled _____
Amended _____
Comments: _____

Adopted 6.25.13
Debby K. Clement
Asst. City Clerk

21

Financial Standards

EXHIBIT A

The following is a listing of the key roles in the City of Tuscaloosa, Alabama's financial management of the CDBG-DR funds and each role's financial procedures for those funds. The listing below follows the organizational chart attached and flows by department and then by individual personnel. Segregation of duties is at a high level in all of the City of Tuscaloosa's financial areas. Management from the top down encourages and creates a working environment that promotes a transparency and communication throughout the departmental chain.

1.) The Office of the Mayor

- Chief Executive Officer of the City and top of the hierarchy that monitors the overall duties and responsibilities of the City departments' every day functions.

2.) The Recovery Operations

- Is a direct extension of the Office of the Mayor.
- This department was setup after the April 27, 2011 tornado to manage and conduct all recovery efforts of the City of Tuscaloosa.
- Within this department there are five staff members that play key roles in the financial management of CDBG-DR funds.
 - Robin Edgeworth – Director of Recovery Operations
 - Monitors the overall duties of each of the Recovery Operation Divisions employees.
 - Provides financial oversight of CDBG-DR funds
 - Approves invoices and credit memos for all CDBG-DR funds to be processed in the Finance Department.
(See Question 7-e on exhibit 3-18)
 - Approves CDBG-DR draws of funds.
(See Question 13-a and 13-b on exhibit 3-18)
 - Savannah Howell - Community Development Program Manager
(See Question 8-a on Exhibit 3-18)
 - Manages, administers, and implements the CDBG projects and program funds as well as compiling the Action Plan and making any Action Plan amendments.
 - Maintains receipts and disbursement ledgers for programs.
 - Monitors the Accountants end-user spreadsheets for tracking project budgets and loan program income.
 - Each quarter she enters the City's QPR into DRGR for compliance reporting.
 - Conducts annual meeting with agencies operating CDBG funded activities to discuss city and federal requirements; conducts annual monitoring visits of activities to review program and financial records. Notifies HUD and federal law enforcement authorities of illegal acts or irregularities found in any standard.
(See Question 9-d and 20 of Exhibit 3-18)
 - Assists accounting firms and HUD financial analyst and representative with audits; provide files and information.
 - Is the first line of communication between the City and HUD's CPD Office.
 - Ashley Price - Accountant
 - Manages the tracking of the CDBG-DR funds budgets and program income receipts on a bi-weekly basis.
(See Question 3 and 9-a on Exhibit 3-18)
 - Performs accounting for management of state and federal grants, coordinates reimbursements, and files appropriate reports.
 - Monitors expenditures for eligibility, and monitors compliance.

- Enters purchase order requisitions into the City's accounting system based on the awarded contracts and tracks all encumbrances related to Recovery Operation projects on an end-user spreadsheet in communication with the Purchasing department on all encumbrance and purchase order changes.
- Reviews the CDBG-DR invoices for proper coding and approval to ensure federal compliance, corresponds with vendors and generally tracks the overall projects.
- Tracks payments received for the Commercial Revolving Loan Program; sends out collection notices for individuals in default
(See Question 10 and 11 on Exhibit 3-18)
- Assists accounting firms and HUD financial analyst and representative with audits; provide files and information.
- Federal Programs Financial Technician
 - Collects financial data and prepares spreadsheets and reports related to federal projects
 - Ensures proper data entry on all federal accounts and processes all documents to meet federal deadlines.
 - Coordinates and handles payment of vendor invoices; checks for accuracy; obtains signatures and approvals from various parties as required by federal guidelines.
 - Maintains a file system for all invoice/credit memo copies.
(See Question 2 of Exhibit 3-18)
 - Coordinates between departments to ensure compliance with financial documents related to federal projects.
- Monitor – this position will be opening up Fall 2013
 - Does the general monitoring of all compliance of sub-recipients in all CDBG-DR programs.
 - At this time B-13 programs do not have program income to track, but B-12-MFT-01-0002 does have a program for Commercial Revolving Loans (CRL) that will be monitored with this position. No additional subrecipients generate program income.
(See Question 9-a, 9-b, 9-c and 18 on Exhibit 3-18)
 - Travels out into the field and works with all CDBG-DR program subrecipients using HUD monitoring guidelines.
(See Question 19 on Exhibit 3-18)
 - Assists with audits providing files and information.

3.) The Finance Department

- This department is responsible for managing the financial affairs of the City of Tuscaloosa, Alabama.
- Maintains available copies of the City's Comprehensive Annual Financial Report and Single Audit Report.
(See Question 16-a and 16-b on Exhibit 3-18)
- There are six key personnel or units within this department that play key roles in the financial management of the CDBG-DR funds.
 - Mike Wright – Director of Finance
 - Provides general oversight of the Finance Department, including but not limited to general ledger reporting, bond issuance, project maintenance, and reporting to the Finance Committee and City Council.
 - Coordinates preparation and distribution of the City's audited annual financial report.
(See Question 7-i and 16 on Exhibit 3-18)
 - Obtains bond coverage for any responsible officials.
(See Question 7-b on Exhibit 3-18)
 - Derek Reeves – Associate Director of Finance

- Enters Council approved budgets into the MUNIS general ledger system and maintains them.
(See Question 1 and Question 7-f on Exhibit 3-18)
- Oversees the Finance Department's daily functionality.
- Assists the Director of Finance in all aspects of key roles.
- Serves as the key Finance Department staff person in coordinating the independent audit.
- Completes tasks in preparation for annual audit.
- Susan Caffee – Accounting Manager
 - Monitors expenditures for eligibility and compliance.
 - Tracks all contracts and payments made under contracts.
 - Oversees the Accountant in the Recovery Operations Division and together maintain project budgets and compiles financial reports for City Council & Finance Committee use.
 - Coordinates and oversees the functions of the Accounts Payable Technicians.
 - Maintains a chart of accounts in the MUNIS general ledger system that is set on a project level, and the expenditures paid out by the Accounts Payable Technicians with that account.
(See Question 7-d and 7-f on Exhibit 3-18)
- Michelle Patton - Accountant
 - Performs bank reconciliations for all City of Tuscaloosa's bank accounts.
 - Records accounts receivable once drawdowns are posted and approved.
- Purchasing
 - Receives and reviews purchase requisitions for completeness, accuracy, approvals, and conformity with established procedures; consolidates multiple purchase requests for same or similar items.
 - Verifies funds availability and encumbers all contract and purchase order amounts.
 - Maintain encumbrance module of the MUNIS general ledger operating system.
 - Performs the bidding and tracking of all procurement functions as related to the City's procurement policy.
(See Question 16 on Exhibit 3-18)
 - Processes additions, deletions, or transfers to/from fixed asset records.
- Accounts Payable
 - Matches the approval of each expenditure with the City's master approver list before processing.
(See Question 7-e on Exhibit 3-18)
 - Processing and payment of all invoices, debts/liabilities and credit memos of the City of Tuscaloosa.
 - Keys or posts entry or exit accounting data; maintains journals entries or deposit and receipt records.
 - Handles returned checks; generates and maintains all appropriate records for returned checks.
 - Maintains copies of all invoices paid and checks produced through ~~an~~ a software filing system called Laserfishe.
(See Question 2 on Exhibit 3-18)

4.) The Office of Federal Programs

- This department performs managerial and administrative work functions associated with the activities of the U.S. Department of Housing and Urban Development (HUD), the HOME Investment Partnership Program and the Community Development Block Grant (CDBG) Program.
- There is one staff member of this department that plays a key role in the financial management of the CDBG-DR funds.
 - Carly Standridge – Federal Programs Financial Manager

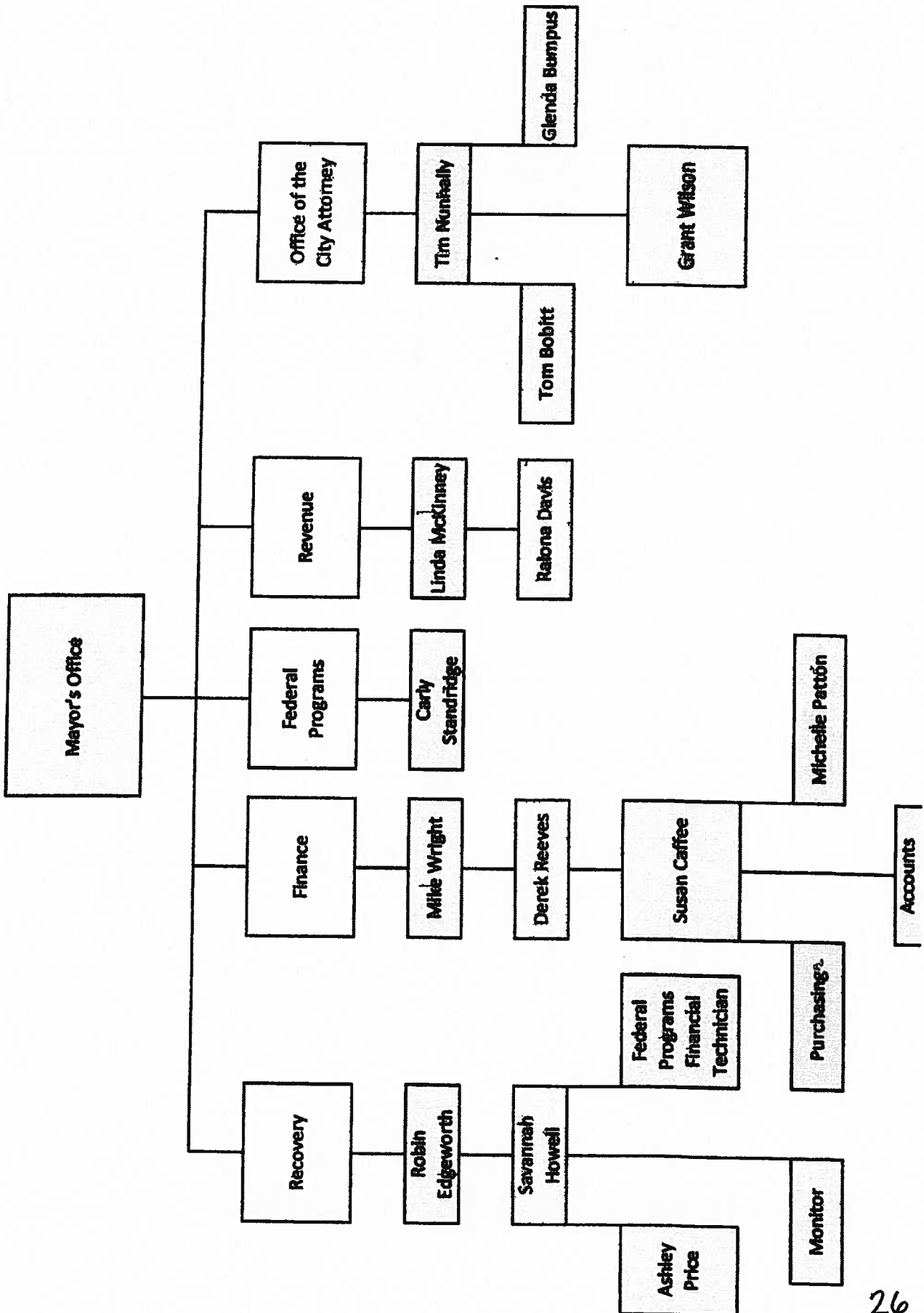
- Provides financial oversight for all federal programs and oversees monitoring responsibilities.
- Conducts all CDBG-DR fund drawdowns on expenditures (no lump sum drawdowns will occur) and communicates with the Finance Department regarding all drawdowns submitted.
(See Question 4, 5, 6, 13-a, 13-b and 15 on Exhibit 3-18)
- Works with Human Resources and Finance departments to gather salary and wage data in order to do a reimbursement on staff that work on the CDBG-DR funded projects. Each employee who works on CDBG-DR funded projects maintains an end-user spreadsheet stating their time and documentation of work performed.
(See Question 12, 13-a, 13-b and 14 on Exhibit 3-18)
- Review of the MUNIS general ledger system for all CDBG-DR expenditures, and the tracking of those expenditures in end user spreadsheets for Finance Committee and the City Council.
- Quarterly compilation and filing of the SF 425 reports.
- Overall tracking of all CDBG-DR projects budgets, subcategories of budgets and expenditures under each.
- Assists Audit Team when necessary.
(See Question 7-I on Exhibit 3-18)

5.) The Revenue Department

- This department administers the City's revenue ordinances, regulations, and contracts in an efficient, equitable and professional manner.
- There are two staff members within this department that play key roles in the financial management of the CDBG-DR funds.
 - Linda McKinney – Director of Revenue
 - Oversight of the Revenue Department's daily functions.
 - Ensures that all City revenue laws, ordinances, policies, and procedures are in compliance with applicable codes.
 - Ralona Davis – Revenue Clerk Senior
 - Records and deposits all program income receipts.
 - Maintains copies of all program income received and deposit slips.
(See Question 2 on Exhibit 3-18)

6.) The Office of the City Attorney

- This department provides legal services and representation to the City, City officials, and departments.
- There are four staff members within this department that play key roles in the financial management of the CDBG-DR funds.
 - Tim Nunnally – City Attorney
 - Oversees all Office of the City Attorneys functions.
 - Glenda Bumpus – Associate City Attorney SR, Tom Bobbit – Associate City Attorney, and Grant Wilson – Assistant City Attorney
 - Maintains knowledge of federal regulations
 - Negotiates contracts for all federal programs including subrecipient agreements, and takes appropriate action in the event of default when notified by Recovery Operations.
(See Question 11 on Exhibit 3-18)
 - General counsel for all federally funded activities.



*Modified for Community Development Block Grant (CDBG)
Disaster Recovery Grantees under Public Law 113-2*

Guide for Review of Financial Management			
Grantee: City of Tuscaloosa, Alabama			
Staff Completing Form (Name/title):	Carly Standridge - Financial Manager Ashley Price - Accountant	Date	6/1/2013

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the grantee identify issues that, if not properly addressed, could result in deficient performance.

Instructions: The Disaster Relief Appropriations Act, 2013 (Public Law 113-2) requires the Secretary to certify, in advance of signing a grant agreement, that the grantee has in place proficient financial controls. A CDBG disaster recovery grantee must use this Exhibit to demonstrate its conformity to financial management requirements as required by the Department at 78 FR 14329 (published March 5, 2013). The exhibit is divided into nine sections covering: Financial Management; Advances; Internal Controls; Accuracy of Report Information; Program Income; Salaries and Wages; Indirect Costs; Lump Sum Drawdowns; and OMB Circular A-133. The program participant's financial management system is to be reviewed for compliance with 24 CFR Parts 84, 85, and 570 (as applicable). All references to "program participant" refer to the CDBG disaster recovery grantee. For simplification purposes, the term "subrecipient" will be used in this guide to refer to all secondary organizations (including units of local government that receive funds from a CDBG disaster recovery State grantee). As used in this Exhibit, the term "standards" is synonymous with "procedures".

Questions:

A. FINANCIAL MANAGEMENT SYSTEM

1.

Does the program participant have a financial management system to record amounts budgeted and obligations? [24 CFR 570.502(a)(4), 24 CFR 570.489(d)]	<input checked="checked" type="checkbox"/> Yes <input type="checkbox"/> No
Describe Basis for Conclusion: Amounts approved by City Council through the Action Plan approval process are entered by the Finance Department into the MUNIS general ledger operating system as line item budget. Budgets are entered on a project level and then broken down into subcategories under each project as contracts are signed and encumbrances recorded. (Financial Standards Part 3)	

2.

Does the program participant have standards that require it to maintain adequate source documentation? [24 CFR 570.502(a)(4), 24 CFR 570.489(d)]	<input checked="checked" type="checkbox"/> Yes <input type="checkbox"/> No
Provide Cross-Reference to Standards: Electronic copies and manual copies of all invoices paid, checks produced, program income received and deposit slips are maintained by City Staff in the Recovery Operations Division, Finance Department and Revenue Department. Copies of all items are accessible at all times. (Financial Standards Part 2, Part 3 and Part 5)	

Exhibit 3-18
As Modified for CDBG Disaster Recovery Grantees

3.

<p>Does the program participant have standards for the use of its financial management system and the maintenance of accounting records? (NOTE: accounting records must contain information on grant awards, obligations, unobligated balances, assets, liabilities, expenditures, and program income. Expenditures must identify how funds are used for an eligible activity.) [24 CFR 570.502(a)(4), 24 CFR 570.489(d)]</p>	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
<p>Provide Cross-Reference to Standards: Awards, obligations, unobligated balances and program income are maintained in end-user spreadsheets by Recovery Operations Staff. These are updated on a biweekly basis. Assets, liabilities, expenditures and program income are maintained in the City's main general ledger operating system (MUNIS). (Financial Standards Part 2)</p>	

B. ADVANCES

4.

<p>If the program participant will request funds in advance, does the participant have standards to minimize the time elapsed between the transfer of funds from the U.S. Treasury and disbursement by the participant? [24 CFR 570.502(a)(5), 24 CFR 570.489(c)]</p>	<input type="checkbox"/> <input type="checkbox"/> <input checked="checked" type="checkbox"/> Yes No N/A
<p>Provide Cross-Reference to Standards: All requests will be done on a reimbursement basis. (Financial Standards Part 4)</p>	

5.

<p>If the program participant will advance grant funds to subrecipients, does the participant have standards to minimize the time elapsed between the transfer of funds to, and disbursement by, the subrecipients? [24 CFR 570.502(a)(5), 24 CFR 570.489(c)]</p>	<input type="checkbox"/> <input type="checkbox"/> <input checked="checked" type="checkbox"/> Yes No N/A
<p>Provide Cross-Reference to Standards: The City does not plan to advance grant funds to subrecipients. (Financial Standards Part 4)</p>	

6.

<p>If grant advances will be deposited into an interest-bearing account, does the participant have standards to require the return of interest income to HUD? [24 CFR 570.502(a)(5), 24 CFR 570.489(c)]</p>	<input type="checkbox"/> <input type="checkbox"/> <input checked="checked" type="checkbox"/> Yes No N/A
<p>Provide Cross-Reference to Standards: The City does not plan to advance grant funds to subrecipients. (Financial Standards Part 4)</p>	

Exhibit 3-18
As Modified for CDBG Disaster Recovery Grantees

C. INTERNAL CONTROLS (Reference for some of the questions: GAO/AIMD-98-21.2.1, "Framework for Federal Financial Management System Checklist," May 1998)

7.

a. In its standards, does the program participant have an organization chart that sets forth the actual lines of responsibility?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
Provide Cross-Reference to Standards: Yes, the City of Tuscaloosa does have an organization chart that sets forth the lines of responsibility for maintaining financial controls. (See Organization Chart attachment #1 and Financial Standards attachment #2)	
b. In its standards, are duties for key employees of the program participant defined?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
Provide Cross-Reference to Standards: Yes, the City of Tuscaloosa does have a defined list of procedures for key employees. (See Financial Standards attachment #2)	
c. Do the program participant's standards require the participant to obtain fidelity bond coverage for responsible officials?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
Provide Cross-Reference to Standards: Policy states that we maintain a fidelity bond on all responsible officials. We currently have one in place for crime and employee dishonesty through Travelers Insurance which is currently paid through December 21, 2014. (Financial Standards Part 3)	
d. Do the program participant's standards include a chart of accounts (used to ensure that resources used do not exceed resources authorized)?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
Provide Cross-Reference to Standards: The chart of accounts used in the general ledger system (MUNIS) displays the budget for each general ledger account that is set on a project level. Each general ledger account also displays the detailed expenditures associated with that account. (Financial Standards Part 3)	
e. In its standards, does the program participant describe approval controls that provide reasonable assurance that appropriate individuals approve recorded transactions in accordance with management's general or specific criteria?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
Provide Cross-Reference to Standards: Those key employees that approve expenditures are denoted by department with the master list of approvers held in the City's Finance Department. During the accounts payable process, each Accounts Payable Technician matches an approval signature with that master list before any invoice is entered into that system. (Financial Standards Part 2 and 3)	

Exhibit 3-18
As Modified for CDBG Disaster Recovery Grantees

f. In its standards, does the program participant describe controls over the design and use of documents that provide reasonable assurance that transactions and events are properly documented, recorded, and auditable?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
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Provide Cross-Reference to Standards:
The creation of general ledger chart of account on any given fund is a collaborative effort between the City's Finance Department and the accountants working in the individualized federal program. The only individuals with access to update the general ledger system is Susan Caffee and Derek Reeves. (Financial Standards Part 3)

g. In its standards, does the program participant describe the segregation of duties controls to effectively reduce the opportunity for someone to perpetrate or conceal errors or irregularities in the normal course of duties?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
---	---

Provide Cross-Reference to Standards:
Segregation of duties is at a high level in all of the City of Tuscaloosa's financial areas. (See Financial Standards attachment #2)

h. Do the standards make clear that all personnel are responsible for communicating upward the program participant's operating problems and noncompliance with laws and regulations?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
--	---

Provide Cross-Reference to Standards:
Management from the top down encourages and creates a working environment that promotes a transparency and communication throughout the departmental chain. (See Organization Chart attachment #1 and Financial Standards attachment #2)

i. Do the program participant's internal control standards support its ability to prepare financial statements that are fairly presented in conformity with generally accepted or other relevant and appropriate accounting principles and regulatory requirements? (One level of assurance of the accuracy and integrity of data is provided by the attainment of an unqualified opinion on the audited annual financial statements and internal controls.)	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
--	---

Provide Cross-Reference to Standards:
Finance Director is a CPA and complete continuing education in governmental reporting. Prior External Audit Supervisor for the City of Tuscaloosa's Audit Team is Carly Standridge, CPA. An unqualified opinion has always been received under every City of Tuscaloosa external audit performed. (Financial Standards Part 3 and 4)

D. ACCURACY OF REPORT INFORMATION

8.

a. Does the program participant have standards to ensure that accurate information is collected and reported to HUD in compliance with Federal policies and requirements governing reporting?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
---	---

Provide Cross-Reference to Standards:
For CDBG-DR, Savannah Howell's main responsibility is ensuring timely and accurate information reporting to HUD. (Financial Standards Part 2)

Exhibit 3-18
As Modified for CDBG Disaster Recovery Grantees

E. PROGRAM INCOME

9.

a. If revenue-generating activities (e.g., rehabilitation, economic development loans) will be undertaken by the program participant, has the participant developed standards to track and disburse the program income (for an eligible use)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
--	---

Provide Cross-Reference to Standards:

B-12-MIT-01-0002 maintains a program for Commercial Revolving Loans (CRL) that does generate program income. At this time, anticipated B-13 programs do not include any program income generating activities. (Financial Standards Part 2)

b. Does the program participant have a system and standards for tracking program income generated by subrecipients or other entities to which funds are passed through? [24 CFR 570.502(a)(4), 24 CFR 570.489(d)]	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
---	---

Provide Cross-Reference to Standards:

No subrecipients generate program income in current CDBG-DR activities or future CDBG-DR activities. (Financial Standards Part 2)

c. If program income will be retained by a subrecipient or pass-through entity, does the program participant have a system and standards for ensuring that such income is reported in a timely and accurate manner?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
--	---

Provide Cross-Reference to Standards:

No comment necessary. See answer to 9b. (Financial Standards Part 2)

d. Upon expiration of any agreements between the program participant and a subrecipient and/or pass-through entity, does the participant have standards to ensure:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
i. the timely and accurate transfer of any funds to be returned to the participant; and/or ii. the timely and accurate transfer of outstanding loans or accounts receivable?	

Provide Cross-Reference to Standards :

While this situation has not occurred, it is the responsibility of Savannah Howell to ensure that all contracts with subrecipients are followed through in any and all events including expiration and transfer of funds. (Financial Standards Part 2)

Exhibit 3-18
As Modified for CDBG Disaster Recovery Grantees

10.

Does the program participant have standards that explain how it will comply with the requirements governing the receipt of, and reporting on the use of, program income in the DRGR System? (NOTE: program income, other than program income deposited in revolving funds, must be disbursed in payment of program costs prior to making further cash withdrawals.)

[24 CFR 570.502(a)(5), 24 CFR 570.504(b), 24 CFR 570.489(d)]

Provide Cross-Reference to Standards:

Yes. All City of Tuscaloosa staff working with federal program income have knowledge of regulations governing program income. These regulations are always followed. (Financial Standards Part 2)

11.

If the program participant will provide loans, does it have standards that describe how it will properly service all CDBG-assisted loans, including:

- i. written loan agreements that clearly describe the repayment terms, what constitutes a default and how it can be cured, what actions the program participant will take if the default is not cured, and (if applicable) what is pledged as security for the loan?
- ii. collection standards that provide for the recognition of all current amounts due, payments received, notification to borrower when payments are overdue, a process for taking further action on defaulted loans, and criteria for writing off bad debts?

[24 CFR 570.502(a)(4), 24 CFR 570.489(d)]

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No	N/A

Provide Cross-Reference to Standards:

The City does written loan agreements. The Office of the City Attorney compiles and reviews all written agreements. The City has a collection procedure set in place to receive payments, notify the borrower of overdue payments and takes further action when necessary. (Financial Standards Part 2 and Part 6)

F. SALARIES AND WAGES

12.

Does the program participant have standards to ensure charges to the CDBG disaster recovery program for salaries and wages (whether treated as direct or indirect costs) are based on payrolls documented in accordance with the generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit?

[24 CFR 570.502(a)(4), 24 CFR 570.489(d)]

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No	N/A

Provide Cross-Reference to Standards:

All salary and wage reimbursements are calculated off of documented payroll registers. All salary levels are set by the Mayor's Office and City Council. Any salary changes must go through standard human resources procedures through City policy. (Financial Standards Part 4)

Exhibit 3-18
As Modified for CDBG Disaster Recovery Grantees

13.

<p>a. Does the program participant have standards to ensure that the charges for the salaries and/or wages of employees working solely on the CDBG disaster recovery program are supported by periodic certifications? E.g., a certification would state that the employee worked solely on that program for the period covered by the certification. [OMB Circular A-87, Attachment B, #8(h)(3), 24 CFR 570.502(a)(4)]</p>	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 33%; text-align: center;"><input checked="" type="checkbox"/></td><td style="width: 33%; text-align: center;"><input type="checkbox"/></td><td style="width: 33%; text-align: center;"><input type="checkbox"/></td></tr><tr><td style="text-align: center;">Yes</td><td style="text-align: center;">No</td><td style="text-align: center;">N/A</td></tr></table>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Provide Cross-Reference to Standards: The City of Tuscaloosa does ensure that those employees who work solely on the CDBG-DR program funds have quarterly certifications performed. Each employees' time is logged daily on a user-end spreadsheet and submitted to the Financial Manager for review. Once reviewed, the Financial Manager completes documentation and sign-off sheet for the Recovery Operations Director to sign off on. (Financial Standards Part 2 and 4)</p>							

<p>b. Do the standards require the certifications to be prepared at least semi-annually and signed by the employee or a supervisory official having first-hand knowledge of the work performed by the employee? [OMB Circular A-87, Attachment B, #8(h)(3), 24 CFR 570.502(a)(4)]</p>	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 33%; text-align: center;"><input checked="" type="checkbox"/></td><td style="width: 33%; text-align: center;"><input type="checkbox"/></td><td style="width: 33%; text-align: center;"><input type="checkbox"/></td></tr><tr><td style="text-align: center;">Yes</td><td style="text-align: center;">No</td><td style="text-align: center;">N/A</td></tr></table>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Provide Cross-Reference to Standards: No comment necessary. See answer to #13a. (Financial Standards Part 2 and 4)</p>							

G. INDIRECT COSTS

14.

<p>If indirect costs will be charged to the CDBG disaster recovery program, do the participant's standards reference a Cost Allocation Plan and/or an Indirect Cost Rate proposal (developed in accordance with OMB Circular A-87, Attachments C and E)? [OMB Circular A-87, 24 CFR 570.502(a)]</p>	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 33%; text-align: center;"><input type="checkbox"/></td><td style="width: 33%; text-align: center;"><input checked="" type="checkbox"/></td><td style="width: 33%; text-align: center;"><input type="checkbox"/></td></tr><tr><td style="text-align: center;">Yes</td><td style="text-align: center;">No</td><td style="text-align: center;">N/A</td></tr></table>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Provide Cross-Reference to Standards: There are no indirect costs currently in the CDBG-DR program. (Financial Standards Part 4)</p>							

H. LUMP SUM DRAWDOWNS

15.

<p>If the program participant will draw down funds in a lump sum, do its standards address this process? [24 CFR 570.513]</p>	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 33%; text-align: center;"><input type="checkbox"/></td><td style="width: 33%; text-align: center;"><input checked="" type="checkbox"/></td><td style="width: 33%; text-align: center;"><input type="checkbox"/></td></tr><tr><td style="text-align: center;">Yes</td><td style="text-align: center;">No</td><td style="text-align: center;">N/A</td></tr></table>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					
<p>Provide Cross-Reference to Standards: No lump sum draw downs have occurred or are planned in future draw downs. (Financial Standards Part 4)</p>							

Exhibit 3-18
As Modified for CDBG Disaster Recovery Grantees

I. OMB CIRCULAR A-133: AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS

Instructions: Program participants under many CPD programs are subject to OMB Circular A-133, which establishes audit requirements pursuant to the Single Audit Act Amendments of 1996 for states, local governments, and non-profit organizations that receive Federal aid. The Circular defines responsibilities for implementing and monitoring those requirements. Program participants that, in turn, provide Federal funds to secondary organizations are called pass-through entities. For simplification purposes, the term "subrecipient" will be used in this guide to refer to all such secondary organizations (including units of local government that receive funds from a CDBG disaster recovery State grantee). Pass-through entities are required by OMB A-133, § __.400(d) to establish systems to oversee subrecipient compliance with A-133. This section of questions is designed to assist in determining whether the participant is in compliance with the required elements of an audits management system.

16.

Does the program participant have standards to ensure that audits are conducted:	
a. at the proper time? [OMB Circular A-133, § __.320(a)],	
b. by independent, qualified personnel? [OMB Circular A-133, § __.305], and	
c. in a manner which meets the Comptroller General's audit standards? [OMB Circular A-133, § __.500]?	
[24 CFR 570.502(a)(7), 25 CFR 570.489(d)]	
Provide Cross-Reference to Standards:	
The City of Tuscaloosa bids out services of external audit firms every three years. Through the bidding process applicants must enumerate qualifications for performing GAAS and single audit procedures. All qualified applicants are interviewed by the City's Finance Department staff in which GAP, GAAS & OMB Circular A-133 regulations are disclosed. (Financial Standards Part 3)	

17.

a. Does the program participant's most recent audit report include an opinion on whether the financial statements are presented fairly in all material respects in conformity with GAAP and whether the schedule of expenditures is presented fairly in all material respects? OMB Circular A-133, § __.310(a) and 24 CFR 570.502(a)(7)]	<input checked="checked" type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Describe Basis for Conclusion:		
The City's Comprehensive Annual Financial Report and Single Audit Report are available to any outside parties by requesting of the Finance Department. (Financial Standards Part 3)		

Exhibit 3-18
As Modified for CDBG Disaster Recovery Grantees

b. Do the program participant's most recent financial statements reflect its financial position, results of operations or changes in net assets and, where appropriate, cash flows for the fiscal year? [OMB Circular A-133, § .310(a) and 24 CFR 570.502(a)(7)]	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
Describe Basis for Conclusion: See above answer to #17a. (Financial Standards Part 3)	

18.

Does the program participant have standards that require each subrecipient to have internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations, including OMB Circular A-133? (NOTE: each subrecipient must permit independent auditors and program participant staff to have access to the records and financial statements, as necessary, to ensure compliance with the Circular and CDBG disaster recovery program requirements.)	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
Provide Cross-Reference to Standards: The City of Tuscaloosa staff monitors all subrecipients during monitoring visits. Internal controls are a section of discussion and examination during those visits. (Financial Standards Part 2)	

19.

Do the program participant's standards describe a process for referring contested findings and recommendations to senior level officials, outside of the normal chain of command, for resolution? [24 CFR 570.502(a)(7)]	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
Provide Cross-Reference to Standards : We plan on reviewing each subrecipients audit report and findings; however, currently the time span for requiring a subrecipient monitoring visit has not passed. If a review denotes differences between the City of Tuscaloosa's recorded amounts and the subrecipients recorded amounts, discussion with the subrecipient would follow to clear any discrepancies. This could result in changes in balances at the City of Tuscaloosa sub level. (Financial Standards Part 2)	

20.

Do the program participant's standards require prompt notification to HUD and federal law enforcement authorities of illegal acts or irregularities? [24 CFR 570.502(a)(7)]	<input checked="checked" type="checkbox"/> <input type="checkbox"/> Yes No
Provide Cross-Reference to Standards: It is denoted throughout our policies and procedures that we notify appropriate law enforcement authorities of any illegal acts and irregularities. (Financial Standards Part 2)	

APPROVED AS TO FORM

GDW
Office of the City Attorney

Prepared By: GHW
Requested: OCA
Presentation on: 02-08-15
Suspension of Rules: YES

RESOLUTION

**RESOLUTION AUTHORIZING OFFICE OF THE CITY ATTORNEY TO AMEND
MINORITY ENTERPRISE / DISADVANTAGED BUSINESS ENTERPRISE
POLICIES**

(A15-0151)

**BE IT RESOLVED BY THE CITY COUNCIL OF TUSCALOOSA AS
FOLLOWS:**

That the Office of the City Attorney is authorized to amend the City's
Minority / Disadvantaged Business Enterprise policies to remove references to
"consultant" and to direct contractors to coordinate with the City's Recovery
Operations Department in the implementation of the program, by, and as an act for,
and on behalf of the City of Tuscaloosa.

FUNDING REQUIRED: ☐ Yes ☒ No

By: _____
Finance Director

COUNCIL ACTION

Resolution _____
Ordinance _____
Introduced _____
Passed _____
2nd Reading _____
Unanimous _____
Failed _____
Tabled _____
Amended _____
Comments: _____

(Tg/C-y)
Adopted 2.3.15
Debra K. Clement
Asst. City Clerk

C

Amended

RESOLUTION

**RESOLUTION AUTHORIZING THE IMPLEMENTATION OF A
MEDIA PLAN IN REGARD TO TUSCALOOSA BUILDS**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF TUSCALOOSA that the City implement the following media plan in regard
to the Tuscaloosa Builds program:**

- Newspaper – Tuscaloosa News - \$1500.00
- Radio – Total \$5000.00
 - o Each of the following stations will receive \$280.00 (\$1400.00) for a test performance. Additional funding will be allocated to the station that receives the highest rating based on survey
 - 92.9 WTUG
 - 99.1 TIDE
 - 104.3 WWPG
 - 105.1 WALJ
 - 1280 WMXB
- Direct Mail - \$2500.00
- Contingency - \$1000.00

*(Try - y) C-absent
Adopted 6.24.14
Debby K. Clement
Asst. City Clerk*

35

APPROVED AS TO FORM

GDW
Office of the City Attorney

Prepared By: GHW
Requested: City Council
Presentation on: 03-11-14
Suspension of Rules: YES

RESOLUTION

**RESOLUTION ADOPTING A POLICY REGARDING IMPLEMENTATION OF
MINORITY / DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**

(A14-0151)

BE IT RESOLVED BY THE CITY COUNCIL OF TUSCALOOSA AS
FOLLOWS:

1. That the City Council of Tuscaloosa hereby adopts a minority / disadvantaged business enterprise program designed to encourage the participation and development of minority and disadvantaged business enterprises and to promote equal business opportunities in the City, to the fullest extent allowed by state and federal law.

2. That the City establishes a goal of ten to twenty percent inclusion of minority and disadvantaged business enterprises for all services required to deliver City projects; however, in no case shall the stated percentage be the determining factor in contract awards; rather, contractors must demonstrate a good faith effort to attain the desired percentage goal.

3. That the Office of the City Attorney is authorized and directed to amend its public works contract documents to implement the above-described policy.

FUNDING REQUIRED: ☐ Yes ☒ No

By: _____

Finance Director

COUNCIL ACTION

Resolution _____
Ordinance _____
Introduced (m/a-y)
Passed _____
2nd Reading Adopted 3.11.14
Unanimous _____
Failed Debby K. Clement
Tabled _____
Amended Asst. City Clerk
Comments: _____

APPROVED AS TO FORM

(Signature)
Office of the City Attorney

Prepared By: GHW
Requested: Projects Com.
Presentation on: 02-25-14
Suspension of Rules: YES

RESOLUTION

RESOLUTION EXPRESSING SUPPORT FOR A POLICY REGARDING IMPLEMENTATION OF MINORITY / DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

(A14-0151)

BE IT RESOLVED BY THE CITY COUNCIL OF TUSCALOOSA AS
FOLLOWS:

1. That the City Council of Tuscaloosa hereby expresses support for implementation of a minority / disadvantaged business enterprise program designed to encourage the participation and development of minority and disadvantaged business enterprises and to promote equal business opportunities in the City, to the fullest extent allowed by state and federal law.

2. That the Mayor and City staff are authorized to draft the above described policy and to draft an amendment to the City's public works contract documents which will implement the above described policy change.

3. That the Mayor and City staff are directed to submit the final version of the policy and related documents to the City Council for final approval in the form of an authorizing resolution, within 30 days of adoption of this resolution.

FUNDING REQUIRED: ☐ Yes ☒ No

By: _____

Finance Director

COUNCIL ACTION

Resolution _____
Ordinance _____
Introduced _____
Passed _____
2nd Reading _____
Unanimous _____
Failed _____
Tabled _____
Amended _____
Comments: _____

(A/m-y)
Adopted 2.25.14
Debby K. Clemon
Asst. City Clerk

A

THE CITY OF TUSCALOOSA
MINORITY ENTERPRISE / DISADVANTAGED BUSINESS ENTERPRISE
(MBE/DBE/WBE) POLICY FOR PUBLIC WORKS PROJECTS OVER \$50,000

General Mission Statement

THE CITY OF TUSCALOOSA (hereinafter, "City") has voluntarily adopted a Minority / Disadvantaged Business Enterprise ("MBE/DBE/WBE") Program designed to encourage the participation and development of minority and disadvantaged business enterprises and to promote equal business opportunities in the City to the fullest extent allowed by state and federal law.

It is the intent of the City to foster competition among contractors, suppliers, and vendors that will result in better quality and more economical services rendered to the City. Under this policy, the City of Tuscaloosa has established a goal of ten to twenty percent (10-20%) inclusion of minority and disadvantaged business enterprises (hereinafter sometimes "MBE/DBE/WBE") for all services required to deliver City projects. In no case shall the stated percentage be the determining factor in contract awards. Rather, contractors must demonstrate a good faith effort to attain the desired percentage goal.

Program Goals

It is the goal of this program:

- To ensure non-discrimination in the award and administration of City contracts.
- To help to remove barriers to the participation of DBE/MBE/WBE's in competing for City contracts.
- To ensure a level playing field exists on which DBE/MBE/WBE's can compete fairly for City contracts.

Definitions

1. "Minority Business Enterprise" ("MBE") means a business which is an independent and continuing enterprise for profit, performing a commercially useful function and is at least fifty-one percent (51%) owned and controlled by an African American, or Black American, and certified as such by the Birmingham Construction Industry Authority (hereinafter, the "BCIA").

2. "Woman-owned Business Enterprise" ("WBE") means a business which is an independent and continuing enterprise for profit, performing a commercially useful function and is at least fifty-one percent (51%) owned, operated and controlled on a daily basis by one or more female American citizens.

3. **"Disadvantaged Business Enterprise" ("DBE")** means a business which is an independent and continuing enterprise for profit, performing a commercially useful function and is owned by a majority of persons who are United States citizens or permanent resident aliens (as defined by the Immigration and Naturalization Service) of the United States, and who are Asian, Black, Hispanic or Native Americans, according to the following definitions:

"Asian" means persons having origins in any of the original people of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

"African American" or "Black American" means persons having origins in any black racial group of Africa.

"Hispanic" means persons of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands regardless of race.

"Native American" means persons having origins in any of the original people of North America, including American Indians, Eskimos and Aleuts.

A list of all pre-certified MBE's, DBE's and WBE's will be maintained at Birmingham Construction Industry Authority (BCIA).

4. **"Birmingham Construction Industry Authority" (BCIA)** means the consultant hired by the City to assist in administration of the program. The program is voluntary and is developed to maximize MBE/DBE/WBE business participation in the construction industry of the Tuscaloosa metropolitan area. Owners of construction projects in both the public and private sector are encouraged to participate in the BCIA's efforts to increase the participation of MBE/DBE/WBE's in their construction projects. MBE/DBE/WBE firms are certified as a Minority or Disadvantaged business by the BCIA and receive business counseling and technical assistance provided by the BCIA staff.

Equal Business Opportunity

It is the policy of the City to promote full and equal business opportunities for all persons doing business with the City, regardless of race, sex or national origin. It is the ultimate goal of this policy to promote an equitable business climate district. The City will seek to increase minority and women participation for contracts that require formal bids. These efforts will be for contracts above \$50,000 as allowed by the Alabama Public Works law. These efforts are designed to help prevent discrimination against minorities and disadvantaged businesses and promote more competition among vendors, suppliers, and contractors of the City of Tuscaloosa.

The City has established a goal of ten to twenty percent (10-20%) of the total construction related expenditures to be provided by minority and disadvantaged business enterprises. While the policy provides for voluntary participation by the City and is dependent upon race-neutral and gender-neutral considerations, contractors are encouraged to comply with the City's policy. The City of Tuscaloosa shall periodically review the policy, including race/gender-neutral remedies, to determine its effectiveness.

Good Faith Effort

The City requires contractors to demonstrate a good faith effort to attain the goal of 10-20% participation of MBE/DBE/WBE's in all levels of the Public Works contracting process. Contractors shall document their efforts to obtain minority and disadvantaged business participation in the bid documents. Contractors should note that failure to document a good faith effort to the satisfaction of the City may subject the contractor to bid rejection for non-responsiveness.

The following process shall constitute a good faith effort under the City's policy:

- (1) Contractors deciding to bid on a City project shall submit the MBE/DBE/WBE Documentation Statement and Acknowledgement (**Form 1**). Submission of Form 1 confirms the commitment of the contractor to participate in the inclusion effort for the project. Form 1 must be submitted to the Office of the City Attorney no later than seven (7) days prior to the bid, or at the pre-bid conference, whichever is earlier. The City reserves the right to modify the submittal deadline as-needed.
- (2) Contractors shall submit MBE/DBE/WBE Bid Solicitation Notice (**Form 2**). Form 2 must be submitted to the Office of the City Attorney not later than seven (7) days prior to the bid, or at the pre-bid conference, whichever is earlier. The City reserves the right to modify the submittal deadline as-needed.
- (3) Contractors shall submit a brief plan for achieving the stated MBE/DBE/WBE Participation Goal for his / her trade (**Form 3**). Form 3 must be submitted in the contractor's sealed bid.
- (4) Contractors shall submit a listing of all MBE/DBE/WBE contractors that submitted bids (**Form 4**). Form 4 must be submitted in the contractor's sealed bid. (Note: In the event a MBE/DBE/WBE contractor submits a bid after the general contractor has sealed the bid, contractors should write on the envelope the name(s) and scope of work of the MBE/DBE/WBE contractor who submitted the bid.)
- (5) Contractors shall be required to work in cooperation with the City's consultant in the implementation of this program. Failure to do so, in the discretion of the City, may result in a rejection of bid due to non-responsiveness.

Following compliance with item (5) above, submission of Form 1, Form 2, Form 3, and Form 4 at the above-prescribed times shall satisfy the good faith effort requirement. Failure to do so may result in rejection of bid due to non-responsiveness.

Additional Administrative Requirements / Procedure

- (1) Once a tentative contract award has been made, the successful contractor shall submit a list of all MBE/DBE/WBE firms the contractor proposes to utilize during the execution of the contract (**Form 5**). In addition, the contractor shall include on Form 5 all firms that the major subcontractors propose to utilize.

(2) If the successful contractor will be subcontracting less than the stated percentage goal, the contractor must complete a "MBE/DBE/WBE Unavailability Certification" (Form 6). Form 6 is due once a tentative contract award has been made.

(3) Contractors shall obtain the BCIA listing of certified MBE/DBE/WBE businesses by contacting the BCIA office to assist in soliciting MBE/DBE/WBE participation for the project. This listing will be continually monitored and updated by the BCIA. After once receiving the BCIA listing, it will be necessary to only obtain revisions thereafter.

(4) Contractors shall not be required to use a MBE/DBE/WBE subcontractor who cannot display reasonable technical and financial qualifications to perform the work in question.

(5) In addition to the above requirements, contractors should note that the City reserves the right to periodically audit payroll records to ensure compliance with the program. The City employs the services of a Compliance Director.

(6) Upon completion of the project and prior to release of retainage or final payment, the contractor shall submit a Project Closeout Report (Form 7) that includes final accounting of all MBE/DBE/WBE firms utilized on the project.

(7) On a monthly basis, contractors shall submit updated MBE/DBE/WBE reports (Monthly Report Form) to identify any changes in MBE/DBE/WBE firm utilization (Form 8). Contractors shall submit Form 8 directly to the City's consultant.

Race / Gender – Neutral Remedies

The City recognizes that race/gender – neutral remedies may be effective tools used to increase MBE/DBE/WBE participation. Therefore, the City will continue to explore these remedies. The remedies will include, but will not be limited to, the following:

1. Technical assistance techniques to identify and increase the participation of MBE/DBE/WBE's in the City's contracting, subcontracting and purchasing opportunities.
2. Continuation of the certification process with the BCIA.

The City will periodically review the success of these measures in order to determine the extent to which the measures provide equitable access to the City's contracting, subcontracting and purchasing opportunities.

The City has determined that this policy complies with all applicable local, state and national laws concerning the contracting and purchasing process. The City shall not sacrifice product quality for lower pricing, but shall make all awards in accordance with applicable law. It shall be the primary responsibility of the City to insure that this policy is followed, and that all actions regarding the contracting and purchasing process comply with all applicable statutes as well as the defined goals relative to MBE/DBE/WBE participation on all construction projects.

Form 1 (one page)

Documentation Statement and Acknowledgement

(Due no later than seven (7) days prior to the bid, or at the pre-bid conference, whichever is earlier)

PROJECT NAME: _____

The City of Tuscaloosa has adopted a program to encourage the participation of Minority Business Enterprises/Disadvantaged Business Enterprises (MBE/DBE/WBE) on its public works construction projects. This signed statement serves as a commitment by the undersigned company to comply with this program as outlined by the City, relative to the involvement of MBE/DBE/WBE firms in City guidelines.

The undersigned Company will adhere to City program guidelines set forth to utilize MBE/DBE/WBE businesses in all construction projects, and all program forms (1-8) have been reviewed and understood.

Company Representative (Signature)

Date

Company Representative (Printed)

Title

Company Name

Telephone Number

City, State, Zip

Fax Number

Form 2 (6 pages)

Bid Solicitation Notice

(Due no later than seven (7) days prior to the bid, or at the pre-bid conference, whichever is earlier)

BID DATA

1. GENERAL CONTRACTOR _____

ADDRESS: _____

CONTACT (S): _____

PHONE: _____

FAX: _____

EMAIL: _____

2. OWNER: _____

3. NAME OF PROJECT: _____

4. SCHEDULED PRE-BID MEETING

DATE/TIME: _____

LOCATION: _____

5. DATE/TIME FOR RECEIPT OF BIDS: _____

6. SCHEDULED BID OPENING

DATE/TIME: _____

LOCATION: _____

7. ESTIMATED JOB START DATE: _____

8. ESTIMATED COMPLETION DATE: _____

PROJECT: _____

LOCATION: _____

BID DATE: _____

GENERAL CONTRACTOR CONTACT:

NAME _____

ADDRESS: _____

TELEPHONE: () _____

FAX: () _____

EMAIL: () _____

DEADLINE FOR PROPOSALS

DATE/TIME

* Estimated Contract Opportunity Value:

{1} 0-25,000 {2} 25,000-50,000 {3} 50,000-100,000 {4} 100,000 - 500,000 {5} over 500,000

DIVISION 02 - EXISTING CONDITIONS

{1} {2} {3} {4} {5} *

- ☐ 02 21 SURVEYS
- ☐ 02 32 GEOTECHNICAL INVESTIGATIONS
- ☐ 02 41 DEMOLITION
- ☐ 02 42 REMOVAL and SALVAGE of CONSTRUCTION MATERIALS
- ☐ 02 43 STRUCTURE MOVING
- ☐ 02 56 SITE CONTAINMENT
- ☐ 02 65 UNDERGROUND STORAGE TANK REMOVAL
- ☐ 02 61 TRANSPORTATION and DISPOSAL of HAZARDOUS MATERIALS
- ☐ 02 82 ASBESTOS REMEDIATION
- ☐ 02 83 LEAD REMEDIATION
- ☐ 02 85 MOLD REMEDIATION
- ☐ 02 91 CHEMICAL SAMPLING, TESTING and ANALYSIS

☐ 02 _____
(Please fill-in other opportunity)

DIVISION 3 - CONCRETE {1} {2} {3} {4} {5}

- ☐ 03 01 MAINTENANCE OF CONCRETE
- ☐ 03 11 CONCRETE FORMING
- ☐ 03 16 CONCRETE ACCESSORIES
- ☐ 03 21 REINFORCING STEEL
- ☐ 03 22 WELDED WIRE FABRIC REINFORCING

- ☐ 03 30 CAST-IN-PLACE CONCRETE
- ☐ 03 31 STRUCTURAL CONCRETE
- ☐ 03 35 CONCRETE FINISHING
- ☐ 03 37 SPECIALTY PLACED CONCRETE
- ☐ 03 38 CONCRETE CURING
- ☐ 03 41 PRECAST STRUCTURAL CONCRETE
- ☐ 03 45 PRECAST ARCHITECTURAL CONCRETE
- ☐ 03 47 SITE-CAST CONCRETE
- ☐ 03 62 NON-SHRINK GROUTING
- ☐ 03 63 EPOXY GROUTING
- ☐ 03 81 CONCRETE CUTTING
- ☐ 03 82 CONCRETE BORING
- ☐ 03 _____

(Please fill-in for other opportunity)

DIVISION 4 - MASONRY {1} {2} {3} {4} {5}

- ☐ 04 21 CLAY UNIT MASONRY
- ☐ 04 22 CONCRETE UNIT MASONRY
- ☐ 04 25 UNIT MASONRY PANELS
- ☐ 04 30 MULTIPLE-WYTHE MASONRY
- ☐ 04 43 STONE MASONRY
- ☐ 04 57 MASONRY FIREPLACES
- ☐ 04 71 MANUFACTURED BRICK MASONRY
- ☐ 04 73 MANUFACTURED STONE MASONRY
- ☐ 04 _____

(Please fill-in for other opportunity)

DIVISION 5 - METALS {1} {2} {3} {4} {5}

- ☐ 05 12 STRUCTURAL STEEL FRAMING
- ☐ 05 14 STRUCTURAL ALUMINUM FRAMING
- ☐ 05 15 WIRE ROPE ASSEMBLIES
- ☐ 05 21 STEEL JOIST FRAMING
- ☐ 05 31 STEEL DECKING
- ☐ 05 35 RACEWAY DECKING ASSEMBLIES
- ☐ 05 41 STRUCTURAL METAL STUD FRAMING
- ☐ 05 42 COLD-FORMED METAL JOIST FRAMING
- ☐ 05 44 COLD-FORMED METAL TRUSSES
- ☐ 05 51 METAL STAIRS
- ☐ 05 52 METAL RAILINGS
- ☐ 05 53 METAL GRATINGS
- ☐ 05 55 METAL STAIR TREADS & NOSING
- ☐ 05 58 METAL CASTINGS
- ☐ 05 68 FORMED METAL FABRICATIONS
- ☐ 05 71 DECORATIVE METAL STAIRS
- ☐ 05 73 DECORATIVE METAL RAILINGS
- ☐ 05 75 DECORATIVE FORMED METAL
- ☐ 05 _____

(Please fill-in for other opportunity)

DIVISION 6 - WOODS, PLASTICS & COMPOSITES {1} {2} {3} {4} {5}

- ☐ 06 11 WOOD FRAMING

- ☐ 06 12 STRUCTURAL PANELS
- ☐ 06 15 WOOD DECKING
- ☐ 06 16 SHEATING
- ☐ 06 17 SHOP FABRICATED STRUCTURAL WOOD
- ☐ 06 22 MILLWORK
- ☐ 06 25 PREFINISHED PANEL
- ☐ 06 26 PANELING
- ☐ 06 43 WOOD STAIRS & RAILINGS
- ☐ 06 44 ORNAMENTAL WOODWORK
- ☐ 06 45 WOOD FRAMES
- ☐ 06 _____

(Please fill-in for other opportunity)

DIVISION 7 - THERMAL & MOISTURE PROTECTION
(1) (2) (3) (4) (5)

- ☐ 07 11 DAMPPROOFING
- ☐ 07 12 BUILT-UP BITUMINOUS WATERPROOFING
- ☐ 07 13 SHEET WATERPROOFING
- ☐ 07 16 CEMENTIOUS & REACTIVE WATERPROOFING
- ☐ 07 19 WATER REPELLANTS
- ☐ 07 21 THERMAL INSULATION
- ☐ 07 22 ROOF & DECK INSULATION
- ☐ 07 24 EXTERIOR INSULATION & FINISH SYSTEMS
- ☐ 07 25 WEATHER BARRIERS
- ☐ 07 26 VAPOR RETARDERS
- ☐ 07 31 SHINGLES & SHAKES
- ☐ 07 32 ROOF TILES
- ☐ 07 33 NATURAL ROOF COVERINGS
- ☐ 07 41 ROOF PANELS
- ☐ 07 42 WALL PANELS
- ☐ 07 46 SIDING
- ☐ 07 51 BUILT-UP BITUMINOUS ROOFING
- ☐ 07 52 MODIFIED BITUMINOUS MEMBRANE ROOFING
- ☐ 07 53 ELASTOMETRIC MEMBRANE ROOFING
- ☐ 07 54 THERMOPLASTIC MEMBRANE ROOFING
- ☐ 07 55 FLUID APPLIED ROOFING
- ☐ 07 56 ROLL ROOFING
- ☐ 07 61 SHEET METAL ROOFING
- ☐ 07 65 FLEXIBLE FLASHING
- ☐ 07 71 ROOF SPECIALTIES
- ☐ 07 72 ROOF ACCESSORIES
- ☐ 07 81 APPLIED FIREPROOFING
- ☐ 07 84 FIRESTOPPING
- ☐ 07 91 PREFORMED JOINT SEALS
- ☐ 07 92 JOINT SEALANTS
- ☐ 07 95 EXPANSION CONTROL
- ☐ 07 _____

(Please fill-in for other opportunity)

DIVISION 8 - OPENINGS (1) (2) (3) (4) (5)

- ☐ 08 11 METAL DOORS & FRAMES
- ☐ 08 12 METAL FRAMES
- ☐ 08 13 METAL DOORS
- ☐ 08 14 WOOD DOORS
- ☐ 08 16 COMPOSITE DOORS
- ☐ 08 17 INTEGRATED DOOR OPENING ASSEMBLIES
- ☐ 08 31 ACCESS DOORS & PANELS
- ☐ 08 32 SLIDING GLASS DOORS
- ☐ 08 33 COILING DOORS & GRILLES
- ☐ 08 34 SPECIAL FUNCTION DOORS
- ☐ 08 36 PANEL DOORS
- ☐ 08 38 TRAFFIC DOORS
- ☐ 08 41 ENTRANCES & STOREFRONTS
- ☐ 08 42 ENTRANCES
- ☐ 08 43 STOREFRONTS
- ☐ 08 44 CURTAIN WALL & GLAZED ASSEMBLIES
- ☐ 08 51 METAL WINDOWS
- ☐ 08 52 WOOD WINDOWS
- ☐ 08 53 PLASTIC WINDOWS
- ☐ 08 54 COMPOSITE WINDOWS
- ☐ 08 56 SPECIAL FUNCTION WINDOWS
- ☐ 08 62 UNIT SKYLIGHTS
- ☐ 08 63 METAL-FRAMED SKYLIGHTS
- ☐ 08 71 DOOR HARDWARE
- ☐ 08 74 ACCESS CONTROL HARDWARE
- ☐ 08 75 WINDOW HARDWARE
- ☐ 08 79 HARDWARE ACCESSORIES
- ☐ 08 81 GLASS GLAZING
- ☐ 08 83 MIRRORS
- ☐ 08 84 PLASTIC GLAZING
- ☐ 08 86 SPECIAL FUNCTION GLAZING
- ☐ 08 91 LOUVERS
- ☐ 08 95 VENTS
- ☐ 08 _____

(Please fill-in for other opportunity)

DIVISION 9 - FINISHES (1) (2) (3) (4) (5)

- ☐ 09 21 PLASTER & GYPSUM ASSEMBLIES
- ☐ 09 22 SUPPORTS FOR PLASTER & GYPSUM
- ☐ 09 23 GYPSUM PLASTERING
- ☐ 09 24 CEMENT PLASTERING
- ☐ 09 25 VENEER PLASTERING
- ☐ 09 26 BACKING & UNDERLAYMENTS
- ☐ 09 29 GYPSUM
- ☐ 09 30 TILING
- ☐ 09 51 ACOUSTICAL CEILINGS
- ☐ 09 54 SPECIALTY CEILINGS
- ☐ 09 62 SPECIALTY FLOORING
- ☐ 09 63 MASONRY FLOORING
- ☐ 09 64 WOOD FLOORING

- ☐ 09 65 RESILIENT FLOORING
 - ☐ 09 66 TERRAZZO FLOORING
 - ☐ 09 68 CARPETING
 - ☐ 09 72 WALL COVERINGS
 - ☐ 09 77 SPECIAL WALL SURFACING
 - ☐ 09 81 PAINTING
 - ☐ 09 93 STAINING & TRANSPARENT FINISHING
 - ☐ 09 96 HIGH PERFORMANCE COATINGS
 - ☐ 09 97 SPECIAL COATINGS
 - ☐ 09 _____
- (Please fill-in for other opportunity)

DIVISION 10 - SPECIALTIES (1) (2) (3) (4) (5)

- ☐ 10 11 VISUAL DISPLAY UNITS
 - ☐ 10 14 SIGNAGE
 - ☐ 10 22 PARTITIONS
 - ☐ 10 26 WALL & DOOR PROTECTION
 - ☐ 10 28 TOILET, BATH & LAUNDRY ACCESSORIES
 - ☐ 10 44 FIRE PROTECTION SPECIALTIES
 - ☐ 10 51 LOCKERS
 - ☐ 10 71 EXTERIOR PROTECTION
 - ☐ 10 74 MANUFACTURED EXTERIOR SPECIALTIES
 - ☐ 10 75 FLAGPOLES
 - ☐ 10 81 PEST CONTROL DEVICES
 - ☐ 10 88 SCALES
 - ☐ 10 _____
- (Please fill-in for other opportunity)

DIVISION 11 - EQUIPMENT (1) (2) (3) (4) (5)

- ☐ 11 11 VEHICLE SERVICE EQUIPMENT
 - ☐ 11 12 PARKING CONTROL EQUIPMENT
 - ☐ 11 13 LOADING DOCK EQUIPMENT
 - ☐ 11 14 PEDESTRIAN CONTROL EQUIPMENT
 - ☐ 11 24 MAINTENANCE EQUIPMENT
 - ☐ 11 31 RESIDENTIAL APPLIANCES
 - ☐ 11 33 RETRACTABLE STAIRS
 - ☐ 11 41 FOODSERVICE STORAGE EQUIPMENT
 - ☐ 11 42 FOOD PREPARATION EQUIPMENT
 - ☐ 11 43 FOOD DELIVERY CARTS AND CONVEYORS
 - ☐ 11 44 FOOD COOKING EQUIPMENT
 - ☐ 11 46 FOOD DISPENSING EQUIPMENT
 - ☐ 11 47 ICE MACHINES
 - ☐ 11 48 CLEANING & DISPOSAL EQUIPMENT
 - ☐ 11 52 AUDIO-VISUAL EQUIPMENT
 - ☐ 11 53 LABORATORY EQUIPMENT
 - ☐ 11 56 ATHLETIC EQUIPMENT
 - ☐ 11 67 RECREATIONAL EQUIPMENT
 - ☐ 11 82 SOLID WASTE HANDLING
 - ☐ 11 _____
- (Please fill-in for other opportunity)

DIVISION 12 - FURNISHINGS (1) (2) (3) (4) (5)

- ☐ 12 21 WINDOW BLINDS
 - ☐ 12 22 CURTAINS & DRAPE
 - ☐ 12 23 INTERIOR SHUTTERS
 - ☐ 12 24 WINDOW SHADES
 - ☐ 12 32 MANUFACTURED CASEWORK
 - ☐ 12 35 SPECIALTY CASEWORK
 - ☐ 12 36 COUNTERTOPS
 - ☐ 12 46 FURNISHING ACCESSORIES
 - ☐ 12 48 RUGS & MATS
 - ☐ 12 51 OFFICE FURNITURE
 - ☐ 12 52 SEATING
 - ☐ 12 54 HOSPITALITY FURNITURE
 - ☐ 12 56 INSTITUTIONAL FURNITURE
 - ☐ 12 61 FIXED AUDIENCE SEATING
 - ☐ 12 63 STADIUM & ARENA SEATING
 - ☐ 12 67 PERS & BENCHES
 - ☐ 12 92 INTERIOR PLANTERS & ARTIFICIAL PLANTS
 - ☐ 12 93 SITE FURNISHINGS
 - ☐ 12 _____
- (Please fill-in for other opportunity)

DIVISION 13 - SPECIAL CONSTRUCTION (1) (2) (3) (4) (5)

- ☐ 13 11 SWIMMING POOLS
 - ☐ 13 17 TUBS & POOLS
 - ☐ 13 18 ICE RINKS
 - ☐ 13 21 CONTROLLED ENVIRONMENT ROOMS
 - ☐ 13 24 SPECIAL ACTIVITY ROOMS
 - ☐ 13 28 ATHLETIC & RECREATIONAL SPECIAL CONSTRUCTION
 - ☐ 13 31 FABRIC STRUCTURES
 - ☐ 13 34 FABRICATED ENGINEERED STRUCTURES
 - ☐ 13 36 TOWERS
 - ☐ 13 42 BUILDING MODULES
 - ☐ 13 49 SOUND, VIBRATION, & SEISMIC CONTROL
 - ☐ 13 49 RADIATION PROTECTION
 - ☐ 13 _____
- (Please fill-in for other opportunity)

DIVISION 14 - CONVEYING SYSTEMS (1) (2) (3) (4) (5)

- ☐ 14 11 MANUAL DUMBWAITERS
- ☐ 14 12 ELECTRIC DUMBWAITERS
- ☐ 14 21 ELECTRIC TRACTION ELEVATORS
- ☐ 14 24 HYDRAULIC ELEVATORS
- ☐ 14 27 CUSTOM ELEVATOR CABS & DOORS
- ☐ 14 28 ELEVATOR EQUIPMENT & CONTROLS
- ☐ 14 31 ESCALATORS

- ☐ 14 32 MOVING WALKS
- ☐ 14 42 WHEELCHAIR LIFTS
- ☐ 14 61 CORRESPONDENCE & PARCEL LIFTS
- ☐ 14 81 FACILITY CRUTES
- ☐ 14 82 PNEUMATIC TUBE SYSTEMS
- ☐ 14 _____

(Please fill-in for other opportunity)

DIVISION 21 - FIRE SUPPRESSION (1) (2) (3) (4) (5)

- ☐ 21 11 FIRE SUPPRESSION WATER SERVICE PIPING & METHODS
- ☐ 21 12 FIRE SUPPRESSION STANDPIPES
- ☐ 21 13 FIRE SUPPRESSION SPRINKLER SYSTEMS
- ☐ 21 21 CARBON-DIOXIDE FIRE EXTINGUISHING SYSTEMS
- ☐ 21 22 CLEAN AGENT FIRE EXTINGUISHING SYSTEMS
- ☐ 21 31 CENTIFUGAL FIRE PUMPS
- ☐ 21 _____

(Please fill-in for other opportunity)

DIVISION 22 - PLUMBING (1) (2) (3) (4) (5)

- ☐ 22 07 PLUMBING INSULATION
- ☐ 22 11 FACILITY WATER DISTRIBUTION
- ☐ 22 13 FACILITY SANITARY SEWERAGE
- ☐ 22 14 FACILITY STORM DRAINAGE
- ☐ 22 41 COMMERCIAL PLUMBING FIXTURE
- ☐ 22 42 COMMERCIAL PLUMBING FIXTURES
- ☐ 22 45 EMERGENCY PLUMBING FIXTURES
- ☐ 22 47 DRINKING FOUNTAINS & WATER COOLERS
- ☐ 22 51 SWIMMING POOL PLUMBING SYSTEMS
- ☐ 22 66 CHEMICAL-WASTE SYSTEMS FOR LAB & HEALTHCARE FACILITIES
- ☐ 22 _____

(Please fill-in for other opportunity)

DIVISION 23 - HEATING VENTILATION AIR CONDITIONING (1) (2) (3) (4) (5)

- ☐ 23 07 HVAC INSULATION
- ☐ 23 09 INSTRUMENTATION & CONTROL FOR HVAC
- ☐ 23 13 FACILITY FUEL-STORAGE TANKS
- ☐ 23 21 HYDRONIC PIPING & PUMPS
- ☐ 23 22 STEAM & CONDENSATE PIPING & PUMPS
- ☐ 23 31 HVAC DUCTS & CASINGS
- ☐ 23 33 AIR DUCT ACCESSORIES
- ☐ 23 34 HVAC FANS
- ☐ 23 37 AIR OUTLETS & INLETS
- ☐ 23 38 VENTILATION HOODS

- ☐ 23 41 PARTICULATE AIR FILTRATION
- ☐ 23 52 HEATING BOILERS
- ☐ 23 64 FURNACES
- ☐ 23 66 SOLAR ENERGY HEATING EQUIP.
- ☐ 23 67 HEAT EXCHANGES FOR HVAC
- ☐ 23 62 PACKAGED COMPRESSOR & CONDENSOR UNITS
- ☐ 23 63 REFRIGERANT CONDENSORS
- ☐ 23 64 PACKAGED WATER CHILLERS
- ☐ 23 65 COOLING TOWERS
- ☐ 23 73 INDOOR CENTRAL-STATION AIR-HANDLING UNITS
- ☐ 23 74 PACKAGED OUTDOOR HVAC EQUIP
- ☐ 23 82 CONVECTION HEATING & COOLING UNITS
- ☐ 23 84 HUMIDITY CONTROL EQUIPMENT
- ☐ 23 _____

(Please fill-in for other opportunity)

DIVISION 26 - ELECTRICAL (1) (2) (3) (4) (5)

- ☐ 26 09 INSTRUMENTATION & CONTROL FOR ELECTRICAL SYSTEMS
- ☐ 26 12 MEDIUM VOLTAGE TRANSFORMERS
- ☐ 26 22 LOW VOLTAGE TRANSFORMERS
- ☐ 26 24 SWITCHES & PANELS
- ☐ 26 25 ENCLOSED BUS ASSEMBLIES
- ☐ 26 27 LOW VOLTAGE DISTRIBUTION EQUIPMENT
- ☐ 26 28 LOW VOLTAGE CIRCUIT PROTECTIVE DEVICES
- ☐ 26 29 LOW VOLTAGE CONTROLLERS
- ☐ 26 32 PACKAGED GENERATOR ASSEMBLIES
- ☐ 26 35 POWER FILTERS & CONDITIONERS
- ☐ 26 42 CATHODIC PROTECTION
- ☐ 26 61 INTERIOR LIGHTING
- ☐ 26 62 EMERGENCY LIGHTING
- ☐ 26 63 EXIT SIGNS
- ☐ 26 64 CLASSIFIED LOCATION LIGHTING
- ☐ 26 65 SPECIAL PURPOSE LIGHTING
- ☐ 26 66 EXTERIOR LIGHTING
- ☐ 26 61 LIGHTING SYSTEMS & ACCESSORIES
- ☐ 26 71 ELECTRICAL MACHINES
- ☐ 26 _____

(Please fill-in for other opportunity)

COMMUNICATIONS- 27 (1) (2) (3) (4) (5)

- ☐ 27 13 COMMUNICATIONS BACKBONE CABLING
- ☐ 27 41 AUDIO-VIDEO SYSTEMS
- ☐ 27 61 DISTRIBUTED AUDIO VIDEO
- ☐ 27 62 HEALTHCARE COMMUNICATIONS & MONITORING SYSTEMS
- ☐ 27 63 DISTRIBUTED SYSTEMS

☐ 27 _____
(Please fill-in for other opportunity)

ELECTRONIC SAFETY & SECURITY- 28 (1) (2) (3) (4) (5)

☐ 28 13 COMMUNICATIONS BACKBONE CABLEING

☐ 28 16 INTRUSION DETECTION

☐ 28 23 VIDEO SURVEILLANCE

☐ 28 31 FIRE DETECTION

☐ 28 33 FUEL-GAS DETECTION

☐ 28 39 MASS NOTIFICATION SYSTEMS

☐ 28 _____

(Please fill-in for other opportunity)

EARTHWORK-31 (1) (2) (3) (4) (5)

☐ 31 08 SCHEDULES FOR EARTHWORK

☐ 31 11 CLEARING & GRUBBING

☐ 31 13 SELECTIVE TREE & SHRUB REMOVAL & TRIMMING

☐ 31 14 EARTH STRIPPING & STOCKPILING

☐ 31 22 GRADING

☐ 31 23 EXCAVATION & FILL

☐ 31 25 EROSION & SEDIMENTATION

☐ 31 31 SOIL TREATMENT

☐ 31 32 SOIL STABILIZATION

☐ 31 33 ROCK STABILIZATION

☐ 31 36 GABIONS

☐ 31 37 RIPRAP

☐ 31 41 SHORING

☐ 31 43 CONCRETE RAISING

☐ 31 45 VIBROFLORATION & DENSIFICATION

☐ 31 46 NEEDLE BEAMS

☐ 31 48 UNDERPINNING

☐ 31 52 COPPERDAMS

☐ 31 55 SHURRY WALLS

☐ 31 62 DRIVEN PILES

☐ 31 63 BORED PILES

☐ 31 _____

(Please fill-in for other opportunity)

EXTERIOR IMPROVEMENTS- 32 (1) (2) (3) (4) (5)

☐ 32 11 BASE COURSES

☐ 32 12 FLEXIBLE PAVING

☐ 32 13 RIGID PAVING

☐ 32 16 CURBS, GUTTERS SIDEWALKS & DRIVEWAYS

☐ 32 17 PAVING SPECIALTIES

☐ 32 18 ATHLETIC & RECREATIONAL SURFACING

☐ 32 31 FENCES & GATES

☐ 32 32 RETAINING WALLS

☐ 32 34 FABRICATED BRIDGES

☐ 32 36 SCREENING DEVICES

☐ 32 54 PLANTING IRRIGATION

☐ 32 51 PLANTING PREPARATION

☐ 32 52 TURF & GRASSES

☐ 32 53 PLANTS
☐ 32 54 PLANTING ACCESSORIES
☐ 32 56 TRANSPLANTING

☐ 32 _____

(Please fill-in for other opportunity)

UTILITIES-33 (1) (2) (3) (4) (5)

☐ 33 11 WATER UTILITY DISTRIBUTION PIPING

☐ 33 12 WATER UTILITY DISTRIBUTION EQUIPMENT

☐ 33 16 WATER UTILITY STORAGE TANKS

☐ 33 21 WATER SUPPLY WELLS

☐ 33 31 SANITARY UTILITY SEWERAGE PIPING

☐ 33 38 UTILITY SEPTIC TANKS

☐ 33 41 STORM UTILITY DRAINAGE PIPING

☐ 33 42 CULVERTS

☐ 33 44 STORM UTILITY WATER DRAINS

☐ 33 46 SUBDRAINAGE

☐ 33 49 STORM DRAINAGE STRUCTURES

☐ 33 51 NATURAL GAS DISTRIBUTION

☐ 33 52 LIQUID FUEL DISTRIBUTION

☐ 33 71 ELECTRICAL UTILITY TRANSMISSION & DISTRIBUTION

☐ 33 91 COMMUNICATIONS & STRUCTURES

☐ 33 _____

(Please fill-in for other opportunity)

TRANSPORTATION-34 (1) (2) (3) (4) (5)

☐ 34 11 RAIL TRACKS

☐ 34 41 ROADWAY SIGNALING AND CONTROL EQUIPMENT

☐ 34 71 ROADWAY CONSTRUCTION

☐ 34 72 RAILWAY CONSTRUCTION

☐ 34 _____

(Please fill-in for other opportunity)

MATERIAL PROCESSING & HANDLING EQUIPMENT-41 (1) (2) (3) (4) (5)

☐ 41 21 CONVEYORS

☐ 41 22 CRANES & HOISTS

☐ 41 _____

(Please fill-in for other opportunity)

POLLUTION CONTROL EQUIP-44 (1) (2) (3) (4) (5)

☐ 44 11 PARTICULATE CONTROL EQUIPMENT

☐ 44 _____

(Please fill-in for other opportunity)

WATER & WASTEWATER EQUIPMENT-46

(1) (2) (3) (4) (5)

☐ 46 07 PACKAGED WATER & WASTEWATER TREATMENT EQUIPMENT

☐ 46 _____

(Please fill-in for other opportunity)

Form 3 (1 page)

Participation Goal

(Must be submitted in the contractor's sealed bid.)

GENERAL CONTRACTOR: _____

CONTACT: _____

NAME OF PROJECT: _____

DATE SUBMITTED: _____

The project has a goal of ten to twenty percent (10-20%) MBE/DBE/WBE participation. Provide a brief summary of how this goal will be achieved. Failure to submit this form may result in a bid being rejected for non-responsiveness.

My goal for this project is _____%.

I plan on achieving this goal by:

Form 4 (1 page)

Contractors Submitting Bids

(Must be submitted in the contractor's sealed bid.)

GENERAL CONTRACTOR: _____

CONTACT: _____

NAME OF PROJECT: _____

DATE SUBMITTED: _____

All MBE/DBE/WBE firms submitting bids

Scope of work

(Use additional pages if necessary.)

Form 5 (1 page)

Contractors Submitting Bids

(Must be submitted following tentative bid award.)

GENERAL CONTRACTOR: _____

CONTACT: _____

NAME OF PROJECT: _____

TOTAL CONTRACT AMOUNT \$ _____

TOTAL AMOUNT OF ALL SUBCONTRACTORS \$ _____

DATE SUBMITTED: _____

<u>All MBE/DBE/WBE firms to be utilized</u>	<u>Scope of work</u>	<u>Contract amount (\$)</u>
---	----------------------	-----------------------------

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Use additional pages if necessary.)

Form 6 (2 pages)

Unavailability Certification

(Must be submitted following tentative bid award.)

I, _____ (name / title), of

_____ (company name) certify that on

_____ (date) I contacted the following Minority/Disadvantaged Business
Enterprises to obtain proposals/bids for the following work items:

<u>MBE/DBE/WBE firm</u>	<u>Work item sought</u>	<u>Form of proposal sought</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

To the best of my knowledge and belief, said Minority/Disadvantaged Business Enterprises were unavailable for work on this project, or unable to prepare a proposal/bid for the following reason(s):

(Use additional pages if necessary.)

Form 6 (continued)

Unavailability Certification

(Must be submitted following tentative bid award. This form to be completed by each MBE/DBE/WBE listed on page one of Form 6 which was contacted, but did not submit a bid/proposal.)

_____ (name of MBE/DBE/WBE) was offered
an opportunity to submit a proposal on the above identified work on _____ (date) by
_____ (Company Name).

The above statement is a true and accurate account of why I did not submit a proposal/bid on this project.

_____ (Signature of MBE/DBE/WBE)

_____ (Date)
_____ (Title)

Form 7 (1 page)

Project Closeout Report

(To be submitted upon completion of project.)

GENERAL CONTRACTOR: _____

CONTACT: _____

NAME OF PROJECT: _____

TOTAL CONTRACT AMOUNT \$ _____

FINAL CONTRACT AMOUNT \$ _____

DATE SUBMITTED: _____

**All MBE/DBE/WBE firms
utilized**

Original subcontract amount

Final subcontract amount

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Use additional pages if necessary.)

Form 8 (1 page)

Monthly Report Form

(To be submitted monthly directly to the City's consultant.)

GENERAL CONTRACTOR: _____

CONTACT: _____

NAME OF PROJECT: _____

TOTAL CONTRACT AMOUNT \$ _____

DATE SUBMITTED: _____

Billings:

Each MBE/DBE/WBE contractor utilized	Original subcontract amount	Previous (\$)	This period (\$)	Total (\$)

(Use additional pages if necessary.)

Join us!



Shoppers at
LEGACY PARK

Sub-Contractor Fair - Meet + Greet

**SEEKING LOCAL
CONTRACTORS
AND TRADES**

visit www.tuscaloosarecovery.com
for more information

Contractors should bring:

- ▼ Company Information
- ▼ Work History
- ▼ Backlog of Current Work
- ▼ Copies of Insurance coverage and Policy
- ▼ Bond Capacity Information
- ▼ Copy of Business License
- ▼ Copy of Contractor's License

8/01/2014

1-4:30 p.m.

**Richard A. Curry
Environmental Services Facility**

3440 Kauloosa Avenue, Tuscaloosa, AL 35401

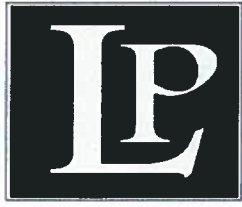
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DEVELOPMENT & CONSTRUCTION

Contact: 205-755-1112

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LEGACY PARK

Sub-Contractor Fair - Meet + Greet

8/01/2014

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1-4:30 p.m.

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Learn more: www.tuscaloosarecovery.com

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Contact: 205-755-1112

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Join us!



Shoppes at
LEGACY PARK

Sub-Contractor Fair - Meet + Greet



8/01/14

1-4:30 p.m.

Richard A. Curry
Environmental Services Facility

3440 Kauloosa Avenue, Tuscaloosa, AL 35401

**SEEKING LOCAL
CONTRACTORS
AND TRADES**

Contractors should bring:

- Company Information
- Work History
- Backlog of Current Work
- Copies of Insurance coverage and Policy
- Bond Capacity Information
- Copy of Business License
- Copy of Contractor's License

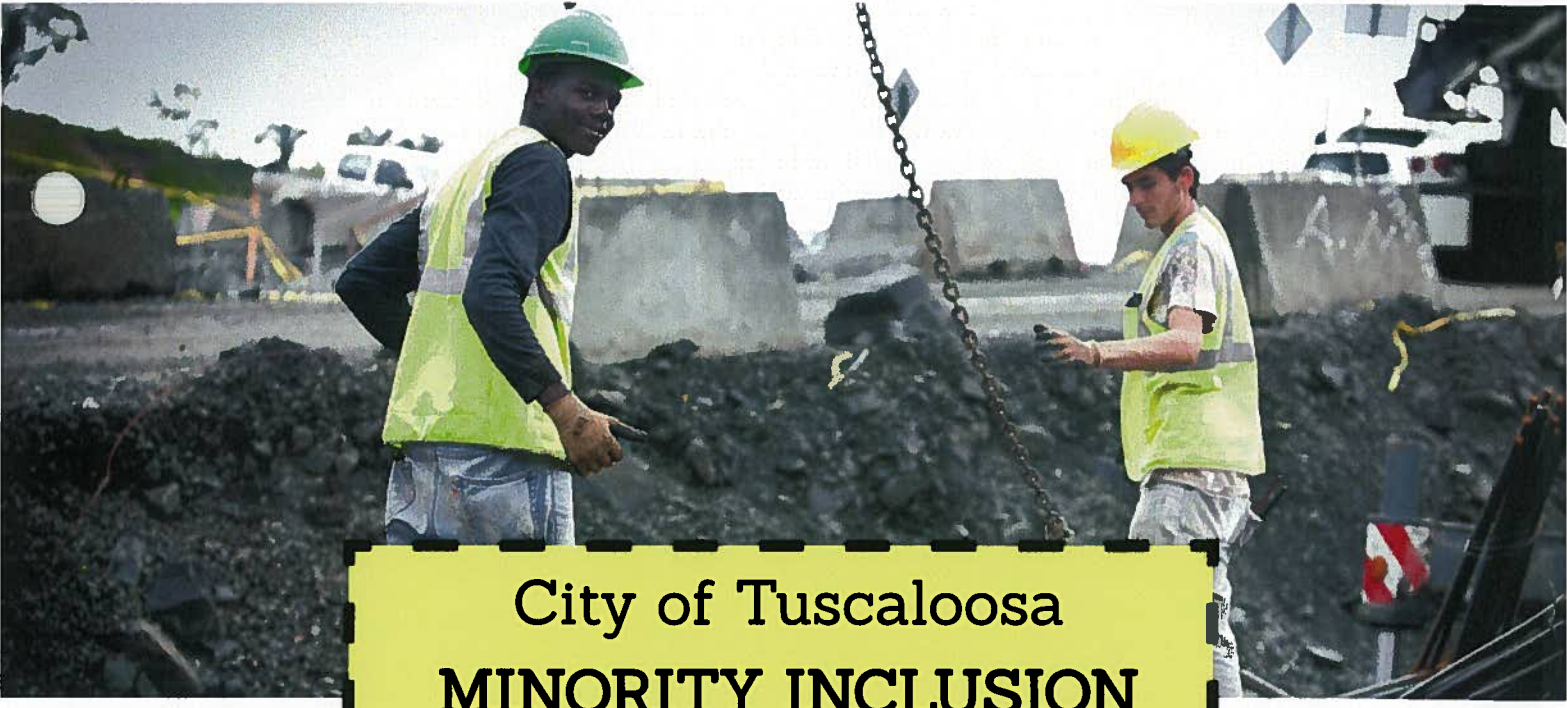
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Contact: 205-755-1112

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City of Tuscaloosa MINORITY INCLUSION PROGRAM

Program Goal: To facilitate the development of minority-owned, woman-owned and disadvantaged businesses in Tuscaloosa and build relationships among all contractors.

Program	Date	Time
Information Session: General Contractors This session is specifically for contractors NOT considered minority, woman-owned or disadvantaged who have bid or plan to bid on City of Tuscaloosa projects.	March 6	1-3 p.m.
Information Session: Minority Contractors This session is specifically for contractors considered minority, woman-owned or disadvantaged who have bid or plan to bid on City of Tuscaloosa projects.	March 6	6-8 p.m.
*Networking Session: ALL Contractors This session will allow all contractors an opportunity to discuss upcoming DR1 and DR2 project opportunities and how best to collaborate on current and future City of Tuscaloosa projects.	March 20	6-8 p.m.

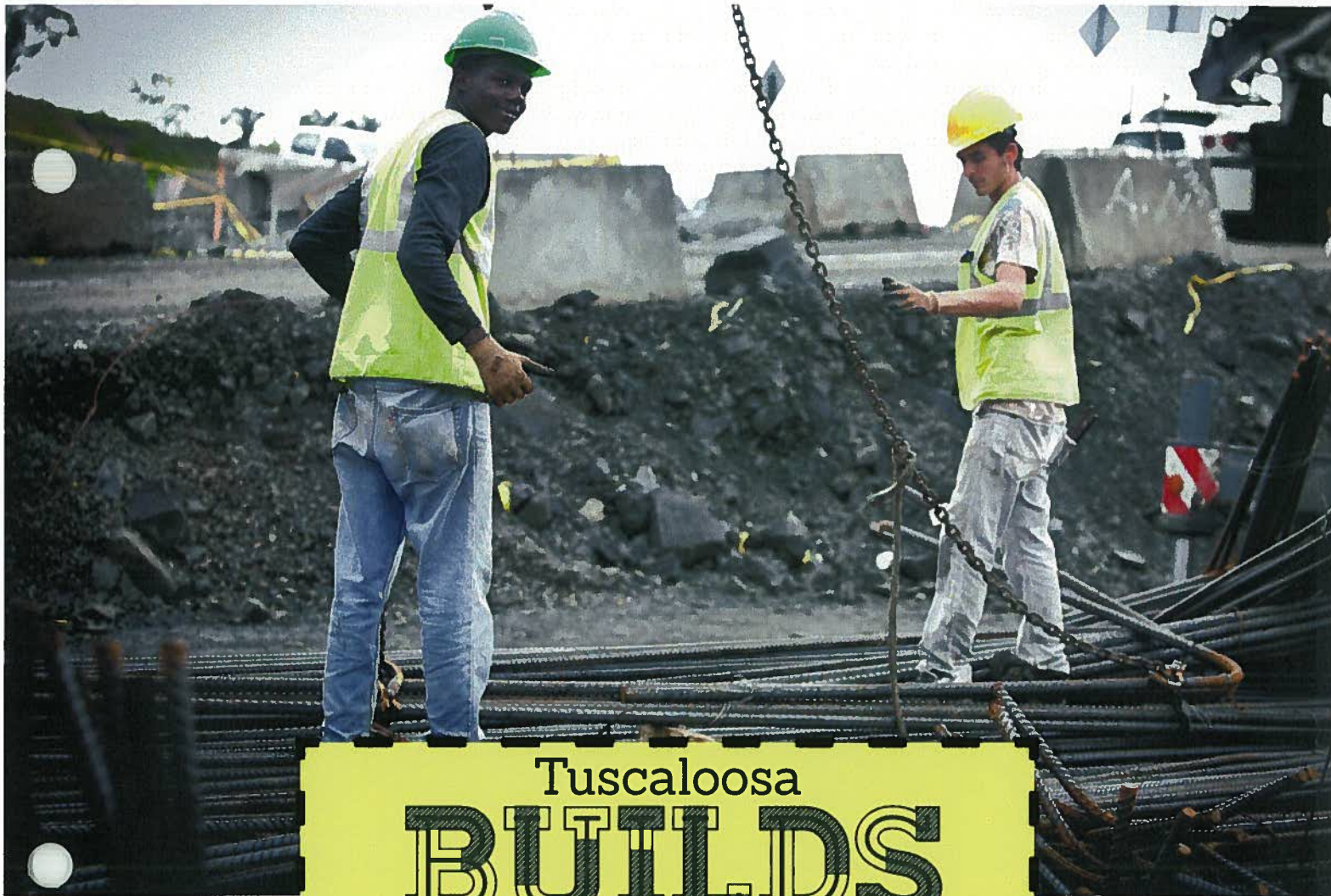
Information Sessions will be held in Council Chambers at City Hall:
2201 University Blvd.

*The Networking Session will be held at the McDonald Hughes Center:
3101 Martin Luther King Jr Blvd.

Call 205-324-6202 for questions or more information.

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Tuscaloosa BUILDS

City of Tuscaloosa Minority Contracting
Participation and Inclusion Program

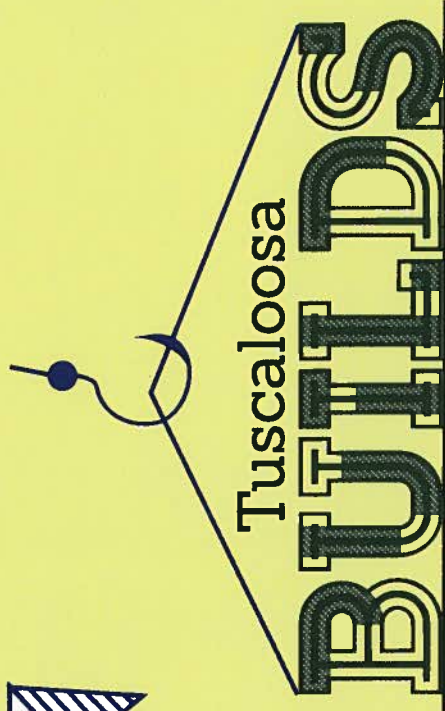
Program Goals: To facilitate the development of minority-owned, woman-owned and disadvantaged businesses in Tuscaloosa and build relationships among all contractors; to increase participation of minority-owned, woman-owned and disadvantaged businesses in City projects.

Program	Date	Time
Networking Session: ALL Contractors This session will give all contractors an opportunity to discuss upcoming DR1 and DR2 project opportunities and how best to collaborate on current and future City of Tuscaloosa projects. Location: McDonald Hughes Center: 3101 Martin Luther King Jr Blvd.	March 20	6-8 p.m.



Call 205-324-6202 for questions or more information.





July 17	Contracting Basics
August 21	Bidding & Estimating Made Simple
September 18	Job Supervision, Management & Contract Acctng.
October 16	Construction Drawings & Specifications
November 20	Forming Partnerships & Joint Ventures

3rd THURSDAY each month @ 5th EDGE: 5-7 p.m.

800 22nd Avenue, Tuscaloosa, AL 35401
visit www.tuscaloosarecovery.com for more information

Tuscaloosa **BUILDS**

JOIN US!

Learn more about bidding City projects

Is your business woman-owned, minority-owned or disadvantaged?

Tuscaloosa Builds is a program designed to help you participate in City projects. If you want to learn more about bidding City projects, take advantage of free training sessions or network with other contractors, contact the City of Tuscaloosa at 205-248-5700 or BCIA (contact info listed below) to learn more.

RSVP

Birmingham Construction Industry Authority
BCIA

Downtown Professional Center
2220 University Boulevard, Suite 203
Tuscaloosa, AL 35401

Phone: 205-701-2100 or 205-324-6202

JOIN US!

Tuscaloosa **BUILDS**

FREE Monthly Educational Series for Contractors

7/17/14	Contracting Basics
8/21/14	Bidding & Estimating Made Simple
9/18/14	Job Supervision, Management & Contract Accounting
10/16/14	Construction Drawings & Specifications
11/20/14	Forming Partnerships & Joint Ventures

3RD THURSDAY OF EVERY MONTH 5-7 P.M. @ THE EDGE

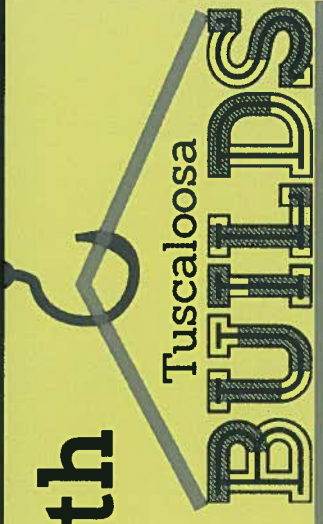
800 22nd Avenue, Tuscaloosa, AL 35401
visit www.tuscaloosarecovery.com for more information

FREE Monthly Training Sessions for Contractors

▶ **3rd Thursday of Every Month**
▶ **5-7 p.m. @ The EDGE**

800 22nd Avenue, Tuscaloosa, AL 35401

Visit www.tuscaloosarecovery.com for more info.



RESOLUTION

RESOLUTION ADOPTING THE CITY'S FIVE-YEAR CONSOLIDATED PLAN FOR COMMUNITY PLANNING & DEVELOPMENT PROGRAMS, FOR PROGRAM YEARS 2015-2019 AND THE ACTION PLAN FOR PROGRAM YEAR 2015 FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM, THE HOME PROGRAM, EMERGENCY SOLUTIONS GRANT PROGRAM AND RELATED PROGRAMS

WHEREAS, the Housing & Community Development Act of 1974, as amended, requires that for each five-year period the City prepare a Five-Year Consolidated Plan for Community Planning & Development Programs; and

WHEREAS, it is also required that each year the City prepare an Action Plan that identifies activities that will be undertaken with Community Development Block Grant, HOME Program, and ESG funds appropriated for that particular program year; and

WHEREAS, the City's Five-Year Consolidated Plan for Program Years 2015-2019 identifies community needs and priorities for meeting those needs, and the Action Plan for Program Year 2015 identifies the projects and programs that have been selected by the City Council to be undertaken with 2015 CDBG, HOME and ESG Program funds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF TUSCALOOSA:

- (1) That said Five-Year Consolidated Plan for Community Planning & Development Programs for Program Years 2015-2019 and the Action Plan for Program Year 2015 be, and they are hereby, adopted as the official Five-Year Consolidated Plan for Community Planning & Development Programs for Program Years 2015-2019 and the official Action Plan for Program Year 2015 for the City of Tuscaloosa; and
- (2) That the Mayor be, and he is hereby, authorized, for and as an act of the City, to execute all certifications and other documents required in relation to submission of said Plans to the U.S. Department of Housing & Urban Development.

ACTIVITIES PROPOSED TO BE FUNDED WITH 2015 COMMUNITY DEVELOPMENT BLOCK GRANT, HOME, AND ESG PROGRAM FUNDS

CDBG FUNDED ACTIVITIES:

Section 108 Loan Repayment- Principal & Interest	\$ 122,461.00
Secret Meals/Brown Bag Program (West AL Food Bank)	\$ 13,000.00

Resolution Prepared by Sherry King

"Safe Haven" Program at the Barnes Branch of the YMCA	\$ 5,000.00
"Meals on Wheels" Program (Community Services Programs of WA)	\$ 13,000.00
Transportation Services for Persons with Disabilities (PATA)	\$ 20,000.00
Music Education Program for Low-Income Children	\$ 7,000.00
Employment of a Case Manager for Big Brother/Big Sisters	\$ 16,000.00
Community Service Learning Activity Program (Family Counseling Service)	\$ 10,000.00
HOPE Initiative Summer Jobs Program (COT)	\$ 20,505.00
Housing Counseling Program (COT)	\$ 10,000.00
CDBG Program Administration and Planning	\$ 152,673.00
Safe Routes TO School Sidewalk Project (COT)	\$ 215,000.00
Downing Place Neighborhood Improvements (COT)	\$ 78,730.00
Economic Development Initiative Program (COT)	\$ 80,000.00

HOME PROGRAM FUNDED ACTIVITIES

CHDO Operating Costs (Community Service Programs of WA)	\$ 14,065.80
CHDO Set Aside (Community Service Programs of WA)	\$ 42,197.40
Community Service Programs – Greenwood Park Homeownership	\$ 60,000.00
Tuscaloosa Housing Authority –Affordable Housing	\$ 179,118.20
HOME Program Administration	\$ 28,132.00

ESG AND OTHER FEDERALLY FUNDED HOUSING ACTIVITIES

Operating costs for shelters for the Homeless (The Salvation Army)	\$ 106,000.00
Operating costs & essential services for the Spouse Abuse Shelter (Turning Point)	\$ 50,000.00
Community Service Programs (Homeless Prevention/Rapid Re-Housing)	\$ 25,000.00
Emergency Solutions Grant Administration	\$ 9,000.00
Public Housing Comprehensive Grant Program	
Repairs to existing units (THA)	\$1,179,442.00
Housing Choice Vouchers (Section 8) (Tuscaloosa Housing Authority)	\$7,520,143.00
Homeless Management Information Systems	\$ 42,000.00

(T/m-y) C-absent
Adopted 3.24.15
Tracy B. Croom
City Clerk

TUSCALOOSA CITY COUNCIL MEETING

AGENDA

March 24, 2015

1. CALL TO ORDER: 6:00 p.m.

Council Prayer Dear God, bless our proceedings today. Give us wisdom to know what is just and the strength to do what is right Amen

Pledge of Allegiance I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all

2. APPROVAL OF MINUTES

Council President Pro Tem: As the Council has received a synopsis of the previous meeting, I move that we dispense with the reading of the minutes of the same unless there are any deletions, additions, or corrections

3. PROCLAMATIONS AND STATEMENTS BY MAYOR AND COUNCIL

Proclamations

- Mayor Maddox will present a proclamation declaring March 26, 2015 to be "Purple Day" in promoting epilepsy awareness

Mayor Announcements

- The Tuscaloosa Regional Air Show is Saturday and Sunday, March 28 and 29 at the Tuscaloosa Regional Airport. The gates open at 10 00 a m each day with the first show beginning at 11 40 a m. Tickets are \$5.00 in advance or \$10 00 at the gate. For more information please visit the website www.tuscaloosaregionalairshow.com or call Tuscaloosa's 3-1-1

Department Announcements

4. AGENDA ITEM COMMENTS BY CITIZENS

Citizens are encouraged to sign in with the City Clerk in order to assure that their comments which relate to a specific agenda item are received prior to the consideration by the City Council of that specific agenda item. Speakers are limited to five (5) minutes each.

5. UNFINISHED BUSINESS

Consenting to the vacation of a portion of a public street/avenue. (12 foot wide public alley being a part of Lot 156 of the McCalla's Street Center Survey of 1891) (tabled 3-10-15 and 2-3-15) (A14-1129) PP5-8

Council Committee Reports

Clerk's Report of Mayor's Veto

- 6. CONSENT AGENDA** (items "a through l") All matters listed on the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion and vote. There will be no separate debate, amendment, or substitution of these items. If the same is desired by the Mayor and/or any member of the Council, upon request made on the record, that item will be removed from the Consent Agenda and considered separately under the regular Order of Business.

- a. Authorizing request for street lighting system modifications. P9
- b. Authorizing execution of Requisition No 34 for payment from the Series 2014A Warrant Issue; total \$450 00 (Bama Concrete) P10
- c. Authorizing utility account credits; total \$3,362.06. P11
- d. Declaring property surplus and authorizing its disposal. PP12-13
- e. Awarding competitive bid(s) to non-low bidder but to lowest responsible bidder meeting specifications for the purchase, etc. of body worn video cameras, total \$74,632 95. (Bid No. 5010-022515-1) P14
- f. Setting April 7 as the date for public hearing on the proposed ordinance to adopt the City's Fats, Oil and Grease (FOG) Management Program manual (A15-0229) PP15-16
- g. Authorizing payment to ServiceMaster in settlement of claim on behalf of 647 Brooksdale Drive; total \$125 00 (15-0049) P17
- h. Authorizing payment to ServiceMaster in settlement of claim on behalf of 3428 50th Street, total: \$125 00. (15-0050) P18
- i. Authorizing payment to Alabama Municipal Insurance Corporation; total \$3,502.32 (14-0425, 14-0426, 14-1427 and 14-0569, Alberto, Devonte and Shaquille Wills and David Duke) P19
- j. Authorizing payment to Michael Jordan Properties in settlement of claim, total \$1,422.45 (15-0028) P20
- k. Approving request and agreement for water service to Munny Sokol North Park soccer fields, total \$25,804.99 P21
- l. Granting permit for Tuscaloosa County Park and Recreation Authority to construct water lines for Munny Sokol Park North soccer fields P22

7. PUBLIC HEARINGS

Adopting Zoning Amendment No. 1319 to amend the text of the Zoning Ordinance Section 24-39 pertaining to location of accessory structures on residential lots. (A15-0100) (introduced 2-17-15) PP23-24

Revoking the business license of A-1 Therapy located at 6570 Highway 69 South, Suite A Tuscaloosa, Alabama. (A15-0178) PP25-27

8. RESOLUTIONS AND ORDINANCES NOT OF A GENERAL NATURE OR PERMANENT OPERATION

Adopting the City's Five Year Consolidated Plan for Community Planning & Development Programs for program years 2015-2019 and the Action Plan for

program year 2015 for the Community Development Block Grant Program, the HOME Program, Emergency Solutions Grant Program and related programs PP28-29

Consenting to the refinancing of property mortgaged through the HOME First-Time Homebuyer Program and subordination of the City's loan on said property, total \$5,000.00 (Rosetta Ingram f/n/a Rosetta I Lee) P30

Amending the resolution that established the Rules of Procedure for conducting City Council meetings (A13-0390) PP31-35

Adopting the 19th amendment to the Fiscal 2013 General Reserve for Future Improvement Fund (A98-0470) PP36-40

Adopting the 24th amendment to the Fiscal 2013 Water and Sewer Reserve for Future Improvement Fund. (A07-0203/A98-0431) PP41-46

Authorizing participation in a traffic enforcement grant ADECA 15-HS-M2-002 project, total up to \$2,000 00. (A15-0367) P47

Authorizing establishing a budget for the Tourism Capital Fund, total \$326,500 00 (A15-0193) P48

Authorizing the Mayor to execute task order directives no. 2 and 3 with Burk-Kleinpeter, Inc for engineering and related services for the Disaster Recovery- Streets Reconstruction Project, total \$630,000 00. (A14-0954) P49

Authorizing a minor public works contract with Simplex Grinnell; total \$6,410.00 (A15-0126) P50

Authorizing the Finance Director to draw drafts for the Beech Hills Sanitary Sewer Repair Project easement acquisitions; total \$3,363 00 (A15-0120, Randall H Smith) P51

Authorizing the Finance Director to draw drafts for the Lift Station 21 Upper Section Improvements Project easement acquisitions, total \$500.00. (A14-0582, Alberta Prewitt) P52

Authorizing a revocable license agreement with FP Tuscaloosa, LLC for Tuscaloosa fire rescue training (A15-0261) P53

If necessary, Council rules of procedure will be suspended at this time.

9. ORDINANCES AND RESOLUTIONS OF A GENERAL NATURE OR PERMANENT OPERATION

FOR INTRODUCTION

**Adopting the 6th amendment to the Fiscal Year 2015 General Fund Budget
(amendment 6-FY15 GF Fund Budget) (may be adopted by unanimous
consent following introduction) PP54-55**

FOR ADOPTION

10. AUDITING ACCOUNTS

Authorizing the payment of bills; total \$59,096.52 P56

11. CITIZEN'S COMMENTS AND OTHER COMMUNICATIONS

12. EXECUTIVE SESSION

13. POLICY IMPLEMENTATION

Mayor: Subject to the exercise of mayoral veto on ordinances of a general nature or permanent operation, all applicable departments are hereby ordered to otherwise implement council policy this date enacted

14. ADJOURN

03/20/2015

Debby K Clements 
Assistant City Clerk

Following each item of business is the page number of the item as it appears in the full agenda presented to council members. Should you have questions about a particular item, you may contact the Office of the City Clerk at (205) 248-5010 or by email to tcroom@tuscaloosa.com or dclements@tuscaloosa.com. Please refer to the page number of the item in question so it can be more quickly accessed.

**SYNOPSIS
TUSCALOOSA CITY COUNCIL MEETING
March 24, 2015**

CONVENED: 6:00 p.m.

MEMBERS PRESENT

Mayor Walt Maddox

President Pro Tem Taylor

Councilmembers Almond, Calderone, Tyner, Pugh and McKinstry

ABSENT

Councilmember Odom

BUSINESS CONDUCTED: All votes are unanimous unless otherwise indicated.

Approved minutes of previous meeting (T/P)

PROCLAMATIONS AND STATEMENTS BY MAYOR AND COUNCIL

Mayor Maddox presented a proclamation declaring March 26, 2015 to be "Purple Day" in promoting epilepsy awareness.

Mayor Maddox announced the Tuscaloosa Regional Air Show is Saturday and Sunday, March 28 and 29 at the Tuscaloosa Regional Airport. The gates open at 10:00 a.m. each day with the first show beginning at 11:40 a.m. Tickets are \$5.00 in advance or \$10.00 at the gate. For more information please visit the website www.tuscaloosaregionalairshow.com or call Tuscaloosa's 3-1-1.

AGENDA ITEM COMMENTS BY CITIZENS

UNFINISHED BUSINESS

Tabled for 7 days the resolution consenting to the vacation of a portion of a public street/avenue. (12 foot wide public alley being a part of Lot 156 of the McCalla's Street Center Survey of 1891) (tabled 8-10-15 and 2-3-15) (A14-1129) (Ty/C; John McConnell with Planning and Development Services gave a brief report on the proposed vacation. Mr. McConnell stated it was the petitioner's desire to table the matter for 7 days. The petitioner was not present to answer questions from the Council. No one else spoke in favor of or in opposition to the vacation.) Note: the item will next be heard on March 31.

CONSENT AGENDA

Item "f" was withdrawn at the request of the City Attorney's office and was reheard under suspended rules.

Approved items "a through e and g through l" on the consent agenda. (T/A)

- a. Authorized request for street lighting system modifications.
- b. Authorized execution of Requisition No 34 for payment from the Series 2014A Warrant Issue; total: \$450.00. (Bama Concrete)
- c. Authorized utility account credits; total: \$3,362.06.
- d. Declared property surplus and authorizing its disposal.
- e. Awarded competitive bid(s) to non-low bidder but to lowest responsible bidder meeting specifications for the purchase, etc. of body worn video cameras; total: \$74,632.95. (Bid No. 5010-022515-1)
- ~~f. Set April 7 as the date for public hearing on the proposed ordinance to adopt the City's Fate, Oil and Grease (FOG) Management Program manual. (A15-0229)~~
- g. Authorized payment to ServiceMaster in settlement of claim on behalf of 647 Brooksdale Drive; total: \$125.00. (15-0049)
- h. Authorized payment to ServiceMaster in settlement of claim on behalf of 3428 50th Street; total: \$125.00. (15-0050)
- i. Authorized payment to Alabama Municipal Insurance Corporation; total: \$3,502.32. (14-0425, 14-0426, 14-1427 and 14-0569; Alberto, Devonte and Shaquille Wills and David Duke)
- j. Authorized payment to Michael Jordan Properties in settlement of claim; total: \$1,422.45. (15-0028)
- k. Approved request and agreement for water service to Munny Sokol North Park soccer fields; total: \$25,804.99.
- l. Granted permit for Tuscaloosa County Park and Recreation Authority to construct water lines for Munny Sokol Park North soccer fields.

PUBLIC HEARINGS

Adopted Ordinance No. 8200 by adopting Zoning Amendment No. 1319 to amend the text of the Zoning Ordinance Section 24-39 pertaining to location of accessory structures on residential lots. (A15-0100) (introduced 2-17-15) (Ty/T; John McConnell with Planning and Development Services gave a brief report concerning the proposed zoning amendment. No one else spoke in favor of or in opposition to the amendment.)

Revoked the business license of A-1 Therapy located at 6570 Highway 69 South, Suite A Tuscaloosa, Alabama. (A15-0178) (M/C; The business owner was not present to answer questions from the Council. No one else spoke in favor of or in opposition to the revocation.)

RESOLUTIONS AND ORDINANCES NOT OF A GENERAL NATURE OR PERMANENT OPERATION

Adopted the City's Five Year Consolidated Plan for Community Planning & Development Programs for program years 2015-2019 and the Action Plan for program year 2015 for the Community Development Block Grant Program, the HOME Program, Emergency Solutions Grant Program and related programs. (T/M)

Consented to the refinancing of property mortgaged through the HOME First-Time Homebuyer Program and subordination of the City's loan on said property; total: \$5,000.00. (Rosetta Ingram f/n/a Rosetta I. Lee) (A/T)

Amended the resolution that established the Rules of Procedure for conducting City Council meetings. (A13-0390) (P/M)

Adopted the 19th amendment to the Fiscal 2013 General Reserve for Future Improvement Fund. (A98-0470) (T/C)

Adopted the 24th amendment to the Fiscal 2013 Water and Sewer Reserve for Future Improvement Fund. (A07-0203/A98-0431) (P/M)

Authorized participation in a traffic enforcement grant ADECA 15-HS-M2-002 project; total: up to \$2,000.00. (A15-0367) (T/P)

Authorized establishing a budget for the Tourism Capital Fund; total: \$326,500.00. (A15-0193) (C/A)

Authorized the Mayor to execute task order directives no. 2 and 3 with Burk-Kleinpeter, Inc. for engineering and related services for the Disaster Recovery-Streets Reconstruction Project; total: \$630,000.00. (A14-0954) (P/T)

Authorized a minor public works contract with Simplex Grinnell; total: \$6,410.00. (A15-0126) (T/A)

Authorized the Finance Director to draw drafts for the Beech Hills Sanitary Sewer Repair Project easement acquisitions; total: \$3,363.00. (A15-0120; Randall H. Smith) (C/A)

Authorized the Finance Director to draw drafts for the Lift Station 21 Upper Section Improvements Project easement acquisitions; total: \$500.00. (A14-0582; Alberta Prewitt) (C/M)

Authorized a revocable license agreement with FP Tuscaloosa, LLC for Tuscaloosa fire rescue training. (A15-0261) (P/C)

The Council suspended the rules of procedure. (Ty/A)

Set April 21 as the date for public hearing on the proposed ordinance to adopt the City's Fats, Oil and Grease (FOG) Management Program manual. (A15-0229) (C/T)

Authorized an amendment to the City's agreement and authorized the Mayor to execute the amendment agreement with Habitat for Humanity of Tuscaloosa Incorporated for the development of affordable housing; total: \$100,000.00. (P/T)

Authorized the approval of a small business revitalization loan application for Adams Heating & Cooling, Inc.; total: \$50,000.00. (C/T)

Authorized the approval of a commercial revolving loan application for Two Monkey LLC; total: \$200,000.00. (M/T)

Authorized the approval of a small business revitalization loan application for Two Monkey, LLC; total: \$20,000.00. (C/Ty)

Selected Magellan and Associates to provide professional services related to technology infrastructure planning. (A14-0955) (P/C)

Authorized petty cash drawers for the 2015 Tuscaloosa Regional Air Show. (A15-0331) (Ty/C)

Adopted the 20th amendment to the Fiscal 2013 General Reserve for Future Improvement Fund. (A98-0470) (P/M)

Amended the budget for the 2014A Warrant Series. (A14-0546) (P/C)

Authorized the Finance Director to draw a draft made payable to Alabama Power Company for utility relocation for the City Walk Improvement Project; total: \$155,278.18. (A15-0328) (Ty/A)

Authorized the Finance Director to draw drafts for the Lift Station 21 Lower Section Improvement Project easement acquisitions; total: \$500.00. (A14-0621; Luella Robinson & Sondra Marie Cox) (P/T)

Tentatively awarded a public works contract to S. T. Bunn Construction Co., Inc. for Runway 11-29 Resurfacing and Marking Improvements Project; total: \$1,199,667.22. (A14-1193) (T/M)

Adopted Ordinance No. 8201 by adopting the 6th amendment to the Fiscal Year 2015 General Fund Budget (amendment 6-FY15 GF Fund Budget) (introduction, P/C; unanimous, T/C)

The Council returned to the regular agenda.

ORDINANCES AND RESOLUTIONS OF A GENERAL NATURE OR PERMANENT OPERATION

FOR INTRODUCTION

This item was previously heard under suspended rules.

FOR ADOPTION

AUDITING ACCOUNTS

Authorized the payment of bills; total: \$59,096.52. (T/C)

CITIZENS' COMMENTS AND OTHER COMMUNICATIONS

POLICY IMPLEMENTATION BY MAYOR:

"Subject to the exercise of mayoral veto on ordinances of a general nature or permanent operation, all applicable departments are hereby ordered to otherwise implement council policy this date enacted."

ADJOURNED 6:21 p.m. (Ty/T)

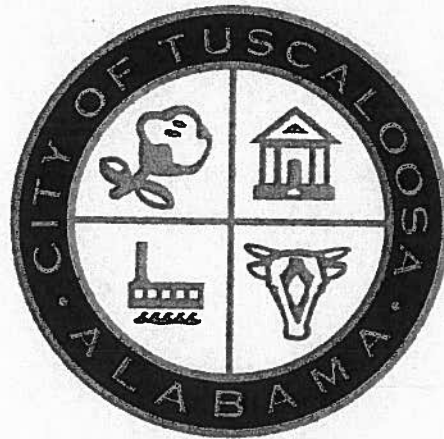
Tracy B. Croom
City Clerk



Following each item of business are the initials of the Councilmember who introduced the item and the Councilmember who seconded the matter: O-Odom, T-Taylor, A-Almond, C-Calderone, Ty-Tyner, P-Pugh, M-McKinstry. Only "No" votes are distinguished.

City of Tuscaloosa

Tuscaloosa, Alabama



CONSOLIDATED PLAN

for

**Community Planning &
Development Programs**

2015-2019

Office of Federal Programs

Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

Since 1995, Entitlement Cities which annually receive funds under the Community Development Block Grant (CDBG) the Home Investment Partnerships (HOME), the Emergency Shelter Grant (ESG), the Housing Opportunities for Persons with AIDS (HOPWA) Programs have been required by the U.S. Department of Housing and Urban Development to prepare a Consolidated Plan for Community Planning & Development Programs for each five-year time period. The American Dream Program was added in 2004. The City of Tuscaloosa's first Consolidated Plan was completed in 1995 for Program Years 1995 through 1999, the second Consolidated Plan addressed Program Years 2000 through 2004, the third Consolidated Plan addressed Program Years 2005-2009, and the fourth Consolidated Plan addressed Program Years 2010-2014. This document is the City's fifth Consolidated Plan for Program Years 2015 through 2019.

The Consolidated Plan identifies the City's housing and non-housing needs over a five year period, assigns priorities to each of the needs and sets out a strategy for meeting those needs. This "Consolidated Plan" primarily addresses the housing needs of low, very low and extremely low-income persons. Needs are also addressed for public services for low-income persons and for physical improvements in low-income geographic areas of the City. This "Consolidated Plan" should not be considered a complete listing of all housing and non-housing community development needs in the City. Rather, it includes only those activities eligible for funding under the CDBG, HOME and ESG Programs and other housing assistance programs.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

As an Entitlement City for the CDBG and the HOME Programs, the City of Tuscaloosa has developed this fourth Consolidated Plan in order to address the following goals established for these programs by the Department of Housing and Urban Development:

Provide decent housing. To assist homeless persons in obtaining appropriate housing and assist those at risk of homelessness, retain the affordable housing stock, increase availability of permanent housing that is affordable to low-income Americans without discrimination on the basis of race, color, religion,

sex, national origin, familial status or disability, and increase the supply of supportive housing which combines structural features and services to enable persons with special needs to live with dignity and independence.

Provide a suitable living environment. To create a suitable living environment for low and moderate-income persons by improving the safety and livability of neighborhoods, increasing access to quality facilities and services, reducing isolation of income groups within an area through deconcentration of housing opportunities and revitalization of deteriorating neighborhoods, restoring and preserving properties of special value for historic, architectural or aesthetic reasons, and conserving of energy resources.

Expand economic opportunities. To create jobs available to low-income persons, to provide access to credit for development activities that promote long-term economic and social viability of the community, and to empower low-income persons to achieve self-sufficiency.

The three national objectives of the Community Development Block Grant Program are to provide benefits to low and moderate-income persons, to prevent or eliminate slums and blight and to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs. In the past, Former President Bush established two goals for the Consolidated Plan programs. Those goals were to end chronic homelessness by 2012 and to increase minority homeownership. Accordingly, President Barack Obama has recently added to those goals and illustrated his administration's responsibility in reaching those goals.

3. Evaluation of past performance

In the implementation of its CDBG, HOME, and ESG programs, the City of Tuscaloosa takes various initiatives to ensure success in meeting Consolidated Plan objectives and addressing community need. The City expended over 92% of its allocation on activities benefiting low and moderate income persons. The City involves the public in its programs by conducting extensive public involvement and complying with citizen participation requirements. Additionally, the City coordinates with various non-profit and other local organizations in the implementation of its programs to ensure funding has the greatest impact in addressing needs. During PY 2014, COT expended over \$1,000,000.00 on activities meeting its strategic plan objectives of providing decent housing, emergency shelter, providing a suitable living environment, and creating economic opportunity. Lack of funding makes it difficult to address all strategic plan objectives in one program year. As a result, Tuscaloosa funds high priority projects to the extent possible.

4. Summary of citizen participation process and consultation process

The City's Citizen Participation Plan (CPP), as revised in April 2013, has been carefully followed during the development of this fifth Consolidated Plan for Program Years 2015 - 2019. The CPP provides

residents, agencies and organizations in Tuscaloosa with the opportunity to participate in planning, implementing and assessing the CDBG and the HOME programs.

Four public meetings were held to solicit comments, recommendations and project proposals concerning housing and non-housing needs and programs. The meetings were held at the following times at the referenced locations:

- Monday, November 3rd at 1:00 P.M. at the City Council Chamber in City Hall @ 2201 University Boulevard
 - Wednesday, November 5th at 5:00 P.M. at the City Council Chamber in City Hall @ 2201 University Boulevard
 - Monday, March 2nd at 10:00 A.M. at the City Council Narashino Room in City Hall @ 2201 University Boulevard
 - Tuesday, March 3rd at 5:30 P.M. at the City Council Narashino Room in City Hall @ 2201 University Boulevard
- The public meetings were advertised in The Tuscaloosa News on November 20, 2014 and February 26, 2015. Prior to the meetings, emails/letters were sent to the directors or representatives of various agencies notifying them of the meetings and requesting that they provide a list of services that their particular agency provided to low-income persons and a listing of needs for the Consolidated Plan time period. Also, six staff persons in City departments that manage infrastructure projects were requested to provide a listing of such projects that needed to be undertaken in low-income neighborhoods. Although attendance at the Consolidated Plan meetings was sparse, it has been the City's experience that many agencies and individuals will hand deliver/mail project/program requests rather than attend a public meeting to submit them. Also, many individuals and agencies called or visited the Office of Federal Programs (OFP) to obtain information about the CDBG and HOME Programs and assistance in completing a proposal. On March 6, 2015 the City published in The Tuscaloosa News a summary of the proposed Five-Year Consolidated Plan for 2015-2019 and the 2015 One-Year Action Plan for the City of Tuscaloosa, Alabama. The summary was also placed on the City of Tuscaloosa's website for viewing by the public. The summary notice indicated that both proposed plans were available for public review in the City's OFP at City Hall and the Tuscaloosa Public Library and that all comments concerning the proposed plans must be submitted to the Office of Federal Programs by 5:00 p.m. on March 27, 2015. The CPP provides for a future public hearing to be held prior to the submission of the City's Consolidated Annual Performance & Evaluation Report (CAPER) for the CDBG and HOME Programs Plan to inform citizens of the City's progress during the past program year. This hearing will be held prior to June 30, 2015. A copy of the CPP is available for review in OFP.

5. Summary of public comments

The summary of public comments can be found under the Citizen Participation Plan.

6. Summary of comments or views not accepted and the reasons for not accepting them

Consolidated Plan

TUSCALOOSA

4

N/A

7. Summary

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	TUSCALOOSA	Office of Federal Programs
HOME Administrator	TUSCALOOSA	Office of Federal Programs

Table 1 – Responsible Agencies

Narrative

The City of Tuscaloosa Office of Federal Programs is responsible for preparing a Five-year Consolidated Plan and an Annual Action Plan for its grant programs funded through the U.S. Department of Housing and Urban Development (HUD). The City of Tuscaloosa is responsible for developing and monitoring a citizen participation plan. The Citizen Participation Plan can be found as an attachment to this ConPlan document. The City of Tuscaloosa is a HUD Entitlement City and receives CDBG, HOME, and CDBG-DR funding. The City receives ESG funding from the State of Alabama. The City's Office of Federal Programs is the lead agency for the administration of the CDBG, HOME, and ESG funds. The City's Recovery Operations Department is the lead agency for the CDBG-DR funding.

Consolidated Plan Public Contact Information

The City of Tuscaloosa

Office of Federal Programs - LaParry Howell, Director

P.O. Box 2089

Tuscaloosa, AL 35403

PR-10 Consultation - 91.100, 91.200(b), 91.215(I)

1. Introduction

During the development of this Consolidated Plan, the City of Tuscaloosa consulted with adjacent units of local government to discuss projects which occur at jurisdictional boundaries and to prevent duplication of services and facilities throughout the area. The Office of Federal Programs met with officials and staff members of the City of Northport, Tuscaloosa County, and the West Alabama Regional Commission to discuss housing and non-housing needs throughout Tuscaloosa, Northport, and the remainder of Tuscaloosa County. The City of Tuscaloosa has also provided input to the Alabama Department of Economic and Community Affairs on existing needs within the City of Tuscaloosa which might be addressed in the State Consolidated Plan.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).

In prior years, residents representing all aspects of the Tuscaloosa Community came together to come up with a shared vision for the future of Tuscaloosa and a new "Comprehensive Plan" to guide known as the "Tuscaloosa 2020 - A Consensus Strategic Plan". In addition to meeting with these units of local government, the Office of Federal Programs (OFP) has ongoing contact with local governments and government agencies in the following ways: The City is a member of the Metropolitan Planning Organization, which is the organization comprised of local government officials and whose purpose is to prioritize transportation needs within the urban area of Tuscaloosa County. The Director of Planning and Development Services (PDS) Services is a member of The University of Alabama Master Plan Committee. In addition to this contact, the City of Tuscaloosa coordinates with The University of Alabama concerning transportation, zoning, development, infrastructure, and other important issues. The City of Tuscaloosa coordinates with the Tuscaloosa County Planning and Community Development Department and the City of Northport's Planning Department concerning comprehensive planning and the future implementation of zoning, subdivision regulations, and building inspection services. The City holds pre-design conferences for new and updated subdivision preliminary plats. In addition to City staff; the pre-design conferences are attended by the Tuscaloosa County Engineer, the Tuscaloosa County Health Department, and the County Planning and Community Development Director. The City partially funds the Tuscaloosa County Industrial Development Authority and assists them in securing industries by providing necessary public infrastructure. The City also works with the West Alabama Chamber of Commerce in securing new businesses in the City and thus new jobs for poverty level persons. For the past 18 years, the City has assisted The Salvation Army and Turning Point through the Emergency Solutions Grants Program by providing funds to prevent homelessness, to pay operating costs for the shelters for the homeless. In prior years, the City provided funds under the Community Development Block Grant Program and the HOME Program to assist this organization

(through a non-profit entity) to purchase land and to construct a new emergency and transitional shelter for homeless families. The City has provided funds to Community Service Programs of West Alabama, Inc. to deliver meals to very low-income persons. The City's Housing Counseling Program directly coordinate activities with public and private employment services and other agencies and private businesses to seek employment opportunities for their clients or to make direct referrals to available jobs. The City has on-going contracts with several local social service agencies such as Community Service Programs of West Alabama, Inc., FOCUS on Senior Citizens, West Alabama Food Bank, Tuscaloosa Transit Authority. OFP works directly with employees of the above mentioned agencies, as well as the Tuscaloosa Housing Authority, the Board of Education, and Indian Rivers Mental Health in carrying out housing assistance projects.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The concept of a Continuum of Care relates to the community care system available to assist a homeless person in transitioning from being homeless to permanent housing. Community-wide planning and coordination among homeless service providers and mainstream service providers is important if individuals are to get the help they need and eventually leave homelessness. The Continuum of Care is composed of representatives from member organizations or agencies from both public and private sectors that provide services to homeless people in the Tuscaloosa area as well as other interested individuals, such as members of churches, business leaders and homeless and formerly homeless individuals. This group functions as the Advisory Council on homeless issues for the Mayor of the City of Tuscaloosa, Alabama, and for the Probate Judge, Chairman of the County Board of Commissioners for Tuscaloosa County. The City of Tuscaloosa, Office of Federal Programs is one of the lead entities providing the day-to-day coordination of WACH. The City's HMIS Administrator currently serves as the Chair of the Continuum and the Salvation Army, Veterans Transitional Living Coordinator currently services as the Co-Chair. The mission of the group is to bring homeless service providers, consumers, interested citizens, businesses, churches, organizations and local governmental entities together to assess the needs of the homeless and to help homeless people regain their mental and physical health, rebuild meaningful interpersonal relationships including family reunification, secure gainful employment and stable housing, and ultimately to return to their rightful place in society as respected, productive citizens.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

The Continuum of Care works to increase resources directed to prevention efforts as the primary defense against homelessness. Through this initiative, the Continuum will *expand the breadth of current efforts, increase their immediate accessibility, and improve their long-term effectiveness*. To expand the breadth of current efforts, we will:

- Increase linkage to permanent housing and services for persons leaving institutions.
- Increase interagency coordination in services that provide short term or transitional financial assistance and housing counseling services in order to avert eviction or foreclosure.
- Obtain and review discharge policies established by the Department of Corrections, Pardons and Parole Board, Department of Veterans Affairs, Department of Mental Health, and local hospitals, and jails.
- Provide support and serve as a point of contact for agencies developing discharge plans.
- Coordinate with the Veterans Integrated Service Network (VISN 7) at the Tuscaloosa VA Medical Center to facilitate discharge planning for veteran re-entry from prison or jail.

To increase the immediate accessibility of services, we will:

- Initiate a media campaign to educate the community about the 2-1-1 and 3-1-1 information and referral line.
- Coordinate with these referral systems so that accurate, informative, and up to date information is dispersed to those in need or in crisis, especially for after-hours calls.
- Compile and updated resource directory for the administrators of 2-1-1 and 3-1-1.
- Identify area agencies who participate in homeless prevention services such as mortgage, rental, and/or utility assistance, food, clothing, and shelter.
- Gather application criteria and procedures from all participating agencies.
- Coordinate with mental health court case manager and therapist to prevent ¹incarceration of mentally ill for minor offenses in order to prevent decompensation while incarcerated or ²prevention of release directly into homelessness for punishable offenses.

To improve the long term effectiveness of prevention strategies, we will:

- Link households participating in one time prevention programs to ongoing community resources to support their sustainability.
- Utilize the Homeless Management Information System (HMIS) within the community to integrate services, promote system wide communication, and report outcomes.
- Actively recruit agencies within the community to utilize HMIS for continued cross-system collaboration.
- The HMIS administrator will ensure that all HMIS participating agencies are actively and accurately inputting data into the system in a timely fashion.

For those already experiencing homelessness or for whom homelessness is unavoidable, we will employ a rapid-rehousing strategy. Rapid-rehousing is designed to assist the homeless in exiting homelessness

quickly, with the proper support systems in place to help maintain stability and promote self-sufficiency. The primary goal of rapid rehousing is getting the homeless off the streets, *then* incorporating services to ensure future success. Thus, this method assumes that the contributing factors to homelessness can be addressed once the individual or family is safely rehoused. While we understand that most families will possess the ability to maintain stable housing and remain self-sufficient with necessary remediation and short term support, we also understand that this is not a realistic expectation for everyone. We accept that there will be households unable to maintain stable housing without long term, even lifelong support.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	THE SALVATION ARMY
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	N/A
2	Agency/Group/Organization	COMMUNITY SERVICE PROGRAM OF WEST ALABAMA, INC
	Agency/Group/Organization Type	Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Employment Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	N/A
3	Agency/Group/Organization	BIG BROTHERS, BIG SISTERS OF TUSCALOOSA CO., INC.
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	

4	Agency/Group/Organization	Caring Days Adult Day Care
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
5	Agency/Group/Organization	FOCUS ON SENIOR CITIZENS OF TUSCALOOSA COUNTY, INC
	Agency/Group/Organization Type	Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
6	Agency/Group/Organization	Family Counseling Service of Tuscaloosa County
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	
7	Agency/Group/Organization	Habitat for Humanity of Tuscaloosa
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	

8-	Agency/Group/Organization	Tuscaloosa Housing Authority
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Public Housing Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	West Alabama Coalition for the Homeless (WACH)	

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(I))

In prior years, residents representing all aspects of the Tuscaloosa Community came together to come up with a shared vision for the future of Tuscaloosa and a new "Comprehensive Plan" to guide known as the "Tuscaloosa 2020 - A Consensus Strategic Plan". In addition to meeting with these units of local government, the Office of Federal Programs (OFP) has ongoing contact with local governments and government agencies in the following ways: The City is a member of the Metropolitan Planning Organization, which is the organization comprised of local government officials and whose purpose is to prioritize transportation needs within the urban area of Tuscaloosa County. The Director of Planning and Development Services (PDS) Services is a member of The University of Alabama Master Plan Committee. In addition to this contact, the City of Tuscaloosa coordinates with The University of Alabama concerning transportation, zoning, development, infrastructure, and other important issues. The City of Tuscaloosa coordinates with the Tuscaloosa County Planning and Community Development Department and the City of Northport's Planning Department concerning comprehensive planning and the future implementation of zoning, subdivision regulations, and building inspection services. The City holds pre-design conferences for new and updated subdivision preliminary plats. In addition to City staff; the pre-design conferences are attended by the Tuscaloosa County Engineer, the

Tuscaloosa County Health Department, and the County Planning and Community Development Director. The City partially funds the Tuscaloosa County Industrial Development Authority and assists them in securing industries by providing necessary public infrastructure. The City also works with the West Alabama Chamber of Commerce in securing new businesses in the City and thus new jobs for poverty level persons. For the past 18 years, the City has assisted The Salvation Army and Turning Point through the Emergency Solutions Grants Program by providing funds to prevent homelessness, to pay operating costs for the shelters for the homeless. In prior years, the City provided funds under the Community Development Block Grant Program and the HOME Program to assist this organization (through a non-profit entity) to purchase land and to construct a new emergency and transitional shelter for homeless families. The City has provided funds to Community Service Programs of West Alabama, Inc. to deliver meals to very low-income persons. The City's Housing Counseling Program directly coordinate activities with public and private employment services and other agencies and private businesses to seek employment opportunities for their clients or to make direct referrals to available jobs. The City has on-going contracts with several local social service agencies such as Community Service Programs of West Alabama, Inc., FOCUS on Senior Citizens, West Alabama Food Bank, Tuscaloosa Transit Authority. OFP works directly with employees of the above mentioned agencies, as well as the Tuscaloosa Housing Authority, the Board of Education, and Indian Rivers Mental Health in carrying out housing assistance projects.

Narrative (optional):

PR-15 Citizen Participation

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The City's Citizen Participation Plan (CPP), as revised in April 2013, has been carefully followed during the development of this fifth Consolidated Plan for Program Years 2015 - 2019. The CPP provides residents, agencies and organizations in Tuscaloosa with the opportunity to participate in planning, implementing and assessing the CDBG and the HOME programs.

Four public meetings were held to solicit comments, recommendations and project proposals concerning housing and non-housing needs and programs. The meetings were held at the following times at the referenced locations:

- Monday, November 3rd at 1:00 P.M. at the City Council Chamber in City Hall @ 2201 University Boulevard
 - Wednesday, November 5th at 5:00 P.M. at the City Council Chamber in City Hall @ 2201 University Boulevard
 - Monday, March 2nd at 10:00 A.M. at the City Council Narashino Room in City Hall @ 2201 University Boulevard
 - Tuesday, March 3rd at 5:30 P.M. at the City Council Narashino Room in City Hall @ 2201 University Boulevard
- The public meetings were advertised in The Tuscaloosa News on November 20, 2014 and February 26, 2015. Prior to the meetings, emails/letters were sent to the directors or representatives of various agencies notifying them of the meetings and requesting that they provide a list of services that their particular agency provided to low-income persons and a listing of needs for the Consolidated Plan time period. Also, six staff persons in City departments that manage infrastructure projects were requested to provide a listing of such projects that needed to be undertaken in low-income neighborhoods. Although attendance at the Consolidated Plan meetings was sparse, it has been the City's experience that many agencies and individuals will hand deliver/mail project/program requests rather than attend a public meeting to submit them. Also, many individuals and agencies called or visited the Office of Federal Programs (OFP) to obtain information about the CDBG and HOME Programs and assistance in completing a proposal. On March 6, 2015 the City published in The Tuscaloosa News a summary of the proposed Five-Year Consolidated Plan for 2015-2019 and the 2015 One-Year Action Plan for the City of Tuscaloosa, Alabama. The summary was also placed on the City of Tuscaloosa's website for viewing by the public. The summary notice indicated that both proposed plans were available for public review in the City's OFP at City Hall and the Tuscaloosa Public Library and that all comments concerning the proposed plans must be submitted to the Office of Federal Programs by 5:00 p.m. on March 27, 2015. The CPP provides for a future public hearing to be held prior to the submission of the City's Consolidated Annual Performance & Evaluation

Report (CAPER) for the CDBG and HOME Programs Plan to inform citizens of the City's progress during the past program year. This hearing will be held prior to June 30, 2015. A copy of the CPP is available for review in OFP.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Public Meeting	Non-targeted/broad community	There was little to no participation at the public meetings.	There were no comments received at the public meeting.	There were no comments that were not accepted.	
2	Newspaper Ad	Non-targeted/broad community	There were no comments received based on the newspaper ad.	There were no comments received.	There were no comments that were not accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
3	Internet Outreach	<p>Minorities</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>The Office of Federal Programs solicited comments via the City's website and e-mail requests from various agencies concerning housing and non-housing needs in Tuscaloosa and programs which should be implemented to address those needs.</p>	<p>Based on the comments that were received, the following were suggestions from the various agencies and staff that responded to the Office of Federal Programs' request.- There is a need for the development of affordable housing to include homeownership and rental in the Tuscaloosa community.-</p>	<p>There were no comments that were not accepted</p>	<p>http://www.tuscaloosa.com/Government/Departments/Federal-Programs/office-of-federal-programs</p>
OMB Control No: 2506-0117 (exp. 07/31/2015)	Consolidated Plan					17

Table 4 – Citizen Participation Outreach

Needs Assessment

NA-05 Overview

Needs Assessment Overview

Using 2000 and 2010 U. S. Census data, other data obtained by the Office of Federal Programs and data provided by numerous community agencies which work with lower income and disabled persons, the housing needs or problems discussed in this section of the Plan were identified. The housing needs identified in this Plan represent those identified for 2015 or for the present time only. Because these needs are not expected to change significantly in the next few years, an analysis was not completed of housing needs projected to exist five years from now or in any other future time period. Most housing needs are those of low income persons because middle and higher income persons can afford housing which is adequate in size, structurally sound and in a suitable location.

NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

The concept of what constitutes "housing need" has changed over the years. Seventy years ago, most housing units in the United States did not have indoor bathrooms or central heating and cooling systems. By 1970, only 1,222 housing units in the City of Tuscaloosa were considered "plumbing deficient" and in 2000, the number had declined to only 186 out of 34,969 total housing units. In 2010, it is not considered acceptable for any housing unit to be plumbing deficient, for it to have un-vented (unsafe) space heaters or for it to be in substandard structural condition. Of greater concern are the individuals and families who are living in these substandard housing units or paying more than 30 percent of their income for housing costs and thus, living in housing which they cannot afford without sacrificing other necessities of life, or persons living in overcrowded units, or homeless persons who do not have any permanent place of residence. The real housing needs are experienced by these persons.

Demographics	Base Year: 2000	Most Recent Year: 2011	% Change
Population	77,906	89,035	14%
Households	31,602	31,984	1%
Median Income	\$27,731.00	\$34,359.00	24%

Table 5 - Housing Needs Assessment Demographics

Data Source: 2000 Census (Base Year), 2007-2011 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households *	7,070	3,480	5,225	3,150	13,055
Small Family Households *	1,970	970	1,770	1,250	6,939
Large Family Households *	120	265	240	135	515
Household contains at least one person 62-74 years of age	510	685	655	415	2,180
Household contains at least one person age 75 or older	465	450	590	395	1,430
Households with one or more children 6 years old or younger *	1,095	430	545	485	1,055
* the highest income category for these family types is >80% HAMFI					

Table 6 - Total Households Table

Data Source: 2007-2011 CHAS

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	65	15	120	10	210	4	0	0	0	4
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	25	0	4	0	29	0	0	10	0	10
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	55	125	35	35	250	35	40	0	15	90
Housing cost burden greater than 50% of income (and none of the above problems)	4,100	1,040	450	80	5,670	615	400	515	110	1,640
Housing cost burden greater than 30% of income (and none of the above problems)	370	780	1,405	320	2,875	155	300	505	550	1,510

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	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Zero/negative Income (and none of the above problems)	875	0	0	0	875	125	0	0	0	125

Table 7 – Housing Problems Table

Data 2007-2011 CHAS
Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	4,240	1,185	605	125	6,155	645	445	530	125	1,745
Having none of four housing problems	925	1,135	2,750	1,425	6,235	255	720	1,340	1,480	3,795
Household has negative income, but none of the other housing problems	875	0	0	0	875	125	0	0	0	125

Table 8 – Housing Problems 2

Data 2007-2011 CHAS
Source:

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,355	530	565	2,450	170	235	550	955
Large Related	35	175	80	290	50	60	39	149
Elderly	305	225	125	655	305	380	320	1,005

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Other	2,875	1,020	1,185	5,080	260	69	130	459
Total need by income	4,570	1,950	1,955	8,475	785	744	1,039	2,568

Table 9 – Cost Burden > 30%

Data 2007-2011 CHAS
Source:

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,250	335	155	1,740	130	180	260	570
Large Related	35	140	0	175	30	60	4	94
Elderly	215	80	65	360	235	140	165	540
Other	2,700	570	270	3,540	235	65	90	390
Total need by income	4,200	1,125	490	5,815	630	445	519	1,594

Table 10 – Cost Burden > 50%

Data 2007-2011 CHAS
Source:

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	45	125	35	0	205	0	0	10	15	25
Multiple, unrelated family households	0	0	19	35	54	35	40	0	0	75
Other, non-family households	35	0	0	0	35	0	0	0	0	0
Total need by income	80	125	54	35	294	35	40	10	15	100

Table 11 – Crowding Information – 1/2

Data 2007-2011 CHAS
Source:

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	0	0	0	0	0	0	0	0

Table 12 – Crowding Information – 2/2

Data Source
Comments:

Describe the number and type of single person households in need of housing assistance.

According to the 2015 Point in Time Count, 56 unsheltered single adults were homeless in Tuscaloosa County and 49 sheltered single adults were homeless in Tuscaloosa County, for a total of 105 single person households. With respect to the unsheltered single households, 64 percent were male and 36 percent were female and 51 percent were black and 49 percent were white. Of sheltered single households, 67 percent were male and 33 percent were female. Additionally, of those whose race was identified, 18.4 percent were identified as black and 47 percent were identified as white. Nearly all were identified as non-Hispanic or Latino.

In addition, it should also be mentioned that based on CHAS data on crowding in single family households, that there is an issue with crowding in rental households especially at 50% and below the AMI.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Some persons are in need of supportive housing that means housing units or group housing that has a supportive environment and includes planned services. Supportive services may include child care, transportation, education, job training, medication management, behavioral management, substance abuse treatment, counseling, life skills education, parenting classes, money management, household management, and other appropriate services.

Persons in need of supportive housing or services include the severely mentally ill, physically handicapped persons, elderly persons, persons with alcohol or drug addiction problems and persons with HIV or AIDS.

The City of Tuscaloosa contains an unusually high number of persons with mental, developmental, and/or physical disabilities due to the presence Bryce Hospital for the mentally ill, Partlow Developmental Center, a U. S. Veteran's Administration Hospital and the West Alabama Rehabilitation Center. According to Alabama Department of Mental Health, in 2013, a total of 766 consumers were served at Bryce Hospital and 694 consumers were served at North Alabama Regional Hospital, which will be closing its doors by June of 2015. Prior to this, two other hospitals, Greil Memorial Psychiatric Hospital in Montgomery and Searcy Hospital in Mt. Vernon, closed their doors to consumers in 2012. The state of Alabama is now left with only one facility, Bryce Hospital, with a mere 268 beds, to serve the entire population of severely mentally ill individuals in need of services. Following the state's promise to file consumers previously deemed appropriate for long term, inpatient psychiatric services into community based care through the "least restrictive environment," the state has announced a 15 percent cut in Mental Health's General Fund appropriation. According to Alabama's Mental Health Commissioner, Jim Reddoch, the 15.8 million in general fund cuts would reduce the agency's state and federal funding by 52.7 million. This cut would force those in community based care back into institutional settings, which as previously stated, no longer exist.

What are the most common housing problems?

Some of the most common housing problems are housing affordability, tenant education, job stability, and resources for single parents, especially those with small children.

Are any populations/household types more affected than others by these problems?

Households with school-aged children, especially those headed by only one parent or guardian are deeply affected by these challenges. As of January 2015, 314 pre-K through 12th grade students met criteria for McKinney-Vento status in the Tuscaloosa City School system. These students represent 41 percent of the total homeless population assessed during the 2015 Point in Time Survey. This does not represent students who meet McKinney-Vento criteria in Tuscaloosa County Schools. Additionally, the students identified in the most recent survey are associated with 143 parents or guardians and 46 siblings or other family members in the home who are not school aged, for a total of 503 people.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

<p style="margin: 0in 0in 10pt; text-align: justify;">As previously stated, low-income families with children tend to be single parent households of primarily African American women. Families need help with transportation, after school care, day care for non-school aged children and during the summer months, job training and opportunities, and affordable housing options outside of the limited Section 8 and project-based housing. Many families with children do not have the resources, financially or otherwise, to face a crisis. Many times, even small crisis push these families into poverty and homelessness. For instance, if a single parent becomes ill and has to miss work for any amount of time or has to have even a minor surgery, he or she will immediately be behind on rent and other necessities, even food. Formerly homeless families often face the same types of challenges. Facing the issues that trap people into the cycle of poverty and homelessness often takes many, many years and even generations to break. The formerly homeless continue to need job resources and education, help with money and resource management, counseling services, childcare, food assistance, drug and alcohol treatment and support, medication assistance, and countless other community supports.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

N/A

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

Housing characteristic that have been linked with instability and homelessness include being low-income or in poverty, previous family history, mental illness, substance abuse/addiction, dual diagnosis, disability, domestic violence, and those with a criminal history and/or felony conviction(s).

Discussion

NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

The following tables show the number of households with disproportionately greater needs for all housing problems, severe housing problems, and cost burden. A disproportionately greater need exists when the members of racial or ethnic group at a given income level experience housing problems at a greater rate (10 percentage points or more) than the income level as a whole. In the first two sections (NA-15 and NA-20) housing problems are defined as:

- Lacking complete kitchen facilities
- Lacking complete plumbing facilities
- More than one person per room
- Housing costs more than 30% of household income

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	5,415	660	995
White	2,675	270	635
Black / African American	2,465	360	295
Asian	85	0	45
American Indian, Alaska Native	25	0	0
Pacific Islander	0	0	0
Hispanic	140	15	0

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,710	775	0
White	1,045	305	0
Black / African American	1,605	440	0
Asian	20	20	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	15	10	0

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,045	2,180	0
White	1,475	945	0
Black / African American	1,505	1,095	0
Asian	10	35	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	15	100	0

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,120	2,035	0
White	380	1,075	0
Black / African American	675	825	0
Asian	0	65	0
American Indian, Alaska Native	10	0	0
Pacific Islander	0	0	0
Hispanic	55	35	0

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Discussion

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205

(b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	4,890	1,185	995
White	2,395	550	635
Black / African American	2,220	605	295
Asian	85	0	45
American Indian, Alaska Native	25	0	0
Pacific Islander	0	0	0
Hispanic	140	15	0

Table 17 – Severe Housing Problems 0 - 30% AMI

Data Source: 2007-2011 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,630	1,855	0
White	585	765	0
Black / African American	1,005	1,045	0
Asian	0	35	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	15	10	0

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OMB Control No: 2506-0117 (exp. 07/31/2015)

Table 18 – Severe Housing Problems 30 - 50% AMI

Data Source: 2007-2011 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,135	4,090	0
White	625	1,795	0
Black / African American	485	2,115	0
Asian	0	50	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	0	115	0

Table 19 – Severe Housing Problems 50 - 80% AMI

Data Source: 2007-2011 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	245	2,905	0
White	130	1,325	0
Black / African American	75	1,430	0
Asian	0	65	0
American Indian, Alaska Native	10	0	0
Pacific Islander	0	0	0
Hispanic	35	60	0

Table 20 – Severe Housing Problems 80 - 100% AMI

Data Source: 2007-2011 CHAS

***The four severe housing problems are:**

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Discussion

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	5,785	4,515	7,585	1,040
White	10,480	2,394	3,815	630
Black / African American	6,400	2,900	3,585	340
Asian	305	45	105	45
American Indian, Alaska Native	15	0	30	0
Pacific Islander	0	0	0	0
Hispanic	465	40	150	0

Table 21 – Greater Need: Housing Cost Burdens AMI

Data Source: 2007-2011 CHAS

Discussion:

NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

CHAS data demonstrates that none of the groups represented in the tables above show disproportionately greater needs that are at least 10 percentage points higher than the percentage of persons in the category as a whole.

The race/ethnicity with the highest percentage of housing problems and severe housing problems at the

0-30% and 30-50% range is White followed closely by Black/African American. For housing problems and severe housing problems at the 50-80% range, Black/African American had the highest percentage and for the 80-100% range Black/African American represented the highest percentage.

For housing cost burden at all ranges, the race/ethnicity with the highest percentage are as follows:

0-30% - White

30-50% - Black/African American

50-80% - White followed closely by Black/African American

This is consistent with population trends in the City of Tuscaloosa as 54.3% of the population is White, 43% of the population is Black/African American, 4% is Hispanic, and 2.8% is Asian. This indicates that if there were a racial or ethnic group that has a disproportionately greater need than the needs of the jurisdiction as a whole; it would be Whites and Black/African Americans. Most occupied housing in

Tuscaloosa (owner or rental) is occupied by these race/ethnicities. Native American, Native Hawaiian and other Pacific Islander, and other races make up barely combined 1% of the population.

If they have needs not identified above, what are those needs?

The data reported represents the areas of need. Often times, areas of racial/ethnic concentrations overlap with CDBG target areas. This is the case in the City of Tuscaloosa. Typically the needs that the City of Tuscaloosa has in these target areas includes housing rehabilitation to maintain the affordable housing stock and neighborhood revitalization needs such as street improvements and infrastructure improvements to provide suitable living environments.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

All races and ethnicities in the data tables are represented in the targeted neighborhoods in the City of

Tuscaloosa. Maps showing racial/ethnic, minority, and low income concentrations in the City of Tuscaloosa have been provided as attachments to this plan.

Characteristics of Residents

	Program Type						
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher
				Total	Project - based	Tenant - based	
Average Annual Income	0	0	11,418	11,737	0	11,738	11,315
Average length of stay	0	0	6	5	0	5	0
Average Household size	0	0	2	2	0	2	1
# Homeless at admission	0	0	0	20	0	1	19
# of Elderly Program Participants (>62)	0	0	206	97	0	89	7
# of Disabled Families	0	0	217	319	0	301	15
# of Families requesting accessibility features	0	0	892	1,022	0	972	45
# of HIV/AIDS program participants	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

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Race of Residents

Program Type									
Race	Certificate	Mod- Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	29	87	0	67	18	0	0
Black/African American	0	0	862	933	0	903	27	0	0
Asian	0	0	1	1	0	1	0	0	0
American Indian/Alaska Native	0	0	0	1	0	1	0	0	0
Pacific Islander	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Data Source: PIC (PIH Information Center)

Table 24 – Race of Public Housing Residents by Program Type

Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	4	16	0	15	1	0	0
Not Hispanic	0	0	888	1,006	0	957	44	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 25 – Ethnicity of Public Housing Residents by Program Type

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Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

Section 504 provides that no qualified individual with a disability should, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Tuscaloosa Housing Authority applies for funds under the Public Housing Comprehensive Grant Program - Repairs to Existing Units and Housing Choice Vouchers to address the issues of tenants and applicants requiring accessible units.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

There are over 1,500 people on the waiting list for public housing and section 8 tenant-based rental assistance. The majority of the families are classified as Black and very low income. The Tuscaloosa community is in desperate need of additional section 8 vouchers and public housing units.

How do these needs compare to the housing needs of the population at large

Using 2000 and 2010 U. S. Census data, other data obtained by the Office of Federal Programs and data provided by numerous community agencies which work with lower income and disabled persons, the housing needs or problems discussed in this section of the Plan were identified. The housing needs identified in this Plan represent those identified for 2010 or for the present time only. Because these needs changed drastically after the April 2011 natural disaster, a housing need analysis of affordable housing was conducted that identified a 1200 to 1800 opportunity range. The opportunity range includes accommodating for some former residents in the Storm Impact Area, that due to a loss of their homes are now financially challenged to secure comparable replacement housing. Most housing needs are those of low income persons because middle and higher income persons can afford housing which is adequate in size, structurally sound and in a suitable location.

Discussion

Table 22 contains information on the total unit vouchers in use in the City of Tuscaloosa by type of program and by program type. There were 1,914 households receiving rental assistance (892 under project based programs and 972 under tenant based assistance programs).

The housing units leased under the Section 8 Rental Subsidy Program have to meet the Section 8 Program Housing Quality Standards and thus are in sound condition. Some of these units may need minor maintenance repairs or to have their heating systems replaced but these repairs are the responsibility of the owners of the units. The Public Housing Units are owned and managed by the Tuscaloosa Housing Authority. Because the units are all at least 30 years old, rehabilitation work and modernization are needed on most units. In 1992 and 1993, work was completed to eliminate lead based paint hazards from all of the Public Housing Units. For the past several years, Comprehensive Grant Program funds provided by HUD have been used to make repairs and modernize units in most of the complexes. The Tuscaloosa Housing Authority has recently completed a 5 Year Plan for Fiscal Years 2014-2018. A summary of the Annual Plan for Fiscal Year 2014 is included in this section of the City's Consolidated Plan. The staff of the City's Office Federal Programs plans to meet with officials of the Tuscaloosa Housing Authority on a regular basis to coordinate the implementation of the City's Consolidated Plan with the implementation of the Tuscaloosa Housing Authority's 5 Year Strategic Plan.

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

As part of the Consolidated Plan, the City developed a Housing Strategy to help address the housing needs of its residents. This strategy established five priorities or long-term objectives for providing assistance. One of those priorities is the "Provision of Transitional Shelter Space and Additional Emergency Shelter Facilities and Other Assistance for Homeless Persons." Obstacles identified which might impede the Community's efforts to assist homeless persons include: (1) the lack of new Section 8 Rental assistance vouchers to provide new housing assistance for homeless persons; (2) increases in the market rents for rental units and in the cost of land and existing housing in the Tuscaloosa area during the past 10 years which make units in good condition unaffordable to low income persons; (3) the lack of sufficient funds to meet the needs for homeless prevention assistance (utility and rent assistance); and (4) the NIMBY (not in my back yard) attitude of many residents will make it difficult to locate sites for new units or transitional facilities, especially facilities for chronically mentally ill persons.

The primary goal of the City and the local agencies that assist homeless persons is to see that every person has temporary or permanent shelter and associated needed services and that no person lives out of doors or in a structure not made for human habitation unless that person chooses to do so.

Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	28	345	600	30	150	0
Persons in Households with Only Children	0	0	15	5	0	0
Persons in Households with Only Adults	56	49	350	50	0	0
Chronically Homeless Individuals	8	38	75	20	0	0

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Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Chronically Homeless Families	9	0	35	15	0	0
Veterans	4	91	100	40	0	0
Unaccompanied Child	0	0	20	4	0	0
Persons with HIV	2	2	20	5	0	0

Table 26 - Homeless Needs Assessment

There are number for unaccompanied youth, however data for this section of the point in time count is still being processed. Please note that the CoC only estimates the combination of adult and children exiting homelessness. In addition, the CoC is working with community agencies to get more participation in the HMIS system, however, it is only mandated for agencies with certain federal funds that serve the homeless. Please note that demographic specific information is not as accurate as possible due to the survey team primarily completing forms with observational data.

Data Source Comments:

Indicate if the homeless population is: Has No Rural Homeless

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Data is available and included.

Nature and Extent of Homelessness: (Optional)

Race:	Sheltered:	Unsheltered (optional)
White	0	0
Black or African American	0	0
Asian	0	0
American Indian or Alaska Native	0	0
Pacific Islander	0	0
Ethnicity:	Sheltered:	Unsheltered (optional)
Hispanic	0	0
Not Hispanic	0	0

Data Source

Comments:

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

According to the 2015 Point in Time Survey, families with children tend to be headed by single mothers who are African American. Based on sheltered and unsheltered data where demographic information was available, 86 percent of households were headed by a female and 90 percent were African American. Veteran data collected was primarily gained from programs associated with the Tuscaloosa VA Medical Center. Based on the Point in Time Survey, 95 Veterans were identified as living in either transitional shelter or on the street.

In addition to homeless families identified as both sheltered and unsheltered during the annual point in time count, the Continuum of Care partnered with Tuscaloosa City Schools to obtain a more accurate account of homeless children in the area. The 2015 point in time survey identified 314 students in Tuscaloosa City Schools that met criteria for McKinney-Vento, under HUD's Category 3 definition of homelessness. In addition these students were associated with 143 parents, guardians, or other adults in their household and 46 siblings or other family members who were not school aged. This number totals 503 homeless persons in the community. In the coming year, the Continuum of Care is working to include the students who meet the criteria for McKinney-Vento in the Tuscaloosa County School system as well.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

Based on findings from the 2015 Point in Time Survey, homeless families with children tend to be led by a female and are predominately African American. With respect to unsheltered single adults, of the demographic information available, 43 percent were African American and 57 percent were Caucasian. Nearly all respondents were labeled as being non-Hispanic in ethnic origin.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Presently, Tuscaloosa does not have an emergency shelter. When individuals and especially families experience a housing crisis, there are few resources that they have immediate access to. Of the data collected, at least 14 single individuals met the criteria for chronic homelessness during the survey. Two area shelters did not participate in providing demographic data and the survey team was only able to obtain the number of individuals at the shelter on the day of the survey, therefore the number has the potential to be higher for sheltered and unsheltered single individuals. In addition, 9 families met the criteria for chronic homelessness; however these numbers are likely low for the same reason stated above. The numbers discussed here also do not include the point in time count conducted in conjunction with Tuscaloosa City Schools, which will be discussed in a later section.

Discussion:

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

Describe the characteristics of special needs populations in your community:

Special needs populations in this community include the seriously mentally ill, people who have physical or developmental disabilities, veterans, those with HIV or AIDS, and families with children. Due to spending cuts at the state and federal level for mental health services totaling 52.7 million, the closure of all state mental health hospitals except for one, which is here in Tuscaloosa, funding cuts through the Department of Human Resources that provide essential services such as child care, and a lack of affordable housing, Tuscaloosa is reaching a crisis point. Nearly all of the vulnerable populations are losing ground. Deep funding cuts would force those who were previously transferred into community based care back into institutional settings, but the institutions no longer exist. Parents who rely on assistance with childcare in order to work will no longer have access to such assistance.

What are the housing and supportive service needs of these populations and how are these needs determined?

Tuscaloosa has a vast affordable housing shortage and a limited bus system that does not reach beyond Tuscaloosa City limits. Working families often cannot afford to reside within the City, but do not have transportation resources necessary to commute from outlying areas into the City. They are then forced to either move from place to place or live in hotels or pay an exorbitant price for rent and risk becoming evicted when a crisis occurs and they cannot come up with enough money to pay.

In terms of supportive housing, the Continuum of Care currently has a supportive housing grant that assists with providing a voucher and services to veterans, individuals with HIV or AIDS, and the severely mentally ill. Partnering agencies that serve these clients assist with identifying clients who meet criteria for supportive housing and refer to the Tuscaloosa Housing Authority for a section 8 voucher. The agencies then assess each client for his or her specific needs and assist the client in finding appropriate housing. Based on the level of care each client necessitates, partnering agencies provide care and services in order to help clients maintain housing. Supportive service needs include Supportive services may include child care, transportation, education, job training, medication management, behavioral

management, substance abuse treatment, counseling, life skills education, parenting classes, money management, and household management.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

According to the Alabama Department of Public Health, as of March 31, 2015, there was a total of 674 confirmed cases of HIV in Tuscaloosa County alone. West Alabama Aids Outreach currently partners with Whatley Health Services in Tuscaloosa to provide case management and medical care for those with HIV/AIDS. In 2014, West Alabama Aids Outreach served 230 individuals and Whatley Health Services served an additional 70-80 clients. West Alabama Aids Outreach currently has the least housing options that they have ever had. Subsidized rent is offered through 5 HOPWA vouchers and 10 supportive housing vouchers, which are all being utilized. The agency also has 3 homes it provides housing through for reduced rent, which are also full.

Discussion:

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction's need for Public Facilities:

How were these needs determined?

Needs are determined based on proposals that are reviewed and input from citizens, city leaders, agencies and other pertinent stakeholders.

Additional Information - Public Facilities

PARKS AND/OR RECREATION FACILITIES Priority: High Statement of Needs: There are several parks in other low-income neighborhoods that need to be upgraded or redeveloped. Those parks include Harmon Field, which is across from the Salvation Army and south of Rosedale Courts Public Housing Complex, Kaulton Park in west Tuscaloosa, McKinney Park and Rosedale Park in south central Tuscaloosa and Jaycee Park in east Tuscaloosa.

HEALTH FACILITIES Priority: High Statement of Needs: The Maude Whatley Health Center, the Good Samaritan Clinic and the Indian Rivers Mental Health/Mental Retardation Center are three health facilities that provide reduced-cost and/or free health services to many low-income residents in Tuscaloosa. The Tuscaloosa County Health Department also provides reduced-cost or free health services for persons who are eligible. The City provided \$135,000 in 1991 and 1992 CDBG funds for the construction of a satellite mental health center, the Insight Center, in west Tuscaloosa, which is operated by Indian Rivers Mental Health Center. The majority of residents in west Tuscaloosa are of low-income status.

OTHER PUBLIC FACILITIES Priority: High Statement of Needs: In past years, the City has used CDBG funds to assist many agencies that provide critical services for low-income residents to acquire, construct or renovate facilities for their operations. Those agencies include the American Red Cross, the Salvation Army, Family Counseling Services, Temporary Emergency Services, the ARC, (formerly Tuscaloosa County Association of Retarded Citizens), Caring Days Adult Day Care Center, the Weaver-Bolden Branch Library and Easter Seals West Alabama.

Describe the jurisdiction's need for Public Improvements:

FLOOD DRAIN IMPROVEMENTS Priority: High Statement of Needs: In particular, west Tuscaloosa is very low-lying and has a multitude of drainage problems, including inadequate, obsolete drainage pipes and inlets. Since 1978, the City has appropriated some \$5.4 million of its CDBG funds for drainage

projects, primarily in west Tuscaloosa and low-income neighborhoods in the Alberta community in east Tuscaloosa.

WATER IMPROVEMENTS Priority: **High Statement of Needs:** There are several low-income areas in Tuscaloosa where water mains and lines are undersized and/or obsolete for adequate water delivery and fire protection and some areas do not have fire hydrants close by. There are various areas located throughout the City of Tuscaloosa. The City's water distribution manager estimates that some 50 additional fire hydrants and associated lines are also needed in low-income neighborhoods of the City.

STREET IMPROVEMENTS Priority: **High Statement of Needs:** Numerous other street improvements, including additional street lighting, are needed in west Tuscaloosa and the Alberta community, the two primary low-income areas in the City. In addition, there are other street improvements that will take place along Paper Mill Road in East Tuscaloosa and along Greensboro Avenue.

How were these needs determined?

Needs are determined based on proposals that are reviewed and input from citizens, city leaders, agencies and other pertinent stakeholders.

additional Information - Public Service

SIDEWALK IMPROVEMENTS

Priority: **High Statement of Needs:** The lack of sidewalks in Tuscaloosa makes pedestrian travel hazardous since many streets are narrow and have inadequate shoulders for walking. Many low-income residents depend on walking and public transit for transportation, and sidewalks are needed to provide pedestrian access to stores, schools and public facilities in their neighborhoods.

SEWER IMPROVEMENTS

Priority: **High Statement of Needs:** There are many low-income areas in the City where undersized, antiquated or deteriorated sewer mains need to be replaced. Also, most low-income families cannot afford to pay the City's assessment for the installation of a sewer main in the street or to have a private company install a "tie in" lateral line from their house to an existing sewer main.

Describe the jurisdiction's need for Public Services:

Since, 1978, the City's Housing Counseling Services Program has provided comprehensive housing counseling services to low-income persons in Tuscaloosa. The program is operated as a satellite office

of the City's Community Planning & Development Department and the office is located in west Tuscaloosa, where the majority of residents are low-income. The program, which is a public service activity, has always been a CDBG funded activity. Since the City's two housing counselors work with clients receiving assistance under the HOME Program, some HOME administration funds are also used to fund the program. As operating costs for the Housing Counseling Services Program have increased somewhat each year, the City's CDBG and HOME entitlement grants have steadily decreased over the past four years. Thus, the 15% allowance for service activities has dwindled and more service funds are needed to operate the City's primary service activity, the Housing Counseling Services Program. For the 2015 CDBG Program, only \$114,505 could be programmed for public service activities. Of that amount, \$10,000 was allocated for the Housing Counseling Services Program, leaving \$104,505,600 available for other service programs. Various agencies requested some \$715,000 in 2015 CD funds for public service activities. For the 2015 CDBG Program, the City Council chose to fund nine agencies that have been receiving Community Development funds for public service programs for a number of years. Because of the 15% limit and the decrease in CDBG funds, for Program Years 2003 through 2010, it has been necessary to reduce the amounts appropriated to each agency. All of these funded programs address specific needs of low-income persons in the City. Unfortunately, other programs that also address critical public service needs could not be funded.

How were these needs determined?

Needs are determined based on proposals that are reviewed and input from citizens, city leaders, agencies and other pertinent stakeholders.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

The Housing Supply Analysis provides an estimate of the current supply of housing in the City of Tuscaloosa. In this section the existing housing inventory is examined, including the type and size by tenure (owner/renters).

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	21,730	53%
1-unit, attached structure	1,001	2%
2-4 units	4,284	10%
5-19 units	9,928	24%
20 or more units	3,822	9%
Mobile Home, boat, RV, van, etc	566	1%
Total	41,331	100%

Table 27 – Residential Properties by Unit Number

Data Source: 2007-2011 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	11	0%	212	1%
1 bedroom	142	1%	3,857	23%
2 bedrooms	1,901	12%	7,835	47%
3 or more bedrooms	13,165	87%	4,861	29%
Total	15,219	100%	16,765	100%

Table 28 – Unit Size by Tenure

Data Source: 2007-2011 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

The City of Tuscaloosa's federally funded housing programs are targeted towards extremely low, low, and moderate-income families. The expected number of units targeted is determined annually through the citizen participation process and a needs assessment. Expected accomplishments are consistent with five-year goals and accomplishments are reported annually in the Consolidated Annual Performance Report. See the FY 15 Annual Action Plan for specific proposed numbers.

The City is predominately comprised of 1-unit detached structures with 21,730 units accounting for 53% of the housing stock. The next largest property type is multi-family housing, 2-20 units accounting for 18,034, or 43% of the entire housing stock. Duplexes or multi-family housing being the second largest percentage of housing types in the City of Tuscaloosa is consistent with the student population and supply and demand trends. The existence of the University of Alabama in the City demands the need for more housing units per acre, and duplexes or multi-family housing is the most appropriate way to create units within zoning regulations. In addition largest property type of single unit detached structures is also significant to the City of Tuscaloosa due to the increased needs of those households seeking rehabilitation/repairs. The City allocates a significant amount of CDBG funding to address multifamily and single-family detached home rehabilitation.

It is also significant that the majority of housing in Tuscaloosa is renter-occupied. Due to HUD regulations found under 24 CFR 570.202, Community Development is only allowed to work on 'owner-occupied housing units'; and therefore is unable to assist any rental households in need of housing rehabilitation.

This burden would fall to the property owner. The City targets owner-occupied housing for its housing rehabilitation programs.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

The City of Tuscaloosa does not foresee current affordable housing units being lost. The inventory of units in THA's Public Housing Developments will remain the same and the City will utilize their housing rehabilitation programs to maintain the current affordable housing stock. It is expected that THA will maintain their Section 8 contracts. THA continues to provide housing choice vouchers as long as vouchers are available. If a family is able to become self-sufficient and move out of an affordable unit, the waiting list is extensive to fill that unit. The City of Tuscaloosa also increases affordable housing units by working with its CHDOs and THA to construct single family affordable housing. The City also provides homeowner purchase assistance, increasing the number of available affordable units.

Does the availability of housing units meet the needs of the population?

Though the City of Tuscaloosa has designed its programs to increase efforts to provide available affordable housing, availability of units does not meet the needs of the population. This is demonstrated by extensive waiting lists for housing choice vouchers, rehabilitation assistance, and homeowner assistance. Lack of funding does not allow the City to address all affordable housing needs.

Assessing the existing and future housing demand is more complicated than outlining the existing housing supply. In order to determine if the housing market in Tuscaloosa meets the needs of the

population you must determine the relative demand and supply of the real estate market. To determine demand for housing you must take in to account factors like income, price of housing, cost and availability of credit, consumer preferences, investor preferences, price of substitutes and price of complements. The core demographic variable is population size and growth, followed by income and price of housing. The housing supply is determined using land, labor, and various inputs such as electricity and building materials.

The median home value for single-family housing in the City was estimated at \$158,400. There are multiple factors that are required in determining the income required to qualify for a mortgage at the median home value of \$158,400. The interest rate, annual real estate taxes, and monthly debt obligations of the borrower would all have to be considered.

In the City's 2010-2014 Analysis of Impediments to Fair Housing, Low income Households cannot afford housing/apartment rents were identified as impediments. A shortage of affordable owner-occupied and rental units limits housing choice, especially along the routes of public transportation. Mortgage lending requirements that focus on high down payments and excellent credit, act to block low-income and minority families from home ownership. Development costs and tax credit restrictions can exclude affordable housing entirely or limit it to certain areas. In addition, many households are cost burdened, paying over 30-50% of their wages in rent or mortgage, and have incurred debt and credit issues just out of the necessity of having a place to live.

Describe the need for specific types of housing:

Affordable housing units in general are a large need, specifically single-family detached. As identified in the current AI, a shortage of affordable owner-occupied units limits housing choice, especially along the routes of public transportation. Another specific type of housing need is accessible housing. This may be due to high cost of retrofitting units for ADA accessibility. The 2010-2014 AI also identified an inadequate supply of Section 8 or public housing. This has to do with the high demand and the volume of the waiting list to get into those units. THA utilizes 100% of their vouchers.

Discussion

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

The following tables show the cost of both owner and renter housing in the City of Tuscaloosa.

Cost of Housing

	Base Year: 2000	Most Recent Year: 2011	% Change
Median Home Value	97,400	158,400	63%
Median Contract Rent	375	561	50%

Table 29 – Cost of Housing

Data Source: 2000 Census (Base Year), 2007-2011 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	7,325	43.7%
\$500-999	8,137	48.5%
\$1,000-1,499	1,022	6.1%
\$1,500-1,999	144	0.9%
\$2,000 or more	137	0.8%
Total	16,765	100.0%

Table 30 - Rent Paid

Data Source: 2007-2011 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	1,300	No Data
50% HAMFI	4,950	845
80% HAMFI	12,625	2,865
100% HAMFI	No Data	4,530
Total	18,875	8,240

Table 31 – Housing Affordability

Data Source: 2007-2011 CHAS

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	469	595	788	989	1,123

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
High HOME Rent	485	616	806	922	1,009
Low HOME Rent	485	530	636	735	820

Table 32 – Monthly Rent

Data Source: HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

The housing affordability table above suggests that owner occupied housing suffers from higher housing costs than rental households. 42.3% of Tuscaloosa's households are owner-occupied compared to 57.7% rentals. The table indicates that for both renters and owner-occupied housing, there is more sufficient housing at the 51-80% area median income than at or below 30%. It seems that income levels between at or below 30% area median income struggle the most with housing affordability costs and availability of sufficient housing.

How is affordability of housing likely to change considering changes to home values and/or rents?

The current real estate market is a buyer's market. Home values decreased during the recession making it more affordable to purchase homes. However, lending practices will continue to impede the possibility of low-income persons being able to purchase homes due to credit and down payment requirements. Some banks do offer FHA and USDA loans, but even those programs require a credit rating of 640 or above to qualify. The City of Tuscaloosa does offer purchase assistance through their HOME program to lessen down-payment costs, but again, qualifying with a lender is a challenge for many low-income families. The housing market is slowly increasing, but lending terms are still a barrier to affordable housing.

According to the data above, there is a larger supply of rental units than owner-occupied units. Tuscaloosa tends to have high rental housing costs, with 59% paying up to \$1,000 for rent. A three bedroom apartment at fair market rent costs \$1,206, significantly higher than many other counties in Alabama. There is a large demand for rental units in this price range due to the fact that rental rates above \$1,000 are not reasonably affordable to low-income families. According to the Units Size by Tenure table, there are 4,861 rental units that are at least three-bedroom in the City of Tuscaloosa. However, this does not mean that low-income families can afford to live in those units, forcing many to reside in two-bedroom units not conducive to family size. This is what causes overcrowding. In addition, hefty deposits, moving costs, and utility costs continue to pose a challenge in finding affordable rental housing.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

The local market is sustaining rental rates that match accordingly with HUD's published HOME/Fair

Market rents, however 49% are paying rents of up to \$1,000 per month and 6% pay up to \$1,500 in rent not including utilities. Though THA provides Housing Choice Vouchers and has several subsidized housing developments, high median rents may indicate the need continued Tenant Based Rental Assistance. Landlord participation in subsidized housing programs is essential in maintaining affordable rental housing. In addition, the City will continue with its homeownership assistance and housing rehabilitation programs to provide ownership opportunities and preserve existing affordable housing.

Discussion

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

The following section outlines “selected” housing conditions as defined by the Census. These conditions are generally considered identifiers of substandard housing, although the last two conditions on the list relate to the household, not the housing unit. The Census defines a “selected” condition as:

- Lacking complete plumbing facilities
- Lacking complete kitchen facilities
- More than one person per room
- Housing costs greater than 30% of household income

An analysis of these items was completed in the Needs Assessment, which showed that cost burden was the most common condition in the City of Tuscaloosa.

Definitions

Standard Condition: A dwelling unit in this category has no major defects or only slight defects which are correctable through the course of regular maintenance. It must be in total compliance with applicable local housing and occupancy codes; be structurally sound; watertight and in good repair; be adequate in size with respect to the number of rooms and area of living space and contain the following:

- Safe electrical wiring system adequate for lighting and other normal electrical devices.
- Heating system capable of sustaining a healthful temperature (consistent with normal, year round climatic conditions).
- Separate, well-lighted and ventilated bathroom that provides user privacy and contains a sink, commode and bathtub or shower stall.
- Appropriate, sanitary and approved drainage system.
- Fully useable sink in the kitchen.
- Adequate space and service connections for a refrigerator.
- An unobstructed egress to a safe, open area at ground level.
- Be free of any barriers that would preclude ingress or egress if the occupant is handicapped.

Substandard Condition, but Suitable for Rehabilitation: A dwelling unit in this category does not comply with the standard criteria, or has minor defects that require a certain amount of correction but can still provide a safe and adequate shelter or has major defects requiring a great deal of correction and will be safe and adequate once repairs are made.

To be suitable for rehabilitation, a trained housing specialist must carefully inspect the dwelling and prepare a work write-up of repairs necessary to bring it up to standard condition. A cost estimate of repairs will be prepared based on the needs identified in the work write-up. If these costs are equal to or less than 65% of the just value of the dwelling unit, then it will be considered suitable for rehabilitation.

The City of Tuscaloosa may authorize deviations based on unique aspects of each dwelling, owner, tenant, etc. on a case-by-case basis. Each deviation so approved must be thoroughly documented.

Sub-standard Condition but Not Suitable for Rehabilitation: A dwelling unit is in this category if a cost estimate of repairs, based on the needs identified in a work write-up, exceeds 65% of the just value as determined by the property appraisal or appraisal dated within 6 months of application. Such units are not eligible.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	4,131	27%	8,814	53%
With two selected Conditions	93	1%	352	2%
With three selected Conditions	0	0%	0	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	10,995	72%	7,599	45%
Total	15,219	100%	16,765	100%

Table 33 - Condition of Units

Data Source: 2007-2011 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	2,330	15%	3,587	21%
1980-1999	4,077	27%	4,903	29%
1950-1979	7,313	48%	6,574	39%
Before 1950	1,499	10%	1,701	10%
Total	15,219	100%	16,765	99%

Table 34 – Year Unit Built

Data Source: 2007-2011 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	8,812	58%	8,275	49%

Housing Units build before 1980 with children present	945	6%	1,040	6%
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Table 35 – Risk of Lead-Based Paint

Data Source: 2007-2011 ACS (Total Units) 2007-2011 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	150	193	343
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

Table 36 - Vacant Units

Alternate Data Source Name:

Structural Condition Survey

Data Source Comments:

Data concerning the number of substandard housing units in the City were taken from a survey of housing conditions completed in 1985 by the Community Planning and Development Department of the City of Tuscaloosa. The survey consisted of a visual observation of the exterior structural condition of each unit, but did not include an interior survey. Housing units were classified as being in standard (sound) condition or in substandard condition. Within the substandard category, units were further classified as deteriorated dilapidated. Numbers were updated over the years based on unit demolished due to condemnation and the 2010 Census information

Need for Owner and Rental Rehabilitation

Majority of Tuscaloosa's housing stock was built prior to 1980 at 58%, with 1-unit detached structures accounting for 53% of the housing stock followed by multi-family and duplex structures with 2-20 plus units accounting for 43%. Vacancy rates are somewhat high with only 43.9% for owner-occupied homes and 56.1% for rental vacancies. Because of the age of housing in Tuscaloosa, it is estimated that approximately 41.5% of vacant units meet the definition of "substandard, not suitable for rehabilitation". These are assumed not to be suitable for rehabilitation due to dilapidation causing unsafe living environments, lack of heating, lack of kitchen facilities, and lack of complete plumbing facilities.

The City of Tuscaloosa offers rehabilitation programs only for homeowners. Private rental unit owners are responsible for rental rehabilitations. The City has a lengthy housing rehabilitation list and completes approximately 20 or more rehabilitations a year. The City also demolishes housing not suitable for rehabilitation.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Lead-based paint (LBP) poisoning remains as a top health hazard today, specifically for young children. Homes built prior to 1978 have the greatest risk of containing lead and pose a dangerous threat to

infants, children under six, and pregnant women. Lead is a toxic metal that when absorbed into the body can cause brain or organ damage. Peeling lead-based paint or high levels of lead in dust can expose the lead resulting in a hazardous environment. The West Alabama District Health Department started a lead screening program in 1991 and screens children from 1 up to 6 years of age as part of a physical exam given under the Medicaid or Child Health and Welfare Programs. Children who are only six months of age are also screened if they are considered to be high risk (live in an older home or have parents employed in a high risk occupation such as an auto mechanic). They have screened thousands of children since 1991 and have found over 500 with elevated levels of lead in their blood (10 uq-dl or more). If the level is over 15, lead abatement and nutrition guidance are provided and a venous blood test is completed. If the level is 20 uq-dl or higher, they are referred to a doctor for evaluation and treatment. From 1992 through 1994, approximately 50 children being tested by the District Health Department had repeat blood tests which indicated levels of over 15 uq-dl. The addresses of these children were mapped and studied and it was determined that most of them lived in older areas of the City in Census Tracts 116, 117, 118 and 119, which contain the oldest housing units and are primarily low income. Most of the children having elevated levels of lead were from Black families. The Maude L. Whatley Health Clinic located in census tract 118 also conducts routine screening of all children from 9 months to 6 years of age to detect elevated levels of lead in their bloodstream

Calculating the number of households below poverty level by the estimated number of units containing lead-based paint determines that approximately 1,032 owner-occupied units and 4,378 rental units occupied by low or moderate-income families contain lead hazards.

As part of the Housing Policies the Office of Federal Programs does follow HUD regulations/guidelines for those units built prior to 1978 and ensure that educational materials are given to the homeowner.

Discussion

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

Rental assistance is provided to low-income individuals or families under several different Federally funded programs. These programs may be “project based” or “tenant based.”

Project based assistance is provided to households occupying units in specific apartment complexes. Programs under which project based assistance is provided include (1) the Public Housing Program, (2) the Section 202 Program for elderly persons, (3) the Section 811 Program for disabled persons, (4) the HOME Program and (5) the Section 8 Rental Subsidy Program, all of which are funded by the U. S. Department of Housing and Urban Development (HUD).

Tenant based assistance is approved for specific low income households instead of being tied to housing units in specific apartment complexes. Each approved household is provided a voucher of assistance under the Section 8 Rental Subsidy Program and can choose to live in any approved apartment or house located in any area of the City.

Totals Number of Units

	Program Type					
	Certificate	Mod-Rehab	Public Housing	Vouchers		
				Total	Project-based	Tenant-based
# of units vouchers available			1,145	1,586		
# of accessible units						
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition						

Table 37 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

Consolidated Plan

TUSCALOOSA

OMB Control No: 2506-0117 (exp. 07/31/2015)

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

Please see the Public Housing Condition listing for the condition of the public housing units. It should be noted that Rosedale and McKenzie Court are not accurate as both developments have been demolished and reconstructed in the last few years.

Public Housing Condition

Public Housing Development	Average Inspection Score
Bonita Terrace Apartments	91
Clara Verner Towers	90
CSP Village	100
Forrester Gardens	91
Kaulton Circle Apartments	99
McConnell Hills	95
Oak Trace	99
Pinefield	96
Running Brook	95
Creekwood Village	87
Watertower Place	94
Rosedale	90
McKenzie	68
Rosedale Ct Annex	65
McKenzie Annex	67
Robertson Towers	64
Samuel B Hay CT	89
Crescent East/Branscomb	89
Jackson Apt	88

Table 38 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

The housing units leased under the Section 8 Rental Subsidy Program have to meet the Section 8 Program Housing Quality Standards and thus are in sound condition. Some of these units may need minor maintenance repairs or to have their heating systems replaced but these repairs are the responsibility of the owners of the units. The Public Housing Units are owned and managed by the Tuscaloosa Housing Authority. Because the units are all at least 30 years old, rehabilitation work and modernization are needed on most units. In 1992 and 1993, work was completed to eliminate lead based paint hazards from all of the Public Housing Units. For the past several years, Comprehensive Grant Program funds provided by HUD have been used to make repairs and modernize units in most of the complexes. The Tuscaloosa Housing Authority has recently completed a 5 Year Plan for Fiscal Years 2014-2018. A summary of the Annual Plan for Fiscal Year 2014 is included in this section of the City's Consolidated Plan.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

The Public Housing Units are owned and managed by the Tuscaloosa Housing Authority. Because the units are all at least 30 years old, rehabilitation work and modernization are needed on most units. In 1992 and 1993, work was completed to eliminate lead based paint hazards from all of the Public Housing Units. For the past several years, Comprehensive Grant Program funds provided by HUD have been used to make repairs and modernize units in most of the complexes. The Tuscaloosa Housing Authority has recently completed a 5 Year Plan for Fiscal Years 2014-2018. A summary of the Annual Plan for Fiscal Year 2014 is included in this section of the City's Consolidated Plan.

Discussion:

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

Mainstream services that compliment services targeted to homeless persons include the following: *Indian Rivers Mental Health Center* is a public mental health center that offers services and treatment for those suffering from serious mental illness, substance abuse disorders, and intellectual disabilities. Indian Rivers serves both homeless and chronically homeless persons with mental illness and assists in identifying temporary and permanent shelter, permanent supportive housing, as well as crisis services. During the 2015 point in time survey, Indian Rivers identified 8 male and 7 female homeless individuals who were not placed in any sort of housing program. *Whatley Health Center* is a private, non-profit public health provider whose mission is to provide primary health services to the medically underserved in West Alabama. Whatley provides a variety of health services including family medicine, internal medicine, women's health, pediatric and adolescent medicine, dental care, lab testing, nutrition services, health promotion, disease prevention, HIV/AIDS outpatient primary care, a pharmacy, mental health services, chiropractic services, ENT services, and prenatal services. Whatley also offers WIC, has a SOBRA/Medicaid worker on site, and has outreach programs like Healthcare for the Homeless. *West Alabama Aids Outreach* provides comprehensive medical and non-medical case management services for individuals living with HIV or AIDS. The services include, but are not limited to, housing assistance, medication payment assistance, transportation assistance, procurement of food and personal hygiene items, support groups, and referrals as necessary. Social workers address immediate needs, as well as those concerning long-term self-sufficiency. WAAO provides HIV education courses, where our prevention education specialist goes into the community and offers presentations on topics related to HIV/AIDS. This agency also provides free testing in the community and participates in advocacy efforts across the state. According to the Alabama Department of Public Health, as of March 31, 2015, there was a total of 674 confirmed cases of HIV in Tuscaloosa County alone. West Alabama Aids Outreach currently partners with Whatley Health Services in Tuscaloosa to provide case management and medical care for those with HIV/AIDS. In 2014, West Alabama Aids Outreach served 230 individuals and Whatley Health Services served an additional 70-80 clients. West Alabama Aids Outreach currently has the least housing options that they have ever had. Subsidized rent is offered through 5 HOPWA vouchers and 10 supportive housing vouchers, which are all being utilized. The agency also has 3 homes it provides housing through for reduced rent, which are also full. *The Good Samaritan Clinic* provides free or low-cost primary health care and dental care, health information, and spiritual support to underinsured persons. Care at the clinic is provided through volunteer doctors, nurses, and support staff and is funded through private donations and the United Way.

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds		Current & New	Under Development
Households with Adult(s) and Child(ren)	0	0	54	0	0
Households with Only Adults	0	0	66	28	0
Chronically Homeless Households	0	0	0	0	0
Veterans	0	0	78	230	0
Unaccompanied Youth	0	0	0	0	0

Table 39 - Facilities and Housing Targeted to Homeless Households

Data Source Comments: Beds are not necessarily assigned for the chronically homeless, but are prioritized for the chronically homeless. This is especially true for permanent supportive housing.

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Phoenix House is a state certified and supported residential rehab facility for substance abuse treatment. The main facility serves 16 females and 24 males. Residents stay for a minimum of 90 days to a maximum of one year with the primary mission of assisting individuals in their recovery of alcohol and drug addiction and help them return to society as productive members. It also offers group, individual, and family counseling, vocational and adult education, life skills training, job skills training and placement. Once individuals have completed at least 90 days of treatment, they may move into 1 of 5 transitional homes adjacent to the primary facility for up to 18 months. During the 2015 point in time survey, Phoenix House housed 16 male and 7 female adults who were homeless. **SAN, INC dba Turning Point** operates the only shelter in the Tuscaloosa area for women who are victims of domestic violence and their children. Clients are provided with a safe shelter, food, clothing, counseling, and other services to assist them in finding employment and a new place to live. The facility has a total of 16 beds where residents and their children can stay until safe housing and a stable living environment can be attained. During the 2015 point in time survey, 2 clients and 3 children were in shelter and the agency identified one homeless person who was unsheltered. Turning Point also receives funding through the Emergency Solutions grant to help prevent homelessness where possible and rehouse individuals who are already experiencing homelessness. **City of Tuscaloosa Housing Counseling Program** provides comprehensive housing counseling assistance to individuals who have housing related problems. Each year, the program assists between 500 and 600 households. Clients are frequently those left homeless due to job loss, domestic problems, underemployment, loss by fire, and poor money management. Clients are referred to other agencies as needed for assistance obtaining food, shelter, clothing and transportation. **FOCUS on Senior Citizens of Tuscaloosa County, Incorporated** operates a senior center that provides educational, cultural, and recreational activities to senior citizens. FOCUS also operates vans that provide door to door transportation services for seniors from their homes to needed appointments and activities. **Temporary Emergency Services** provides clothing, food, transportation, furniture, household items, prescription assistance, utility assistance, help obtaining and paying for ID's and birth certificates, and other emergency items to people in need. TES also has an emergency shower and washer and dryer where people experiencing homelessness can bathe, wash clothes, obtain clean clothes and toiletries, and other items they need.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

The American Red Cross provides household furnishings, emergency hotel stay, food, clothing, and other assistance to people who have lost their homes due to fire, flood, or other disaster. **The Community Soup Bowl and the East Tuscaloosa Soup Bowl** provide free meals Monday through Friday, year round and Wednesdays and Fridays at noon, year round respectively. The activity began by congregations of local churches and is supported by monetary donations, food, and labor. Area soup

kitchens serve a large population of at risk and homeless individuals each year. During the 2015 point in time survey, outreach workers identified 22 homeless individuals receiving meals at these local soup kitchens.

The West Alabama Food Bank (WAFB) was incorporated in 1987 as a 501 (c) (3) non-profit organization whose mission is to help alleviate hunger and food insecurity in nine West Alabama counties including Bibb, Fayette, Greene, Hale, Lamar, Marion, Pickens, Sumter and Tuscaloosa. WAFB delivers approximately 250,000 pounds of food to 9 counties each month and serves 98,000 individuals each year. It also provides bags of “weekend food” to 1,000 elementary school children through the Secret Meals for Hungry Children Program, makes 4 deliveries to housing authority locations each week and Packages and delivers food to 500 senior citizens each month through the Brown Bag Program.

Community Service Programs of West Alabama, Inc. is a non-profit community action agency that provides assistance to low income and vulnerable community members in need of assistance. Federal funds and local donations help support this agency to deliver services for those in need of food, clothing, utility assistance, weatherization, child care, affordable housing, housing counseling, juvenile justice intervention, Meals on Wheels, disaster case management, housing rehabilitation, early intervention and head start.

The Department of Human Resources is often one of the first agencies to intervene on behalf of community members who are in need, especially of food assistance. DHR assists many low income persons through food stamps, Temporary Assistance to Needy Families (TANF), counseling and intervention services, foster care placement and classes, assistance with child care and job placement.

Tuscaloosa Salvation Army is working to reconstruct its community emergency shelter which was destroyed in the 2011 tornado. Set to be completed in early 2016, the facility will have a capacity of 73 beds, with 46 beds in the men’s dorm, 10 beds in the women’s dorm, 9 family apartments, and 8 beds in the veterans dorm. Resident resources will include bathing and laundry facilities, individualized case management, GED classes, a computer lab for online job applications and continuing education courses, substance abuse classes, counseling, money management courses, parenting classes, and permanent housing assistance. As it stands today, the Salvation Army provides food assistance and clothing vouchers for those in need, and provides homeless prevention and rapid rehousing assistance to those who are facing homelessness or already homeless.

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

1) Additional supportive housing beds are needed for persons with disabilities due to the closure of all state mental health facilities except for Bryce Hospital and the Harper Geriatric Psychiatry Center in Tuscaloosa. Because of the vast shortage in affordable housing, supportive housing and services are needed for high risk in the community and who also tend to be on fixed incomes, such as the elderly and disabled. The housing needs of the disabled, mentally ill, those suffering from substance abuse, and the dually diagnosed vary widely depending upon the extent of the disability and individual needs and preferences. Whereas, the physically disabled may require only structural modifications for accessibility, persons with developmental disabilities, severe mental illness, alcohol and /or drug addiction, or the dually diagnosed often require housing with more intensive supportive services. Persons with disabilities (mental, physical, developmental) or substance abuse disorders often have supportive housing needs including access to essential services including healthcare, treatment, and counseling services. Healthcare is a costly expense, particularly for low-income persons. The new healthcare system may help subsidize some healthcare costs.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

West Alabama Aids Outreach (WAAO) receives Housing Opportunities for People with AIDS (HOPWA) funding, which supports 5 subsidized units. The agency was also deeded 3 homes through local benefactors that it uses to house clients and their families. WAAO also utilizes a small portion of existing supportive housing funds provided through the Continuum of Care to subsidize rent and provide supportive services for additional clients. According to the Alabama Department of Public Health, as of March 31, 2015, there were a total of 674 confirmed cases of HIV in Tuscaloosa County alone. West Alabama Aids Outreach currently partners with Whatley Health Services in Tuscaloosa to provide case management and medical care for those with HIV/AIDS. In 2014, West Alabama Aids Outreach served 230 individuals and Whatley Health Services served an additional 70-80 clients.

For the elderly/frail elderly living independently in their own homes, their priority need is housing rehabilitation to retrofit their homes to be ADA accessible, especially for older homes. Repair to older homes often requires rehabilitation to eliminate hazardous conditions and physical barriers. The costs of such repairs for older, substandard housing stock are prohibitive to those living on a fixed income unless they can obtain some type of assistance. The cost of retrofitting a home is high and unaffordable, forcing many elderly/frail elderly to transition to adult care facilities. The elderly persons who are able to

remain in their homes will require an increased need for in home care programs. The continuation of affordable housing rehabilitation programs, such as Community Development Block Grants, will become crucial to maintaining a safe and sanitary housing stock for older homeowners.

Often, the most immediate need of Tuscaloosa public housing residents is employment training and access to employment opportunities. Finding suitable employment is a direct link to becoming self-sufficient. Many times very-low and extremely low income residents cannot afford a post high school education, limiting their employment opportunities and perpetuating the cycle of living in poverty. The Tuscaloosa Housing Authority offers resident programs to help with becoming financially independent. These programs include the HUD Family Self-Sufficiency (FSS) and Homeownership Program, which helps first time home-buyers qualify for a mortgage through a third-party lender. The Tuscaloosa Housing Authority's Resident Services Department is responsible for assessing the needs and coordinating resident-focused programs that encourage them to achieve the highest possible level of social and economic independence.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The CoC works diligently to ensure that state regulations governing the release of patients from mental health facilities are followed. Regulations mandate the provision of housing consistent with the level of care the patient requires and requires that a discharge plan is in place. The CoC also works with Tuscaloosa Mental Health Alliance, Indian Rivers Mental Health Center, and North Harbor Pavilion, which offers both inpatient and outpatient psychiatric services in order to ensure that consumers' needs are met. Tuscaloosa has also formed a mental health court, homeless court, and veteran's court in order to better meet the needs of mental health consumers and minimize incarceration of those whose crime is directly related to their mental illness. For those who are incarcerated and have mental health needs, a therapist and psychiatrist are provided to ensure that the individual can maintain both their medication regimen and have contact and support from appropriate mental health professionals. The treatment team also works with the client to help ensure suitable living arrangements once they exit incarceration in order to minimize the risk of decompensation once released.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

The City of Tuscaloosa receives funding through the CDBG, HOME, and ESG programs. Tuscaloosa prioritizes funding annually toward public facilities and public service agencies that serve the homeless

and special needs population. As a recipient of ESG funding, the City is able to directly impact the homeless and special population needs. The City will allocate approximately \$190,000 in 2015 to provide prevention services, emergency shelter, and rapid re-housing to homeless and special needs populations. The City of Tuscaloosa has a long track record of funding, promoting and supporting organizations and public agencies that provide services for low-income persons with special needs. Non-homeless persons with special needs often require supportive housing and case management services which allow them to live independently and to avoid homelessness or institutionalization. Through its use of federal HOME and CDBG funds, the City of Tuscaloosa will continue to support local providers of non-homeless special needs populations when and if available. Previously, HOME funds have been used to construct housing for special needs populations. Similarly, CDBG funding has been used to support fair housing laws as well as advocating for additional accessible housing. Tuscaloosa will continue to support nonprofit agencies applying for federal and state financing to create or improve housing and supportive services for subpopulations that are not homeless but may require housing or supportive services. The City also participates in the local Continuum of Care and supports the efforts to address the needs of homeless persons and persons with special needs that are not homeless but require supportive housing through its relationship with the CoC and other CoC members.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

The City of Tuscaloosa receives funding through the CDBG, HOME, and ESG programs. Tuscaloosa prioritizes funding annually toward public facilities and public service agencies that serve the homeless and special needs population. As a recipient of ESG funding, the City is able to directly impact the homeless and special population needs. The City will allocate approximately \$190,000 in 2015 to provide prevention services, emergency shelter, and rapid re-housing to homeless and special needs populations. The City of Tuscaloosa has a long track record of funding, promoting and supporting organizations and public agencies that provide services for low-income persons with special needs. Non-homeless persons with special needs often require supportive housing and case management services which allow them to live independently and to avoid homelessness or institutionalization. Through its use of federal HOME and CDBG funds, the City of Tuscaloosa will continue to support local providers of non-homeless special needs populations when and if available. Previously, HOME funds have been used to construct housing for special needs populations. Similarly, CDBG funding has been used to support fair housing laws as well as advocating for additional accessible housing. Tuscaloosa will continue to support nonprofit agencies applying for federal and state financing to create or improve housing and supportive services for subpopulations that are not homeless but may require housing or supportive services. The City also participates in the local Continuum of Care and supports the efforts to address the needs of homeless persons and persons with special needs that are not homeless but require supportive housing through its relationship with the CoC and other CoC members.

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

The current adopted impediments to fair housing choice will summarize actions to help eliminate the impediments proposed. In addition, resources, individuals, and other entities will be identified and time tables proposed for implementing actions. This will be updated and the impediments to fair housing choice will be identified and actions taken or proposed to help eliminate the following impediments:

IMPEDIMENT: LOW INCOME. (Low income Households cannot afford housing/apartment rental

IMPEDIMENT: LIMITED PUBLIC TRANSPORTATION SERVICES.

IMPEDIMENT: LIMITED OPPORTUNITIES FOR EMPLOYMENT, EDUCATION AND OTHER SERVICES IN AREAS OF AFFORDABLE HOUSING.

IMPEDIMENT: SITE SELECTION FOR AFFORDABLE HOUSING FOR LOW INCOME PERSONS OR PERSONS WITH DISABILITIES.

IMPEDIMENT: LIMITED EDUCATION ON FAIR HOUSING LAWS.

IMPEDIMENT: ZONING LAWS AND HISTORIC PRESERVATION RULES RELATED TO THE IMPROVEMENT OF EXISTING HOUSES.

Additional Information MA-40

The laws, policies and procedures found in some communities may act as barriers to affordable housing because of their effect in increasing the costs of developing housing or of maintaining or improving property. These and other factors may also become barriers or impediments to fair housing choice. Impediments to fair housing choice are defined as:

- Any actions, omissions, or decisions taken because of race, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choice
- Any actions, omissions, or decisions that have this effect.

The City of Tuscaloosa completed a Fair Housing Plan in 1998, and is currently working to revise that plan to reflect the tremendous needs of the City since the natural disasters of 2011.

In October of 2013, the Tuscaloosa City Council appointed eight members to the Fair Housing Advisory Committee to advise the City and the Director of Federal Programs on various fair housing issues. The first course of action of this committee was to evaluate the City's current Fair Housing Plan to include the Analysis of Impediments (AI) to Fair Housing. In order to assess current conditions regarding fair housing, the committee discussed impediments based on each committee member's experience. Based on the rough draft of potential impediments, the committee formerly recommended to the Director of Federal Programs and City Council that the City hire a consultant to formally conduct a study to complete a new Fair Housing Plan.

In this new Fair Housing Plan, as done in the previous completed version, the City of Tuscaloosa will review the housing needs of its residents, the housing conditions in the City, the housing market, inventory of assisted housing, changes in the distribution of the City's minority population over a 20 year period of time and the interrelationships of the locations of employment, transportation and housing following the tornadoes of 2011. In addition, the new plan will evaluate the community's fair housing legal status, identify impediments to fair housing choice and discuss current public and private fair housing programs and activities. This plan is now in the review stage and is expected to be adopted in June 2015.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	392	78	2	0	-2
Arts, Entertainment, Accommodations	4,029	7,163	19	19	0
Construction	1,161	2,066	5	5	0
Education and Health Care Services	3,227	4,987	15	13	-2
Finance, Insurance, and Real Estate	1,422	2,457	7	6	-1
Information	403	736	2	2	0
Manufacturing	3,216	7,408	15	19	4
Other Services	814	1,481	4	4	0
Professional, Scientific, Management Services	1,501	2,659	7	7	0
Public Administration	0	0	0	0	0
Retail Trade	3,831	7,091	18	18	0
Transportation and Warehousing	757	1,001	4	3	-1
Wholesale Trade	834	1,343	4	3	-1
Total	21,587	38,470	--	--	--

Table 40 - Business Activity

Data Source: 2007-2011 ACS (Workers), 2011 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	40,349
Civilian Employed Population 16 years and over	37,240
Unemployment Rate	7.71
Unemployment Rate for Ages 16-24	17.72
Unemployment Rate for Ages 25-65	3.67

Table 41 - Labor Force

Data Source: 2007-2011 ACS

Occupations by Sector	Number of People
Management, business and financial	6,838
Farming, fisheries and forestry occupations	1,222
Service	4,559
Sales and office	8,079
Construction, extraction, maintenance and repair	3,053
Production, transportation and material moving	1,872

Table 42 – Occupations by Sector

Data Source: 2007-2011 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	31,817	89%
30-59 Minutes	2,974	8%
60 or More Minutes	1,061	3%
Total	35,852	100%

Table 43 - Travel Time

Data Source: 2007-2011 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	1,871	296	2,604
High school graduate (includes equivalency)	6,092	415	3,059
Some college or Associate's degree	7,100	366	2,977

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Bachelor's degree or higher	10,134	302	2,356

Table 44 - Educational Attainment by Employment Status

Data Source: 2007-2011 ACS

Educational Attainment by Age

	Age				
	18-24 yrs	25-34 yrs	35-44 yrs	45-65 yrs	65+ yrs
Less than 9th grade	406	416	261	451	989
9th to 12th grade, no diploma	1,881	1,088	871	1,684	1,166
High school graduate, GED, or alternative	3,463	2,706	1,953	4,917	2,866
Some college, no degree	15,906	2,996	1,984	3,461	1,637
Associate's degree	695	398	444	1,160	215
Bachelor's degree	2,258	2,609	1,801	3,049	1,258
Graduate or professional degree	131	1,339	1,414	2,590	1,355

Table 45 - Educational Attainment by Age

Data Source: 2007-2011 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	14,715
High school graduate (includes equivalency)	21,101
Some college or Associate's degree	26,457
Bachelor's degree	37,325
Graduate or professional degree	52,276

Table 46 – Median Earnings in the Past 12 Months

Data Source: 2007-2011 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

The leading employment sector in the City of Tuscaloosa is Arts, Entertainment, and Accommodations with 4,029 workers, accounting for 18% of total number of workers. Retail trade follows as the second largest with 3,831 workers or 16%. Education and Health Care Services and Manufacturing hold the third and fourth largest sectors at 14.9% and 14.8% respectively.

Describe the workforce and infrastructure needs of the business community:

With Manufacturing and Education and Healthcare Services being in the employer types for the Tuscaloosa community, attaining a certain level of education is imperative to obtaining sustainable employment in this area. Top employers in these industries typically require a college degree or certification for employment. Though Tuscaloosa is home to several colleges, only 15% of residents have some college or earned an associate's and/or bachelor's degree or above. 3% of Tuscaloosa residents do not have a high-school diploma, suggesting the need for increased education and employment training. Further, as Arts, Entertainment, and Accommodations is a leading industry in Tuscaloosa, hourly rates must be increased for affordable living. Generally, persons with higher educational levels utilize housing options and supportive services somewhat more effectively and efficiently than their counterparts with lower levels of educational attainment. In addition, research suggests that educational level has a bearing on acquiring or maintaining affordable permanent housing settings.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

Since 2005, Tuscaloosa has experienced over \$3 billion in new construction to meet the increasing demands of our growing economy. Downtown redevelopment alone represents an investment of over \$300 million! Phase I of the downtown redevelopment (2005-2012) included a new federal building, five-acre Government Park, Intermodal Facility featuring 450 free parking spaces, Tuscaloosa Amphitheatre with 7,500 seating capacity, multiple streetscaping projects, development of the Riverwalk and a multi-use River Market complex with offices for the Tuscaloosa Tourism and Sports Commission. More recently, downtown redevelopment phase II included two downtown hotels with 270 rooms, multiple residential projects with over 800 bedrooms and 60,000 square feet of retail space. When completed in 2015, the downtown will be alive with an average of 1,300 additional people spending the night there each night. Robust restaurant and retail growth will certainly continue for years to come. Within a one-mile walking distance of downtown, the University of Alabama enrolled more than 36,000 students in the fall semester of 2014 and became one of the largest universities in the southeast. Home to the 2009, 2011 and 2012 National Football Champions, the University of Alabama's Bryant-Denny Stadium has a seating capacity of 101,821. Alabama Football games are consistently sold out and average a \$17 million economic impact each home game. While the University of Alabama continues to be the largest employer in the region, Mercedes-Benz U.S. International, Inc. (MBUSI) is the largest private sector employer. Tuscaloosa remains the company's only factory in the United States. From a 1.1 million square foot facility built in 1995, it will soon expand to 6.4 million square feet with a capacity of producing 350,000 cars per year. Over 8,000 people go to work on the MBUSI site every day and the

local automotive supplier base continues to expand. Our local leaders realize that a healthy economy is essential to our overall well-being.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

With Manufacturing and Education and Healthcare Services being in the employer types for the Tuscaloosa community, attaining a certain level of education is imperative to obtaining sustainable employment in this area. Top employers in these industries typically require a college degree or certification for employment. Though Tuscaloosa is home to several colleges, only 15% of residents have some college or earned an associate's and/or bachelor's degree or above. 3% of Tuscaloosa residents do not have a high-school diploma, suggesting the need for increased education and employment training. Further, as Arts, Entertainment, and Accommodations is a leading industry in Tuscaloosa, hourly rates must be increased for affordable living. Generally, persons with higher educational levels utilize housing options and supportive services somewhat more effectively and efficiently than their counterparts with lower levels of educational attainment. In addition, research suggests that educational level has a bearing on acquiring or maintaining affordable permanent housing settings.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

Alabama Industrial Development Training Institute (AIDT), recognized as one of the nation's most effective training programs, is a post-secondary education program that encourages economic development through job-specific training. AIDT's Total Workforce Delivery System has provided thousands of skilled, motivated employees to Alabama industries since 1971. In 2009, AIDT received "unconditional approval" and no nonconformities to the ISO standards were identified from the SRI Quality System Registrar team.

Shelton State Community College offers training and services to new and existing industries with a focus on workforce development. Programs include:

- Customized Training-Training for Existing Business and Industry Center (TEBI) works closely with local business leaders to provide professional instruction that upgrades the skills needed in today's workplace.

Alabama Technology Network (ATN) links Alabama manufacturers with technological resources from a network of universities, colleges, businesses, and government to deliver training that helps companies be more efficient, more productive, and more competitive. ATN is ISO 9001:2008 Certified. In addition, ATN's team of experts can meet local needs and provide innovative and cost-effective solutions to enable Alabama's existing industry to be globally competitive. As Alabama's Affiliate of the National Institute of Standards and Technology's

Bill Taylor Institute offers training opportunities through its High School Apprenticeship and Community Apprenticeship programs. Through the collaboration of Mercedes-Benz U.S. International and AIDT, the program combines theoretical learning with lab and in-plant training which broadens a student's chances of employment in local and international industry. The Institute focuses on two areas of study: production and maintenance. The Production course of study is open to high school seniors, which enhances the skilled labor pool for local industry. Students successfully completing the program will be assisted with obtaining employment with an automotive supplier.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

No

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

Discussion

It shall be the City's policy to encourage the creation of new jobs and training programs to promote better job opportunities for very low income persons by encouraging the expansion of existing businesses, industries and institutions and the establishment of new businesses, industries and institutions and thus, to reduce the number of persons with incomes below the poverty level.

2. It shall be the City's policy to provide counseling and referrals to training and available job opportunities to unemployed or underemployed persons through the Tuscaloosa Housing Counseling Program to enable these persons to obtain employment and thus, to reduce the number of persons with incomes below the poverty level.

MA-45 - Additional Information

The success of business means jobs for citizens, a healthy tax base, and a community that is attractive to new industry, commercial development, and persons seeking to host meetings and events, or to relocate. With this in mind, the City of Tuscaloosa created an economic development assistance policy for eligible public infrastructure and site development assistance for eligible developments. Named as

one of the top 100 Small Art Communities in the U.S., “old towne” Northport, just across the Black Warrior River from downtown Tuscaloosa, offers an inviting atmosphere to window shop, browse and dine. Northport has been recognized as one of the fastest growing small cities in Alabama. In April 27, 2011, a tornado did significant damage in Tuscaloosa by destroying 12% of the City, including damage to one of our major retail corridors. Showing remarkable resilience, we have recovered from that storm better than ever with new, attractive venues for retail expansion. So far, there has been over \$160 million in private investment in the storm-recovery zone and more than 400,000 square feet of new retail will be entering the market.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

Various outreach programs have performed several housing condition surveys, and have found that substandard housing is usually found in lower income neighborhoods with older housing stock. Majority of the housing in Tuscaloosa was built prior to 1980, indicating the need for housing rehabilitation and community revitalization throughout the City. Low-income census tracts that are considered to experience multiple housing problems include census tracts 116, 117, 118, and 119. Areas where households with multiple housing problems are concentrated include West Tuscaloosa and Alberta.

A site visit of West Tuscaloosa and Alberta revealed a number of currently vacant units as well as vacant lots that likely contained residential properties before demolition. It is clear that a high percentage of the residential properties in these areas are in sub-standard condition. This is most likely due to the age of the property and the amount of vacancy in the area.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

Census tracts 116-119 have above average levels of minorities and/or low income residents and have been determined areas of concentrations. Target areas the City will focus on for the 2015-2019

Consolidated Plan includes West Tuscaloosa and Alberta.

HUD defines areas of racial or ethnic concentration as geographic areas where the percentage of a specific minority or ethnic group is 10 percentage points higher than the City's overall percentage. The definition of a low-income concentration is that the Area Median Income of a Block Group must be below 50% of the Area Median Income for the Metropolitan Statistical Area (MSA).

Maps attached to this Consolidated Plan demonstrate areas of low-income, racial, and ethnic concentrations.

What are the characteristics of the market in these areas/neighborhoods?

Typically distressed neighborhoods have an older housing stock, higher vacancy rates, and are areas of low and moderate income concentration, as well as minority concentration. These target areas also often have higher crime rates and quality of life issues like poor home maintenance and litter.

From a community development perspective, extreme-poverty neighborhoods, blighted areas, distressed communities, low-and moderate-income census tracts, and neighborhoods characterized by

high levels of poverty are often host to a wide range of social and economic ills, including violence, drug abuse, inadequate schools, and little legal commercial activity.

Are there any community assets in these areas/neighborhoods?

The City Conducted an infrastructure needs assessment in 2012 which identified assets in the target areas/neighborhoods.

West Tuscaloosa

Parks, Recreation Facilities, Trails and Community Gardens

Palmore Park

Harrison Taylor Splashpad

Disc Golf Course

Palmore Park Trail

Benjamin Barnes Branch YMCA

School Garden- Oakdale Elementary

McDonald Hughes Center

Tuscaloosa Country Club

Shelton State Community College CA Fredd Campus

Freeman Park

Kaulton Park

Burrell G. Odom Park

Stillman College

Streetscapes and Gateways:

There is one recognized gateway to West Tuscaloosa which begins

Are there other strategic opportunities in any of these areas?

Strategic opportunities for these areas include economic development initiatives to encourage economic expansion in the area: attracting business enterprises and opportunities, increasing job training and employability of area residents. The City will also maintain and improve affordable housing opportunities in the target areas by: demolishing/stabilizing vacant buildings (eliminating blighting conditions); implementing a vacant building registry; providing housing rehabilitation services to low-income households; and providing homeownership down-payment assistance.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The City of Tuscaloosa's Strategic Plan will serve as a guide for addressing needs throughout the community for 2015-2019. Utilizing data gathered from the Housing and Homeless Needs Assessment, Housing Market Analysis, citizen participation process, and agency consultation the City has identified its priorities for allocating funds for the next five years. The Strategic Plan outlines goals and objectives for addressing need and indicates proposed accomplishments expected during the Consolidated Plan period.

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

Table 47 - Geographic Priority Areas

1	Area Name:	City of Tuscaloosa L/M areas
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	Housing
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

The locations of housing units or families to be assisted normally vary with the type and purpose of the program under which assistance is provided. Rehabilitation assistance under the City's CDBG funded Housing Rehabilitation Loan/Grant Program has been targeted to census tract 118 since 1978. The HOME funded program for the rehabilitation of owner occupied units is available to any eligible low-income owner household anywhere in the City. The HOME funded program to help in the rehabilitation of rental units is available to the owners of qualified units in any areas of the City. Obviously, such housing rehabilitation programs will provide assistance to older housing units where such units are found primarily in the central and western areas of the City and in some areas of the Alberta community. The rehabilitation of units in any of these areas should promote further neighborhood revitalization.

These older, developed areas of the City also already contain most necessary services and facilities. The general locations where the construction of new units for low -income persons would be recommended

include every census tract in the City. The recommended tracts contain many different locations that have the services, facilities and environmental conditions necessary to satisfy the site criteria or standards of many Federal programs. The diversity of the potential locations covering much of the City will allow for increased housing and locational choices for lower income persons. Potential locations include newly developed areas of the City where new employment opportunities, new shopping facilities, and schools are found.

City of Tuscaloosa projects will benefit low-income persons who may reside in any area of the City and thus the project location will be said to be "community wide." Several projects are targeted to specific areas (census tracts or block groups) where the residents are primarily of low-income status. Other projects will be undertaken at a specific street location or the street address of the agency carrying out the project will be shown to be the project location.

An area of low-income concentration is a census tract (or block group within a tract) in which 51 percent or more of the persons were low-income in 2010. Because the emphasis of the Community Development Block Grant and HOME programs is to provide assistance to low-income persons, there are direct correlations between the project locations and low-income areas. Because many of the City's minority residents are also low-income, the project locations also strongly correlate with areas of minority concentration. In the City's 2015-2019 Consolidated Plan, about 50% of projects are considered "community wide" where entitlement assistance is based upon L/M income status and other programmatic eligibility. The other 50% are site specific (area benefit) and all meet the national objective of benefiting low to moderate income persons. The site specific(area benefit) sites include Census Tracts 123.05, 124.05, 117.03, 118, 128, and 116. All these census tracts have concentrations of low-income and minority concentration as demonstrated in Map. No. 1 and No. 2.

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

Table 48 – Priority Needs Summary

1	Priority Need Name	W. Tuscaloosa/Alberta Public Facilities
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Elderly
	Geographic Areas Affected	City of Tuscaloosa L/M areas
	Associated Goals	Neighborhood Livability
	Description	Tuscaloosa has needs in West Tuscaloosa and Alberta to provide senior centers, youth centers, neighborhood facilities, and other public facilities to serve the growing number of seniors, youth, as well as the overall low/moderate income community.
	Basis for Relative Priority	PUBLIC FACILITY NEEDS Senior Centers H 500,000 Youth Centers H 800,000 Neighborhood Facilities H 1,000,000 Child Care Centers M 200,000 Parks and/or Recreation Facilities M 800,000 Health Facilities M 700,000 Parking Facilities L 100,000 Other Public Facilities H 200,000
2	Priority Need Name	W.Tuscaloosa/Alberta Public Service Needs
	Priority Level	High

	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities
	Geographic Areas Affected	City of Tuscaloosa L/M areas
	Associated Goals	Public Service for low-income persons
	Description	West Tuscaloosa and Alberta are in need of service for seniors, the handicapped, youth, transportation, employment training, crime awareness, fair housing counseling, Tenant/Landlord counseling, child care services.
	Basis for Relative Priority	Senior Services H 75,000 Handicapped Services H 90,000 Youth Services H 200,000 Transportation Services H 500,000 Substance Abuse Services M 500,000 Employment Training H 75,000 Crime Awareness H 75,000 Fair Housing Counseling H 150,000 Tenant/Landlord counseling H 100,000 Child Care Services H 10,000 Health Services M 150,000 Other Public Service Needs M 200,000
3	Priority Need Name	West Tuscaloosa/Alberta Infrastructure Improvements
	Priority Level	High

	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents
	Geographic Areas Affected	City of Tuscaloosa L/M areas
	Associated Goals	Neighborhood Livability
	Description	The City of Tuscaloosa has a high priority need for flood drain improvements, water improvements, street improvements, sidewalk improvements, and sewer improvements.
	Basis for Relative Priority	Solid Waste Disposal Improvements L 50,000 Flood Drain Improvements H 5,000,000 Water Improvements H 5,000,000 Street Improvements H 5,500,000 Sidewalk Improvements H 1,000,000 Sewer Improvements H 1,000,000 Asbestos Removal L 150,000 Other Infrastructure Improvement Needs N
4	Priority Need Name	Accessibility
	Priority Level	Low

Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence
Geographic Areas Affected	
Associated Goals	Decent Housing for low-income Population Neighborhood Livability
Description	The accessibility of facilities and programs for those with disabilities is an integral part of proposed projects and programs under the City's Consolidated Plan. In 1992 the City adopted an update to its "Self-Evaluation and Transition Plan" for assuring that City facilities and programs are accessible, pursuant to the requirements of the Americans with Disabilities Act (ADA). In addition to city-operated facilities and programs, the City will encourage and promote accessibility in other public and private facilities.
Basis for Relative Priority	Accessibility Needs H 500,000

Narrative (Optional)

In the first two sections of this Plan document, the housing needs of the City's population were analyzed and reviewed. In this section of the Plan, the City identifies its "priority" housing and non-housing needs and identifies its short term and long term objectives or strategies for meeting those needs. "Short term objectives" are those to be achieved during the next five years and "long term objectives" are those which will take longer than five years to achieve. The discussion of the City's housing needs priorities and objectives for the three categories of "affordable housing, homelessness and other special needs"

has been included under one subsection or part labeled B. Affordable Housing, C. Homelessness and D. Other Special Needs. The City's non-housing needs priorities are discussed at length under several different categories in Part E of this section of the Plan.

On the Priority Needs Summary Table, the City's priority housing and non-housing needs have been summarized. For each priority housing need, a 5 year goal has been established for each category of households to be assisted. For other Community Development Needs, the estimated dollars needed to address these needs have been summarized. The "priority need level" assigned to each category by the City has been indicated on the Table by an "H" for High Priority, an "M" for Medium Priority or an "L" for Low Priority.

High Priority: Activities to address this need will be funded by the City or other entity

during the next five years.

Medium Priority: If funds are available, activities to address this need may be funded by the City or other entity during the next five years.

Low Priority: The City does not plan to fund activities to address this need during the next five years but will consider approving a certification of consistency for other entities' applications for Federal assistance for these activities.

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	The high level of cost burden among low-income households. The City of Tuscaloosa funds the Tuscaloosa Housing Authority with HOME funds to administer this program.
TBRA for Non-Homeless Special Needs	N/A
New Unit Production	The age of the housing stock, number of public housing units, and the availability affordable housing units. The City of Tuscaloosa will work with its two CHDOs and the Tuscaloosa Housing Authority in constructing new units.
Rehabilitation	The age of housing stock.
Acquisition, including preservation	The availability of property that is affordable in order to develop affordable housing and/or land that is gifted to the subrecipients and CHDOs.

Table 49 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

This section outlines CDBG and HOME funds the City of Tuscaloosa anticipates receiving on an annual basis for the 2015-2019 period covered by this Consolidated Plan.

The City of Tuscaloosa's anticipated annual allocations include:

- CDBG - \$763,369 with \$3,053,476 available for the remainder of the Consolidated Plan.
- HOME - \$281,316 with \$1,125,264 available for the remainder of the Consolidated Plan.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1			Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	763,369	275,000	0	1,038,369	3,053,476 The Community Development Block Grant (CDBG) program is a program that provides communities with resources to address a wide range of community revitalization needs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	281,316	30,000	0	311,316	1,125,264	HOME funds are designed to create affordable housing for low income households

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal							The City of Tuscaloosa, Alabama Disaster Recovery Division, as mandated by the Office of the Mayor, has prepared this Action Plan for the Community Development Block Grant (CDBG) Disaster Recovery Grant (DR-1). This Action Plan will be used by the City of Tuscaloosa to provide \$16,634,702 in CDBG-DR funding to help restore and rebuild the areas of the Tuscaloosa community that were most impacted by the April 27, 2011 Presidentially declared disaster (FEMA DR-1971). In addition, the City of Tuscaloosa, Alabama Disaster Recovery Division has prepared an Action Plan for the Community Development Block Grant Disaster Recovery (CDBG-DR 2). This Partial Action Plan will be used to provide \$26,757,064 in CDBG-DR 2 funding to help restore and rebuild the areas of the Tuscaloosa community that were most impacted by the April 27, 2011 Presidentially declared disaster (FEMA DR-1971). Amendments shall be made in subsequent Action Plans to fulfill the entire allocation of \$43,932,000. On April 27, 2011, Alabama was hit by 62 tornadoes which
OMB Control No: 2506-0117 (exp. 07/31/2015)		Consolidated Plan			TUSCALOOSA			

Table 50 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Community Development Block Grant:

The Community Development Block Grant Program regulations do not require that local funds or resources be expended as a match for the program grant. However, on many Community Development Block Grant funded activities, local agency or government funds are also expended but these are not shown as matching funds.

HOME Investment Partnerships Program:

The City of Tuscaloosa's match liability for the HOME Program equals 12.5% of funds drawn down for project costs during the program year from April 1st through March 31st. However, according to the FY 2015 HOME Match Reductions, the City's match will be reduced by 50%.

The match to be provided for the 2015 HOME grant will come from any excess match carried over and also from thousands of volunteer hours provided by volunteers working on houses constructed by Habitat for Humanity of Tuscaloosa, Inc. on projects funded under the City's HOME Program.

Emergency Solutions Grants Program:

Even though the City of Tuscaloosa is not an "Entitlement City" under the Emergency Solutions Grants (ESG) Program, in 2015, it plans to apply for \$190,000 through the State of Alabama ESG program to provide assistance to three local agencies that assist the homeless. The \$190,000 match required for the ESG funds will be provided from cash donations or volunteer hours contributed to these agencies.

Consolidated Plan

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If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The Tuscaloosa Housing Authority is currently in discussions with the City of Tuscaloosa about potentially developing a medium size affordable housing development in West Tuscaloosa on City property known as the "Springer Property."

Discussion

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
COMMUNITY SERVICE PROGRAM OF WEST ALABAMA, INC	CHDO	Ownership Rental	Region
Big Brothers Big Sisters of W Alabama	Non-profit organizations	Non-homeless special needs public services	Jurisdiction
HABITAT FOR HUMANITY OF TUSCALOOSA	CHDO	Ownership	Jurisdiction
THE SALVATION ARMY	Community/Faith-based organization	Homelessness public services	Jurisdiction
TUSCALOOSA COUNTY PARK & RECREATION AUTHORITY	Public institution	Non-homeless special needs public facilities public services	Jurisdiction
Tuscaloosa Housing Authority	PHA	Ownership Public Housing Rental	Jurisdiction
West Alabama AIDS Outreach	Non-profit organizations	Homelessness	Jurisdiction
TUSCALOOSA PARKING & TRANSIT AUTHORITY	Public institution	Non-homeless special needs public services	Jurisdiction
CITY OF TUSCALOOSA	Government	Homelessness Non-homeless special needs Ownership public facilities	Jurisdiction

Table 51 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The City of Tuscaloosa's participation and direct relationship with the Continuum of Care allows for a coordinated system for the delivery of services to meet the homeless needs. Additionally, providing ESG funding to agencies that provide shelter services, homeless prevention, and rapid rehousing activities

ensures that the homeless and special needs populations are receiving the services needed through a structured delivery system.

United Way of West Alabama works with numerous area service providers, counties, state, and local government to provide 2-1-1 services to the region. Collaborating with the 2-1-1 service engages local government, agencies, business leaders, information and referral specialists, and community volunteers to create a venue that connects a caller's needs(s) with the correct agency to assist. This coordination effort not only reduces costs, but allows the City of Tuscaloosa to provide a much greater level of service to consumers.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance			
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
Street Outreach Services			
Law Enforcement	X		
Mobile Clinics	X	X	X
Other Street Outreach Services	X	X	X
Supportive Services			
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	X
Education	X	X	X
Employment and Employment Training	X	X	X
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X
Other			

Table 52 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

West Alabama Aids Outreach (WAAO) receives Housing Opportunities for People with AIDS (HOPWA) funding, which supports 5 subsidized units. The agency was also deeded 3 homes through local benefactors that it uses to house clients and their families. WAAO also utilizes a small portion of existing supportive housing funds provided through the Continuum of Care to subsidize rent and provide supportive services for additional clients. According to the Alabama Department of Public Health, as of March 31, 2015, there were a total of 674 confirmed cases of HIV in Tuscaloosa County alone. West Alabama Aids Outreach currently partners with Whatley Health Services in Tuscaloosa to provide case management and medical care for those with HIV/AIDS. In 2014, West Alabama Aids Outreach served 230 individuals and Whatley Health Services served an additional 70-80 clients.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

<p style="margin: 0in 0in 10pt;">Because of the increased demand for assistance and decreasing grant and donor contributions, the cost burden placed on service providers to help with financial, rent, mortgage, and utility assistance has created a gap in available funds for assistance. Faith based organizations are also attempting to fill in the gap in services as local churches serve this at risk population with food, clothing, prescription assistance, transportation, life skills classes, and counseling.</p>

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

Through efforts to assure capable staffing, organization, and agency coordination, the City of Tuscaloosa and the Continuum of Care are working toward a fluid delivery system that functions in an efficient manner. Potential gaps in service through the institutional delivery system include:

- Lack of informational outreach to the public; and
- Lack of knowledge of available resources

The City and its partners are working to eliminate these gaps through the citizen participation process and by providing information and referrals to the public regarding its programs and services.

The Continuum of Care and the City continue to work with key stakeholders to ensure that CoC, ESG, private and other funds are most effectively utilized in order to prevent and end homelessness. Through

efficiency, this coordination created additional financial assistance, legal assistance, and case management opportunities for those at risk of homelessness and those in need of rapid re-housing.

The CoC has also set the following goals to address priority needs:

- Develop and secure resources to address unique needs of chronic homeless persons; and
- Coordinate efforts within the community to address the needs of persons who are chronically homeless; and
- Create additional units of permanent housing for homeless individuals and families.

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Decent Housing for low-income Population	2015	2019	Affordable Housing		Accessibility	HOME: \$1,406,580	Homeowner Housing Added: 80 Household Housing Unit Homeowner Housing Rehabilitated: 5 Household Housing Unit Direct Financial Assistance to Homebuyers: 100 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 100 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Neighborhood Livability	2015	2019	Non-Housing Community Development		W. Tuscaloosa/Alberta Public Facilities West Tuscaloosa/Alberta Infrastructure Improvements Accessibility	CDBG: \$1,468,650	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 20000 Persons Assisted
3	Public Service for low-income persons	2015	2019	Non-Housing Community Development		W. Tuscaloosa/Alberta Public Service Needs	CDBG: \$420,000	Public service activities other than Low/Moderate Income Housing Benefit: 8240 Persons Assisted
4	Economic Development - Creation of Jobs	2015	2019	Non-Housing Community Development			CDBG: \$400,000	Jobs created/retained: 25 Jobs Businesses assisted: 25 Businesses Assisted

Table 53 – Goals Summary

Goal Descriptions

1	Goal Name	Decent Housing for low-income Population
	Goal Description	Support the national objective of providing decent and affordable housing through rehabilitation of substandard housing and construction of new units, purchase assistance, and activities that serve the homeless providing rental assistance with homeless prevention and rapid rehousing and emergency shelter.

2	Goal Name	Neighborhood Livability
	Goal Description	Support the national objective of providing a suitable living environment through public facility and infrastructure projects, and neighborhood revitalization.
3	Goal Name	Public Service for low-income persons
	Goal Description	An extended network of public agencies in Tuscaloosa provides free or low cost services to low-income persons, including senior citizens, adults with severe disabilities and homeless persons. Because only 15% of the City's annual Community Development Block Grant (and the amount of prior year program income, factored together) can be allocated for public service activities, the CDBG Program cannot possibly address all public service needs in the City.
4	Goal Name	Economic Development - Creation of Jobs
	Goal Description	Support the national objective by creating environment for business to thrive through business loans.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

The City of Tuscaloosa will provide affordable housing opportunities for over 280 families or households through new construction, purchase assistance and TBRA activities. In addition, through its ESG program, which is funded through the State's ESG program, will assist approximately 700 at-risk individuals, families, or households by funding homeless prevention activities, emergency shelters, and rapid re-housing activities. decent and affordable housing activities are targeted towards very low, low, and moderate-income individuals, families, or households.

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

The City of Tuscaloosa has a large number of people with mental and/or physical disabilities. Therefore, the need for accessible units is high. Currently, the City of Tuscaloosa does not have vouchers designated for the disabled, however, tenants have the right to ask for reasonable accommodation according to federal regulations and THA is available to help locate accessible units if requested.

The THA will make reasonable accommodations for individuals with disabilities, consistent with Section

504 of the Rehabilitation Act of 1973, and the Fair Housing Amendments Act of 1988. The THA shall make its accessible units available to persons who have mobility impairments. In the event that no mobility-impaired applicants are available, those units shall be assigned to other applicants. However, applicants receiving accessible apartments shall be required to sign an agreement with the THA that shall state that "in the event a mobility impaired applicant becomes available and requires their unit, they shall be reassigned to another suitable unit within the THA".

Activities to Increase Resident Involvements

The City of Tuscaloosa will continue to expand and enforce our Section 3 plan, which encourages utilizing low income public housing residents or community members to fill vacancies within the Tuscaloosa Housing Authority. In addition, the Tuscaloosa Housing Authority administers the THA Homeownership Program, which promotes homeownership among low to moderate income persons. THA also has a Public Housing Family Self- Sufficiency Program that provides coordination and access to job training and other services for residents of public housing who are making an effort to become self-sufficient. Participants are required to seek and maintain employment or attend school or job training. As participants increase their earned income, THA matches the rent increase with money in an escrow account which is then awarded to participants who successfully complete the program. Escrow monies are often used as a down payment on a home; however additional activities are also eligible.

Is the public housing agency designated as troubled under 24 CFR part 902?

No

Plan to remove the 'troubled' designation

N/A

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

The current adopted impediments to fair housing choice will summarize actions to help eliminate the impediments proposed. In addition, resources, individuals, and other entities will be identified and time tables proposed for implementing actions. This will be updated and the impediments to fair housing choice will be identified and actions taken or proposed to help eliminate the following impediments:

IMPEDIMENT: LOW INCOME. (Low income Households cannot afford housing/apartment rental

IMPEDIMENT: LIMITED PUBLIC TRANSPORTATION SERVICES.

IMPEDIMENT: LIMITED OPPORTUNITIES FOR EMPLOYMENT, EDUCATION AND OTHER SERVICES IN AREAS OF AFFORDABLE HOUSING.

IMPEDIMENT: SITE SELECTION FOR AFFORDABLE HOUSING FOR LOW INCOME PERSONS OR PERSONS WITH DISABILITIES.

IMPEDIMENT: LIMITED EDUCATION ON FAIR HOUSING LAWS.

IMPEDIMENT: ZONING LAWS AND HISTORIC PRESERVATION RULES RELATED TO THE IMPROVEMENT OF EXISTING HOUSES.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Actions Taken to Help Eliminate Impediment:

The City of Tuscaloosa has used HOME funds to assist low income persons under the Homebuyer Assistance Program, the Homeowner Rehabilitation Program. In addition, following the natural disasters of 2011, the City allocated funds for the implementation of a Tenant Based Rental Assistance (TBRA) Program. The TBRA Program is a rental subsidy that can be used to help individuals' household cost such as rent, utility costs, security deposits, and the utility deposits. In the City's 2014 Program year, the City will allocate \$68,330 in HOME Program funds to Habitat for Humanity of Tuscaloosa, Incorporated (HFH) to provide for the construction of new houses for low income homebuyers. Stillman College received a HUD grant for Historically Black Colleges and Universities to continue their neighborhood redevelopment program. The Tuscaloosa Housing Counseling Program provided comprehensive housing counseling assistance to 609 low-income households in the 2013 program year. For PY 2014, the City of Tuscaloosa anticipates a substantial increase in the number of people to be assisted and/or counseled. In 2014, the

Tuscaloosa Housing Authority plans to utilize \$947,245 in Public Housing Capital Funds to complete renovations and repairs in existing apartments units. In 2014, the Tuscaloosa Housing Authority plans to apply for \$7,295,275 in Section 8 Program vouchers, VASH, and Shelter Plus to provide rental assistance for 1,200 low to moderate income households. In 2014, the Tuscaloosa Housing Authority plans break ground in the fall on Rosedale Phase III for total construction of \$3,313,039 pending the approval of the 4% Tax Exempt Bond Application.

Actions Taken to Help Eliminate Impediment:

The City of Tuscaloosa will continue to utilize federal grant funds for 2014 to continue funding for the following public service transportation activities: Transportation for Seniors Provided by FOCUS on Senior Citizens, Transportation for Persons with Disabilities, and Transportation for Senior Activities Program at the McDonald Hughes Community Center. The City of Tuscaloosa has provided 2014 General Fund revenues to the Tuscaloosa County Parking & Transit Authority (TCPTA) for operating the public bus service. The TCPTA received a grant to implement a system of coordinated van service to clients of three local social service agencies as well as agencies in nearby counties. In September, 1998, several local churches formed the Mid-Tuscaloosa Interface Cluster which provides van transportation from home to work and back for low income families. Easter Seals of West Alabama continues to provide transportation services for persons with disabilities who need help getting to/from their place of employment.

Additional Information - SP-55

Actions Taken to Help Eliminate Impediment: The City of Tuscaloosa has provided HOME funds to Habitat for Humanity of Tuscaloosa, Inc. to pay for site improvements for new affordable houses for low income homebuyers. The City of Tuscaloosa has made CDBG and HOME Program funds available to persons with disabilities and to low-income persons for housing rehabilitation or home purchases. In prior years, HOME deferred payment loans of \$15,000 have been provided to enable several disabled persons to purchase homes. In prior years, other disabled persons with extreme hardships were assisted with loans covering the complete purchase price of their homes. In addition, throughout the program years, other low income households were provided with deferred payment loans to enable them to purchase homes at locations throughout the City. The City will allocate \$13,000 in 2013 CDBG funds to CSP to provide "Meals on Wheels" services to persons with disabilities. The Alabama Community Living Coalition established a program called Access Alabama to provide home purchase assistance to persons with disabilities. Following the natural disaster of 2011, Community Service Programs of West Alabama informed the City of its plan for a Senior Housing in the Hurricane Creek Trace Development by making application and applying for funds from the Alabama Housing Finance Authority for Low-Income Housing Tax Credits.

Actions Taken to Help Eliminate Impediment: Tuscaloosa Housing Counseling Program: In the City's 2012 and 2013 Program year, the City again provided Community Development Block Grant funds and HOME Program funds to continue the operation of this HUD certified, comprehensive housing counseling program which has been operated by the City since 1977. The counselors from the Tuscaloosa Housing Counseling Program surveyed the offices of local mortgage lenders to verify the display and use of posters and other information concerning fair housing on loan applications. In April, 2014, the Mayor of the City of Tuscaloosa signed a Proclamation designating April as fair housing month. The City of Tuscaloosa in conjunction with the Fair Housing Committee will provide a fair housing education forum bi-annually for the public.

Actions taken to Help Eliminate Impediment: Zoning Amendment: On February 5, 1998, the City Council adopted a change to the City's Zoning Ordinance to permit the construction of single family homes on smaller existing lots than previously permitted and to permit the construction of a house on each lot (if each lot measures at least 50 feet wide and contains 5,000 square feet) where two or more lots are contiguous to each other and in one ownership. This amendment also permits the construction of duplex units (two-family houses) on smaller existing lots than previously permitted. Under the Planned Unit Development regulations of the City's Zoning Ordinance, housing units can be constructed on smaller lots with smaller setbacks than would normally be permitted, thus saving money on the cost of property on each house constructed. Hundreds of housing units have been constructed under these regulations in the past few years. On May 22, 2012, in accordance with the Tuscaloosa Forward Strategic Plan to Renew and Rebuild, the City Council adopted new mixed residential zoning ordinances for areas impacted by the April 27 tornado. These new zoning districts and accompanying ordinances allow a higher density, more urban pattern of residential development.

SP-60 Homelessness Strategy – 91.215(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The CoC has developed outreach procedures focused on collaborating with system partners to identify and engage homeless households; particularly persons with disabilities, families with children, and persons who may have limited English proficiency. Procedures include street outreach, procurement and distribution of emergency items, referrals and access to community pantries, soup kitchens, and meals to engage those who are least likely to request housing or services in the absence of special outreach. The CoC has worked diligently on outreach and engagement procedures which meet the clients where they are. Procedures focus on establishing rapport and forming a trusting relationship in order to effectively link clients with services including but not limited to, housing, mainstream benefits, employment, mental health treatment, and substance abuse treatment.

The CoC markets housing and supportive services to eligible persons who are least likely to request such services in the absence of outreach, specifically the chronically homeless, families with children, and those who are not fluent in English. CoC providers are working to make CoC provider and partner information available where the homeless are known to frequent, such as certain parts of town with parks and abandoned dwellings or other empty spaces, soup kitchens, food pantries and outdoor areas. The outreach team also leaves supplies and information at campsites during outreach when an individual might not be present at their site, dwelling or structure. CoC leadership is now partnering with the social workers at the Tuscaloosa City Schools to educate on opportunities for housing, services, and financial assistance available through the CoC and partnering agencies. One partnering agency in particular, the Tuscaloosa Mental Health Alliance, is working with the CoC to help end homelessness in Tuscaloosa County by creating a Face Campaign. The Face Campaign is a series of public services announcements aired on local radio and news stations on the subject of homelessness and what it looks like in this community. This campaign both raises awareness and calls for action. The Tuscaloosa Mental Health Alliance also provides grant funds to consumers with mental health needs in the community so that they have a greater opportunity to maintain housing and stability. The CoC's outreach team has also worked with the faith based community to educate and create a stronger interest and greater understanding of the needs of the homeless and high risk persons in the community. The outreach team educated members of the faith based community on how outreach works so that the faith based community can also conduct outreach and work together with the CoC and its partners.

Addressing the emergency and transitional housing needs of homeless persons

The City of Tuscaloosa, which partners with the CoC, receives state ESG funds. In FY 2013, a total of 40 percent of ESG funds were utilized to serve individuals and families through homeless prevention and rapid re-housing assistance. The Salvation Army's emergency shelter build is due to be completed in early 2016. Upon completion, the center will provide a total of 73 beds, with 46 beds for single men, 10 beds for single

women, 9 family apartments, and 8 beds for veterans. Resident resources are to include bathing and laundry facilities, individualized case management, GED classes, a computer lab, substance abuse classes, counseling, money management courses, parenting classes, and permanent housing assistance. Once the new shelter is built, ESG funds will not only support the Salvation Army's Veterans Transitional Living Program, but also support the Salvation Army's emergency shelter, and the City's only domestic violence shelter, Turning Point. </p>

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Please see first two responses

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

Please see first two responses.

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

On September 15, 1999, The U.S. Department of Housing and Urban Development (HUD) endorsed 64 FR 50140, (known as the Lead Safe Housing Regulation) which established uniform requirements for the notification, evaluation, and abatement of lead –based paint hazards in Federally owned or assisted residential property. The Lead Safe Housing Regulation, located at 25 CFR Part 35 took effect on September 15, 2000.

On April 22, 2008, Environmental Protection Agency (EPA) issued a rule requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning. Under the rule, beginning in April 2010, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination. While the City of Tuscaloosa does incorporate EPA guidelines into its Lead Based Paint Hazards Control Strategy, it strictly adheres to the more stringent requirements for Lead Hazard the LSHR, including clearance examinations, lower “de minimis” requirements, etc.

Currently, the Federal Programs Construction and Rehabilitation Specialist is seeking enrollment in the lead-based paint training courses with the Alabama Lead-Based Paint Activities Accreditation Program (Safe State Program) at the University of Alabama. It is expected that upon the completion of the certification program, the Construction and Rehabilitation Specialist will provide guidance to the City on maintaining compliance with the LSHR.

However, even with this individual certification, the City of Tuscaloosa is not registered under the Alabama Lead-Based Paint Activities Accreditation Program. As a result, the City of Tuscaloosa must utilize certified contractors to comply with Federal regulations. Therefore, the City of Tuscaloosa follows its established procurement policies to secure lead assessment services on homes being considered for rehabilitation assistance. To eligible for consideration, the prospective consulting company must employ staff members that are State of Alabama or Environmental Protection Agency certified as Lead- Based Paint Inspectors, Risk Assessors, and/or Lead Sampling Technicians. These companies complete lead inspections and reports on home being considered for rehabilitation assistance. In addition to the rehabilitation program meeting the notice, evaluation, and abatement requirements under LSHR, the Office of Federal Programs requires that prospective homeowners include a certified lead inspection (on homes built prior to 1978) in their applications to the City of Tuscaloosa Down Payment Assistance Program.

How are the actions listed above related to the extent of lead poisoning and hazards?

In 1978, a law was passed to restrict the use of lead in most commercially available paints helping to eliminate the problem in houses constructed after that year. The age of the housing unit is the only factor which is significant in the incidence of lead-based paint. There are no significant differences in the incidence of lead-based paint by the income of the household, the value of the home or the rent. Prosperous households are as likely to be occupying homes with lead-based paint as low income households. However, the higher income households can afford to remove or otherwise eliminate the hazards to their homes whereas low income households usually cannot. Applying these percentages to the numbers of housing units built during these time periods in Tuscaloosa and subtracting units in which lead abatement activities have been completed and substandard units that have been repaired or demolished since 2015, it is estimated that as many as 13,437 housing units in Tuscaloosa still have lead-based paint unless the owners or occupants of these units have taken actions to remove or cover up the hazardous surfaces or debris. This is an alarmingly high number which makes it even more important to educate the public about this potential hazard and to emphasize the abatement of lead-based paint in all rehabilitation projects in which the City is a participant.

How are the actions listed above integrated into housing policies and procedures?

The West Alabama District Health Department started a lead screening program in 1991 and screens children from 1 up to 6 years of age as part of a physical exam given under the Medicaid or Child Health and Welfare Programs. Children who are only six months of age are also screened if they are considered to be high risk (live in an older home or have parents employed in a high risk occupation such as an auto mechanic). They have screened thousands of children since 1991 and have found over 500 with elevated levels of lead in their blood (10 ug-dl or more). If the level is over 15, lead abatement and nutrition guidance are provided and a venous blood test is completed. If the level is 20 ug-dl or higher, they are referred to a doctor for evaluation and treatment. From 1992 through 1994, approximately 50 children being tested by the District Health Department had repeat blood tests which indicated levels of over 15 ug-dl. The addresses of these children were mapped and studied and it was determined that most of them lived in older areas of the City in Census Tracts 116, 117, 118 and 119, which contain the oldest housing units and are primarily low income. Most of the children having elevated levels of lead were from Black families. The Maude L. Whatley Health Clinic located in census tract 118 also conducts routine screening of all children from 9 months to 6 years of age to detect elevated levels of lead in their bloodstream.

However, even with this individual certification, the City of Tuscaloosa is not registered under the Alabama Lead-Based Paint Activities Accreditation Program. As a result, the City of Tuscaloosa must utilize certified contractors to comply with Federal regulations. Therefore, the City of Tuscaloosa follows its established procurement policies to secure lead assessment services on homes being considered for rehabilitation assistance. To eligible for consideration, the prospective consulting company must employ staff members that are State of Alabama or Environmental Protection Agency certified as Lead- Based Paint Inspectors, Risk Assessors, and/or Lead Sampling Technicians. These companies complete lead inspections and reports on home being considered for rehabilitation assistance. In addition to the rehabilitation program meeting the notice, evaluation, and abatement requirements under LSHR, the

Office of Federal Programs requires that prospective homeowners include a certified lead inspection (on homes built prior to 1978) in their applications to the City of Tuscaloosa Down Payment Assistance Program.

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

In the City of Tuscaloosa where in 2010, 22.2% of all households had incomes below the poverty level, there is certainly a need for a strategy to assist persons who are trying to survive on incomes below the poverty level. 31.8% of all Black persons had incomes below the poverty level. One strategy to alleviate the problem is simply to utilize all of the federal, state and local government assistance programs and other assistance efforts provided by non-profit organizations, churches and individuals to provide supplemental income, food, clothing, shelter and utility assistance to persons below the poverty level. One problem with using this strategy as the sole solution is that there are never enough dollars of assistance under any of the programs and not enough individuals trying to help others to begin to eliminate all of the financial problems of those with incomes below the poverty level. These programs and assistance efforts can be used as temporary solutions and to temporarily assist low income persons but a better long term solution is to provide training and jobs so that persons who are physically able can work to improve their financial situation and thus can then afford to support themselves and to provide their own necessities of life. These persons are not really removed from poverty unless they can find a permanent source of income such as that provided by employment.

Many millions of other dollars are expended each year by the City of Tuscaloosa, by public institutions such as the University of Alabama, Stillman College, the VA Medical Center, Bryce Hospital, and Shelton State College as well as by other businesses and industries, in constructing new facilities or adding on to existing ones. All of these activities act to either create new jobs or to retain existing ones and thus to help alleviate the poverty problem in Tuscaloosa. Assisting in the creation of new job opportunities is probably the most important activity the City can assist with to help persons below the poverty level to achieve a long term solution to their problems. These jobs can filter down even to very low-income persons who may lack job skills or new jobs can be provided for which these persons can be trained. Thus, the City believes that the most important activity it will undertake as part of its anti-poverty strategy in 2015 is to continue to provide assistance in the creation of new jobs.

City of Tuscaloosa Policies for Reducing the Number of Households With Incomes Below the Poverty Level

1. It shall be the City's policy to encourage the creation of new jobs and training programs to promote better job opportunities for very low income persons by encouraging the expansion of existing businesses, industries and institutions and the establishment of new businesses, industries and institutions and thus, to reduce the number of persons with incomes below the poverty level.
2. It shall be the City's policy to provide counseling and referrals to training and available job opportunities to unemployed or underemployed persons through the Tuscaloosa Housing Counseling Program to enable these persons to obtain employment and thus, to reduce the number of persons with incomes below the poverty level.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

It was estimated that 50 percent of the jobs created in new or existing businesses and industries would be available for unemployed persons with limited skills. Thus, the goal for the number of poverty level households receiving these jobs includes only 50 percent of the total jobs projected to be created.

To assist low-income persons formerly receiving public assistance from State or Federal programs who must now find employment, Community Service Programs and Shelton State Community College operate the "Welfare to Work" Program. Clients are referred to the program from the Alabama Department of Human Resources. The individual needs of each client are determined, training classes are provided and supportive services such as transportation are provided to enable them to find and retain employment. In January, 2005, the West Alabama Center for Workforce Development of Shelton State received a new grant to aid in the skills training and assessment of west Alabama workers. The "wheels to Work" program operated by CSP provides used vehicles in good condition at an affordable price so that low-income persons can have needed transportation.

The Tuscaloosa Housing Counseling Program each year assists about 500 low income persons with credit counseling, housing maintenance counseling, finding employment and obtaining financial assistance, food, shelter or other necessities and in preventing foreclosure or the loss of rental housing. The following additional agencies provide assistance to unemployed persons in obtaining training or employment but information was not available concerning the number of poverty level persons who might obtain employment through their programs or referrals during 2005: The Salvation Army, Job Training Partnership Act Program, Vocational Rehabilitation Program, and the Alabama State Employment Service.

The City of Tuscaloosa provides financial assistance to the Tuscaloosa County Industrial Development Authority (IDA) which has a good record of achievement in bringing new industries such as the JVC Industries, Mercedes-Benz and their affiliated industries to Tuscaloosa or in helping local industries to expand their operations in the City of Tuscaloosa and Tuscaloosa County and thus to provide more job opportunities here. The Mercedes-Benz assembly plant directly employs 3,400 persons in high technology, higher paying jobs. Several thousand jobs in affiliated industries and in service industries were also created as a result of the construction of this plant. The State of Alabama, the IDA and the City of Tuscaloosa all expended great effort to win this competition to convince Mercedes-Benz to locate here 10 years ago. The City of Tuscaloosa also expended several million dollars to provide sanitary sewer service and water service as well as a new fire station to serve the plant. This company worked with local technical schools to train potential workers needed for the plant.

GOALS		
Number of Households to be Assisted in Attaining Incomes Above the Poverty Level in 2000		Programs or Activities to Provide Assistance to Poverty Level Households
20		Welfare to Work Program operated by Community Service Programs of West Alabama, Inc. & Shelton State College
25		Tuscaloosa Housing Counseling Program (Employment obtained or other permanent income obtained through direct referrals)
20		Indian Rivers Assisted Employment Program for Mentally Disabled Persons
20		Local Job Training Programs
400		Jobs created by one or more new industries recruited by the Tuscaloosa County Industrial Development Authority or expansions of existing industries during 2005
300		Jobs created by one or more new businesses or the expansion of existing businesses
TOTAL	785	

Goals and Programs for Reducing the Number of Households having Incomes Below the Poverty Level in F

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The Office of the Mayor and the Office of Federal Programs will be responsible for ensuring that the programs and the activities are carried out in a timely manner and in accordance with the goals and objectives prescribed by HUD and President Obama. Since the staff of the OFP has a close working relationship with the general public, the staff will continue to communicate with the public, whether it is a citizen, agency, and/or entity involving grant fund applications and program activities' execution and completion. In addition, the staff will evaluate the activities on a monthly basis for progress of activities under the CDBG Program, the HOME Program, the ESG Program, and the HMIS Program. The City conducts desk monitoring when reviewing documentation submitted from any sub-recipient such as quarterly reports. On-site monitoring is also conducted. The City conducts all monitoring in accordance with HUD regulations for the CDBG, HOME, and ESG program.

During the staff's evaluation, if a funded activity has not started within three months of funding, the feasibility of the activity will be evaluated. Reasons for delay will be documented. If the activity is deemed to be infeasible; therefore, target dates for commencing and finishing an activity will be established. The OFP staff will advise the City Council of the same and recommend that funds be reprogrammed by amendments to the Consolidated Plan or the Action Plan. Overall, the City will evaluate each funded activity to assure that it addresses a need or needs and one or more objectives outlined in the applicable Consolidated Plan. In addition, the City will monthly evaluate its drawdown rates for CDBG funds to assure that funds are being spent in a timely manner and that no more than 1.5 of its most recent letter of credit is unexpended 60 days before the end of its CDBG Program Year.

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

This section outlines CDBG and HOME funds the City of Tuscaloosa anticipates receiving on an annual basis for the 2015-2019 period covered by this Consolidated Plan.

The City of Tuscaloosa's anticipated annual allocations include:

- CDBG - \$763,369 with \$3,053,476 available for the remainder of the Consolidated Plan.
- HOME - \$281,316 with \$1,125,264 available for the remainder of the Consolidated Plan.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1			Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	763,369	275,000	0	1,038,369	The Community Development Block Grant (CDBG) program is a program that provides communities with resources to address a wide range of community revitalization needs.
						3,053,476	

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	281,316	30,000	0	311,316	1,125,264	HOME funds are designed to create affordable housing for low income households

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Acquisition Admin and Planning Economic Development Homebuyer assistance Housing Multifamily rental new construction New construction for ownership Public Improvements Public Services						The City of Tuscaloosa, Alabama Disaster Recovery Division, as mandated by the Office of the Mayor, has prepared this Action Plan for the Community Development Block Grant (CDBG) Disaster Recovery Grant (DR-1). This Action Plan will be used by the City of Tuscaloosa to provide \$16,634,702 in CDBG-DR funding to help restore and rebuild the areas of the Tuscaloosa community that were most impacted by the April 27, 2011 Presidentially declared disaster (FEMA DR-1971). In addition, the City of Tuscaloosa, Alabama Disaster Recovery Division has prepared an Action Plan for the Community Development Block Grant Disaster Recovery (CDBG-DR 2). This Partial Action Plan will be used to provide \$26,757,064 in CDBG-DR 2 funding to help restore and rebuild the areas of the Tuscaloosa community that were most impacted by the April 27, 2011 Presidentially declared disaster (FEMA DR-1971). Amendments shall be made in subsequent Action Plans to fulfill the entire allocation of \$43,932,000. On April 27, 2011, Alabama was hit by 62 tornadoes which
OMB Control No 2506-0117 (exp. 07/31/2015)		Consolidated Plan			TUSCALOOSA			

Table 54 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Community Development Block Grant:

The Community Development Block Grant Program regulations do not require that local funds or resources be expended as a match for the program grant. However, on many Community Development Block Grant funded activities, local agency or government funds are also expended but these are not shown as matching funds.

HOME Investment Partnerships Program:

The City of Tuscaloosa's match liability for the HOME Program equals 12.5% of funds drawn down for project costs during the program year from April 1st through March 31st. However, according to the FY 2015 HOME Match Reductions, the City's match will be reduced by 50%.

The match to be provided for the 2015 HOME grant will come from any excess match carried over and also from thousands of volunteer hours provided by volunteers working on houses constructed by Habitat for Humanity of Tuscaloosa, Inc. on projects funded under the City's HOME Program.

Emergency Solutions Grants Program:

Even though the City of Tuscaloosa is not an "Entitlement City" under the Emergency Solutions Grants (ESG) Program, in 2015, it plans to apply for \$190,000 through the State of Alabama ESG program to provide assistance to three local agencies that assist the homeless. The \$190,000 match required for the ESG funds will be provided from cash donations or volunteer hours contributed to these agencies.

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If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The Tuscaloosa Housing Authority is currently in discussions with the City of Tuscaloosa about potentially developing a medium size affordable housing development in West Tuscaloosa on City property known as the "Springer Property."

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Decent Housing for low-income Population	2015	2019	Affordable Housing	City of Tuscaloosa L/M areas		CDBG: \$1,406,580	Homeowner Housing Added: 80 Household Housing Unit Homeowner Housing Rehabilitated: 5 Household Housing Unit Direct Financial Assistance to Homebuyers: 100 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 100 Households Assisted
2	Neighborhood Livability	2015	2019	Non-Housing Community Development	City of Tuscaloosa L/M areas		CDBG: \$146,850	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 20000 Persons Assisted
3	Public Service for low-income persons	2015	2019	Non-Housing Community Development	City of Tuscaloosa L/M areas		CDBG: \$420,000	Public service activities other than Low/Moderate Income Housing Benefit: 8240 Persons Assisted
4	Economic Development - Creation of Jobs	2015	2019	Non-Housing Community Development	City of Tuscaloosa L/M areas		CDBG: \$400,000	Jobs created/retained: 25 Jobs Businesses assisted: 25 Businesses Assisted

Table 55 – Goals Summary

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Goal Descriptions

1	Goal Name	Decent Housing for low-income Population
	Goal Description	Support the national objective of providing decent and affordable housing through rehabilitation of substandard housing and construction of new units, purchase assistance, and activities that serve the homeless providing rental assistance with homeless prevention and rapid rehousing and emergency shelter.
2	Goal Name	Neighborhood Livability
	Goal Description	Support the national objective of providing a suitable living environment through public facility and infrastructure projects, and neighborhood revitalization.
3	Goal Name	Public Service for low-income persons
	Goal Description	An extended network of public agencies in Tuscaloosa provides free or low cost services to low-income persons, including senior citizens, adults with severe disabilities and homeless persons. Because only 15% of the City's annual Community Development Block Grant (and the amount of prior year program income, factored together) can be allocated for public service activities, the CDBG Program cannot possibly address all public service needs in the City.
4	Goal Name	Economic Development - Creation of Jobs
	Goal Description	Support the national objective by creating environment for business to thrive through business loans.

Projects

AP-35 Projects – 91.220(d)

Introduction

The following details projects to be undertaken by the City of Tuscaloosa in the Fiscal Year 2015. These projects will serve areas, persons and families of low-moderate income.

Projects

#	Project Name
1	Program Administration
2	Comprehensive Planning
3	MEALS ON WHEELS PROGRAM-CSPWA
4	TRANSPORTATION SERVICES FOR PEOPLE WITH DISABILITIES
5	MUSIC EDUCATION PROGRAM
6	Secret Meals/Brown Bag Program
7	Community Service Learning Activity Program
8	CASE MANAGER FOR BIG BROS, BIG SISTERS
9	Community Service Program of West AL- Administration Costs
10	Section 108 Repayment P& I-Renovation to Allen Jemison Building
11	City HOME Program Administration
12	Safe Haven Program at BB-YMCA
13	HOUSING COUNSELING PROGRAM
14	Tuscaloosa Housing Authority -Affordable Housing
15	Economic Development Initiative Program
16	Community Services Program of West AL- CHDO Set Aside
17	HOPE Initiative Summer Jobs Program
18	Safe Routes to School Sidewalk Project
19	Downing Place Neighborhood Improvements
20	Greenwood Park Homeownership- CSP

Table 56 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

In identifying priorities, the City of Tuscaloosa utilizes a need assessment table to determine needs as low, medium, high, or no

need. In prioritizing needs within the community, the City takes into consideration information from the Needs Assessment, Comprehensive Housing Market Analysis, citizen participation process (Public hearings) and agency consultation. The

City assesses the amount of funding available, the target areas with the most need for assistance, and the type of activities that will best address those needs to determine geographical allocations.

The priority ranking system is as follows:

- High Priority: Activities determined as a critical need and will be funded during the Consolidated

Plan period 2015-2019.

- Medium Priority: Activities determined to be a moderate need and may be funded during the

Consolidated Plan 2015-2019 period to the extent of available funding.

- Low Priority: Activities determined as a minimal need and are not expected to be funded during

the Consolidated Plan 2015-2019 period.

- No Need: Activities determined as not needed or are being addressed in a manner outside of the Consolidated Plan programs. Funding will not be provided for these activities during the

Consolidated Plan 2015-2019 period.

There are various rudiments that cause roadblocks to meeting needs within the community.

Due to the lack of funding provided and at hand, there arises a difficult problem when addressing

all housing, homeless, and community developments needs. The

City utilizes all possible resources and continues to seek leveraging sources to meet as many

underserved needs as possible. The current housing market and economic environment also serve as barriers to meeting needs. Unemployment rates have increased adding to the number of families and individuals needing access to services and many times the capacity to fund and implement existing or additional programs is limited. Also, the scarcity of land that can be utilized to construct affordable housing becomes a barrier in meeting housing needs. The City utilizes its CDBG, HOME, and ESG funds to the fullest extent to assist in meeting underserved needs. Leveraging efforts with public and private funding agencies are also made to supplement federal funds and increase the resources available to address community needs.

AP-38 Project Summary

Project Summary Information

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OMB Control No: 2506-0117 (exp. 07/31/2015)

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1	Project Name	Program Administration
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Neighborhood Livability Public Service for low-income persons
	Needs Addressed	
	Funding	:
	Description	General Program Administration
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	The number of Families will vary and all services rendered will benefit Low-Moderate income persons and/or families.
	Location Description	2201 University Blvd. Tuscaloosa, AL 35404
	Planned Activities	Administration Cost for Operation of the Community Development Block Grant-PY 2015
2	Project Name	Comprehensive Planning
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Neighborhood Livability
	Needs Addressed	
	Funding	:
	Description	Planning Studies & Technical Assistance for the City of Tuscaloosa
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	The number and type of families will vary.
	Location Description	2201 University Blvd. Tuscaloosa, AL 35401
	Planned Activities	Planning Studies, Technical Assistance on CDBG Program, Housing Related Studies and Plans
3	Project Name	MEALS ON WHEELS PROGRAM-CSPWA
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Neighborhood Livability Public Service for low-income persons

	Needs Addressed	
	Funding	:
	Description	Funds will be utilized for providing hot daily meals to L/M persons who cannot otherwise provide for themselves on a daily basis.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	49 persons with Special Needs- Senior Services
	Location Description	601 BlackBears Way Tuscaloosa, AL 35401
	Planned Activities	Meals will be delivered five days per week to L/M income persons with disabilities who are not able to visit a nutrition site.
4	Project Name	TRANSPORTATION SERVICES FOR PEOPLE WITH DISABILITIES
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Neighborhood Livability Public Service for low-income persons
	Needs Addressed	
	Funding	:
	Description	SUBSIDY OF THE SALARY OF A VAN DRIVER WHO PROVIDES TRANSPORTATION SERVICES FOR PERSONS WITH DISABILITIES
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	120 persons and L/M persons
	Location Description	Community Wide- 6th Street Tuscaloosa AL 35401 Census Tracts 116,117, 118, 119, 120
	Planned Activities	Funds will be provided to the Tuscaloosa County Parking & Transit Authority to subsidize the salaries of two van drivers who provide transportation services for persons with disabilities.
5	Project Name	MUSIC EDUCATION PROGRAM
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Public Service for low-income persons
	Needs Addressed	

	Funding	:
	Description	PROVISION OF MUSIC EDUCATION AND LESSONS FOR LOW INCOME CHILDREN
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	Youth of L/M income families
	Location Description	2621 Bryant Drive Tuscaloosa, AL 35401
	Planned Activities	Music classes, including piano, organ, guitar and drum classes will be taught to low-income children at the agency's center and at Stillman College facilities.
6	Project Name	Secret Meals/Brown Bag Program
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Public Service for low-income persons
	Needs Addressed	
	Funding	:
	Description	Funds will be used to help serve citizens including the elderly who are living below the poverty line and to alleviate hunger
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	75-100 Low income families with children will benefit from this proposed activity.
	Location Description	Community Wide- Census Tracts 116, 117, 118, 119, 120
	Planned Activities	Activities to help serve citizens including the elderly and children in school are living below the poverty line and to alleviate hunger.
7	Project Name	Community Service Learning Activity Program
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Neighborhood Livability Public Service for low-income persons
	Needs Addressed	
	Funding	:

	Description	The Program will cater to low to moderate income and at risk participants identified by the Tuscaloosa Police Dept. as curfew violators
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	100 at risk youth who are from Low income families
	Location Description	Communtiy Wide
	Planned Activities	Operation of a program that benefits low to moderate income and at risk children who have violated their curfews and other laws with their probation offiers.
8	Project Name	CASE MANAGER FOR BIG BROS, BIG SISTERS
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Public Service for low-income persons
	Needs Addressed	
	Funding	:
	Description	Funds will be utilized to provide youth services and programs that benefit low-moderate income youths. The funds will be utilized for the subsidy of the salary of a case manager who matches low-income children with adult mentors.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	135 Youth from L/M income families
	Location Description	2720 6th Street Tuscaloosa AL 35401 Census Tracts 117, 118, 119, 120, 125
9	Planned Activities	Operation of a Community Based program and subsidizing the salary of a case manager who matches the low-income children with adult mentors.
	Project Name	Community Service Program of West AL- Administration Costs
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Decent Housing for low-income Population

	Needs Addressed	
	Funding	:
	Description	Project costs will include the payment of administration costs for a project to develop affordable housing in Tuscaloosa to provide new affordable housing opportunities for low income homebuyers.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	Not Applicable
	Location Description	601 BlackBear Way Tuscaloosa AL 35401
	Planned Activities	Operating/Administration Costs of the CHDO
10	Project Name	Section 108 Repayment P&I-Renovation to Allen Jemison Building
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	
	Needs Addressed	
	Funding	:
	Description	Funds will be utilized to repay the Section 108 loan (principal & interest) for the Renovation of the Allen Jemison Building located on the northwest corner of Greensboro Avenue and 7th Street in the Downtown Historic District.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	Not Applicable
	Location Description	Corner of Greensboro Avenue and 7th Street Tuscaloosa AL 35401
11	Planned Activities	Payment of the Principal & Interest of the Section 108 Loan
	Project Name	City HOME Program Administration
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Decent Housing for low-income Population Neighborhood Livability Public Service for low-income persons Economic Development - Creation of Jobs

	Needs Addressed	
	Funding	:
	Description	Funds will be utilized for the administration of the HOME Program for PY 2015.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	Not Applicable
	Location Description	2201 University Blvd Tuscaloosa AL 35401
	Planned Activities	HOME funds will be used to pay program administration costs for the HOME Program.
12	Project Name	Safe Haven Program at BB-YMCA
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Public Service for low-income persons
	Needs Addressed	
	Funding	:
	Description	Funds will be utilized for the operation of a Safe Haven Program and subsidizing the salary of the workers of the program.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	30 Youth from very low income families
	Location Description	
	Planned Activities	Operation of a Safe Haven Program that will provide youth with educational programs and recreational opportunities for after school.
13	Project Name	HOUSING COUNSELING PROGRAM
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Decent Housing for low-income Population Neighborhood Livability Public Service for low-income persons
	Needs Addressed	
	Funding	:

	Description	PROVIDING HOUSING COUNSELING ASSISTANCE TO LOW AND MODERATE FAMILIES AND THE ADMINISTRATION OF THE HOUSING COUNSELING PROGRAM
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	Services will be provided to over 600 individuals and families.
	Location Description	2201 University Blvd Tuscaloosa AL 35401
	Planned Activities	Housing Counseling Services will be provided and Classes will be taught by certified Housing Counselors.
14	Project Name	Tuscaloosa Housing Authority -Affordable Housing
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Decent Housing for low-income Population Economic Development - Creation of Jobs
	Needs Addressed	
	Funding	:
	Description	Tuscaloosa Housing Authority will complete the construction of a number of single family homes. The homes constructed in the project will be new homes for qualifying first time homebuyers for eligible households in accordance with HUD guidelines.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	5 Low to Moderate Income Families
	Location Description	CityWide
	Planned Activities	Tuscaloosa Housing Authority will complete the construction of a number of single family homes. The homes constructed in the project will be new homes for qualifying first time homebuyers for eligible households in accordance with HUD guidelines.
15	Project Name	Economic Development Initiative Program
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Economic Development - Creation of Jobs
	Needs Addressed	

	Funding	:
	Description	FUNDS WILL BE UTILIZED TO PROVIDED SMALL BUSINESS LOANS TO LOCAL BUSINESS IN ORDER TO CREATE AND/OR RETAIN JOBS.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	Not Applicable
	Location Description	
	Planned Activities	Loans of a max amount of 20,000 will be provided to 4 businesses dependent upon their eligibility.
16	Project Name	Community Services Program of West AL- CHDO Set Aside
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Decent Housing for low-income Population Neighborhood Livability
	Needs Addressed	
	Funding	:
	Description	COMUNITY SERVICE PROGRAMS OF WEST ALABAMA WILL CONSTRUCT NEW HOMES WITHIN THE CITY OF TUCALOOSA LIMITS.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	2 Low to Moderate Income Familes (1 disable) will benefit from the proposed activity.
	Location Description	
	Planned Activities	Construction of single family homes for low to moderate income families.
17	Project Name	HOPE Initiative Summer Jobs Program
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Neighborhood Livability Public Service for low-income persons Economic Development - Creation of Jobs
	Needs Addressed	
	Funding	:

	Description	In recognition of the crime statistics identified by the Initiative, the COT seeks to provide youth educational training and employment opportunities with preference given to youth between the ages of 15 and 21.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	An Estimated 20 youth from Low income families will benefit from this proposed activity
	Location Description	Seven (7) HOPE Initiative Zones, as well as, low/moderate areas within the City Limits of Tuscaloosa Rosedale Court, Forester Gardens, Downing Place, Creekwood Village, John England Manor and Hay Court, Beech Street, East Tuscaloosa/Including Alberta, & University Manor
	Planned Activities	In recognition of the crime statistics identified by the Initiative, the COT seeks to provide youth educational training and employment opportunities with preference given to youth between the ages of 15 and 21.
18	Project Name	Safe Routes to School Sidewalk Project
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Neighborhood Livability Economic Development - Creation of Jobs
	Needs Addressed	
	Funding	:
	Description	Funds will be utilized as match funds to Transportation Alternative Program (TAP) funds and to the extent of funding for Engineering/Design and Construction of sidewalks.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	An estimated 201 students and families will benefit from this activity (Installation of sidewalks)
	Location Description	2601 Southview Drive Tuscaloosa AL 35405
	Planned Activities	Installation of a sidewalk that will benefit a L/M area
19	Project Name	Downing Place Neighborhood Improvements

	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Decent Housing for low-income Population Neighborhood Livability Economic Development - Creation of Jobs
	Needs Addressed	
	Funding	:
	Description	This project will benefit a very low income neighborhood that has been ridden by crime. The project will do neighborhood enhancements and elimination of slum and blight.
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit very low income families. The number of families in the average will vary.
	Location Description	38th Street East & 38th Place East Tuscaloosa AL
	Planned Activities	Neighborhood Enhancement & Elimination of Slum/Blight
20	Project Name	Greenwood Park Homeownership- CSP
	Target Area	City of Tuscaloosa L/M areas
	Goals Supported	Decent Housing for low-income Population
	Needs Addressed	
	Funding	:
	Description	Funds will be utilized for the acquisition of 5 vacant lots and construction of Five Single Family Homes
	Target Date	3/31/2016
	Estimate the number and type of families that will benefit from the proposed activities	This project will benefit 5 single family homes in West Tuscaloosa.
	Location Description	Greenwood Park area- West Tuscaloosa
	Planned Activities	Acquisition of 5 vacant lots and construction of Five Single Family Homes

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The projects proposed in the City's 2015 Action Plan are either denoted by the street address where the project will be located or the area that it will benefit. Other projects will benefit low-income persons who may reside in any area of the City and thus the project location will be said to be "community wide." Several projects are targeted to specific areas (census tracts or block groups) where the residents are primarily of low-income status. Other projects will be undertaken at a specific street location or the street address of the agency carrying out the project will be shown to be the project location. The locations of 2015 projects that have specific street addresses are shown on Map No. 3

An area of low-income concentration is a census tract (or block group within a tract) in which 51 percent or more of the persons were low-income in 2010. Because the emphasis of the Community Development Block Grant and HOME programs is to provide assistance to low-income persons, there are direct correlations between the project locations and low-income areas. Because many of the City's minority residents are also low-income, the project locations also strongly correlate with areas of minority concentration. In 2015, eight projects are considered "community wide" where entitlement assistance is based upon L/M income status and other programmatic eligibility. Nine projects are site specific (area benefit) and all meet the national objective of benefiting low to moderate income persons. Of the site specific (area benefit) sites, each project is within Census Tracts 123.05, 124.05, 117.03, 118, 128, and 116. All these census tracts have concentrations of low-income and minority concentration as demonstrated in Map. No. 1 and No. 2

Geographic Distribution

Target Area	Percentage of Funds
City of Tuscaloosa L/M areas	100

Table 57 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The City of Tuscaloosa primarily funded activities benefitting census tracts 116-120 which have aboveaverage levels of minorities and/or low income residents.

The rational for the priorities for allocating investments geographically is grounded in the National Objective of providing a benefit to low to moderate income persons. The investments are based on the demographics. Only those areas that have a significant population of LMI persons will recieve investments from the CDBG and HOME programs.

Discussion

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

In FY2015 the City of Tuscaloosa will continue to support affordable housing using its CDBG, HOME, and ESG funds by providing housing rehabilitation/new construction, Downpayment assistance, homeless prevention, emergency shelter, and rapid re-housing to attain sustainability for very low and low income persons.

One Year Goals for the Number of Households to be Supported	
Homeless	100
Non-Homeless	100
Special-Needs	134
Total	334

Table 58 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	20
The Production of New Units	13
Rehab of Existing Units	20
Acquisition of Existing Units	0
Total	53

Table 59 - One Year Goals for Affordable Housing by Support Type

Discussion

AP-60 Public Housing – 91.220(h)

Introduction

Actions planned during the next year to address the needs to public housing

In FY 2015, the Tuscaloosa Housing Authority (THA) plans to utilize \$1,179,442 in Public Housing Comprehensive Grant Funds to complete renovations and repairs to existing apartments units. In addition, THA plans to apply for \$7,520,143 in Section 8 Housing Choice Vouchers, VASH, and Shelter Plus to provide rental assistance for 1200 low to moderate income households. As a continuacy of the recovery efforts following the April 2011 tornadoes, construction will begin on Rosedale Phase III. The cost of construction is \$3,313,039. They were approved for a 4% Tac Exempt Bond. In addition, THA will continue to administer the COT Tenant Based Rental Assistance (TBRA) Program that will help assist those who are still recovering from the natural disaster of 2011.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The City of Tuscaloosa will continue to expand and enforce our Section 3 plan, which encourages utilizing low income public housing residents or community members to fill vacancies within the Tuscaloosa Housing Authority. In addition, the Tuscaloosa Housing Authority administers the THA Homeownership Program, which promotes homeownership among low to moderate income persons. THA also has a Public Housing Family Self- Sufficiency Program that provides coordination and access to job training and other services for residents of public housing who are making an effort to become self-sufficient. Participants are required to seek and maintain employment or attend school or job training. As participants increase their earned income, THA matches the rent increase with money in an escrow account which is then awarded to participants who successfully complete the program. Escrow monies are often used as a down payment on a home; however additional activities are also eligible.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The Tuscaloosa Housing Authority is in great standing and not designated as a troubled organization.

Discussion

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The homeless have a variety of needs. These needs include: housing, food, clothing, health care (for physical, mental and/or emotional problems), substance abuse treatment, job training and placement services, education, budget counseling, assistance in obtaining mainstream resources such as SSI, food stamps, etc., child care, prenatal care, and basic living skills. They also need transportation to access these services.

The West Alabama Coalition for the Homeless conducted the first “point in time” homeless demographic and needs survey in March of 2001 to obtain a more complete and accurate assessment of the numbers of homeless. The annual survey also allows the Continuum of Care to determine needs and the special sub-populations the homeless might represent.

The City of Tuscaloosa utilizes local partner organizations to document the entrance, exit and return of homeless persons in HMIS. This information helps service providers better assess the needs of the homeless population. In addition, the CoC and WACH provide community outreach to help support such persons and prevent the return to homelessness. For example, outreach staff persons would identify at risk persons and refer them to ESG funded programs that will provide critical support to meet the person’s temporary, emergency, transitional, and permanent housing and auxiliary needs.

Addressing the emergency shelter and transitional housing needs of homeless persons

In PY 2015, the OFP address the emergency shelter and transitional housing needs of homeless persons by partnering with the following organizations: The American Red Cross , The Community Soup Bowl and the East Tuscaloosa Soup Bowl, The West Alabama Food Bank (WAFB), Community Service Programs of West Alabama, Inc., The Department of Human Resources, Tuscaloosa Salvation Army and SAN INC dba Turning Point

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that

individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

According to the 2015 Point in time Survey, the City has approximately 110 individuals and families that are identified as chronically homeless. It is the City's goal to help those persons and households transition into permanent housing and independent living by providing financial and programmatic support to organizations and agencies who such support. These organizations include: **Phoenix House** is a state certified and supported residential rehab facility for substance abuse treatment. The main facility serves 16 females and 24 males. Residents stay for a minimum of 90 days to a maximum of one year with the primary mission of assisting individuals in their recovery of alcohol and drug addiction and help them return to society as productive members. It also offers group, individual, and family counseling, vocational and adult education, life skills training, job skills training and placement. Once individuals have completed at least 90 days of treatment, they may move into 1 of 5 transitional homes adjacent to the primary facility for up to 18 months. During the 2015 point in time survey, Phoenix House housed 16 male and 7 female adults who were homeless. **SAN, INC dba Turning Point** operates the only shelter in the Tuscaloosa area for women who are victims of domestic violence and their children. Clients are provided with a safe shelter, food, clothing, counseling, and other services to assist them in finding employment and a new place to live. The facility has a total of 16 beds where residents and their children can stay until safe housing and a stable living environment can be attained. During the 2015 point in time survey, 2 clients and 3 children were in shelter and the agency identified one homeless person who was unsheltered. Turning Point also receives funding through the Emergency Solutions grant to help prevent homelessness where possible and rehouse individuals who are already experiencing homelessness. **City of Tuscaloosa Housing Counseling Program** provides comprehensive housing counseling assistance to individuals who have housing related problems. Each year, the program assists between 500 and 600 households. Clients are frequently those left homeless due to job loss, domestic problems, underemployment, loss by fire, and poor money management. Clients are referred to other agencies as needed for assistance obtaining food, shelter, clothing and transportation. **FOCUS on Senior Citizens of Tuscaloosa County, Incorporated** operates a senior center that provides educational, cultural, and recreational activities to senior citizens. FOCUS also operates vans that provide door to door transportation services for seniors from their homes to needed appointments and activities. **Temporary Emergency Services** provides clothing, food, transportation, furniture, household items, prescription assistance, utility assistance, help obtaining and paying for ID's and birth certificates, and other emergency items to people in need. TES also has an emergency shower and washer and dryer where people experiencing homelessness can bathe, wash clothes, obtain clean clothes and toiletries, and other items they need

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving

assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The CoC works diligently to ensure that state regulations governing the release of patients from mental health facilities are followed. Regulations mandate the provision of housing consistent with the level of care the patient requires and requires that a discharge plan is in place. The CoC also works with Tuscaloosa Mental Health Alliance, Indian Rivers Mental Health Center, and North Harbor Pavilion, which offers both inpatient and outpatient psychiatric services in order to ensure that consumers' needs are met. Tuscaloosa has also formed a mental health court, homeless court, and veteran's court in order to better meet the needs of mental health consumers and minimize incarceration of those whose crime is directly related to their mental illness. For those who are incarcerated and have mental health needs, a therapist and psychiatrist are provided to ensure that the individual can maintain both their medication regimen and have contact and support from appropriate mental health professionals. The treatment team also works with the client to help ensure suitable living arrangements once they exit incarceration in order to minimize the risk of decompensation once released.

Discussion

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Various elements can create barriers to affordable housing including negative effects of public policy as well as national, regional, and local housing market conditions. The City of Tuscaloosa has established sufficient approach regarding affordable housing however, the City will continue to re-evaluate policies to ensure they do not interfere with affordable housing efforts. The City will also update their Analysis of Impediments to Fair Housing Choice which will include a complete evaluation and analysis of administrative policies and zoning codes.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Actions taken to Help Eliminate Impediment:

1. Zoning Amendment: On February 5, 1998, the City Council adopted a change to the City's Zoning Ordinance to permit the construction of single family homes on smaller existing lots than previously permitted and to permit the construction of a house on each lot (if each lot measures at least 50 feet wide and contains 5,000 square feet) where two or more lots are contiguous to each other and in one ownership. This amendment also permits the construction of duplex units (two-family houses) on smaller existing lots than previously permitted.
2. Under the Planned Unit Development regulations of the City's Zoning Ordinance, housing units can be constructed on smaller lots with smaller setbacks than would normally be permitted, thus saving money on the cost of property on each house constructed. Hundreds of housing units have been constructed under these regulations in the past few years.
3. On May 22, 2012, in accordance with the Tuscaloosa Forward Strategic Plan to Renew and Rebuild, the City Council adopted new mixed residential zoning ordinances for areas impacted by the April 27 tornado. These new zoning districts and accompanying ordinances allow a higher density, more urban pattern of residential development. Properties that once had only the right to contain detached single-family homes now have expanded rights that enable the construction of attached housing types such as duplexes, town homes, and apartments.

Actions Taken to Help Eliminate Impediment:

The City of Tuscaloosa has used HOME funds to assist low income persons under the Homebuyer Assistance Program, the Homeowner Rehabilitation Program. In addition, following the natural disasters of 2011, the City allocated funds for the implementation of a Tenant Based Rental Assistance (TBRA) Program. The TBRA Program is a rental subsidy that can be used to help individuals' household cost such as rent, utility costs, security deposits, and the utility deposits. In the City's 2015 Program year, the City will allocate \$60,000 in HOME Program funds to Community Service Programs of West Alabama and \$179,112 to the Tuscaloosa Housing Authority (THA) to provide for the construction of new houses for low income homebuyers. Stillman College received a HUD grant for Historically Black Colleges and Universities to continue their neighborhood redevelopment program. The Tuscaloosa Housing Counseling Program provided comprehensive housing counseling assistance to 773 low-income households in the 2014 program year. For PY 2015, the City of Tuscaloosa anticipates a substantial increase in the number of people to be assisted and/or counseled. In 2015, the Tuscaloosa Housing Authority plans to utilize \$1,179,442 in Public Housing Capital Funds to complete renovations and repairs in existing apartments units. In 2015, the Tuscaloosa Housing Authority plans to apply for \$7,520,143 in Section 8 Program vouchers, VASH, and Shelter Plus to provide rental assistance for 1,200 low to moderate income households. In continuing our recovery efforts, the Tuscaloosa Housing Authority will begin construction on Rosedale Phase III for total construction of \$3,313,039 with an approval of 4% Tax Exempt Bond.

Discussion:

AP-85 Other Actions – 91.220(k)

Introduction:

Actions planned to address obstacles to meeting underserved needs

In the first two sections of this Plan document, the housing needs of the City's population were analyzed and reviewed. In this section of the Plan, the City identifies its "priority" housing and non-housing needs and identifies its short term and long term objectives or strategies for meeting those needs. "Short term objectives" are those to be achieved during the next five years and "long term objectives" are those which will take longer than five years to achieve. The discussion of the City's housing needs priorities and objectives for the three categories of "affordable housing, homelessness and other special needs" has been included under one subsection or part labeled B. Affordable Housing, C. Homelessness and D. Other Special Needs. The City's non-housing needs priorities are discussed at length under several different categories.

On the Priority Needs Summary Table, the City's priority housing and non-housing needs have been summarized. For each priority housing need, a 5 year goal has been established for each category of households to be assisted. For other Community Development Needs, the estimated dollars needed to address these needs have been summarized. The "priority need level" assigned to each category by the City has been indicated on the Table by an "H" for High Priority, an "M" for Medium Priority or an "L" for Low Priority.

-

High Priority: Activities to address this need will be funded by the City or other entity

during the next five years.

Medium Priority: If funds are available, activities to address this need may be funded by the City or other entity during the next five years.

Low Priority: The City does not plan to fund activities to address this need during the next five years but will consider approving a certification of consistency for other entities' applications for Federal assistance for these activities

Actions planned to foster and maintain affordable housing

Actions Taken to Help Eliminate Impediment:

The City of Tuscaloosa has used HOME funds to assist low income persons under the Homebuyer Assistance Program, the Homeowner Rehabilitation Program. In addition, following the natural disasters

of 2011, the City allocated funds for the implementation of a Tenant Based Rental Assistance (TBRA) Program. The TBRA Program is a rental subsidy that can be used to help individuals' household cost such as rent, utility costs, security deposits, and the utility deposits. In the City's 2015 Program year, the City will allocate \$60,000 in HOME Program funds to Community Service Programs and \$179,118.20 to the Tuscaloosa Housing Authority to provide for the construction of new houses for low income homebuyers. Stillman College received a HUD grant for Historically Black Colleges and Universities to continue their neighborhood redevelopment program. The Tuscaloosa Housing Counseling Program provided comprehensive housing counseling assistance to 773 low-income households in the 2014 program year. For PY 2015, the City of Tuscaloosa anticipates a substantial increase in the number of people to be assisted and/or counseled. In 2015, the Tuscaloosa Housing Authority plans to utilize \$1,179,442 in Public Housing Capital Funds to complete renovations and repairs in existing apartments units. In 2015, the Tuscaloosa Housing Authority plans to apply for \$7,520,143 in Section 8 Program vouchers, VASH, and Shelter Plus to provide rental assistance for 1,200 low to moderate income households. In 2015, the Tuscaloosa Housing Authority will begin construction on Rosedale Phase III for total construction of \$3,313,039 with their granted approval of the 4% Tax Exempt Bond.

Actions planned to reduce lead-based paint hazards

Primarily, the City plans to reduce lead based paint hazards by providing and supporting staff with appropriate training on LBP hazards. The increase in oversight capacity is critical to ensuring compliance from third party contractors. Currently, the Federal Programs Construction and Rehabilitation Specialist is seeking enrollment in the lead-based paint training courses with the Alabama Lead-Based Paint Activities Accreditation Program (Safe State Program) at the University of Alabama. It is expected that upon the completion of the certification program, the Construction and Rehabilitation Specialist will provide guidance to the City on maintaining compliance with the LSHR.

However, even with this individual certification, the City of Tuscaloosa is not registered under the Alabama Lead-Based Paint Activities Accreditation Program. As a result, the City of Tuscaloosa must utilize certified contractors to comply with Federal regulations. Therefore, the City of Tuscaloosa follows its established procurement policies to secure lead assessment services on homes being considered for rehabilitation assistance. To be eligible for consideration, the prospective consulting company must employ staff members that are State of Alabama or Environmental Protection Agency certified as Lead-Based Paint Inspectors, Risk Assessors, and/or Lead Sampling Technicians. These companies complete lead inspections and reports on home being considered for rehabilitation assistance. In addition to the rehabilitation program meeting the notice, evaluation, and abatement requirements under LSHR, the Office of Federal Programs requires that prospective homeowners include a certified lead inspection (on homes built prior to 1978) in their applications to the City of Tuscaloosa Down Payment Assistance Program.

The City of Tuscaloosa utilizes a three pronged approach to reduce lead based paint Hazards (LBP Hazards) First, the City educates homeowners on the risks and hazards of LBP in the home by providing literature, and one-on-one sessions with approved applicants for home rehabilitation. In addition, the

Housing Counseling program incorporates LBP reduction strategies and the risks of LBP as a part of the curriculum. Each educational component encourages homeowners to take responsibility and be proactive in ensuring they and their families are thoroughly protected from LBP. Secondly, the City evaluates all residential construction and/rehabilitation projects for the presence of LBP. Again, clients are notified of the presence or absence of LBP and the correct abatement process that should be taken by contactors. Finally, the City eradicates LBP. If LBP is going to be disturbed in the interior, the contractors must strictly adhere to the abatement strategy for LBP in federally funded projects including but not limited to: 25 CFR Part 35, EPA 2008 Renovation, Repair and Painting (RRP) Rule (as amended in 2010 and 2011) , 64 FR 50140 and implementing local and state best practices. The City anticipates that this three part approach will continue to significantly reduce LBP hazards.

Actions planned to reduce the number of poverty-level families

In the City of Tuscaloosa where in 2010, 22.2% of all households had incomes below the poverty level, there is certainly a need for a strategy to assist persons who are trying to survive on incomes below the poverty level. 31.8% of all Black persons had incomes below the poverty level. One strategy to alleviate the problem is simply to utilize all of the federal, state and local government assistance programs and other assistance efforts provided by non-profit organizations, churches and individuals to provide supplemental income, food, clothing, shelter and utility assistance to persons below the poverty level. One problem with using this strategy as the sole solution is that there are never enough dollars of assistance under any of the programs and not enough individuals trying to help others to begin to eliminate all of the financial problems of those with incomes below the poverty level. These programs and assistance efforts can be used as temporary solutions and to temporarily assist low income persons but a better long term solution is to provide training and jobs so that persons who are physically able can work to improve their financial situation and thus can then afford to support themselves and to provide their own necessities of life. These persons are not really removed from poverty unless they can find a permanent source of income such as that provided by employment.

Many millions of other dollars are expended each year by the City of Tuscaloosa, by public institutions such as the University of Alabama, Stillman College, the VA Medical Center, Bryce Hospital, and Shelton State College as well as by other businesses and industries, in constructing new facilities or adding on to existing ones. All of these activities act to either create new jobs or to retain existing ones and thus to help alleviate the poverty problem in Tuscaloosa. Assisting in the creation of new job opportunities is probably the most important activity the City can assist with to help persons below the poverty level to achieve a long term solution to their problems. These jobs can filter down even to very low-income persons who may lack job skills or new jobs can be provided for which these persons can be trained. Thus, the City believes that the most important activity it will undertake as part of its anti-poverty strategy in 2015 is to continue to provide assistance in the creation of new jobs.

City of Tuscaloosa Policies for Reducing the Number of Households With Incomes Below the Poverty Level

1. It shall be the City's policy to encourage the creation of new jobs and training programs to promote better job opportunities for very low income persons by encouraging the expansion of existing businesses, industries and institutions and the establishment of new businesses, industries and institutions and thus, to reduce the number of persons with incomes below the poverty level.
2. It shall be the City's policy to provide counseling and referrals to training and available job opportunities to unemployed or underemployed persons through the Tuscaloosa Housing Counseling Program to enable these persons to obtain employment and thus, to reduce the number of persons with incomes below the poverty level.

Actions planned to develop institutional structure

Many public, private and non-profit agencies, organizations and businesses are part of the overall institutional structure necessary to successfully carry out the City's Consolidated Plan. The functions of many of these entities are discussed in this report under "Homeless and Other Special Need Facilities." These entities, which will utilize programs and other resources to provide housing assistance and other program assistance to low-income persons in Tuscaloosa are listed below:

Public Institutions

U. S. Department of Housing and Urban Development

Alabama Department of Economic and Community Affairs

Alabama Housing Finance Authority

City of Tuscaloosa

(including the Office of Planning and Economic Development and the Tuscaloosa Housing Counseling Program)

Tuscaloosa Housing Authority

W. D. Partlow Developmental Center

Bryce Hospital

V. A. Medical Center

Non-profit Organizations

Community Service Programs of West Alabama, Inc.

Westside Community Development Corporation

Tuscaloosa County Park & Recreation Authority

Tuscaloosa County Parking & Transit Authority

The Salvation Army

Turning Point

The Community Soup Bowl, Incorporated

Indian Rivers Community Mental Health and Mental Retardation Center

Phoenix Houses, Inc.

FOCUS on Senior Citizens of Tuscaloosa County, Incorporated

McDonald Hughes Community Center

Benjamin Barnes YMCA

Jaycee Park Boys & Girls Club

Big Brothers/Big Sisters of Tuscaloosa County, Inc.

Zelpha's Cultural Development Corporation

Habitat for Humanity of Tuscaloosa, Inc.

Local Churches

Foundations

Private Industry

Local Financial Institutions – several local financial institutions have worked with Community Service Programs of West Alabama, Inc. and the Westside Community Development Corporation in joint ventures to develop new housing for low-income persons and others have established new programs to

assist low and moderate income persons in the purchase or rehabilitation of homes.

Tuscaloosa County Industrial Development Authority

The Chamber of Commerce of West Alabama

Local Developers - at least two local developers have actively worked in local projects for the development of low income housing.

Private Investors - local or non-local individuals and businesses may choose to invest funds in the development of low income housing.

Actions planned to enhance coordination between public and private housing and social service agencies

The City and OFP will continue to coordinate with public and private housing organizations and social service agencies by utilizing organizations like the Continuum of Care (CoC) and the West Alabama Coalition for the Homeless to facilitate intraorganizational collaboration to address homeless and housing needs. For non-housing community needs, the City will continue to foster coordination through citizen participation, including annual proposal submissions and requests for funding. Additionally, OFP will continue to enhance coordination by offering technical assistance (programmatic and financial) to all public, private and social service agencies that recieve federal funding.

Discussion:

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction:

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	165,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	165,000

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

N/A

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

See attached guidelines

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

See attached guidelines

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

N/A

Discussion:

Attachments

COMMENTS AND RECOMMENDATIONS
**FOR THE CITY OF TUSCALOOSA'S FIVE YEAR CONSOLIDATED PLAN,
PROGRAM YEARS 2015-2019 AND THE ACTION PLAN FOR THE
COMMUNITY DEVELOPMENT BLOCK GRANT & HOME PROGRAMS**

The City of Tuscaloosa is preparing a Five-Year Consolidated Plan to identify and prioritize housing and community needs for low and moderate-income residents and the neighborhoods where they live. The Plan will guide the City in its expenditure of Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds from the U. S. Department of Housing & Urban Development during Program Years 2015-2019.

Please list below your recommendations for housing and community needs and/or requests for projects to be undertaken with 2015-2019 CDBG and/or HOME Funds.

1. *The Tuscaloosa Housing Authority (THA) respectfully requests the city's consideration for future allocations (2015-2019) of CDBG and HOME funds to supplement its Homeownership Program. The city's previous commitments have been instrumental in the development of 26 homes sold to qualifying first-time homebuyers.*

2. *The Tuscaloosa Housing Authority (THA) respectfully requests the city's consideration for future allocations (2015-2019) of CDBG and HOME funds to be used as eligible matching funds for Low-Income Housing Tax Credit (LIHTC) application(s) to the Alabama Housing Finance Authority (AHFA). The requested funding will be critical in terms of scoring the points necessary to remain competitive.*

In conjunction with these requests THA also wishes to reaffirm its commitment to ensuring that any future allocations will be utilized in a manner which strictly adheres to the principles and guidelines of the CDBG and/or HOME programs as well as any additional criteria set forth in a mutually executed Funding Agreement. We are committed to being your most cooperative partner!

Please provide your comments and recommendations to the Office of Federal Programs no later than March 27, 2015. Should you have any questions or concerns, contact LaParry Howell at 205-248-5080 or jhowell@tuscaloosa.com. Responses are not limited to the space provided.

COMMENTS AND RECOMMENDATIONS
**FOR THE CITY OF TUSCALOOSA'S FIVE YEAR CONSOLIDATED PLAN,
PROGRAM YEARS 2015-2019 AND THE ACTION PLAN FOR THE
COMMUNITY DEVELOPMENT BLOCK GRANT & HOME PROGRAMS**

The City of Tuscaloosa is preparing a Five-Year Consolidated Plan to identify and prioritize housing and community needs for low and moderate-income residents and the neighborhoods where they live. The Plan will guide the City in its expenditure of Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds from the U. S. Department of Housing & Urban Development during Program Years 2015-2019.

Please list below your recommendations for housing and community needs and/or requests for projects to be undertaken with 2015-2019 CDBG and/or HOME Funds.

1. Building of affordable housing, single and multi-family units, not geared toward students
2. Transportation services to all areas of the city, operating during evening and nighttime hours; covered trolley stops
3. Transitional housing program that provides temporary (2-6 months) residence for people experiencing homelessness (reentering citizens, homeless by choice, homeless by force, etc). Housing is combined with wrap-around services to assist the individual with developing stability in his/her life
4. Emergency shelter for homeless
5. Cooling and warming stations for homeless

Please provide your comments and recommendations to the Office of Federal Programs no later than March 27, 2015. Should you have any questions or concerns, contact LaParry Howell at 205-248-5080 or lhowell@tuscaloosa.com. Responses are not limited to the space provided.

COMMENTS AND RECOMMENDATIONS
**FOR THE CITY OF TUSCALOOSA'S FIVE YEAR CONSOLIDATED PLAN,
PROGRAM YEARS 2015-2019 AND THE ACTION PLAN FOR THE
COMMUNITY DEVELOPMENT BLOCK GRANT & HOME PROGRAMS**

The City of Tuscaloosa is preparing a Five-Year Consolidated Plan to identify and prioritize housing and community needs for low and moderate-income residents and the neighborhoods where they live. The Plan will guide the City in its expenditure of Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds from the U. S. Department of Housing & Urban Development during Program Years 2015-2019.

Please list below your recommendations for housing and community needs and/or requests for projects to be undertaken with 2015-2019 CDBG and/or HOME Funds.

1. Low cost housing for individuals especially those on a fixed income
2. More structured shelters
3. Transportation
4. Facilities/resources where there is an emphasis on activities of daily living, home maintenance, social/emotional needs to assist in the service of individuals who do not meet SMI criteria and do not have other forms of payment

Please provide your comments and recommendations to the Office of Federal Programs no later than March 27, 2015. Should you have any questions or concerns, contact LaParry Howell at 205-248-5080 or lhowell@tuscaloosa.com. Responses are not limited to the space provided.

COMMENTS AND RECOMMENDATIONS
**FOR THE CITY OF TUSCALOOSA'S FIVE YEAR CONSOLIDATED PLAN,
PROGRAM YEARS 2015-2019 AND THE ACTION PLAN FOR THE
COMMUNITY DEVELOPMENT BLOCK GRANT & HOME PROGRAMS**

The City of Tuscaloosa is preparing a Five-Year Consolidated Plan to identify and prioritize housing and community needs for low and moderate-income residents and the neighborhoods where they live. The Plan will guide the City in its expenditure of Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds from the U. S. Department of Housing & Urban Development during Program Years 2015-2019.

Please list below your recommendations for housing and community needs and/or requests for projects to be undertaken with 2015-2019 CDBG and/or HOME Funds.

1. Affordable housing for domestic violence survivors who have had to flee their homes
2. Affordable housing for homeless veterans
3. Affordable housing for homeless
- 4.

Please provide your comments and recommendations to the Office of Federal Programs no later than March 27, 2015. Should you have any questions or concerns, contact LaParry Howell at 205-248-5080 or jhowell@tuscaloosa.com. Responses are not limited to the space provided.

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COMMENTS AND RECOMMENDATIONS
**FOR THE CITY OF TUSCALOOSA'S FIVE YEAR CONSOLIDATED PLAN,
PROGRAM YEARS 2015-2019 AND THE ACTION PLAN FOR THE
COMMUNITY DEVELOPMENT BLOCK GRANT & HOME PROGRAMS**

The City of Tuscaloosa is preparing a Five-Year Consolidated Plan to identify and prioritize housing and community needs for low and moderate-income residents and the neighborhoods where they live. The Plan will guide the City in its expenditure of Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds from the U. S. Department of Housing & Urban Development during Program Years 2015-2019.

Please list below your recommendations for housing and community needs and/or requests for projects to be undertaken with 2015 CDBG and/or HOME Funds.

1. Forgivable loan and/or grant program to aid business development.
2. A program or mechanism that encourages the removal of blight.
3. A mechanism to encourage the development of underrepresented services in certain geographic areas of the city.
For example: medical, grocery, pharmacy, etc.
- 4.

Please provide your comments and recommendations to the Office of Federal Programs no later than January 8, 2015. Should you have any questions or concerns, contact LaParry Howell at 205-248-5080 or lhowell@tuscaloosa.com.

COMMUNITY WORKS TUSCALOOSA

FIVE-YEAR COMMUNITY HOUSING DEVELOPMENT AND CITIZEN PARTICIPATION PLAN

Community Works Tuscaloosa is a recently formed 501c3 non-profit organization serving low-income families in West Alabama. The purposes of the organization include:

- 1. Economic development by promoting affordable housing through new construction and home repair in neighborhoods.**
- 2. Workforce development through a skills trade and pre-career readiness soft skills training program designed to create a work culture in the communities.**
- 3. Leadership development for emerging leaders through family skills, mentoring, and character council activities.**

Organization Management

This is a new organization that has been strengthened by the leadership it has assembled from its members of the Board of Directors to the Executive Director, Bob Johnson, who has experience in a non-profit CHDO organization, Habitat for Humanity Tuscaloosa.

The Board includes the following:

Chair - Mason Bonner, a former loan officer, community loan fund committee member, private business owner, and an administrator in higher education with 31 years of experience.

Dr. Lucinda Coulter, a college professor of English and Journalism with writing, reporting and marketing skills, who worked for several publications including adviser to the online student news site for Stillman College, a historically black college in Tuscaloosa.

Rev. Tyshawn Gardner, local minister who developed senior citizen, after-school specialty programs for youth, and leads community efforts including the Hope initiative designed to change people's outlooks and improve their quality of life.

Dennis Collins, a Tuscaloosa native and private business owner who has worked on many local campaigns for winning candidates and represents the western side of Tuscaloosa.

Latonya Braggs, a former administrative assistant to Lewis Barnett at Westside Community Development Corporation with experience in operating and processing the funding, the home construction, and the closing of each transaction.

Five-year Operational Plan

This is a five-year plan for Community Works Tuscaloosa to set the strategy for operations under the purposes for which it was organized. The overall goal of the organization is to provide information on credit, capacity, and character that lenders are seeking, teach them how to apply information on those three criteria to their personal financial situations, and guide them to the transformation of home ownership in a planned economic strategy. The goals including the number of participants per year and for the five year period are listed under each objective.

OBJECTIVES:

- I. Assist in developing neighborhood councils with organized leadership by blocks, streets, or sections in communities. Develop monthly council meetings and teach the advantages of organized neighborhoods. This group would hosts forums where residents can provide suggestions on neighborhood improvements, home repair needs, establishing new credit, repairing bad credit, employment, and home ownership. This leadership group could assist with identifying prospective clients for new construction and home repair.

GOAL: Organize 12 community councils each year, 36 in three years, and 60 in the next five years.

- II. Develop a written and oral presentation on the steps to establish credit, repair credit, to engage in pre-career readiness skill development, and becoming a responsible home owner.

GOAL: The written and oral presentations would be conducted twice each month in 24 different communities in year one, 72 total communities in year three, and 120 total communities in five years. Communities will receive return visits based on need and interest within the five year period.

- III. Prepare families and individuals for home ownership through a written guide to home ownership discussed in private consultation. This plan would be monitored and updated once per month in private consultation sessions. Some families will have a 90-day plan, some a 180-day plan, and others a one-year plan to home ownership. These personal consultations are designed to provide families and individuals with a realistic look at their financial situation. What is their capacity to pay, what is their credit scores, and what experiences show their good faith effort (character) with delinquent payments. This is documented information used in private consultation to provide families with a timeline to improve their financial status and eligibility for a home mortgage.

GOAL: Prepare five families per year for home ownership through private consultation and an individualized timeline plan. In three years, 15 families will have a plan, and within five years, 25 families will have a timeline plan.

- IV. Utilize students in the Olle Washington Building and Maintenance Apprentice program to work on new construction and home repairs for the organization. The students are enrolled in a skills trade program in carpentry/dry wall, plumbing, electricity, and air conditioning and heating. The class instructor is a certified home builder and also the Project Manager for the new construction

and home repair activities for this organization. Students are taught the construction skills as well as soft skills in a pre-career readiness program that includes work ethics, problem solving, and time management.

GOAL: Build two houses and repair two houses in year one, build a total of eight and repair 12 by year three. Build 15 houses and repair 20 by year five.

This plan will be reviewed each quarter by the Board of Directors at their regular meeting and revised at the annual meeting. An implementation plan, job description for the Executive Director, and day-to-day activities will be developed, reviewed, and approved by the Board of directors each quarter with an annual evaluation conducted by the Board at the end of the fiscal year.

COMMENTS AND RECOMMENDATIONS
**FOR THE CITY OF TUSCALOOSA'S FIVE YEAR CONSOLIDATED PLAN,
PROGRAM YEARS 2015-2019 AND THE ACTION PLAN FOR THE
COMMUNITY DEVELOPMENT BLOCK GRANT & HOME PROGRAMS**

The City of Tuscaloosa is preparing a Five-Year Consolidated Plan to identify and prioritize housing and community needs for low and moderate-income residents and the neighborhoods where they live. The Plan will guide the City in its expenditure of Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds from the U. S. Department of Housing & Urban Development during Program Years 2015-2019.

Please list below your recommendations for housing and community needs and/or requests for projects to be undertaken with 2015-2019 CDBG and/or HOME Funds.

1. Definition of demonstrable hardship as it relates to relocation assistance. In regard to The Uniform Act (URA), usage of Community Development Block Grant for Disaster Recovery (CDBG-DR) funds, and regulations governing relocation assistance provided to individuals upon acquisition of property, HUD granted the City of Tuscaloosa the waiver at Federal Register FR 77 22583 (Part D). As a part of the City's recovery plan, housing that was inhabited by tenants or owners on the day of the storm or needed for a designated recovery project may be acquired using CDBG-DR funds for infrastructure improvements, development of low-income housing, etc. The City of Tuscaloosa intends to provide relocation assistance to affected individuals that qualify and; furthermore, defines demonstrable hardship as having an adjusted family income (as defined by 24 CFR 5.611 as Annual Income minus Deductions) less than or equal to current Federal Poverty Guidelines for a family of four. If an individual can prove demonstrable hardship and that more than 30% of an individual's income was spent on housing costs, then the City of Tuscaloosa will consider income when calculating relocation assistance under 49 CFR 24.402 (b) and 24.404.
2. Use 2012 and 2013 CDBG-DR Action Plans as a reference...can be found at <http://www.tuscaloosa.com/recovery/action-plans>

3. According to the most current data from the Tuscaloosa Housing Authority (THA) and Habitat for Humanity Tuscaloosa there is still a great need for housing among Tuscaloosa citizens. The Tuscaloosa Housing Authority has over 1,000 families on their public housing waiting lists and over 500 families on their Section 8 waiting list. THA has indicated that these numbers are significantly higher than they were before April 27, 2011 which equates to hundreds of additional families requesting housing assistance as a result of the disaster.

Habitat for Humanity Tuscaloosa has 28 families on their waiting list; however, they have not held a Prospective Homeowner meeting since July 2014. In an average month, 275-300 people contact Habitat for Humanity regarding homeownership opportunities. More than 25 lots have been donated/purchased for Habitat for Humanity by the City of Tuscaloosa and others, but Habitat does not have the funding to build on these lots. Hence, Habitat's decision to halt the Prospective Homeowner meeting and not increase the waiting list number.

4. With increasing private and public housing and business development, infrastructure needs to either be put in place or replaced to support the new and rebuilt developments. Additionally, many roadways, bridges, and sidewalks are severely damaged from debris removal which impedes entrance into some neighborhoods and business districts; road reconstruction is required.
5. Connectivity of disaster damaged low-moderate income communities across the City of Tuscaloosa in conjunction with green spaces and the use of floodway mitigation

Please provide your comments and recommendations to the Office of Federal Programs no later than January 9, 2015. Should you have any questions or concerns, contact LaParry Howell at 205-248-5080 or lhowell@tuscaloosa.com. Responses are not limited to the space provided.

COMMENTS AND RECOMMENDATIONS

For the City of Tuscaloosa's Five Year Consolidated Plan Program years 2015 – 2019 and the Action Plan Community Development Block Grant and HOME Programs

STUDENTS

Offer \$5,000 grants in addition to the \$5,000 deferred loan to working students of higher learning. This will encourage homeownership for households who will more likely remain in their properties long enough to have trade value or to pay them in full. Students are less likely to have credit issues and will be approved more rapidly and we can look forward to spending our funds.

EXISTING HOMEBUYERS/HOMEOWNERS

Provide a \$3,000 grant matching program for homes in established neighborhoods for revitalization. Homebuyers/homeowners are more likely to take pride in what they invest. The requirement would be a \$3,000.00 investment and continued residency for a period of three years. The client would be responsible for securing licensed and bonded contractors, obtaining proper work permits, and satisfactory inspections of work performed.

CREDIT CHALLENGED

Provide a reserve grant for persons who have poor rental and poor credit histories. A grant in the amount of \$5,000 would be reserved for a period of 18 months to aid persons in restoring their credit and rental history. Credit reports would be secured at the onset and at the end of the 12 month period for validation. At the end of the reserve period, a \$5,000 deferred loan would be added to the grant for those who need the addition. The money would be used for homeownership only.

NEWLYWEDS

Offer our basic home readiness programs for newlyweds of 12 months or less to earn additional \$500.00 grant stipends for a total of 8 hours spent in extended sessions for Pre-purchase Counseling (4 hrs.), budgeting and money management (2), estate planning (1 hr.), and home maintenance (1 hr.). The money is in addition to the \$5,000 DPA Deferred Loan. The money would be used for homeownership only.

I have a 2 more thoughts but I will send them before closing. I am sending this now because you said you needed it today.

COMMENTS AND RECOMMENDATIONS
**FOR THE CITY OF TUSCALOOSA'S FIVE YEAR CONSOLIDATED PLAN,
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Please list below your recommendations for housing and community needs and/or requests for projects to be undertaken with 2015 CDBG and/or HOME Funds.

1. Sidewalks for Cypress Creek Avenue
2. Boys and Girls Club within District 7
3. James Harrison Pkwy Completion Phase II
4. Curb and Gutter -Skyranch Subdivisions

Please provide your comments and recommendations to the Office of Federal Programs no later than February 6, 2015. Should you have any questions or concerns, contact LaParry Howell at 205-248-5080 or lhowell@tuscaloosa.com. Responses are not limited to the space provided.

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1. Money from Embassy Suites Hotel go to
MLH Beautification.
2. Fund for Habitat Building & Rehabing
Homes (District 1 & District 2).
3. Park - Palmer Park Splash Pad (Big
River)
4. Ask funds for: Community Works of
Tuscaloosa
(CWO)

Please provide your comments and recommendations to the Office of Federal Programs no later than January 27, 2015. Should you have any questions or concerns, contact LaParry Howell at 205-248-5080 or lhowell@tuscaloosa.com. Responses are not limited to the space provided.

H.L. Taylor
Dist 4

Wayne

COMMENTS AND RECOMMENDATIONS
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Please list below your recommendations for housing and community needs and/or requests for projects to be undertaken with 2015 CDBG and/or HOME Funds.

1. Additional homeless shelters
2. Re-entry programs / facilitated
3. Expanded technology footprint - citywide WiFi
4. Additional free job skills training - culinary, construction, arts, etc

Please provide your comments and recommendations to the Office of Federal Programs no later than January 5, 2015. Should you have any questions or concerns, contact LaParry Howell at 205-248-5080 or lhowell@tuscaloosa.com.

Rebecca

COMMENTS AND RECOMMENDATIONS
FOR THE CITY OF TUSCALOOSA'S FIVE YEAR CONSOLIDATED PLAN,
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Please list below your recommendations for housing and community needs and/or requests for projects to be undertaken with 2015 CDBG and/or HOME Funds.

1. ^{Emergency} Shelter & long term housing options for marginally housed outside of the Salvation Army's system.
2. Expanded bus access and bus routes.
Transportation is inadequate at best.
3. ~~Big~~ All access public resource center that combines attributes of a library set up, job/vocation center, community education, tutoring, mtg. space, + support group space.
4. Funding for a project (maybe ~~where~~ through Habitat??) where a space is created for city school students who are doubled up w/ family or friends to go until 8-9pm where they can do laundry, homework, cook, get a hot meal, etc. This will help ^{keep some} ~~house~~ ^{longer}.
Please provide your comments and recommendations to the Office of Federal Programs no later than January 5, 2015. Should you have any questions or ^{concerns} ~~how~~ ^{concerns}, contact LePerry Howell at 205-248-5080 or howell@tuscaloosa.com.
5. Consider funding an evidence based re-entry program.
Judge Almond is working on starting re-entry court this year, but it also needs a service component. It is a waste of money if it's not evidence-based. You can't just let some random person ^{try} to run it.

26th

COMMENTS AND RECOMMENDATIONS
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Please list below your recommendations for housing and community needs and/or requests for projects to be undertaken with 2015 CDBG and/or HOME Funds.

1. Splash pad in the Alberta City Area
2. Homeless Shelter in Tuscaloosa (central location)
3. Community Building for events
- 4.

Please provide your comments and recommendations to the Office of Federal Programs no later than January 5, 2015. Should you have any questions or concerns, contact LaParry Howell at 205-248-5080 or lhowell@tuscaloosa.com.

APPENDIX

GLOSSARY OF TERMS

Affordable Housing: Affordable housing is generally defined as housing where the occupant is paying no more than 30 percent of gross income for gross housing costs, including utility costs.

AIDS and Related Diseases: The disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

Alcohol/Other Drug Addiction: A serious and persistent alcohol or other drug addiction that significantly limits a person's ability to live independently.

Area of Low-Income Concentration: A census tract or block group within a census tract in which 51 percent or more of the persons were low income (according to the 2010 U.S. Census).

Area of Racial/Ethnic Minority Concentration: A census tract in which more than 50 percent of the total population consisted of persons from a racial or ethnic group which comprised less than 50 percent of the total population of the City of Tuscaloosa. (Considered to be a minority group in Tuscaloosa).

Example: The Black population comprised 35 percent of the total population of Tuscaloosa in 1990 and would thus be considered a minority group.

Assisted Household or Person: For the purpose of identification of goals, an assisted household or person is one which during the period covered by the annual plan will receive benefits through the Federal funds, either alone or in conjunction with the investment of other public or private funds. The program funds providing the benefit(s) may be from any funding year or combined funding years. A renter is benefited if the person takes occupancy of affordable housing that is newly constructed, and/or receives rental assistance through new budget authority. An existing homeowner is benefited during the year if the home's rehabilitation is completed. A first-time homebuyer is benefited if a home is purchased during the year. A homeless person is benefited during the year if the person becomes an occupant of transitional or permanent housing. A non-homeless person with special needs is considered as being benefited, however, only if the provision of supportive services is linked to the acquisition, rehabilitation, or new construction of a housing unit and/or the provision of rental assistance during the year. Households or persons who will benefit from more than one program activity must be counted only once. To be included in the goals, the housing unit must, at a minimum, satisfy the HUD Section 8 Housing Quality Standards (see 24 CFR section 882.109).

Committed: Generally means there has been a legally binding commitment of funds to a specific project to undertake specific activities.

Consistent with the CHAS: A determination made by the jurisdiction that a program application meets the following criterion: The Annual Plan for that fiscal year's funding indicates the jurisdiction planned to apply for the program or was willing to support an application by another entity for the program; the location of activities is consistent with the geographic areas as specified in the plan; and the activities benefit a category of residents for which the jurisdiction's five-year strategy shows a priority.

Cost Burden > 30%: The extent to which gross housing costs, including utility costs, exceed 30 percent of gross income, based on data published by the U.S. Census Bureau.

Cost Burden > 50% (Severe Cost Burden): The extent to which gross housing costs, including utility costs, exceed 50 percent of gross income, based on data published by the U.S. Census Bureau.

Disabled Household: A household composed of one or more persons at least one of whom is an adult (a person of at least 18 years of age) who has a disability. A person shall be considered to have a disability if the person is determined to have a physical, mental or emotional impairment that: (1) is expected to be of long-continued and indefinite duration, (2) substantially impeded his or her ability to live independently, and (3) is of such a nature that the ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if he or she has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6006). The term also includes the surviving member or members of any household described in the first sentence of this paragraph who were living in an assisted unit with the deceased member of the household at the time of his or her death.

Economic Independence and Self-Sufficiency Programs: Programs undertaken by Public Housing Agencies (PHAs) to promote economic independence and self-sufficiency for participating families. Such programs may include Project Self-Sufficiency and Operation Bootstrap programs that originated under earlier Section 8 rental certificate and rental voucher initiatives, as well as the Family Self-Sufficiency program. In addition, PHAs may operate locally-developed programs or conduct a variety of special projects designed to promote economic independence and self-sufficiency.

Elderly Household: For HUD rental programs, a one or two person household in which the head of the household or spouse is at least 62 years of age.

Elderly Person: A person who is at least 62 years of age.

Existing Homeowner: An owner-occupant of residential property who holds legal title to the property and who uses the property as his/her principal residence.

Extremely Low Income Family: Family whose income is between 0 and 30 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families.

Family: See definition in 24 CFR 812.2 (The National Affordable Housing Act definition required to be used in the CHAS rule differs from the Census definition). The Bureau of Census defines a family as a householder (head of household) and one or more other persons living in the same household who are related by birth, marriage or adoption.

Family Self-Sufficiency (FSS) Program: A program enacted by Section 554 of the National Affordable Housing Act which directs Public Housing Agencies ((PHAs) and Indian Housing Authorities (IHAs) to use Section 8 assistance under the rental certificate and rental voucher programs, together with public and private resources to provide supportive services, to enable participating families to achieve economic independence and self-sufficiency.

Federal Preference for Admission: The preference given to otherwise eligible applicants under HUD's rental assistance programs who, at the time they seek housing assistance, are involuntarily displaced, living in substandard housing, or paying more than 50 percent of family income for rent. (See, for example, 24 CFR 882.219.)

First-Time Homebuyer: An individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home that must be used as the principal residence of the homebuyer, except that any individual who is a displaced homemaker (as defined in 24 CFR 92) or a single parent (as defined in 24 CFR 92) may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while a homemaker or married, owned a home with his or her spouse or resided in a home owned by the spouse.

FmHA: The Farmers Home Administration or programs it administers.

For Rent: Year round housing units which are vacant and offered/available for rent. (U.S. Census definition)

For Sale: Year round housing units which are vacant and offered/available for sale only. (U.S. Census definition)

Frail Elderly: An elderly person who is unable to perform at least 3 activities of daily living (i.e. eating, dressing, bathing, grooming, and household management activities). (See 24 CFR 889.105.)

Group Quarters: Facilities providing living quarters that are not classified as housing units. (U.S. Census definition) Examples include: prisons, nursing homes, dormitories, military barracks, and shelters.

HOME: The HOME Investment Partnerships Program, which is authorized by Title II of the National Affordable Housing Act.

Homeless Family: Family that includes at least one parent or guardian and one child under the age of 18, a homeless pregnant woman, or a homeless person in the process of securing legal custody of a person under the age of 18.

Homeless Individual: An unaccompanied youth (17 years or younger) or an adult (18 years or older) without children.

Homeless Youth: Unaccompanied person 17 years or younger who is living in situations described by terms "sheltered" or "unsheltered".

HOPE 1: The HOPE for Public and Indian Housing Homeownership Program, which is authorized by Title IV, Subtitle A of the National Affordable Housing Act.

HOPE 2: The HOPE for Homeownership of Multifamily Units Program, which is authorized by Title IV, Subtitle B of the National Affordable Housing Act.

HOPE 3: The HOPE for Homeownership of Single Family Homes Program, which is authorized by Title IV, Subtitle C of the National Affordable Housing Act.

Household: One or more persons occupying a housing unit (U.S. Census definition). See also "Family".

Housing Problems: Households with housing problems include those that: (1) occupy units meeting the definition of Physical Defects; (2) meet the definition of overcrowded; and (3) meet the definition of cost burden greater than 30 percent.

Housing Unit: An occupied or vacant house, apartment, or a single room (SRO housing) that is intended as separate living quarters. (U.S. Census definition)

Institutions/Institutional: Group quarters for persons under care or custody. (U.S. Census definition)

Large Related: A household of 5 or more persons which includes at least one person related to the householder by blood, marriage or adoption.

Lead-Based Paint Hazard: Any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate Federal agency. (Residential Lead-Based Paint Hazard Reduction Act of 1992 definition.)

LIHTC: (Federal) Low Income Housing Tax Credit.

Low-Income: Households whose incomes do not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. NOTE: HUD income limits are updated annually and are available from local HUD offices. (This term corresponds to low-moderate-income households in the CDBG Program.)

Moderate Income: Households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families, except that HUD may establish income ceilings higher or lower than 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. (This definition is different than that for the CDBG Program.)

Non-Elderly Household: A household which does not meet the definition of "Elderly Household", as defined above.

Non-Homeless Persons with Special Needs: Includes frail elderly persons, persons

with AIDS, disabled families, and families participating in organized programs to achieve economic self-sufficiency.

Non-Institutional: Group quarters for persons not under care or custody. (U.S. Census definition used)

Occupied Housing Unit: A housing unit that is the usual place of residence of the occupant(s).

Other Household: A household of one or more persons that does not meet the definition of a Small Related Household, Large Related Household or Elderly Household.

Other Income: Households whose incomes exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families.

Other Low-Income: Households whose incomes are between 51 percent and 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair

market rents, or unusually high or low family incomes. (This term corresponds to moderate-income in the CDBG Program.)

Other Vacant: Vacant year round housing units that are not For Rent or For Sale. This category would include Awaiting Occupancy or Held.

Overcrowded: A housing unit containing more than one person per room. (U.S. Census definition)

Owner: A household that owns the housing unit it occupies. (U.S. Census definition)

Physical Defects: A housing unit lacking complete kitchen or bathroom (U.S. Census definition). Jurisdictions may expand upon the Census definition.

Primary Housing Activity: A means of providing or producing affordable housing—such as rental assistance, production, rehabilitation or acquisition—that will be allocated significant resources and/or pursued intensively for addressing a particular housing need. (See also, "Secondary Housing Activity".)

Project-Based (Rental) Assistance: Rental Assistance provided for a project, not for a specific tenant. Tenants receiving project-based rental assistance give up the right to that assistance upon moving from the project.

Public Housing CIAP: Public Housing Comprehensive Improvement Assistance Program.

Public Housing MROP: Public Housing Major Reconstruction of Obsolete Projects.

Rent Burden > 30% (Cost Burden): The extent to which gross rents, including utility costs, exceed 30 percent gross income, based on data published by the U.S. Census Bureau.

Rent Burden > 50% (Severe Cost Burden): The extent to which gross rents, including utility costs, exceed 50 percent of gross income, based on data published by the U.S. Census Bureau.

Rental Assistance: Rental assistance payments provided as either project-based rental

assistance or tenant-based rental assistance.

Renter: A household that rents the housing unit it occupies, including both units rented for cash and units occupied without cash payment of rent. (U.S. Census definition)

Renter Occupied Unit: Any occupied housing unit that is not owner occupied, including units rented for cash and those occupied without payment of cash rent.

Rural Homelessness Grant Program: Rural Homeless Housing Assistance Program, which is authorized by Subtitle G, Title IV of the Stewart B. McKinney Homeless Assistance Act.

Secondary Housing Activity: A means of providing or producing affordable housing—such as rental assistance, production, rehabilitation or acquisition—that will receive fewer resources and less emphasis than primary housing activities for addressing a particular housing need. (See also, "Primary Housing Activity".)

Section 215: Section 215 of Title II of the National Affordable Housing Act. Section 215 defines "affordable" housing projects under the HOME program.

Service Needs: The particular services identified for special needs populations, which typically may include transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services to prevent premature institutionalization and assist individuals to continue living independently.

Severe Cost Burden: See Cost Burden > 50%.

Severe Mental Illness: A serious and persistent mental or emotional impairment that significantly limits a person's ability to live independently.

Sheltered: Families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter, including emergency shelters, transitional housing for the homeless, domestic violence shelters, residential shelters for runaway and homeless youth, and any hotel/motel/apartment voucher arrangement paid because the person is homeless. This term does not include persons living doubled up or in overcrowded or substandard conventional housing. Any facility offering permanent housing is not a shelter, nor are its residents homeless.

Small Related: A household of 2 to 4 persons which includes at least one person related to the householder by birth, marriage, or adoption.

Substandard Condition and not Suitable for Rehab: By local definition, dwelling units that are in such poor condition as to be neither structurally nor financially feasible for rehabilitation.

Substandard Condition but Suitable for Rehab: By local definition, dwelling units that do not meet standard conditions but are both financially and structurally feasible for rehabilitation. This does not include units that require only cosmetic work, correction or minor livability problems or maintenance work.

Substantial Rehabilitation: Rehabilitation of residential property at an average cost for the project in excess of \$25,000 per dwelling unit.

Supportive Housing: Housing, including Housing Units and Group Quarters that have a supportive environment and includes a planned service component.

Supportive Service Need in FSS Plan: The plan that PHAs administering a Family Self-Sufficiency program are required to develop to identify the services they will provide to participating families and the source of funding for those services. The supportive

services may include child care; transportation; remedial education; education for completion of secondary or post secondary schooling; job training, preparation and counseling; substance abuse treatment and counseling; training in homemaking and parenting skills; money management, and household management; counseling in homeownership; job development and placement; follow-up assistance after job placement; and other appropriate services.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Tenant-Based (Rental) Assistance: A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. The assistance is provided for the tenant, not for the project.

Total Vacant Housing Units: Unoccupied year round housing units. (U.S. Census definition)

Unsheltered: Families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g. streets, parks, alleys).

Vacant Awaiting Occupancy or Held: Vacant year round housing units that have been rented or sold and are currently awaiting occupancy, and vacant year round housing units that are held by owners or renters for occasional use. (U.S. Census definition)

Vacant Housing Unit: Unoccupied year round housing units that are available or intended for occupancy at any time during the year.

Very Low-Income: Households whose incomes do not exceed 50 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes or where needed because of prevailing levels of construction costs or fair market rents. (This term corresponds to low-income households in the CDBG Program.) (For the purpose of further distinguishing needs within this category, two subgroups (0 to 30% and 31 to 50% of MFI) have been established in the tables and narratives.)

Worst-Case Needs: Unassisted, very low-income renter households who pay more than half of their income for rent, live in seriously substandard housing (which includes homeless people) or have been involuntarily displaced.

Year Round Housing Units: Occupied and vacant housing units intended for year round use (U.S. Census definition). Housing units for seasonal or migratory use are excluded

Grantee SF-424's and Certification(s)

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing — The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan — It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Anti-Lobbying — To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-L.L.L., "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction — The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan — The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 — It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.


Signature/Authorized Official

Date 8/1/15

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation – It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan – Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan – It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds – It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available;
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) _____, _____ (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed 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.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force – It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its

jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. 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 demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws – The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint – Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R;

Compliance with Laws – It will comply with applicable laws.

 5/1/15
Signature/Authorized Official Date

Mayor
Title

Specific HOME Certifications

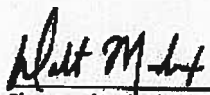
The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance — If the participating jurisdiction intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs — It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance — before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;


Signature/Authorized Official

5/11/15
Date

Mayor
Title

ESG Certifications

The Emergency Solutions Grants Program Recipient certifies that:

Major rehabilitation/conversion – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

Essential Services and Operating Costs – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the jurisdiction will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the jurisdiction serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The jurisdiction will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for such individuals.

Matching Funds – The jurisdiction will obtain matching amounts required under 24 CFR 576.201.

Confidentiality – The jurisdiction has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement – To the maximum extent practicable, the jurisdiction will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

Consolidated Plan – All activities the jurisdiction undertakes with assistance under ESG are consistent with the jurisdiction's consolidated plan.

Discharge Policy – The jurisdiction will establish and implement, to the maximum extent practicable and where appropriate policies and protocols for the discharge of persons from

publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

Walt M. Lee
Signature/Authorized Official

5/1/15
Date

Mayor
Title

HOPWA Certifications

The HOPWA grantee certifies that:

Activities — Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building — Any building or structure assisted under that program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Walt M. Ly
Signature/Authorized Official

5/11/15
Date

Mayor
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		
* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision		
* If Revision, select appropriate entry: <input type="text"/> * Other (Specify): <input type="text"/>		
* 3. Date Received: <input type="text"/>		4. Applicant Identifier: <input type="text" value="636001379"/>
5a. Federal Entity Identifier: <input type="text"/>		5b. Federal Award Identifier: <input type="text"/>
State Use Only: 6. Date Received by State: <input type="text"/> 7. State Application Identifier: <input type="text"/>		
B. APPLICANT INFORMATION:		
* a. Legal Name: <input type="text" value="City of Tuscaloosa"/>		
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="63-6001379"/>		* c. Organizational DUNS: <input type="text" value="11-244-9726"/>
d. Address:		
* Street: <input type="text" value="2201 University Blvd"/> Street: <input type="text"/> * City: <input type="text" value="Tuscaloosa"/> County/Parish: <input type="text" value="Tuscaloosa"/> * State: <input type="text" value="AL: Alabama"/> Province: <input type="text"/> * Country: <input type="text" value="USA: UNITED STATES"/> * Zip / Postal Code: <input type="text" value="35401-2101"/>		
e. Organizational Unit:		
Department Name: <input type="text" value="Office of Federal Programs"/>		Division Name: <input type="text" value="Federal Programs"/>
f. Name and contact information of person to be contacted on matters involving this application:		
Title: <input type="text" value="Director of Federal Programs"/> Organizational Affiliation: <input type="text"/>		
* Telephone Number: <input type="text" value="205-248-5080"/>		Fax Number: <input type="text" value="205-248-0135"/>
* Email: <input type="text" value="lhowell@tuscaloosa.com"/>		

Application for Federal Assistance SF-424		
* 9. Type of Applicant 1: Select Applicant Type:		
C: City or Township Government		
Type of Applicant 2: Select Applicant Type:		
Type of Applicant 3: Select Applicant Type:		
* Other (specify):		
* 10. Name of Federal Agency:		
U.S. Department of Housing and Urban Development		
11. Catalog of Federal Domestic Assistance Number:		
14-218		
CFDA Title:		
Community Block Development Grants/Habitat Grants		
* 12. Funding Opportunity Number:		
* Title:		
13. Competition Identification Number:		
Title:		
14. Areas Affected by Project (Cities, Counties, States, etc.):		
	Add Attachment	Delete Attachment
View Attachment		
* 15. Descriptive Title of Applicant's Project:		
City of Tuscaloosa Community Block Development Grant Program		
Attach supporting documents as specified in agency instructions.		
Add Attachments	Delete Attachments	View Attachments

Application for Federal Assistance SF-424															
16. Congressional Districts Of: <div style="display: flex; justify-content: space-between;"> * a. Applicant: 6 & 7 * b. Program/Project: 6 & 7 </div>															
Attach an additional list of Program/Project Congressional Districts if needed. <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="border: 1px solid black; width: 200px; height: 20px;"></div> <div> Add Attachment Delete Attachment View Attachment </div> </div>															
17. Proposed Project: <div style="display: flex; justify-content: space-between;"> * a. Start Date: 04/21/2015 * b. End Date: 03/31/2016 </div>															
18. Estimated Funding (\$): <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; border: 1px solid black;">* a. Federal</td> <td style="border: 1px solid black; text-align: right;">763,369.00</td> </tr> <tr> <td style="border: 1px solid black;">* b. Applicant</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td style="border: 1px solid black;">* c. State</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td style="border: 1px solid black;">* d. Local</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td style="border: 1px solid black;">* e. Other</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td style="border: 1px solid black;">* f. Program Income</td> <td style="border: 1px solid black; text-align: right;">275,000.00</td> </tr> <tr> <td style="border: 1px solid black;">* g. TOTAL</td> <td style="border: 1px solid black; text-align: right;">1,038,369.00</td> </tr> </table>		* a. Federal	763,369.00	* b. Applicant		* c. State		* d. Local		* e. Other		* f. Program Income	275,000.00	* g. TOTAL	1,038,369.00
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* e. Other															
* f. Program Income	275,000.00														
* g. TOTAL	1,038,369.00														
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372. </div> </div>															
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </div> <div> If "Yes", provide explanation and attach </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="border: 1px solid black; width: 200px; height: 20px;"></div> <div> Add Attachment Delete Attachment View Attachment </div> </div>															
21. "By signing this application, I certify (1) to the statements contained in the list of certifications" and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurance" and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1601) <input checked="" type="checkbox"/> I AGREE <small>"The list of certifications and assurances, or an Internet site where you may obtain this list, is contained in the announcement or agency specific instructions."</small>															
Authorized Representative: <div style="display: flex; justify-content: space-between;"> <div> Prefix: Mr. Middle Name: Last Name: Maddox Suffix: </div> <div> First Name: Walter </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> Title: Mayor </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> Telephone Number: 205-248-5006 </div> <div> Fax Number: </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> Email: mayor@tuscaloosa.com </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> Signature of Authorized Representative: </div> <div> Date Signed: 04/15 </div> </div>															

Application for Federal Assistance SF-424		
<p>* 1. Type of Submission:</p> <p><input type="checkbox"/> Preapplication</p> <p><input checked="" type="checkbox"/> Application</p> <p><input type="checkbox"/> Changed/Corrected Application</p>		
<p>* 2. Type of Application:</p> <p><input checked="" type="checkbox"/> New</p> <p><input type="checkbox"/> Continuation</p> <p><input type="checkbox"/> Revision</p>		
<p>* If Revision, select appropriate letter(s):</p> <p>_____</p> <p>* Other (Specify):</p> <p>_____</p>		
<p>* 3. Date Received:</p> <p>_____</p>		<p>4. Applicant Identifier:</p> <p>636001379</p>
<p>6a. Federal Entity Identifier:</p> <p>_____</p>		<p>6b. Federal Award Identifier:</p> <p>_____</p>
<p>State Use Only:</p>		
<p>6. Date Received by State:</p> <p>_____</p>		<p>7. State Application Identifier:</p> <p>_____</p>
<p>I. APPLICANT INFORMATION:</p>		
<p>* a. Legal Name: City of Tuscaloosa</p>		
<p>* b. Employer/Taxpayer Identification Number (EIN/TIN):</p> <p>63-6001379</p>		<p>* c. Organizational DUNS:</p> <p>11-266-8736</p>
<p>d. Address:</p>		
<p>* Street1: 2201 University Blvd</p>		
<p>* Street2: _____</p>		
<p>* City: Tuscaloosa</p>		
<p>* County/Parish: Tuscaloosa</p>		
<p>* State: AL: Alabama</p>		
<p>* Province: _____</p>		
<p>* Country: USA: UNITED STATES</p>		
<p>* Zip / Postal Code: 35401-2201</p>		
<p>e. Organizational Unit:</p>		
<p>Department Name:</p> <p>Office of Federal Programs</p>		<p>Division Name:</p> <p>_____</p>
<p>f. Name and contact information of person to be contacted on matters involving this application:</p>		
<p>Prefix: Mr. * First Name: LaParry</p>		
<p>Middle Name: _____</p>		
<p>* Last Name: Howell</p>		
<p>Suffix: MPA</p>		
<p>Title: Director of Federal Programs</p>		
<p>Organizational Affiliation:</p> <p>_____</p>		
<p>* Telephone Number: 205-249-5060</p>		<p>Fax Number: 205-249-0135</p>
<p>* Email: lhowell@tuscaloosa.gov</p>		

Application for Federal Assistance SF-424		
* 8. Type of Applicant 1: Select Applicant Type: <input type="text" value="C: City or Township Government"/>		
Type of Applicant 2: Select Applicant Type: <input type="text"/>		
Type of Applicant 3: Select Applicant Type: <input type="text"/>		
* Other (specify): <input type="text"/>		
* 10. Name of Federal Agency: <input type="text" value="U.S. Department of Housing and Urban Development"/>		
11. Catalog of Federal Domestic Assistance Number: <input type="text" value="14-239"/>		
CFDA Title: <input type="text" value="ROR Investment Partnership Program"/>		
* 12. Funding Opportunity Number: <input type="text"/>		
* Title: <input type="text"/>		
13. Competition Identification Number: <input type="text"/>		
Title: <input type="text"/>		
14. Areas Affected by Project (Cities, Counties, States, etc.): <input type="text"/> <div> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachments"/> </div>		
* 15. Descriptive Title of Applicant's Project: <input type="text" value="City of Tuscaloosa ROR Investment Partnership Program"/>		
Attach supporting documents as specified in agency instructions. <div> <input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/> </div>		

Application for Federal Assistance SF-424	
16. Congressional District Of:	
* a. Applicant 6 & 7	* b. Program/Project 6 & 7
Attach an additional list of Program/Project Congressional Districts if needed. <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="text-align: right; padding-top: 5px;"> Add Attachment Delete Attachment View Attachment </div>	
17. Proposed Project:	
* a. Start Date: 04/01/2015	* b. End Date: 03/31/2016
18. Estimated Funding (\$):	
* a. Federal	282,316.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	00,000.00
* g. TOTAL	282,316.00
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <div style="text-align: right; padding-top: 5px;"> Add Attachment Delete Attachment View Attachment </div>	
21. "By signing this application, I certify (1) to the statements contained in the list of certifications" and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances" and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001) <input checked="" type="checkbox"/> ** I AGREE <small>** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.</small>	
Authorized Representative:	
Prefix: Mr.	* First Name: Walter
Middle Name: 	
* Last Name: Baddock	
Suffix: 	
* Title: Mayor	
* Telephone Number: 205-248-5006	Fax Number:
* Email: mayor@tuscaloosa.com	
* Signature of Authorized Representative: Walt M. Baddock	* Date Signed: 5/1/15

Appendix - Alternate/Local Data Sources

1	Data Source Name
	Structural Condition Survey
	List the name of the organization or individual who originated the data set.
	Provide a brief summary of the data set.
	What was the purpose for developing this data set?
	Provide the year (and optionally month, or month and day) for when the data was collected.
	Briefly describe the methodology for the data collection.
	Describe the total population from which the sample was taken.
	Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed.



Citizen Participation Plan

Last Amended: November 24, 2015

Re-Amended: September 27, 2016



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INTRODUCTION

The City of Tuscaloosa adopted its first Citizen Participation Plan in 1974 to formalize procedures for the involvement of city residents in the CDBG Program. The Plan has been revised several times as circumstances and regulations have changed.

The U.S. Department of Housing and Urban Development (HUD) previously consolidated the planning and application aspects of the CDBG, HOME, HMIS, and ESG programs and the requirements for the Comprehensive Housing Affordability Strategy.

Most recently, HUD completed its planning and reporting standards for the Assessment of Fair Housing. Since it is an entitlement city under the CDBG, HOME, HMIS, and ESG programs, the City of Tuscaloosa has now revised the Citizen Participation Plan to address the requirements for the Consolidated Plan, Action Plans, and the Assessment of Fair Housing (AFH).

This Citizen Participation Plan will outline the interventions the City of Tuscaloosa will use to overcome traditional barriers to participation to fully engage all populations during the planning and implementation of programs, projects, and activities of the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Homeless Management Information System (HMIS), and Emergency Solutions Grant (ESG) programs.

APPLICABILITY

The City of Tuscaloosa Citizen Participation Plan is applicable to all activities, projects and programs funded wholly or in part by grants and loans administered by the U.S. Department of Housing and Urban Development, including but not limited to: The Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Homeless Information System (HMIS) and the Emergency Solutions Grant (ESG). It is also applicable to the Assessment of Fair Housing (AFH) and the Consolidated Plan, which occurs every five years.

ADOPTION

Prior to the implementation of any portion of the Citizen Participation Plan, the original plan and any revisions and/or amendments must receive initial approval from the Community Development Committee of the City of Tuscaloosa. After the approval of the Community Development Committee, the City Council of the City of Tuscaloosa must provide final approval of the plan, revisions, and/or amendments. After the close of the requisite citizen comment period and the appropriate response of the City of Tuscaloosa, the Citizen Participation Plan as amended/revised shall be adopted for implementation.

ADMINISTRATION AND MANAGEMENT OF THE CITIZEN PARTICIPATION PLAN

The Office of Federal Programs (OFP) shall be responsible for the administrative oversight of the execution of procedures described within the Citizen Participation Plan. The Office of Federal Programs is responsible for ensuring that all HUD funded projects sponsored by the City of Tuscaloosa adheres to the Citizen Participation Plan. The Office of Federal will oversee any revisions and/amendments to the Citizen Participation Plan.

CITY OF TUSCALOOSA CITIZEN PARTICIPATION PLAN PURPOSE

The purpose of the Citizen Participation Plan is to formalize policy and procedure and articulate the city's commitment to the involvement of all city residents in all phases of implementation of Community Planning and Development Programs.

The Plan is intended to be responsive to changing community factors, federal regulations and to be utilized by program staff to help ensure City-wide program and project compliance.

The primary goal of the City's Citizen Participation Plan is to empower historically disadvantaged citizens (especially very low, low and moderate- income persons, minorities, persons with disabilities, senior, and non-English speaking persons) to actively participate in the development of their neighborhoods and community at large.

CITIZEN COMMENT PERIOD ON THE CITIZEN PARTICIPATION PLAN AND AMENDMENTS

The City of Tuscaloosa will provide 30 consecutive calendar days to receive comments from residents of the Tuscaloosa community on the Citizen Participation Plan and any subsequent amendments and/or revisions.

The City of Tuscaloosa will consider all comments received in writing via email, fax, and mail or received orally (as transcribed by an OFP staff person) in preparation of the final Citizen Participation Plan.

Any comments and/or view received during the 30-day citizen comment period shall be attached to the Citizen Participation Plan prior to its submission to HUD.

The City of Tuscaloosa shall also attach a summary of any comments or views not accepted and the reasons why to the final Citizen Participation Plan.

CRITERIA FOR SUBSTANTIAL AMENDMENTS/REVISIONS TO THE CITIZEN PARTICIPATION PLAN

The following criteria will be deemed to constitute a substantial change and will require an amendment to the Citizen Participation Plan:

1. Changes in the length of citizen comment period
2. Inclusion of additional grants, reports, plans in subsequent Federal regulations and guidelines

CITY OF TUSCALOOSA CITIZEN PARTICIPATION PLAN PROCEDURES

Strategies for Encouraging Citizen Participation

It is the intent of the City of Tuscaloosa to encourage and facilitate the participation of residents in the formulation of priorities, strategies, and funding allocations related to the development of the Consolidated Plan, AFH, Annual Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER) and any revisions and/or amendments to these plans and reports.

The Citizen Participation Plan emphasizes the involvement of very low-to- moderate- income persons, especially those living in very low-to- moderate- income neighborhoods, public and assisted housing, or residing in areas where prospective programs and projects are slated for implementation. The City also encourages the participation of minority populations, including people who do not speak English and persons with disabilities.

The City affirms its commitment to encouraging citizen participation in the development of the aforementioned plans and reports in the following ways:

1. Consultation with local and regional institutions, Continuums of Care, and other organizations (including businesses, developers, nonprofit organizations, philanthropic organizations, and community based and faith based organizations)
2. Consultation with Tuscaloosa Housing Authority and the residents of public and assisted housing developments (including resident advisory boards, resident councils, and resident management corporation)
3. Public Hearings on the Consolidated Plan, Annual Action Plan, AFH, and CAPER for Community Planning and Development Programs
4. Citizen Comment Periods for each plan, report and subsequent revisions and/or amendments under Community Planning and Development Programs
5. Exploration of alternative public involvement techniques and the quantitative measurement of involvement efforts

CONSULTATION

Consultation with Local and Regional Organizations

The City of Tuscaloosa recognizes that the involvement of local and regional institutions, Continuums of Care and other private, public and faith based organizations with expertise in certain areas of community development is crucial to identifying and prioritizing needs and developing a responsive and strategic plan of action. The following entities and persons will be consulted during the preparation of the City's Consolidated Plan, Annual Action Plan, Assessment of Fair Housing and other plans/reports:

1. The City will consult with public and private agencies that provide social services. These agencies include assisted housing, health services, and social services. Those agencies include, but are not limited to, Community Services Programs of West Alabama, Inc.; Turning Point, Inc., the Salvation Army, FOCUS on Senior Citizens of Tuscaloosa County, Inc., Agency on Aging and Temporary Emergency Services, Inc., Catholic Family Services and Alabama Department of Human Resources.
2. The City will consult the Tuscaloosa County Health Department as well as the University of Alabama's Safe State program when preparing the portion of the plan concerning lead-based paint hazards
3. The City will consult with representatives of the City of Northport and Tuscaloosa County concerning non-housing community development issues that also affects those jurisdictions.
4. The City will consult with the internal Transportation, Water and Sewer, Police, Fire, Inspection and Engineering Departments concerning community development needs in their individual areas of expertise.

5. The City will consult residents of Residents of low-income neighborhoods concerning development of their neighborhoods. Meetings will be held at neighborhood-based community facilities that are convenient to those residents.
6. The City will consult Community Affairs representatives of the University of Alabama, Stillman College and Shelton State Community College to determine opportunities for partnerships, economic and workforce development.
7. The City will consult the Tuscaloosa City Board of Education, Arts n' Autism, Tuscaloosa Children's Center, Boys and Girls Club, Big Brothers and Big Sisters in regard to holistic approaches to children's well-being.
8. The City will consult with the Tuscaloosa Police Department, Alabama Department of Corrections, Alabama Department of Juvenile Corrections, Alabama Probation and Parole-Tuscaloosa Office for input on proactive crime reduction solutions and strategies to achieve social justice through community development.
9. The City will consult with the YMCA of Tuscaloosa and Tuscaloosa Parks and Recreation Authority to develop solutions for recreational/lifestyle initiatives in the community at large.

Consultation with Tuscaloosa Housing Authority and Other Housing Assistance Organizations

1. The City will consult The Tuscaloosa Housing Authority (THA) concerning public housing needs. The City will also provide information to THA about housing and community development plan activities so that THA can make this information available at its annual public hearing required under the Comprehensive Grant Program.
2. The City will consult with other affordable housing organizations through Tuscaloosa City metro area to collaborate on long-range housing, rehabilitation and development. These agencies will include: Community Service Programs of West Alabama, Habitat for Humanity, Community Works, Project Blessings and independent developers.

PUBLIC HEARINGS

Public Hearings for Consolidated Plan and Annual Action Plan

The following public hearings will be held to allow city residents, especially those of very low and low-income, to participate in the development of the Consolidated Plan and Annual Action Plan. Two public hearings will be held to allow citizens to identify housing and community development needs and to propose projects and programs for funding.

Public Hearings for Assessment of Fair Housing

To ensure that the City of Tuscaloosa will continue to affirmatively further fair housing and that the AFH is informed by meaningful community participation, the City will give reasonable opportunities for involvement in the development of the AFH and in the incorporation of the AFH into the Consolidated Plan. For the AFH, two public hearings and a community conversation meeting will be held.

All public hearings will be advertised a minimum of thirty (30) consecutive calendar days prior to the scheduled hearing date.

Advertisement of Consolidated Plan, Annual Action Plan, and Assessment of Fair Housing

The advertisements will be made in the Tuscaloosa News, as an announcement on the OFP page of the City of Tuscaloosa website, and via postings throughout City Hall, and other public buildings throughout the community including but not limited to: the Tuscaloosa Public Library, The Weaver Bolden Branch of the Tuscaloosa Public Library, The Gateway: Alberta's Center for Technology, Tuscaloosa Parks and Recreation Building, Benjamin Barnes Branch YMCA and the Downtown Branch YMCA.

The publications will include a description of the respective plans to permit informed comment.

The hearings will be held in the City Council Chambers, the Narashino Conference Room, or the Daugherty Conference Room of City Hall, which are accessible to persons with disabilities.

Public Hearing Staffing and Procedure

During the public hearing, a staff member of the Office of Federal Programs will be available to address Tuscaloosa's housing and community development needs, development of proposed activities, proposed strategies and actions for affirmatively furthering fair housing consistent with the AFH and a review of program performance.

1. The City of Tuscaloosa will hold two public hearings during the development of each plan- Consolidated Plan, Annual Action Plan, and AFH. One hearing will occur during regular working hours (8am-5pm) and the other hearing will be held after 5:00 p.m.
2. Each public hearing will be scheduled for 2 hours.
3. At each of these hearings, the City will provide information about its performance in the CDBG, HOME, HMIS, and ESG programs, the range of eligible activities, and the estimated amount of funds available for programs and projects undertaken.
4. Both public hearings will be held prior to the publication of the Consolidated Plan, Annual Action Plan, and AFH for the requisite 30-day citizen comment period.
5. A public hearing will be held prior to the submission of the City's Grantee CAPER for the Consolidated Plan to inform citizens concerning progress during the past program year and to solicit their concerns.

CITIZEN COMMENT PERIOD ON THE CONSOLIDATED PLAN, ANNUAL ACTION PLAN AND AFH

The City of Tuscaloosa will provide 30 consecutive calendar days for to receive comments from residents of the Tuscaloosa community on the Consolidated Plan, Annual Action Plan, AFH, and substantial amendments and revisions to the Consolidated Plan, Annual Action Plan and AFH.

The city of Tuscaloosa will consider all comments received in writing via email, fax, mail, and/or orally (as transcribed by an OFP staff person) at the public hearings, in preparation of the final Consolidated Plan, Annual Action Plan and AFH. Any comments received during the 30-day citizen comment period shall be attached to the Consolidated Plan, Annual Action Plan, and/or AFH prior to its submission to HUD.

The City of Tuscaloosa shall also attach a summary of any comments or views not accepted and the reasons why to the final AFH, Consolidated Plan and/or Annual Action Plan.

CITIZEN COMMENT PERIOD ON CAPER

The City of Tuscaloosa will provide 15 consecutive calendar days for the receipt of comments from residents of the Tuscaloosa community on the CAPER.

The City of Tuscaloosa will consider all comments received in writing via email, fax, mail and/or orally (as transcribed by an OFP staff person) at the public hearings, in preparation of the final CAPER.

Any comments received during the 15-day citizen comment period shall be attached to the CAPER prior to its submission to HUD.

The City of Tuscaloosa shall also attach a summary of any comments or views not accepted and the reasons why to the final CAPER.

ALTERNATIVE PUBLIC INVOLVEMENT METHODOLOGIES

Assessment of Needs and Provisions for Persons with Disabilities

The City of Tuscaloosa shall host all physical meetings and hearings in City owned buildings that are accessible to persons with physical disabilities. If a person requires additional accommodations, the person is encouraged to contact the Office of Federal Programs. For persons with hearing disabilities, The Office of Federal Programs will contact the University of Alabama to attempt to secure the services of an American Sign Language interpreter.

Assessing needs of Non-English Speaking Residents

The City of Tuscaloosa shall utilize the most recent U.S Census data, HUD-provided data, and community organization consultations to ascertain the need for the translation of notices and other vital documents.

Provisions for Non-English Speaking Residents

According to 2010 U.S. Census data, approximately 3% of the City's population is of Hispanic/ Latino descent and 1.8% is of Asian descent. Although the City has not received request for translation services, if such a case does arise, the City will make every possible effort to provide the requesting party with translation services such as a language interpreter and/or written materials in their preferred language.

Development of Consolidated Plan, Annual Action Plan, AFH and CAPER

The City of Tuscaloosa shall meet these minimum requirements for the development of the Consolidated Plan, Annual Action Plan, AFH, and CAPER:

1. The City of Tuscaloosa will make all HUD-provided data and any supplemental information that is incorporated in the Consolidated Plan, AFH, Annual Action Plan, and CAPER available to all interested parties.

This will be done in one of the following ways: via a cross-reference to the data on HUD's website, listing of resources in the appendices of a plan/report or listing the resources in the executive summary on the Office of Federal Programs' webpage.

2. Before the adoption of a Consolidated Plan, The City of Tuscaloosa shall advertise an Annual Program Year Community Planning and Development Summary that describes the anticipated funding amount (including grant funds and program income), range of activities that may be undertaken and the estimated level of funding for activities that will benefit low-to moderate income persons.
3. The City shall make every effort to minimize the displacement of persons and to assist any persons displaced by following the City of Tuscaloosa's Displacement and Relocation Policy.

To this end, the City will also publish an Annual Displacement and Relocation Summary which will specify the types and levels of assistance available or will require sub recipients and/or contractors to make available to displaced persons, even if there is no expectation of displacement.

4. The information will be made available 15 consecutive calendar days prior to the 30 citizen comment period for the Consolidated Plan, Annual Action Plan, and AFH. It shall be available on the Office of Federal Programs webpage on the City of Tuscaloosa website, www.tuscaloosa.com. It will also be posted on Community News Bulletin located in the Office of Federal Programs, Tuscaloosa City Hall. For persons with disabilities or non-English speaking residents, the Office of Federal Programs will make reasonable and timely accommodations to ensure access to this information.

CONSOLIDATED PLAN AMENDMENTS AND AFH REVISIONS

Criteria for Substantial Amendments to the Consolidated Plan

The following criteria will be deemed to constitute a substantial change and will require an amendment to the Consolidated Plan and/or an Annual Action Plan:

1. Allocation priorities or the method of the distribution of funds are "significantly" different from those identified in the Consolidation Plan/Annual Action Plan. "Significantly" being defined as:
 - a. An increase or decrease of 21% or more of the total Grant Amount for a specific program year
 - b. Amounts 20% or less of the Grant Amount, only approval through City Council resolution is required
2. An activity not previously identified in an Annual Action Plan of the Consolidated Plan will be carried out
3. An activity described in an Annual Action plan will not be undertaken
4. The purpose, scope, location, or beneficiaries of an activity identified in an Annual Action Plan will be substantially changed
5. A "significant" monetary change in funding for an activity identified in an Annual Action Plan will occur, based on the following definition "significant":
 - a. For activities with a project budget of \$50,000 or less, an increase or decrease of 50% in the project budget.

- b. For activities with a project budget of more than \$50,000, an increase or decrease of 25% or more in the project budget.

Criteria for AFH Revisions

The following criteria will be deemed to constitute a material change and will require a revision to the Assessment of Fair Housing (AFH):

1. A material change is defined as:

A material change is a change in circumstances in the jurisdiction of a program participant that affects the information on which the AFH is based to the extent that the analysis, the fair housing contributing factors, or the priorities and goals of the AFH no longer reflect actual circumstances. Examples include:

- a. Presidentially declared disasters, under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*), in the program participant's area that are of such a nature as to significantly impact the steps a program participant may need to take to affirmatively further fair housing;
- b. Significant demographic changes;
- c. New significant contributing factors in the participant's jurisdiction;
- d. Civil rights findings, determinations, settlements (including Voluntary Compliance Agreements),
- e. Court orders;
- f. Upon HUD's written notification specifying a material change that requires the revision

A revision consists of preparing and submitting amended analyses, assessments, priorities, and goals that take into account the material change, including any new fair housing issues and contributing factors that may arise as a result of the material change. A revision may not necessarily require the submission of an entirely new AFH. The revision need only focus on the material change and appropriate adjustments to the analyses, assessments, priorities, or goals.

AVAILABILITY TO THE PUBLIC

Information to be Provided to the Public

1. Before adopting its Consolidated Plan, Annual Action Plan, AFH and CAPER, the City will publish a summary of the proposed plans and/or report in the Tuscaloosa News.

The advertisements will be made in the Tuscaloosa News, as an announcement on the OFP page of the City of Tuscaloosa website, and via postings throughout City Hall, and other public buildings throughout the community including but not limited to: the Tuscaloosa Public Library, The Weaver Bolden Branch of the Tuscaloosa Public Library, The Gateway: Alberta's Center for Technology, Tuscaloosa Parks and Recreation Building, Benjamin Barnes Branch YMCA and the Downtown Branch YMCA. The publications will include a description of the respective plans (subject) to permit informed comment.

2. Program documents that will be available for public inspection include the following: all grant agreements, records of hearings, letters of grant approval, prior year and current year applications, "Final Statements of Community Development Objectives and Projected Use of CDBG Funds," Annual Action Plans, the Consolidated Plan, the Citizen Participation Plan, project activity files, CAPERs, evaluation and monitoring letters from the U.S. Department of Housing and Urban Development, copies of program regulations and issuances, and documents regarding other program requirements, such as

contracting procedures, fair housing and equal opportunity provisions, acquisition and relocation requirements and environmental policies.

The documents will be available for review at the Office of Federal Programs, 2nd floor of Tuscaloosa City Hall, 2201 University Boulevard, Tuscaloosa, AL 35401.

3. Upon request the City of Tuscaloosa will make available the Final Consolidated Plan, Final Annual Action Plan, Final AFH and CAPER as adopted, any substantial amendments, and any associated CAPER s in a form accessible to persons with disabilities.

Access to Records

The City of Tuscaloosa will provide all residents, public agencies, and other interested parties access to information and records related to the City of Tuscaloosa's AFH, Consolidated Plan, Annual Action Plan and CAPER and use of assistance under the programs covered under this Citizen Participation Plan during the preceding 5 years.

To access records, the interested party must complete and submit a formal public record request. The public document request must include: the name and contact information of the person making the request, the documents requested and the date of the request. The Office of Federal Programs has 5 calendar days to respond to the request for public document/record. Requests for Public Documents for Documents over 5 years old may be granted on a case-by case basis.

Requests for public documents shall be granted at no cost to the interested party. Information about the interested party shall not be shared with or sold to any third-party. Requests may be submitted in person, via phone, or in writing to the Office of Federal Programs.

TECHNICAL ASSISTANCE

The City of Tuscaloosa will provide technical assistance administered through the Office of Federal Programs to any groups and/or individuals representing persons of very low, low and moderate incomes. The technical assistance will be restricted to providing assistance in commenting on the Consolidated Plan, Annual Action Plan, and AFH and CAPER and in developing proposals for funding assistance under any of the Community Planning and Development programs. The level of technical assistance will be determined on a case by case basis, at the recommendation of appropriate Office of Federal Programs staff. Generally, technical assistance will consist of transcribing comments about Community Planning and Development plans, answering questions about program/project/activity eligibility, assistance in developing program/project/activity application and proposals.

Interested parties can request a Technical Assistance appointment via telephone, mail, email, or in-person. Contact Information for Technical Assistance: Telephone: (205) 248-5080 Email: mjones@tuscaloosa.com Mailing address: 2201 University Boulevard Tuscaloosa, AL 35401 Physical location: Tuscaloosa City Hall. 2nd Floor

No Technical Assistance will be given without a formal appointment.

Technical Assistance appointments are available Monday through Friday between 8am and 5pm CST.

The receipt of technical assistance is not a guarantee of acceptance of proposals or program/project/activity funding.

The City of Tuscaloosa will provide technical assistance to individuals and groups, especially persons of very low and low-income status, through the following methods:

1. The staff of the City's Office of Federal Programs will work with citizens who need assistance in articulating their ideas and in developing proposals for CDBG, HOME, HMIS, and ESG activities.

2. Copies of program regulations and other pertinent information will be provided to persons and groups at no cost.

CONFLICTS OF INTEREST/ETHICAL CONCERNS

The conflict of interest policies for the Citizen Participation Plan are as follows: No employee, officer, or agent of the City of Tuscaloosa may participate in the selection, award, or administration of a contract or proposal supported by Federal funds if a real or apparent conflict is involved. Such a conflict would arise when any of the following parties has a financial or other interest in the firm selected for an award:

1. An employee, officer, or agent of the City of Tuscaloosa;
2. Any member of a City of Tuscaloosa employee's, officer's, or agent's immediate family;
3. A City of Tuscaloosa employee's, agent's, or officer's partner; or
4. An organization which employs or is about to employ any of the persons identified in in the preceding section.

No employees, agents, and officers of the City of Tuscaloosa can neither solicit nor accept gratuities, favors, or anything of value from contractors, or parties to sub-agreements.

No staff member or elected official shall make any promises for assistance or obligate the City in any way to financially supporting any proposal, program or activity prior approval from the City Council of Tuscaloosa and verification of program and project eligibility.

No staff member shall enter into a contractual obligation with prospective participants to receive monies or in kind compensation for the selection of his/her proposal and/or comments.

All allegations of unethical behavior are to be reported to the Director of Federal Programs and shall be investigated by an independent third party.

Any conflicts of interest, perceived or real, arising from a potential candidate for program/ project acceptance, or prospective contractor shall be disclosed immediately to the Director of Federal Programs.

GIFT POLICY

The Office of Federal Programs recognizes that some citizens express their gratitude for services rendered by providing gifts. The Office of Federal Programs does not encourage the practice. However, a gift may be accepted after meeting three requirements:

1. Gift cannot be a check, cash, credit card, money order or any other form of legal tender. City of Tuscaloosa employees, agents or officers are not to accept financial "gifts" of any value.
2. Gift must be unsolicited
3. Gift cannot be valued at more than \$20.00 USD

Procedure for Gift Approval

1. Office of Federal Program employee provides a written disclosure to the Director of Federal Programs. The disclosure shall include a description of the item, its approximate value and the name, address, and telephone number of the person making the gift.
2. The Director contacts the person making the gift to ascertain the circumstances prompting the gift.
3. The Director of Federal Programs provides written or verbal approval of the gift received.

Approvals of gifts are determined on a case by case basis and are at the complete discretion of the Director.

Procedure for Non-Compliant Gifts

1. Gifts valued at more than \$20.00 must be declined and returned to the giver.
2. In instances where the item is valued at more than \$20.00 and the item cannot be returned to original owner, the gift must be donated to a non-profit.

Members of OFP that violate the gift policy will be subject to disciplinary action, up to and including termination of employment.

COMPLAINTS/GRIEVANCE POLICY

Grievance Policy

The Office of Federal Programs affirms the City of Tuscaloosa's mission to foster a customer friendly environment. To further this mission, the Office of Federal Programs shall establish procedures to promote critical feedback and address the following citizen and participant concerns:

1. Concern about the planning and implementation of any parts of the Citizen Participation Plan (including performance and efficiency of staff, etc.)

Every person submitting a comment or proposal to City of Tuscaloosa in regard to the Consolidated Plan, the Annual Action Plan, AFH and/or CAPER must be informed of the grievance policy, complaint procedure and appeal procedure at the time of submission. A copy of the grievance policy must be provided upon request.

No staff person of the Office of Federal Programs or the City of Tuscaloosa can in any way prevent a citizen, prospective sub recipient or program participant from filing a grievance.

Examples of coercion/sabotage include: delaying a citizen with unrequired steps or documentation, intentionally misrepresenting information, not responding to attempts at communication, bullying, physical intimidation, etc.

Tampering includes but is not limited to destroying submitted documentation, editing documentation, etc. Any instances of sabotage, coercion or tampering must be reported to the Director of Federal Programs. Any instances of coercion, tampering, sabotage can result in disciplinary action, up to and including termination.

Complaint Guideline Procedures

The City encourages feedback on the implementation of the Citizen Participation Plan and its efforts to promote inclusion and public involvement for all Tuscaloosa residents.

To that end, citizens who wish to object to any phase of planning, development or approval of the Citizen Participation Plan, Consolidated Plan, Annual Action Plan, AFH, CAPER or any revisions or amendments to the plans are encouraged to inform the City's Office of Federal Programs.

The City differentiates between comments and complaints. A comment may be in favor or against a proposed activity, recommendation, research methodology, and/or conclusions described in the Consolidated Plan, Annual Action Plan, AFH, or the CAPER. A complaint is defined as a negative thought or experience arising from the logistics of the planning and implementation of any of the Community Planning and Development programs.

A complaint can address the following areas:

1. Failure to implement the Citizen Participation Plan and the Consolidated Plan, Annual Action Plan, AFH, and CAPER as described in this document.
2. No reasonable accommodations for persons with disabilities
3. No reasonable accommodations for Non-English speaking persons
4. Failure to adequately inform public of prospective plans and reports for any of the Community Planning and Development programs.

Complaint Requirements

To file an official complaint, the citizen must adhere to following procedure:

1. The complaint must be written.
 - a. There must be a description of the OFP action and an adequate description of the circumstances that warrant the complaint
 - b. It should include the citizen's name, address, telephone number and email address, if available.
 - c. The complaint must be signed and dated
 - d. The complaint must be in a sealed envelope

The Office of Federal Programs is required to respond to every written complaint received. OFP has 15 business days from the date of receipt of the letter to respond, in writing, to the citizen or organization. Additionally, The Office of Federal Programs staff will inform the Mayor and Community Development Committee of any complaints in a monthly report.

USE OF CITIZEN PARTICIPATION PLAN

The City of Tuscaloosa must adhere to the policies and procedures outlined in this Citizen Participation Plan during the planning and implementation of any Community Planning and Development programs and projects funded in whole or in part by any U.S. Department of Housing and Urban Development grant or loan program including but not limited to: Community Development Block Grant, Home Investment Partnerships (HOME), Homeless Management Information Systems (HMIS), and Emergency Solutions Grant (ESG).

JURISDICTION RESPONSIBILITY

The requirements for the City of Tuscaloosa's Citizen Participation Plan does not restrict the City of Tuscaloosa's responsibility or authority of the jurisdiction for the development and execution of its Consolidated Plan, Annual Action Plan, AFH or CAPER.

HUD'S DEFINITION OF VERY-LOW, LOW, AND MODERATE INCOME

1. *Very Low Income:* Households whose incomes do not exceed 50 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes or where needed because of facility, college, or other training facility; prevailing levels of construction costs; or fair market rents.
2. *Low Income:* A household whose income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 80 percent of the median for the area median on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.
3. *Moderate Income:* Households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs, fair market rents, or unusually high or low family incomes

SUSPENDED

RESOLUTION

RESOLUTION AUTHORIZING THE OFFICE OF THE MAYOR DISASTER RECOVERY TO AMEND AND ADVERTISE AMENDMENTS TO THE CITY OF TUSCALOOSA CITIZEN PARTICIPATION PLAN DISASTER RECOVERY

WHEREAS, the City of Tuscaloosa has received Community Development Block Grant – Disaster Recovery (CDBG-DR) funds through the U.S. Department of Housing and Urban Development; and,

WHEREAS, federal regulations require that all interested citizens and groups have access and opportunity to comment in the development of the Disaster Recovery Action Plan, any substantial amendments to the Action Plan, and any other associated performance reports, a Citizen Participation Plan for Disaster Recovery was created; and,

WHEREAS, the Citizen Participation Plan Disaster Recovery was previously adopted by City Council on May 22, 2012; and,

WHEREAS, the City of Tuscaloosa now desires to amend said Citizen Participation Plan Disaster Recovery in accordance with federal regulations and to allow for increased citizen participation, and;

WHEREAS, the City is required to advertise said amendments to the Citizen Participation Plan Disaster Recovery.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUSCALOOSA as follows:

1. That amendments shall be made to the Citizen Participation Plan Disaster Recovery;
2. That amendments shall be advertised for public comment;
3. That the Office of the Mayor Disaster Recovery Division is hereby authorized to execute said amendments and advertisement of amendments to the Citizen Participation Plan Disaster Recovery.

*Adopted 12.17.13
Debbi K. Clements
Asst. City Clerk*

Prepared by: Recovery Operations

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RESOLUTION

**RESOLUTION AUTHORIZING THE OFFICE OF FEDERAL PROGRAMS AND THE
OFFICE OF RESILIENCE AND INNOVATION TO AMEND AND ADVERTISE
AMENDMENTS TO THEIR CITIZEN PARTICIPATION PLAN TO INPUT HUD'S FINAL
RULE ON AFFIRMATIVELY "FURTHERING" FAIR HOUSING**

WHEREAS, the U.S. Department of Housing & Urban Development is requiring that cities (program participants) operating Community Planning & Development Programs amend their Citizen Participation Plans to input the Affirmatively Furthering Fair Housing(AFFH) rule. The AFFH rule includes new community participation requirements for the Affirmative Fair Housing (AFH) and applies existing citizen participation requirements to the AFH (24 CFR Part 5.158).

WHEREAS, said plans will be amend accordingly to comply with provisions of the new Part 5 and Part 91 and will be made available for review and comment by citizens.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TUSCALOOSA, ALABAMA:

- (1) That the City of Tuscaloosa does hereby authorize the amendment to the Citizen Participation Plans;
- (2) That the City's Office of Federal Programs and Office of Resilience and Innovations are hereby authorized to advertise the proposed amendments to their Citizen Participation Plans for comments by citizens.

(T/P-y)
Adopted 11.24.15
Deborah K. Clements
Asst. City Clerk

CITIZEN PARTICIPATION PLAN
of the
CITY OF TUSCALOOSA
DISASTER RECOVERY
Amended December 17, 2013

- I. **Statement of Purpose:** This Citizen Participation Plan of the City of Tuscaloosa Disaster Recovery seeks to provide for and encourage the participation of citizens in the development of the Disaster Recovery Action Plan, any substantial amendments to the Action Plan, and any other associated performance reports. The Plan also provides for the participation of citizens in the development of local applications for the Community Development Block Grant Disaster Recovery (CDBG-DR) and throughout the implementation of funded CDBG-DR projects. The City of Tuscaloosa aims to encourage participation by low and moderate income persons, residents of low and moderate income areas as determined by the State, the homeless, persons with disabilities, persons living with AIDS, and representative organizations of these groups. This Citizen Participation Plan has been designed to meet the requirements of the Housing and Community Development Act of 1974, as amended.
- II. **Effective Date:** This Citizen Participation Plan will become effective December 17, 2013
- III. **Disaster Recovery Action Plan:** During the development of the Action Plan, the City of Tuscaloosa shall:
 - A. Make available to citizens, public agencies, and other interested parties information that includes the amount of assistance that the City of Tuscaloosa expects to receive from the Community Development Block Grant Disaster Recovery (CDBG-DR) program including the grant and program income and the range of activities that may be undertaken using these funds, including the estimated amount that will benefit persons of low and moderate income; and the plans to minimize displacement of persons and to assist any persons displaced. This information will be made available before the adoption of the Action Plan.

- B. Provide technical assistance to groups representative of persons of low-and moderate-income that request assistance in developing proposals. The level and type of assistance to be provided will be at the discretion of the applicant.
- C. Publish the proposed Action Plan in a manner that affords citizens, units of general local governments, public agencies, and other interested parties a reasonable opportunity to examine its contents and to submit comments on both the Action Plan and the performance of the applicant. This information will be summarized and published in one or more newspapers of general circulation. The summary will include a description of the contents and purposes of the proposed Action Plan and a list of the locations where copies of the entire proposed Action Plan may be observed.
- D. Make available free of charge to interested citizens and groups copies of the proposed and final Action Plan as well as any amended versions of the Action Plan. Copies will be available from various offices at the City of Tuscaloosa. Copies of the proposed and final plan will also be available for review at a public library branch system listed in the published summary and on the City of Tuscaloosa's recovery webpage.
- E. Hold at least two public hearings on housing and community development needs before the Action Plan is published for comment.
 - 1) The City of Tuscaloosa shall give ample advance notice of the hearing to citizens by: publishing notice in a newspaper of general circulation which includes information on the purpose, time, and location of the hearing; posting on the City of Tuscaloosa's recovery webpage; informing the council members of each district; posting notice of the hearing at the main library branch; and providing other notice as determined by the City of Tuscaloosa.
 - 2) The City of Tuscaloosa shall hold the hearings at a time and location suitable to potential and actual beneficiaries and with accommodations for persons with disabilities. The City of Tuscaloosa shall hold these hearings at a location around the City to provide opportune access to residents living in the recovery and/or affected area. The City of

Tuscaloosa shall select a time and date for holding the hearing at each location which will attempt to maximize the participation of interested citizens. Participation by low-and moderate-income persons who reside in slum or blighted areas or other areas which CDBG-DR funds are proposed to be used are particularly encouraged.

- 3) In the case where a significant number of non-English speaking residents can be reasonably expected to participate, the City of Tuscaloosa will provide a qualified interpreter at the public hearing to accommodate the needs of these residents.

F. The City of Tuscaloosa will receive comments on the proposed Action Plan from citizens and units of general local government for a period of not less than seven (7) days.

G. Consider any comments or views of citizens and local officials received in writing or orally at the public hearings when preparing the final Action Plan. A summary of these comments or views and a summary of any comments or views not accepted and reasons therefore shall be attached to the final Action Plan.

IV. **Substantial Amendments to the Action Plan:** When considering substantial amendments to the Action Plan, the City of Tuscaloosa shall:

A. Amend the Action Plan if any one of the following actions are proposed:

1. A change in the City's allocation priorities or changes in the method of distribution of funds covered by the Action Plan.
2. Implementation of an activity using funds from any program covered by the Action Plan (including program income) not previously described.
3. A change in the purpose, scope, location, or beneficiaries of a program funded by the Community Development Block Grant Disaster Recovery (CDBG-DR).

4. A change of more than five percent (5%) in the funding allocation between the activity categories described.
5. The implementation of an additional HUD-authorized “wavier” of any major programmatic rules or regulations; and
6. Any action that HUD deems to be a significant amendment that needs public input prior to enacting.

Any one of the proceedings listed in Section IV (A) (1-6) shall constitute a “substantial amendment” to the Action Plan.

- B. Provide citizens and local officials with reasonable notice and an opportunity to comment on substantial amendments to the Action Plan. Reasonable notice must include a summary of the proposed change and its potential effect on households of low and moderate income. The summary must be published in newspaper of general circulation across the city and include an opportunity for written comment by interested citizens and groups for a period of not less than seven (7) days before the amendment is implemented. The published summary must indicate that written comments must be submitted by a specified date to the City of Tuscaloosa.
- C. Consider any comments or views of citizens and local officials received in writing or orally at public hearings, if held, in preparing the substantial amendment of the Action Plan. The City of Tuscaloosa shall attach to the substantial amendment to the Action Plan a summary of comments or views accepted and a summary of comments of comments or views not accepted and the reasons therefore.

- V. Availability of the Action Plan and Related Documents to the Public: The City of Tuscaloosa shall make available to the public free of charge and upon request the final Action Plan as adopted and any substantial amendments, and any associated reports. Copies of the final Action Plan will also be available for review at the local public library and the City of Tuscaloosa’s recovery webpage. Upon request, the City of Tuscaloosa will also make available the final Action Plan as adopted, any substantial amendments, and any associated reports in a form accessible to persons with disabilities.

- VI. Access to Records Associated with the Action Plan: The City of Tuscaloosa will provide reasonable and timely access to information relating to the Action Plan and the City's use of assistance under the Community Development Block Grant Disaster Recovery program during the preceding years.
- VII. Complaints Associated with the Action Plan and Related Documents: The City of Tuscaloosa will provide a timely, substantive written response within fifteen (15) working days to every citizen complaint related to the Action Plan, substantive amendments and associated reports.
- VIII. Synopsis: The City of Tuscaloosa has followed four basic criteria in the development of the Citizen Participation Program:
1. It is the right of the people affected by the public program to have access to and influence on the process by which decisions about their living are made.
 2. The best intentioned officials and technicians are often, by their training, experiences, and life styles, unfamiliar with or intensive to the problems and aspirations of residents. Therefore, resident ideas and priorities can result in more relevant, sensitive and effective plans and programs.
 3. The process of participation makes it possible for those citizens formerly outside the system to learn how it functions and how to make it function in their interests.
 4. Local government must develop new relationships with responsiveness to people throughout the community if it is to effectively meet the community's needs.
- IX. Public Review of Citizen Participation Plan: The City of Tuscaloosa has undertaken steps which ensure that community involvement is a vital part of local government. The City of Tuscaloosa will make the Citizen Participation Plan public and will provide citizens and local officials a reasonable opportunity to comment for a period of not

less than seven (7) days on the original Citizen Participation Plan and on any substantial amendments to the Citizen Participation Plan.

SUSPENDED

RESOLUTION

RESOLUTION AUTHORIZING THE OFFICE OF THE MAYOR DISASTER RECOVERY TO AMEND AND ADVERTISE AMENDMENTS TO THE CITY OF TUSCALOOSA CITIZEN PARTICIPATION PLAN DISASTER RECOVERY

WHEREAS, the City of Tuscaloosa has received Community Development Block Grant – Disaster Recovery (CDBG-DR) funds through the U.S. Department of Housing and Urban Development; and,

WHEREAS, federal regulations require that all interested citizens and groups have access and opportunity to comment in the development of the Disaster Recovery Action Plan, any substantial amendments to the Action Plan, and any other associated performance reports, a Citizen Participation Plan for Disaster Recovery was created; and,

WHEREAS, the Citizen Participation Plan Disaster Recovery was previously adopted by City Council on May 22, 2012; and,

WHEREAS, the City of Tuscaloosa now desires to amend said Citizen Participation Plan Disaster Recovery in accordance with federal regulations and to allow for increased citizen participation, and;

WHEREAS, the City is required to advertise said amendments to the Citizen Participation Plan Disaster Recovery.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUSCALOOSA as follows:

- 1. That amendments shall be made to the Citizen Participation Plan Disaster Recovery;**
- 2. That amendments shall be advertised for public comment;**
- 3. That the Office of the Mayor Disaster Recovery Division is hereby authorized to execute said amendments and advertisement of amendments to the Citizen Participation Plan Disaster Recovery.**

*Adopted 12.17.13
Debbi K. Clements
Asst. City Clerk*

Prepared by: Recovery Operations

A

**COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY
ELIGIBILITY DETERMINATION**

I. CDBG-DR Appropriation Grant Number: B-13-MS-01-0002

II. Activity Name: University Place/Forest Lake Revitalization Infrastructure Project

III. Activity Location (Street Address): The City Walk will begin at the Northeast corner of the Central Church of Christ campus where it borders 2nd Avenue, north along 2nd Avenue turning right at and running along University Place Drive to the University Place Elementary School campus (see attached map). Forest Lake Revitalization Infrastructure Project: from the University Place Elementary School Campus running North along 1st Avenue to the north side of Forest Lake Baptist Church, turning right at Eighteenth Street and then left at Lake Avenue where it will extend along the west side of Lake Avenue ending at 15th Street

IV. CDBG-DR Funding Amount: \$3,042,100

V. CDBG-DR National Objective Compliance:

The above referenced Project has been determined to be eligible for Community Development Block Grant Disaster Recovery (CDBG-DR) funding and meets the following National Objective as required at 24 CFR 570.200. Documentation is attached.

<input checked="" type="checkbox"/> Low/Mod area benefit activity	<input type="checkbox"/> Low/Mod limited income clientele
<input type="checkbox"/> Low/Mod housing activity	<input type="checkbox"/> Low/Mod job creation/retention
<input type="checkbox"/> Slum/Blight activity area basis	<input type="checkbox"/> Slum/blight spot basis
<input type="checkbox"/> Slum/Blight activity to complete an urban renewal area	

VI. CDBG-DR Eligibility Criteria: The above referenced Project is an eligible activity and meets the following CDBG-DR eligibility criteria as indicated:

* Basic Eligible Activities (24 CFR 570.201):

<input type="checkbox"/> (a) Acquisition	<input type="checkbox"/> (j) Loss of rental income
<input type="checkbox"/> (b) Disposition	<input type="checkbox"/> (k) Housing Services
<input checked="" type="checkbox"/> (c) Public facilities and improvements	<input type="checkbox"/> (l) Privately owned utilities
<input type="checkbox"/> (d) Clearance/Remediation Activities	<input type="checkbox"/> (m) Construction of housing

____(e)Public Services
____(f)Interim Assistance
____(g)Payment of non-Federal share
____(h)Urban renewal completion
____(i)Relocation

____(n)Homeownership assistance
____(o)Microenterprise Assistance
____(p)Technical Assistance
____(q)Assistance to institutions of
higher education

____*24 CFR 570.202 Eligible Rehabilitation and Preservation Activities

____*24 CFR 570.203(b) Special Economic Development Activities.

Eligibility Criteria (Continued):

____*24 CFR 570.204 Special Activities by Community-Based Development
Organizations (CBDO'S)

____*24 CFR 570.205 Eligible planning, urban environmental design and policy-
planning-management-capacity building activities.

____*24 CFR 570.206 Program administration costs.

VI. Brief Narrative Description of the CDBG-DR Assisted Activity:

In an effort to continue the vision for a walkable interconnected community through the City Walk, the City of Tuscaloosa has proposed the installation of the City Walk at University Place and Forest Lake for the Forest Lake community.

Sitting at the corner of Hargrove Road and 2nd Avenue, immediately in the heart of the devastated Forest Lake community, was the Central Church of Christ campus. The church has partnered with the City to build the section of the City Walk that was outlined to intersect with its campus. From this section to be built by Central Church of Christ, sidewalks will be built that will head North on 2nd Avenue, turn right at University Place Drive and extend up to the University Place Elementary School campus. The Forest Lake Revitalization Infrastructure Project portion would then take over at the North end of the University Place Elementary School campus and continue North along 1st Avenue to the north side of Forest Lake Baptist Church, turning right at Eighteenth Street and then left at Lake Avenue where it will extend along the west side Lake Avenue using the natural beauty of the lake and surrounding homes as a backdrop. This project will end once the City Walk reaches 15th Street.

Specifically, the project will include the construction of a concrete and asphalt 10 foot wide pedestrian path with strategically placed benches and trash cans. Installation of lighting, landscaping, and irrigation will also be components of this portion of the City

Walk and will be uniform with other areas of the City Walk in the City. In addition to the installation of the City Walk, a new street will be constructed for easier ingress and egress to an adjoining reconstructed elementary school. The main roadway utilized for this portion of the City Walk will be narrowed and become a one-way street to accommodate the pedestrian path.

The City of Tuscaloosa has committed to providing a safe environment for the citizens of Tuscaloosa whether that be at home, at work, or at various spots throughout the City; the City Walk is no exception. Therefore, the City will bring technology infrastructure attributes such as 1 GB wireless access points, fiber optics, cameras, LED lighting, digital signs, and GIS components to the City Walk. Security cameras will be placed along the City Walk to detect any suspicious activity as well as LED lighting which can be brightened after a phone call from emergency phones or a personal phone to offer a heightened sense of safety. GIS technology will allow responders to pinpoint the location of a caller should assistance be needed. Digital signs will post emergency phone numbers as well as other pertinent public information. A police presence will be established through a bike patrol; this component will add an additional sense of safety for those utilizing the City Walk. In addition to providing for the safety of its citizens, the City of Tuscaloosa will landscape along the City Walk to begin replacing some of the tree-cover and green space lost during the storm.

The City believes that the construction of this portion of the City Walk in conjunction with the rebuilt University Place Elementary School, Central Church of Christ and the continued redevelopment of housing will help give the community of Forest Lake an environment from which to rebuild and recover. The City Walk's walkable, bike-able path will allow for interconnectivity to schools, churches, neighborhoods, and commercial activity. This rebuilt sense of community plus the central location of the Forest Lake area can be an attraction point for private developers to continue the rebuilding and recovery for this neighborhood.

VIII. Supporting Documentation for CDBG-DR National Objective and Eligibility Compliance: The following supporting documentation has been attached as evidence of project/activity eligibility:

☐ Neighborhood Analysis Data
☐ Participant Qualifying Data-On File in Community Development
☒ Census Tract Data
☐ Agreements On File In Community Development Department
☐ Other

IX. Use of CDBG-DR Funds: The Appropriations Act requires funds to be used only for specific disaster recovery-related purposes.

- (1) Describe how the use of CDBG-DR funds for this specific activity are authorized under Title 1 of the Housing and Community Development Act of

1974 or allowed by a waiver or alternative requirement published in an applicable Federal Register Notice:

Public facilities and improvements are considered an eligible use for CDBG-DR funds as recognized at 24 CFR 570.201 (c). A national objective of low-moderate area benefit will be met by these activities. Specifically, improvements such as the construction of a 10 foot wide pedestrian path (City Walk), lighting, and irrigation will provide safe and efficient transportation opportunities for all citizens including low-moderate income individuals. It will also provide connection points to other phases of the City Walk and consequently other sectors of the City of Tuscaloosa creating an interconnected community linking low-moderate income individuals with increased opportunities for jobs, education, and interaction.

- (2) Describe how the use of CDBG-DR funds for this specific activity responds to a disaster-related impact and provides for long term recovery. Should not be solely a mitigation activity-document and describe some other additional use that is necessary as a direct result of the disaster:

Much of the University Place and Forest Lake area, classified as low-moderate, was destroyed on the day of the storm. The area predominantly consists of single-family housing and schools. Since the storm, the schools have been rebuilt and many of the single-family homes are in the process of being rebuilt. In order to support the rebuilding efforts and promote growth in the area while also providing alternate transportation opportunities, infrastructure improvements are needed. Specifically, improvements such as the construction of a 10 foot wide pedestrian path (City Walk), lighting, and irrigation will provide safe and efficient transportation opportunities for all citizens including low-moderate income individuals. It will also provide connection points to other phases of the City Walk and consequently other sectors of the City of Tuscaloosa creating an interconnected community linking low-moderate income individuals with increased opportunities for jobs, education, and interaction.

X. Review/Concurrence:

File Prepared By (Name): Savannah Howell
Title: Community Development Program Manager
Signature: Savannah Howell

Review/Concurrence By (Name): Robin Edgeworth
Title: Disaster Recovery Operations
Signature: Robin Edgeworth

• Successfully calculated % low/mod.

Grant Number:
8-13-MS-01-0002

Grantee Activity Number:
DR-INFRA-01-RD1-UNIV/FOREST

Activity Title:
University Place/Forest Lake Revitalization

[Return to Previous Page](#) | [Cancel](#)

County: 125 / Tuscaloosa County

***Area Benefit Data**

Census Place-Tract	All Block Groups	Block Groups									
		01	02	03	04	05	06	07	08	09	10
77256-012000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Total Number Low:
1299

Total Number Low/Mod:
2032

Total Population:
3259

% Low/Mod:
62.35

[Calculate % Low/Mod](#) | [View Details](#)

LMISD Date:
09/02/2010

Data Used For Calculation:
☒ Capped ☐ Uncapped

ENFORCEMENT TESTING TECHNICAL ASSISTANCE

Applicant name	Contact	Region	Award amount
Metropolitan Milwaukee Fair Housing Council, Inc., 600 East Mason Street, Suite 401, Milwaukee, WI 53202-3876.	Mr. William Tisdale, 414-278-1240	5	\$272,990.00

[FR Doc. 2011-29517 Filed 11-15-11; 8:45 am]
BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5582-N-01]

Clarification of Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Notice clarifies the duplication of benefits requirements under the Stafford Act for all active Community Development Block Grant (CDBG) disaster recovery grants, and all future CDBG disaster recovery grants.

DATES: Effective Date: November 21, 2011.

FOR FURTHER INFORMATION CONTACT:

Scott Davis, Director, Disaster Recovery and Special Issues Division, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street SW., Room 7286, Washington, DC 20410, telephone number (202) 708-3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at (800) 877-8339. Facsimile inquiries may be sent to Mr. Davis at (202) 401-2044. (Except for the "800" number, these telephone numbers are not toll-free.)

SUPPLEMENTARY INFORMATION:

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I. Applicability

The guidance presented in this Notice is applicable to all active HUD CDBG disaster recovery grants, and will be incorporated by reference into Federal Register notices governing all future CDBG disaster recovery grants. Table 1, below, illustrates the active grants next to the pertinent appropriation law. The following guidance is applicable to all new programs initiated and submitted to HUD in an Action Plan Amendment subsequent to the date of this Notice.

TABLE 1—ACTIVE CDBG DISASTER RECOVERY GRANTS

Appropriation law	Date enacted	Grantee
Public Law 107-73	November 26, 2001	State of New York.
Public Law 107-117	January 10, 2002	State of New York.
Public Law 107-206	August 2, 2002	State of New York.
Public Law 108-324	October 13, 2004	States of Alabama, California, Florida, Maryland, North Carolina, Ohio, Pennsylvania, Puerto Rico, Virginia and West Virginia.
Public Law 109-148	December 30, 2005	States of Alabama, Florida, Louisiana, Mississippi, and Texas.
Public Law 109-234	June 15, 2006	States of Alabama, Florida, Louisiana, Mississippi, and Texas.
Public Law 110-116	November 13, 2007	State of Louisiana.
Public Law 110-252	June 30, 2008	States of Arkansas, Colorado, Illinois, Indiana, Iowa, Maine, Minnesota, Mississippi, Missouri, Montana, Nebraska, Oklahoma, South Dakota, West Virginia, and Wisconsin.
Public Law 110-329	September 30, 2008	States of Arkansas, California, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Mississippi, Missouri, Puerto Rico, Tennessee, Texas, and Wisconsin.
Public Law 111-212	July 29, 2010	States of Kentucky, Rhode Island, and Tennessee; City of Cranston, City of Warwick, City of Memphis, Nashville-Davidson County, and Shelby County.

This guidance applies to all CDBG disaster recovery expenditures, programs, and activities, regardless of whether a grantee or subgrantee administers a program. Although this Notice frequently references the term grantee, the actions described are not limited solely to grantees. Rather, it is ultimately the grantee's responsibility to

ensure no recipient of funds under its CDBG disaster recovery award has received a duplicate benefit.

This Notice does not apply to any funds received annually under the State CDBG program, or the CDBG Entitlement program, unless those funds have specifically been awarded by the grantee for disaster recovery purposes. All uses of the term "CDBG" in this

Notice refer to CDBG disaster recovery allocations.

II. Background

Grantees have requested clarification from HUD regarding the duplication of benefits. This Notice provides information to ensure all active CDBG disaster recovery grantees are in compliance with the Robert T. Stafford

Disaster Relief and Emergency Assistance Act, (42 U.S.C. 5121–5207), as amended, (Stafford Act), and all future CDBG disaster recovery grantees address duplication of benefits issues consistently. This Notice was also developed in consultation with the Small Business Administration (SBA) and the Federal Emergency Management Agency (FEMA).

Most of the CDBG disaster recovery supplemental appropriation laws to date have explicitly required the Secretary of Housing and Urban Development to establish procedures to prevent recipients from receiving any duplication of benefits. In addition, most supplemental appropriation laws also require the Secretary to report quarterly to the Committees on Appropriations with regard to all steps taken to prevent fraud, abuse of funds, and duplication of benefits. Even in the absence of these specific requirements, Stafford Act prohibition on duplication of benefits in section 312 (42 U.S.C. 5155) is applicable to all CDBG disaster recovery grants.

HUD has instituted specific reporting, written procedures, monitoring, and internal audit requirements for each grantee to ensure compliance with program rules for CDBG disaster recovery awards, including rules related to prevention of fraud, abuse, and duplication of benefits. However, HUD has neither designed nor mandated a specific process or method by which grantees must evaluate duplication of benefits; grantees have been encouraged to develop policies and procedures appropriate to their individualized programs. The Department has consistently monitored CDBG disaster recovery grantees to ensure that they are meeting the above requirements and that their policies and procedures are adequately preventing duplication of benefits.

III. Applicable Law

Two authorities form the foundation of duplication of benefit inquiries—the Stafford Act and applicable “necessary and reasonable cost principles in 24 CFR part 570 and in OMB Cost Circulars (codified in title 2 of the Code of Federal Regulations). Supplemental appropriations statutes often reinforce and supplement these authorities.

A. *The Stafford Act.* The Stafford Act directs administrators of Federal assistance to ensure that no “person, business concern or other entity” will receive duplicative assistance and imposes liability “to the extent such assistance duplicates benefits available to the person for the same purpose from another source.” 42 U.S.C. 5155(a) and

(c). Because assistance to each person varies widely based on individual insurance coverage and eligibility for Federal funding, grantees cannot comply with the Stafford Act without completing a duplication of benefits analysis specific to each applicant. The Stafford Act provides the framework for the Federal government’s role in preparing for and recovering from a disaster. Its duplication of benefits requirements apply to all Federal agencies administering a disaster recovery program providing financial assistance, including CDBG disaster recovery grants. Under the Act’s framework, Congress instituted a goal to achieve greater coordination and responsiveness of disaster preparedness and relief programs. 42 U.S.C. 5121.

It also sought to guard against fraud and ineligible uses of taxpayers’ funds. The President makes major disaster declarations only when “response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary.” (42 U.S.C. 5170). Similarly, the prohibition on duplication of benefits ensures that Federal assistance serves only “to supplement insurance and other forms of disaster assistance.” To accomplish these goals, the Stafford Act implies a hierarchy of funding (see section VII of this notice: Collecting a Duplication), and prohibits Federal agencies from providing recovery assistance to the extent another source has covered the same portion of that recovery need.

Specifically, section 312 of the Stafford Act prohibits any person, business concern, or other entity from receiving “any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.” 42 U.S.C. 5155(a). A duplication occurs when a beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular recovery purpose. The amount of the duplication is the amount of assistance provided in excess of need.

The Stafford Act requires a fact-specific inquiry into assistance received by each person, household, or entity. A grantee may not make a blanket determination that a duplication of benefits does not exist for all beneficiaries or recipients under a disaster recovery program. As a result, all disaster recovery funds must be governed by policies and procedures to prevent duplication of benefits.

In disaster recovery, it is common for multiple sources of funds to be used to address a single need. Grantees are advised to coordinate program designs and choices with related funding

sources. Together, grantees and funders can determine the best approaches to minimize or eliminate duplication, increase leverage, and maximize community and individual outcomes. Furthermore, the Stafford Act provides that receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have not been provided. 42 U.S.C. 5155(b). Thus, to comply with the Stafford Act, 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. Any recipient receiving a duplicate benefit may be liable to the Federal government. 42 U.S.C. 5155(c).

B. *Necessary and Reasonable Cost Principles.* Cost principles applicable to all CDBG disaster recovery grantees require that costs are necessary and reasonable. These Federal cost principles are described in OMB Circulars and codified in title 2 of the Code of Federal Regulations. HUD grantees and subrecipients must generally adhere to the cost principles applicable to the specific type of entity (2 CFR part 225 (OMB Circular A–87), *Cost Principles for State, Local, and Indian Tribal Governments*, 2 CFR part 230 (OMB Circular 122), *Cost Principles for Non-profit Organizations*, 2 CFR part 220 (OMB Circular A–21), *Cost Principles for Educational Institutions*, or 45 CFR part 74, *Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals*, as applicable). State grantees are subject to 24 CFR 570.489(d), which requires that states shall have fiscal and administrative requirements which ensure that funds received are only spent “for reasonable and necessary costs of operating programs.”

Federal necessary and reasonable cost principles apply to:

- State grantees (and their state recipients) through 24 CFR 570.489(d);
- Subrecipients of state grantees according to CDBG disaster recovery Notices, which typically require subrecipient agreements to comply with 24 CFR 570.503; and
- Local government grantees receiving CDBG disaster recovery grants directly from HUD (and their subrecipients) through 24 CFR 570.610.

Section 570.489(d) of Title 24 Code of Federal Regulations and the Federal cost principles applicable to all types of entities include reasonableness requirements that prohibit costs that have already been or will be paid from

another source. For example, principles and standards established by 2 CFR part 225 (OMB Circular A-87), *Cost Principles for State, Local, and Indian Tribal Governments*, state that a cost assigned to a grant must be "necessary and reasonable for proper and efficient performance and administration of Federal awards." 2 CFR part 225, Appendix A (C)(1)(a). A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made. Other factors related to the reasonableness of the cost are described in the basic guidelines in 2 CFR part 225, Appendix A (C)(2). This requirement applies to a grantee's costs in administering its disaster recovery program, as well as the ultimate uses of the funds by the grantee.

Grantees must also make decisions about which types and amounts of cost items are necessary and reasonable given the applicable Federal laws, terms, and conditions of the Federal award, or other governing regulations. In the context of the Stafford Act duplication of benefits provision, the grantee must conduct an individualized review of each beneficiary and the purpose for which CDBG disaster recovery funds are provided. Specifically, the grantee must determine whether a cost is necessary and reasonable; if a cost has already been or will be paid from another source, it is presumed to violate the necessary and reasonable standard.

IV. Framework for Determining CDBG Disaster Recovery Assistance

The paragraphs in this section of this Notice illustrate the primary considerations that must be taken into account when analyzing need and duplication of benefits under CDBG disaster recovery. While the Department is providing a suggested framework, grantees have the discretion to develop other methods or procedures to evaluate and address the calculation of need and assessment of duplication of benefits. Grantees are required to establish a duplication of benefits policy that explains and describes all methods and procedures to prevent the duplication of benefits. 42 U.S.C. 5155(a).

Although the potential for duplication of benefits arises most frequently under homeowner rehabilitation programs, it is not limited solely to that program type. Therefore, this Notice seeks to provide general, cross-cutting guidance that can apply to any program.

A grantee that creates several disaster recovery programs should consider whether one program will duplicate

assistance provided by another program, even when the secondary program is funded entirely with non-Federal funds.

A. Assessment of need prior to assistance. A grantee should first determine the applicant's total post-disaster need in the absence of any duplicative benefits or program caps. Following the identification of total need, duplicative assistance can later be subtracted and program caps applied to arrive at a final award. A rebuilding project's cost estimate is often able to serve as the best demonstration of need.

Some recovery programs not involved with physical rebuilding, such as economic development to provide an affected business with working capital, may not necessarily base awards on construction cost estimates. In such scenarios, the potential award may be determined by the program and be guided by standard underwriting principles; however, it must still be determined to be cost reasonable.

B. Total assistance available to the person or entity. Assistance includes all benefits available to the person, including cash and other resources such as insurance proceeds, grants, and SBA loans (private loans not guaranteed by SBA are excepted—see paragraph C). Grantees should identify all assistance received by each person, business concern, or other entity, via insurance, FEMA, SBA, other local, state, or Federal programs, and private or nonprofit charity organizations. See, FEMA Disaster Assistance Policy 9525.3, *Duplication of Benefits—Non-Government Funds*.

Grantees should also identify reasonably anticipated assistance, such as future insurance claims or approved SBA loan proceeds. Reasonably anticipated funds include assistance that has been awarded, but has not yet been received. For example, assume a business was approved to receive an SBA loan for \$30,000, but had only received \$20,000 when it applied for CDBG disaster recovery assistance for the same purpose. The grantee should identify the full amount of assistance for which the applicant was approved (\$30,000).

Funds are not reasonably anticipated when the source and/or amount is indefinite, or the applicant is unaware that he/she may be eligible to receive additional funds at a later date. To address any potential duplication, beneficiaries must enter a signed agreement to repay any assistance later received for the same purpose as the CDBG disaster recovery funds. The grantee must identify a method to monitor compliance with the agreement for a reasonable period, and should

articulate this method in its written administrative procedures. Please note that if additional need is established, subsequent funds would not be considered a duplication. See paragraph E, Unmet Need, for more information on this issue.

C. Non-duplicative assistance excluded from final benefit calculation. Once the grantee has determined the potential award and the total assistance received or to be received, it can exclude for duplication of benefit purposes, assistance that was: (1) Provided for a different purpose; (2) used for a different, eligible purpose; (3) not available to the applicant; (4) a private loan not guaranteed by SBA; or (5) any other asset or line of credit available to the applicant. Below, each of these categories is explained in greater detail.

1. Funds for a different purpose. Any funds provided for a different purpose, or a general, non-specific purpose (e.g., "disaster relief/recovery"), may be excluded from the final award calculation if they were not used by the applicant for the same purpose.

Funds provided to a homeowner typically fall under one of the following categories: Replacement housing, rehabilitation assistance, or interim (i.e., temporary) housing. Funds provided for replacement housing are generally easy to identify—they assist an individual or household to secure a replacement home in the event their disaster-affected home cannot be rehabilitated. This includes, but is not limited to, downpayment assistance, interim mortgage assistance, and acquisition of the damaged property. While these types of funds may be delivered through separate programs, they all have a uniform purpose—to equip an individual or household with the funds necessary to gain replacement housing.

Rehabilitation includes repair and reconstruction. If a homeowner receives rehabilitation funds from CDBG disaster recovery, all other assistance provided to address that home's rehabilitation must be included. If award amounts are related to a property's value or estimated cost of repair/reconstruction, then HUD will consider them to be for the purpose of rehabilitation or replacement housing.

Funds provided for interim housing, which would be provided if a household is temporarily unable to reside in its permanent residence, are considered to have a different purpose than rehabilitation or replacement housing. For example, if FEMA funds were eligible used for interim housing, and CDBG funds were provided for home rehabilitation, there is no

duplication regarding those funds because the funds were provided for different purposes. However, any FEMA funds eligibly used for housing replacement or rehabilitation must be considered for that purpose.

Economic development programs may address many unique purposes. Thus, for a more effective administration of these programs, each should be carefully designed from the beginning with clear, identified purposes of the funds.

Finally, when providing funds for the repair, replacement, rehabilitation, or new construction of public facilities or improvements, a grantee must address whether other sources of funds are available for that same purpose and for that specific project because funds used directly by grantees and other government entities for public facilities or other purposes are also subject to the duplication of benefits prohibitions under the Stafford Act.

2. Funds for same purpose, different eligible use. Funds used for a different eligible purpose may be excluded from the final award calculation. In some instances, funds provided for the same general purpose as the CDBG disaster recovery funds will have been used by the applicant for a different specific eligible purpose. In these circumstances, if the applicant can document that the funds received were used for a different, *eligible* purpose, then the funds are not duplicative. Each grantee can work with HUD to determine what documentation is appropriate. In general, acceptable documentation may include, but is not limited to, receipts as well as sworn statements and certifications that can be verified or substantiated. FEMA requires individuals to keep receipts or bills for three years to demonstrate how all FEMA-funded assistance was used in meeting an eligible, disaster related need. It is advisable for grantees to remind applicants of this requirement when submitting an application for CDBG assistance that supplements FEMA assistance already received.

Whether the funds are used for an eligible purpose is dependent upon the program that provided the funds. For example, assume a grantee is administering a homeowner rehabilitation program and an applicant to the program previously received housing assistance from FEMA. If the applicant can document that the FEMA funds were used for eligible interim housing costs (such as rent, in accordance with FEMA program eligibility), and not housing replacement or rehabilitation (which may also be an eligible use of the funds), then his or her CDBG award for

permanent housing should not be reduced by the amount of FEMA assistance used for interim housing. Because FEMA may allow its recovery funds to be used for multiple purposes, CDBG disaster recovery funds may not duplicate the ultimate use of the FEMA funds.

Because grantees may not be familiar with other Federal programs and allowable uses of funds, should this issue arise, grantees are encouraged to immediately contact their assigned HUD Community Planning and Development (CPD) Representative for further guidance.

This issue may also emerge when a grantee provides multiple homeowner rehabilitation or replacement housing programs, or multiple economic development programs. Thus, grantees are encouraged to clearly define the purpose and intended use of funds under each program.

3. Funds not available to the applicant. Funds that are not available to an applicant may also be excluded from the final award calculation. A benefit is available if a person or entity: (1) Would receive it by acting in a commercially reasonable manner, or (2) has received it, and has legal control over it. Commercially reasonable efforts refer to efforts that use a standard of reasonableness defined by what a similar person would do as judged by the standards of the applicable community. Commercially reasonable efforts should be consistent with good faith business judgments. For example, it may be commercially reasonable for a person to elect to receive a lump sum insurance settlement based on estimated cost of repairs to avoid transaction costs associated with the alternative of receiving reimbursement based on actual replacement cost; any additional benefits that theoretically might have been received under another settlement option do not reduce eligibility for assistance.

Funds are not available to the person or entity if the person does not have legal control of the funds when they are received and are used for a non-duplicative purpose. For example, if a homeowner's mortgage requires any insurance proceeds to be applied to reduce the lien balance, then the bank/mortgage holder (not the homeowner) has legal control over those funds. Therefore, the homeowner is legally obligated to use insurance proceeds for that purpose and does not have a choice in using them for any other purpose, such as to rehabilitate the house. Under these circumstances, insurance proceeds do not reduce assistance eligibility. Alternatively, if a disaster-affected

homeowner chooses to apply insurance proceeds to reduce an existing mortgage, or requests that the lender demand payment, insurance proceeds reduce the amount of disaster assistance eligibility. In addition, if a mortgage requires insurance proceeds to be used for rehabilitation of the property, those proceeds must be considered as assistance for that purpose.

A homeowner does not need to possess cash assistance to be considered as being in legal control over receiving benefits for a particular purpose. For example, it is common for homeowners to choose to apply to local- or state-administered housing repair or reconstruction programs where the program administrator acts directly to complete the repairs for the homeowner. In this case, the person asks/applies for \$10,000 worth of repairs (for example) and the benefit they receive is \$10,000 in repair work to the home. The person does not need to have personally possessed the \$10,000 in order to be in legal control over receiving that benefit for that specific purpose.

4. Private loans. Similarly, for duplication of benefits purposes, private loans may be excluded from the final award calculation. Unlike SBA loans (or any other subsidized loan or Federal loan guarantee program that provides assistance after a major disaster or emergency), private loans not guaranteed by SBA need not be considered duplicative assistance. Congress provided for SBA loans (both direct and guaranteed) as part of the overall statutory scheme for disaster recovery. As such, SBA loans are made pursuant to a government program. Since private loans are not provided under a government program, they do not need to be considered as potentially duplicative assistance. However, when making final award determinations, necessary and reasonable cost principles such as OMB Circular A-87 (2 CFR part 225) apply. While private loans need not be considered for duplication of benefit purposes, a grantee is not prohibited from considering loans for other purposes, such as underwriting. For purposes of this Notice, private loans are non-Federal loans (neither direct nor guaranteed) that are made in a commercial lending transaction for fair market rates with a willing borrower and willing lender, under standard commercial lending terms in which the borrower must repay the full amount of the loan (plus interest, if applicable). This includes private loans for construction and bridge financing, but not forgivable loans. This policy applies regardless of whether the borrower is a business or an individual.

5. *Other assets or lines of credit.* Other assets or lines of credit available to a homeowner or a business owner need not be included in the award calculation. This includes, but is not limited to: Checking or savings accounts, stocks, bonds, mutual funds, pension or retirement benefits, credit cards, mortgages or lines of credit, and life insurance. Please note that these items may be held in the name of an individual, or in the name of a business.

D. *Calculate CDBG disaster recovery award.* The calculation may look as follows: (1) Identify total post-disaster need prior to any assistance; (2) Identify potentially duplicative assistance; (3) Subtract all assistance found to be duplicative, resulting in the maximum potential award amount, or unmet need.

E. *Unmet need.* Long-term recovery is a process, however, disaster recovery needs are calculated at points in time. As a result, a subsequent change in circumstances can affect need. If, after needs are initially calculated and/or a CDBG award has been made, an applicant for CDBG disaster recovery

assistance can demonstrate a change in circumstances, such as vandalism, contractor fraud, an increase in the cost of materials and/or labor, a change in local zoning law or building code, or subsequent damage to a home or business that was partially repaired, the grantee may subsequently reevaluate the calculation of the award by taking into account the increased need. However, any reevaluation must be done before the initial need for which the assistance was granted has been fully met (e.g., before the damaged house is fully repaired). In effect, once the house is fully repaired, the need resulting from the disaster impact will have been fully met; but actual costs to the point of completion are eligible.

Oftentimes, unmet need does not become apparent until after CDBG disaster recovery assistance has been provided. For example, a subsequent storm or disaster may affect the unrepaired house or business of an individual or entity that was previously assisted by CDBG disaster recovery for

a prior disaster. Therefore, to the extent that an original disaster recovery need (e.g., rehabilitation of a home) was not fully met, but was exacerbated by other factors beyond the government's and individual's control (e.g., lack of contractor availability or vandalism), additional CDBG disaster recovery assistance can be provided to meet the outstanding need. Grantees have discretion to determine the best way to determine and verify additional or unmet need. Physical inspection and professional appraisals are highly recommended. If a subsequent appraisal demonstrates that the CDBG award is in excess of need, the grantee should evaluate whether a duplication of benefits has occurred or whether the applicant's award should be reduced based upon program eligibility criteria.

V. Example Frameworks for Calculating Disaster Recovery Awards

The tables below illustrate how a grantee may wish to address the process of making disaster recovery awards.

TABLE 2—BASIC FRAMEWORK FOR CALCULATING DISASTER RECOVERY AWARDS

1. Identify Applicant's Total Need Prior to Any Assistance	\$100,000
2. Identify All Potentially Duplicative Assistance	35,000
3. Deduct Assistance Determined to be Duplicative	30,000
4. Maximum Eligible Award (Item 1 less Item 3)	70,000
5. Program Cap (if applicable)	50,000
6. Final Award (lesser of Items 4 and 5)	50,000

Table 2 illustrates a basic way to calculate an award for CDBG disaster recovery—taking into account any duplication of benefit and reducing the

award since the total unmet need is greater than the program cap set by the grantee. Table 3, below, uses this basic framework to calculate a CDBG disaster

recovery homeowner rehabilitation award:

TABLE 3—BASIC FRAMEWORK—HOMEOWNER REHABILITATION

1. Identify Applicant's Total Need Prior to Any Assistance (e.g., rehabilitation cost estimate)	\$60,000
2. Identify All Potentially Duplicative Assistance:	
a. FEMA Housing Grant (assumes interim housing is eligible use):	
Interim Housing (e.g., rent)	5,000
Permanent Housing (e.g., repair/rehabilitation)	15,000
b. SBA Loan	20,000
c. Insurance (Structure, not Contents)	15,000
	55,000
3. Deduct Assistance Determined to be Duplicative:	
a. FEMA Housing Grant (assumes interim housing is eligible use):	
Permanent Housing (e.g., repair/rehabilitation)	15,000
b. SBA Loan	20,000
c. Insurance (Structure, not Contents)	15,000
	50,000
4. Maximum Eligible Award (Item 1 less Item 3)	10,000

TABLE 3—BASIC FRAMEWORK—HOMEOWNER REHABILITATION—Continued

5. Program Cap (if applicable)	50,000
6. Final Award (lesser of Items 4 and 5)	10,000

A similar method may be used for most programs, so long as Item 1 is

reflective of the program, as for example, illustrated in table 4:

TABLE 4—BASIC FRAMEWORK—INFRASTRUCTURE

1. Identify Applicant's Total Need Prior to Any Assistance (e.g., reconstruction cost estimate)	\$100,000
2. Identify All Potentially Duplicative Assistance:	
a. Insurance	50,000
b. FEMA Public Assistance Funds for Permanent Work	25,000
	75,000
3. Deduct Assistance Determined to be Duplicative	75,000
4. Maximum Eligible Award (Item 1 less Item 3)	25,000
5. Program Cap (if applicable)	50,000
6. Final Award (lesser of Items 4 and 5)	25,000

While tables 2, 3, and 4 illustrate basic ways to calculate a CDBG disaster recovery award taking into account any

duplication of benefit, table 5 below considers a scenario in which a CDBG award has already been made, however,

additional unmet needs were identified subsequent to the award.

TABLE 5—POST-AWARD IDENTIFICATION OF ADDITIONAL UNMET NEED HOMEOWNER REHABILITATION

1. Identify Applicant's Total Need Prior to Any Assistance (e.g., rehabilitation cost estimate)	\$60,000
2. Identify All Potentially Duplicative Assistance:	
a. FEMA Housing Grant (assumes interim housing is eligible use):	
Interim Housing (e.g., rent)	5,000
Permanent Housing (e.g., repair/rehabilitation)	15,000
b. SBA Loan	20,000
c. Insurance (Structure, not Contents)	15,000
	55,000
3. Deduct Assistance Determined to be Duplicative:	
a. FEMA Housing Grant (assumes interim housing is eligible use):	
Permanent Housing (e.g., repair/rehabilitation)	15,000
b. SBA Loan	20,000
c. Insurance (Structure, not Contents)	15,000
	50,000
4. Initial Award (Item 1 less Item 3)	10,000
5. Program Cap (if applicable)	50,000
6. Initial Final Award (lesser of Items 4 and 5)	10,000
7. Demonstrated Additional Unmet Need (e.g., one year later):	
a. Actual cost ultimately greater than initially estimated cost	5,000
8. Amount Eligible for Additional Award	5,000
9. Program Cap (if applicable)	50,000
10. Additional Award (Item 8 if lesser of Items 6 + 8 and Item 9)	5,000

Please note that in the above example, some type of documentation must substantiate the amount determined by

Item 5. That is, the project files should explain why the original CDBG award was insufficient, and/or why additional

funds are necessary to complete the activity. In the above example, the cost of materials may have increased or a

fraudulent contractor may have performed defective construction. In either case, the grantee has the discretion to determine what documentation is sufficient to demonstrate these events. Ultimately, required documentation depends on each particular fact pattern.

VI. Use of CDBG Funds

A. Use of funds for explicit and eligible purposes. CDBG disaster recovery funds must be used for eligible purposes of the program or activity for which they have been provided. That is, CDBG funds provided for the sole purpose of repairing a home should be used strictly for the repair of that home. They should not be used for any other purpose. Similarly, funds provided to a business for equipment replacement, or structural repair, should be used only for those purposes. While some business assistance programs may provide for-profit entities with working capital, this purpose should be clearly identified from the outset of the program so as not to duplicate other programs or working capital assistance.

B. Treatment of SBA Loans. CDBG disaster recovery funds should not be used to pay down an SBA home or business loan. In cases where initial SBA loan amounts approved based on estimated costs are later determined to be inadequate relative to the actual costs to complete home repairs or reconstruction, the SBA will consider re-evaluating an applicant's maximum eligibility to explore if additional assistance may be provided. This also applies to recipients of SBA business loans (including loans for working capital). If need remains after all SBA eligibility has been exhausted, supplemental disaster recovery CDBG funds may be used to address that need.

SBA loans are among the Federal government's primary and standard forms of disaster assistance. As disaster recovery CDBG funds are provided by Congress through supplemental appropriations only in extraordinary circumstances, these funds are intended to supplement rather than supplant SBA assistance. Grantees may, on rare occasion and in extraordinary circumstances, contend that the payment of SBA loans with disaster recovery CDBG for a beneficiary is justified in keeping with all associate laws and regulations. In such an instance, the grantee should contact its CPD representative for guidance.

VII. Collecting a Duplication

If a potential duplication is discovered after CDBG disaster recovery assistance has been provided, the

grantee may reassess need at that time. If additional need is not demonstrated, disaster recovery funds should be recaptured to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose. However, it may depend on what funds were provided last.

Under the Stafford Act, a Federal agency that provides duplicative funds must collect those funds. FEMA regulations at 44 CFR 206.191 set forth a hierarchy of delivery that determines the order in which beneficiaries should receive Federal assistance. This hierarchy is based on which agency has the primary responsibility for providing assistance following a disaster, not which agency actually delivers the assistance first. As an example, in most situations, FEMA and SBA assistance is provided to individuals before supplemental disaster recovery CDBG assistance is able to be delivered. However, there may be cases in which, prior to receiving FEMA or SBA assistance, an applicant receives CDBG assistance for a purpose for which they are FEMA/SBA eligible. In this latter case, subject to the agreement that the grantee should have in place with the applicant, the applicant should reimburse the grantee in an amount equal to all duplicative FEMA or SBA funds subsequently received for purposes which CDBG funds were initially used.

The regulations at 44 CFR 206.191(d) explain that a duplication of benefits occurs when an agency provides assistance which was the primary responsibility of another agency, and the agency with primary responsibility later provides assistance. When the delivery sequence has been disrupted, the disrupting agency is responsible for rectifying the duplication.

Since CDBG disaster recovery provides long-term recovery assistance via supplemental congressional appropriations, and falls lower in the hierarchy of delivery than FEMA or SBA assistance, it is intended to supplement rather than supplant these sources of assistance. If CDBG disaster recovery funds or non-Federal funds were provided last and unknowingly create a duplication, the method of recapturing the CDBG funds, and the timeframe, are the responsibility of the grantee. HUD has no set guidelines or regulations for this process. However, the recapture method and timeframe should be consistent with OMB Circular A-87 (2 CFR part 225) or other applicable cost principles, any relevant guidance or handbook issued by the HUD Office of the Inspector General,

and the Stafford Act, which requires that duplicative assistance shall be collected in accordance with chapter 37 of title 31, relating to debt collection. HUD's CPD representatives are available to provide guidance to grantees setting up or revising their duplication of benefits policies and procedures.

Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance numbers for the disaster recovery grants under this Notice are as follows: 14.218; 14.228.

Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410-0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at (202) 708-3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

Dated: November 4, 2011.

Mercedes M. Márquez,
Assistant Secretary for Community Planning
and Development.

[FR Doc. 2011-29634 Filed 11-15-11; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5580-N-02]

HUD Draft Environmental Justice Strategy, Extension of Public Comment Period

AGENCY: Office of Sustainable Housing and Communities, HUD.

ACTION: Notice.

SUMMARY: Through this notice, HUD extends the period by which comments may be submitted on HUD's draft Environmental Justice Strategy, for which the availability of review and the opportunity to submit public comments were announced by notice published in the Federal Register on October 7, 2011.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

JUL 25 2013

**HUD Guidance on Duplication of Benefit Requirements and Provision
of CDBG Disaster Recovery (DR) Assistance**

The Department has previously issued guidance related to duplication of benefit requirements in the form of a *Federal Register* notice (November 16, 2011) and has elaborated on that guidance through training materials, direct technical assistance to grantees and responses to questions posed by grantees. Grantees continue to identify questions regarding the combination of various forms of Federal assistance that the guidance and technical assistance do not contemplate. Grantees have recently asked whether they can provide CDBG DR assistance to homeowners and businesses that have declined loan assistance offered by SBA. This response guidance is limited to declined SBA loans. It does not address cases when homeowners or businesses have accepted an SBA loan, which are covered under the general prohibition in the November 2011 *Federal Register* notice.

Grantees may assist households and businesses that have declined SBA loans, but must analyze the circumstances under which the assistance was declined and demonstrate why providing CDBG DR funds is necessary and reasonable. Grantees are also advised that they may assist businesses and homeowners in a variety of forms, including loans. The following provides guidance regarding the use of CDBG DR and SBA funds in these circumstances and examples of how grantees may incorporate this guidance into their recovery programs.

Q: Must an applicant apply for SBA assistance as a prerequisite for receiving CDBG DR assistance?

A: HUD encourages but does not require applicants (i.e., homeowners and businesses) to apply for SBA assistance as a prerequisite to receiving CDBG DR assistance. Further, HUD will not require applicants who have applied for and been offered SBA assistance to accept the SBA assistance as a prerequisite to receiving CDBG DR assistance.

Q: How must a grantee address the situation where an applicant has declined an offer of SBA assistance, and now seeks CDBG DR assistance?

A: Grantees must make the most effective use of their CDBG DR resources and meet the statutory directive that funds be used for "necessary" recovery costs. Grantees must properly size the CDBG DR assistance offered to any applicant in this circumstance, but may use multiple approaches to size the assistance and may vary the approach used for individuals from that used for businesses. Regardless of the applicant or approach, grantees must be able to demonstrate that the amount of CDBG DR assistance is necessary and reasonable consistent with Federal financial standards.

Q: What is HUD's guidance to grantees on establishing criteria and policies for implementing this guidance?

A: This guidance directs grantees to assess each applicant's circumstance and prevent the duplication of benefits. Grantees must adopt an approach that adequately establishes the basis for CDBG DR assistance and HUD anticipates that grantees will base their approach upon this guidance. Grantees are

cautioned against providing 100 percent CDBG DR grant assistance where an applicant has declined SBA assistance without fully documenting the basis for that level of subsidy. Failure to institute an appropriate process to address these cases may open the grantee to programmatic sanctions.

The Department's minimum expectation in this situation is that grantees will incorporate policies and procedures that achieve the following:

- Identify the circumstances under which the applicant declined the SBA assistance;
- Establish why CDBG DR assistance is appropriate for the applicant; and
- Determine, most commonly through underwriting, the amount of CDBG DR assistance that is necessary and reasonable to assist the applicant in achieving recovery.

Q: Is there an evaluation process that HUD can recommend to grantees?

A: The Department has reviewed PL 113-2, the Disaster Relief Appropriations Act, 2013, which limits the use of funds to "necessary" expenses. Further, HUD has reviewed materials related to OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments (codified, in part, at 2 CFR 225) and has developed the following approach that grantees may opt to use for implementing a duplication of benefit analysis where SBA assistance was declined by a potential CDBG DR beneficiary. The grantee is not required to adopt this approach, but it must have an approach that adequately establishes the basis for any CDBG DR assistance to that beneficiary.

Step 1— Determine whether an applicant declined an SBA loan offer.

An applicant must explain why a SBA loan was declined (e.g., the circumstances that led to his/her decision). This information may be collected through the application process (e.g., on a questionnaire to be completed by the applicant), or as the grantee assesses the applicant's information to prevent a duplication of benefits. See Table 1 for sample questions that may be incorporated into an application for CDBG DR assistance, or into a form used to prevent the duplication of benefits.

Table 1: Sample Questions to Ask Potential CDBG DR Applicants

Question	Applicant's Response
Have you received disaster recovery assistance from the SBA?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, what is the amount of the loan?	\$(X)
If no: did you apply for a SBA loan?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did you decline a SBA loan?	<input type="checkbox"/> Yes <input type="checkbox"/> No
What was the amount of the loan?	\$(_____)
Why was the loan not accepted?	[provide explanation]

Step 2—Grantee's analysis of a declined SBA loan.

The grantee must demonstrate that providing CDBG DR assistance to an applicant that has declined a SBA loan is necessary and reasonable. To demonstrate this, the grantee must develop policies and

procedures which describe what circumstances and/or facts, such as the reason for the applicant's decision to decline the SBA loan offer that the grantee will use to determine that CDBG DR support is a necessary and reasonable recovery expense. These policies and procedures must take into account the necessary and reasonable cost principles defined at 2 CFR part 225, *Cost Principles for State, Local, and Indian Tribal Governments*. Specifically, Appendix A(C)(1) states, "To be allowable under Federal awards, costs must ...be necessary and reasonable for proper and efficient performance and administration of Federal awards." Appendix A then defines a cost as reasonable if "*...in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.*"

Grantees must also make decisions about which types and amount of costs items are necessary and reasonable. This requirement applies to a grantee's costs in administering its disaster recovery program, as well as the ultimate uses of the funds by the grantee. Following the guidance in 2 CFR part 225, grantees should consider the following in determining reasonableness of a given cost:

- a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the disaster recovery program.
- b. The restraints or requirements imposed by such factors as sound business practices; arm's-length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the CDBG DR program.
- c. Market prices for comparable goods or services.
- d. Whether the grantee would be acting with prudence by making an offer for CDBG DR assistance in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
- e. Significant deviations from the established practices of the governmental unit which may unjustifiably increase the cost to the CDBG DR program.

The grantee is encouraged, but is not required, to use the above questions to determine what circumstances and/or facts demonstrate that a CDBG DR award is a necessary and reasonable cost given that the applicant declined a SBA loan offer. Furthermore, these circumstances and/or facts must be described in the grantee's policies and procedures. Applicant files must be reviewed using the grantee's policies and procedures. A determination of why the award of CDBG DR assistance is necessary and reasonable (if the applicant declined a SBA loan offer) must be placed in the applicant's file. Table 2 provides a sample determination form.

Table 2: Sample Determination Form

The [insert grantee name] has determined that the following reasons establish that the CDBG DR award to the applicant is necessary and reasonable given that the applicant declined a SBA loan offer: [insert circumstances or facts].

Based on my review of [insert applicant name]'s file, I have determined that the award is necessary and reasonable as defined above:

☐ Yes ☐ No

If no, provide an explanation: _____

[insert name/title of grantee staff]

[insert signature]

[insert date]

**ROBERT T. STAFFORD DISASTER RELIEF AND
EMERGENCY ASSISTANCE ACT**

[As Amended Through P.L. 114–111, Enacted December 18, 2015]

AN ACT Entitled the “Disaster Relief Act Amendments of 1974”.

*Be it enacted by the Senate and House of Representatives of the
United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Robert T. Stafford Disaster Relief and Emergency Assistance Act”.

[42 U.S.C. 5121 note]

TITLE I—FINDINGS, DECLARATIONS, AND DEFINITIONS

FINDINGS AND DECLARATIONS

SEC. 101. (a) The Congress hereby finds and declares that—

(1) because disasters often cause loss of life, human suffering, loss of income, and property loss and damage; and

(2) because disasters often disrupt the normal functioning of governments and communities, and adversely affect individuals and families with great severity;

special measures, designed to assist the efforts of the affected States in expediting the rendering of aid, assistance, and emergency services, and the reconstruction and rehabilitation of devastated areas, are necessary.

(b) It is the intent of the Congress, by this Act, to provide an orderly and continuing means of assistance by the Federal Government to State and local governments in carrying out their responsibilities to alleviate the suffering and damage which result from such disasters by—

(1) revising and broadening the scope of existing disaster relief programs;

(2) encouraging the development of comprehensive disaster preparedness and assistance plans, programs, capabilities, and organizations by the States and by local governments;

(3) achieving greater coordination and responsiveness of disaster preparedness and relief programs;

(4) encouraging individuals, States, and local governments to protect themselves by obtaining insurance coverage to supplement or replace governmental assistance;

(5) encouraging hazard mitigation measures to reduce losses from disasters, including development of land use and construction regulations; and

Sec. 102 ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY...**2**

(6) providing Federal assistance programs for both public and private losses sustained in disasters¹

[42 U.S.C. 5121]

DEFINITIONS

SEC. 102. As used in this Act—

(1) **EMERGENCY.**— “Emergency” means any occasion or instance for which, in the determination of the President, Federal assistance is needed to supplement State and local efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.

(2) **MAJOR DISASTER.**— “Major disaster” means any natural catastrophe (including any hurricane, tornado, storm, high water, winddriven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought), or, regardless of cause, any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this Act to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.

(3) “United States” means the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(4) “State” means any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(5) “Governor” means the chief executive of any State.

(6) **INDIAN TRIBAL GOVERNMENT.**—The term “Indian tribal government” means the governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, or community that the Secretary of the Interior acknowledges to exist as an Indian tribe under the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a et seq.).

(7) **INDIVIDUAL WITH A DISABILITY.**—The term “individual with a disability” means an individual with a disability as defined in section 3(2) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(2)).

(8) **LOCAL GOVERNMENT.**—The term “local government” means—

(A) a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under State law), regional or interstate government entity, or agency or instrumentality of a local government;

¹ So in original. Probably should be followed by a period.

(B) an Indian tribe or authorized tribal organization, or Alaska Native village or organization, that is not an Indian tribal government as defined in paragraph (6); and

(C) a rural community, unincorporated town or village, or other public entity, for which an application for assistance is made by a State or political subdivision of a State.

(9) "Federal agency" means any department, independent establishment, Government corporation, or other agency of the executive branch of the Federal Government, including the United States Postal Service, but shall not include the American National Red Cross.

(10) PUBLIC FACILITY.— "Public facility" means the following facilities owned by a State or local government:

(A) Any flood control, navigation, irrigation, reclamation, public power, sewage treatment and collection, water supply and distribution, watershed development, or airport facility.

(B) Any non-Federal-aid street, road, or highway.

(C) Any other public building, structure, or system, including those used for educational, recreational, or cultural purposes.

(D) Any park.

(11) PRIVATE NONPROFIT FACILITY.—

(A) IN GENERAL.—The term "private nonprofit facility" means private nonprofit educational, utility, irrigation, emergency, medical, rehabilitational, and temporary or permanent custodial care facilities (including those for the aged and disabled) and facilities on Indian reservations, as defined by the President.

(B) ADDITIONAL FACILITIES.—In addition to the facilities described in subparagraph (A), the term "private nonprofit facility" includes any private nonprofit facility that provides essential services of a governmental nature to the general public (including museums, zoos, performing arts facilities, community arts centers, libraries, homeless shelters, senior citizen centers, rehabilitation facilities, shelter workshops, broadcasting facilities, and facilities that provide health and safety services of a governmental nature), as defined by the President.

(12) CHIEF EXECUTIVE.—The term "Chief Executive" means the person who is the Chief, Chairman, Governor, President, or similar executive official of an Indian tribal government.

[42 U.S.C. 5122]

SEC. 103. REFERENCES.

Except as otherwise specifically provided, any reference in this Act to "State and local", "State or local", "State, and local", "State, or local", or "State, local" (including plurals) with respect to governments or officials and any reference to a "local government" in sections 406(d)(3) and 417 is deemed to refer also to Indian tribal governments and officials, as appropriate.

[42 U.S.C. 5123]

TITLE II—DISASTER PREPAREDNESS AND MITIGATION ASSISTANCE

FEDERAL AND STATE DISASTER PREPAREDNESS PROGRAMS

SEC. 201. (a) The President is authorized to establish a program of disaster preparedness that utilizes services of all appropriate agencies and includes—

- (1) preparation of disaster preparedness plans for mitigation, warning, emergency operations, rehabilitation, and recovery;
- (2) training and exercises;
- (3) postdisaster critiques and evaluations;
- (4) annual review of programs;
- (5) coordination of Federal, State, and local preparedness programs;
- (6) application of science and technology;
- (7) research.

(b) The President shall provide technical assistance to the States in developing comprehensive plans and practicable programs for preparation against disasters, including hazard reduction, avoidance, and mitigation; for assistance to individuals, businesses, and State and local governments following such disasters; and for recovery of damaged or destroyed public and private facilities.

(c) Upon application by a State, the President is authorized to make grants, not to exceed in the aggregate to such State \$250,000, for the development of plans, programs, and capabilities for disaster preparedness and prevention. Such grants shall be applied for within one year from the date of enactment of this Act. Any State desiring financial assistance under this section shall designate or create an agency to plan and administer such a disaster preparedness program, and shall, through such agency, submit a State plan to the President, which shall—

(1) set forth a comprehensive and detailed State program for preparation against and assistance following, emergencies and major disasters, including provisions for assistance to individuals, businesses, and local governments; and

(2) include provisions for appointment and training of appropriate staffs, formulation of necessary regulations and procedures and conduct of required exercises.

(d) The President is authorized to make grants not to exceed 50 per centum of the cost of improving, maintaining and updating State disaster assistance plans, including evaluations of natural hazards and development of the programs and actions required to mitigate such hazards, except that no such grant shall exceed \$50,000 per annum to any State.

[42 U.S.C. 5131]

DISASTER WARNINGS

SEC. 202. (a) The President shall insure that all appropriate Federal agencies are prepared to issue warnings of disasters to State and local officials.

(b) The President shall direct appropriate Federal agencies to provide technical assistance to State and local governments to insure that timely and effective disaster warning is provided.

(c) The President is authorized to utilize or to make available to Federal, State, and local agencies the facilities of the civil defense communications system established and maintained pursuant to section 611(c) of this Act or any other Federal communications system for the purpose of providing warning to governmental authorities and the civilian population in areas endangered by disasters.

(d) The President is authorized to enter into agreements with the officers or agents of any private or commercial communications systems who volunteer the use of their systems on a reimbursable or nonreimbursable basis for the purpose of providing warning to governmental authorities and the civilian population endangered by disasters.

[42 U.S.C. 5132]

SEC. 203. PREDISASTER HAZARD MITIGATION.

(a) **DEFINITION OF SMALL IMPOVERISHED COMMUNITY.**—In this section, the term “small impoverished community” means a community of 3,000 or fewer individuals that is economically disadvantaged, as determined by the State in which the community is located and based on criteria established by the President.

(b) **ESTABLISHMENT OF PROGRAM.**—The President may establish a program to provide technical and financial assistance to States and local governments to assist in the implementation of predisaster hazard mitigation measures that are cost-effective and are designed to reduce injuries, loss of life, and damage and destruction of property, including damage to critical services and facilities under the jurisdiction of the States or local governments.

(c) **APPROVAL BY PRESIDENT.**—If the President determines that a State or local government has identified natural disaster hazards in areas under its jurisdiction and has demonstrated the ability to form effective public-private natural disaster hazard mitigation partnerships, the President, using amounts in the National Predisaster Mitigation Fund established under subsection (i) (referred to in this section as the “Fund”), may provide technical and financial assistance to the State or local government to be used in accordance with subsection (e).

(d) **STATE RECOMMENDATIONS.**—

(1) **IN GENERAL.**—

(A) **RECOMMENDATIONS.**—The Governor of each State may recommend to the President not fewer than five local governments to receive assistance under this section.

(B) **DEADLINE FOR SUBMISSION.**—The recommendations under subparagraph (A) shall be submitted to the President not later than October 1, 2001, and each October 1st thereafter or such later date in the year as the President may establish.

(C) **CRITERIA.**—In making recommendations under subparagraph (A), a Governor shall consider the criteria specified in subsection (g).

(2) **USE.**—

(A) IN GENERAL.—Except as provided in subparagraph (B), in providing assistance to local governments under this section, the President shall select from local governments recommended by the Governors under this subsection.

(B) EXTRAORDINARY CIRCUMSTANCES.—In providing assistance to local governments under this section, the President may select a local government that has not been recommended by a Governor under this subsection if the President determines that extraordinary circumstances justify the selection and that making the selection will further the purpose of this section.

(3) EFFECT OF FAILURE TO NOMINATE.—If a Governor of a State fails to submit recommendations under this subsection in a timely manner, the President may select, subject to the criteria specified in subsection (g), any local governments of the State to receive assistance under this section.

(e) USES OF TECHNICAL AND FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—Technical and financial assistance provided under this section—

(A) shall be used by States and local governments principally to implement predisaster hazard mitigation measures that are cost-effective and are described in proposals approved by the President under this section; and

(B) may be used—

(i) to support effective public-private natural disaster hazard mitigation partnerships;

(ii) to improve the assessment of a community's vulnerability to natural hazards; or

(iii) to establish hazard mitigation priorities, and an appropriate hazard mitigation plan, for a community.

(2) DISSEMINATION.—A State or local government may use not more than 10 percent of the financial assistance received by the State or local government under this section for a fiscal year to fund activities to disseminate information regarding cost-effective mitigation technologies.

(f) ALLOCATION OF FUNDS.—

(1) IN GENERAL.—The President shall award financial assistance under this section on a competitive basis and in accordance with the criteria in subsection (g).

(2) MINIMUM AND MAXIMUM AMOUNTS.—In providing financial assistance under this section, the President shall ensure that the amount of financial assistance made available to a State (including amounts made available to local governments of the State) for a fiscal year—

(A) is not less than the lesser of—

(i) \$575,000; or

(ii) the amount that is equal to 1 percent of the total funds appropriated to carry out this section for the fiscal year; and

(B) does not exceed the amount that is equal to 15 percent of the total funds appropriated to carry out this section for the fiscal year.

(g) **CRITERIA FOR ASSISTANCE AWARDS.**—In determining whether to provide technical and financial assistance to a State or local government under this section, the President shall take into account—

- (1) the extent and nature of the hazards to be mitigated;
- (2) the degree of commitment of the State or local government to reduce damages from future natural disasters;
- (3) the degree of commitment by the State or local government to support ongoing non-Federal support for the hazard mitigation measures to be carried out using the technical and financial assistance;
- (4) the extent to which the hazard mitigation measures to be carried out using the technical and financial assistance contribute to the mitigation goals and priorities established by the State;
- (5) the extent to which the technical and financial assistance is consistent with other assistance provided under this Act;
- (6) the extent to which prioritized, cost-effective mitigation activities that produce meaningful and definable outcomes are clearly identified;
- (7) if the State or local government has submitted a mitigation plan under section 322, the extent to which the activities identified under paragraph (6) are consistent with the mitigation plan;
- (8) the opportunity to fund activities that maximize net benefits to society;
- (9) the extent to which assistance will fund mitigation activities in small impoverished communities; and
- (10) such other criteria as the President establishes in consultation with State and local governments.

(h) **FEDERAL SHARE.**—

(1) **IN GENERAL.**—Financial assistance provided under this section may contribute up to 75 percent of the total cost of mitigation activities approved by the President.

(2) **SMALL IMPOVERISHED COMMUNITIES.**—Notwithstanding paragraph (1), the President may contribute up to 90 percent of the total cost of a mitigation activity carried out in a small impoverished community.

(i) **NATIONAL PREDISASTER MITIGATION FUND.**—

(1) **ESTABLISHMENT.**—The President may establish in the Treasury of the United States a fund to be known as the “National Predisaster Mitigation Fund”, to be used in carrying out this section.

(2) **TRANSFERS TO FUND.**—There shall be deposited in the Fund—

(A) amounts appropriated to carry out this section, which shall remain available until expended; and

(B) sums available from gifts, bequests, or donations of services or property received by the President for the purpose of predisaster hazard mitigation.

(3) **EXPENDITURES FROM FUND.**—Upon request by the President, the Secretary of the Treasury shall transfer from the Fund to the President such amounts as the President de-

termines are necessary to provide technical and financial assistance under this section.

(4) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals. Investments may be made only in interest-bearing obligations of the United States.

(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(E) TRANSFERS OF AMOUNTS.—

(i) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(ii) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(j) LIMITATION ON TOTAL AMOUNT OF FINANCIAL ASSISTANCE.—The President shall not provide financial assistance under this section in an amount greater than the amount available in the Fund.

(k) MULTHAZARD ADVISORY MAPS.—

(1) DEFINITION OF MULTHAZARD ADVISORY MAP.—In this subsection, the term “multihazard advisory map” means a map on which hazard data concerning each type of natural disaster is identified simultaneously for the purpose of showing areas of hazard overlap.

(2) DEVELOPMENT OF MAPS.—In consultation with States, local governments, and appropriate Federal agencies, the President shall develop multihazard advisory maps for areas, in not fewer than five States, that are subject to commonly recurring natural hazards (including flooding, hurricanes and severe winds, and seismic events).

(3) USE OF TECHNOLOGY.—In developing multihazard advisory maps under this subsection, the President shall use, to the maximum extent practicable, the most cost-effective and efficient technology available.

(4) USE OF MAPS.—

(A) ADVISORY NATURE.—The multihazard advisory maps shall be considered to be advisory and shall not re-

quire the development of any new policy by, or impose any new policy on, any government or private entity.

(B) AVAILABILITY OF MAPS.—The multihazard advisory maps shall be made available to the appropriate State and local governments for the purposes of—

(i) informing the general public about the risks of natural hazards in the areas described in paragraph (2);

(ii) supporting the activities described in subsection (e); and

(iii) other public uses.

(l) REPORT ON FEDERAL AND STATE ADMINISTRATION.—Not later than 18 months after the date of the enactment of this section, the President, in consultation with State and local governments, shall submit to Congress a report evaluating efforts to implement this section and recommending a process for transferring greater authority and responsibility for administering the assistance program established under this section to capable States.

(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) \$180,000,000 for fiscal year 2011;

(2) \$200,000,000 for fiscal year 2012; and

(3) \$200,000,000 for fiscal year 2013.

(n) PROHIBITION ON EARMARKS.—

(1) DEFINITION.—In this subsection, the term “congressionally directed spending” means a statutory provision or report language included primarily at the request of a Senator or a Member, Delegate or Resident Commissioner of the House of Representatives providing, authorizing, or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality, or Congressional district, other than through a statutory or administrative formula-driven or competitive award process.

(2) PROHIBITION.—None of the funds appropriated or otherwise made available to carry out this section may be used for congressionally directed spending.

(3) CERTIFICATION TO CONGRESS.—The Administrator of the Federal Emergency Management Agency shall submit to Congress a certification regarding whether all financial assistance under this section was awarded in accordance with this section.

[42 U.S.C. 5133]

SEC. 204. INTERAGENCY TASK FORCE.

(a) IN GENERAL.—The President shall establish a Federal interagency task force for the purpose of coordinating the implementation of predisaster hazard mitigation programs administered by the Federal Government.

(b) CHAIRPERSON.—The Administrator of the Federal Emergency Management Agency shall serve as the chairperson of the task force.

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(c) **MEMBERSHIP.**—The membership of the task force shall include representatives of—

- (1) relevant Federal agencies;
- (2) State and local government organizations (including Indian tribes); and
- (3) the American Red Cross.

[42 U.S.C. 5134]

**TITLE III—MAJOR DISASTER AND
EMERGENCY ASSISTANCE ADMINIS-
TRATION**

SEC. 301. WAIVER OF ADMINISTRATIVE CONDITIONS.

Any Federal agency charged with the administration of a Federal assistance program may, if so requested by the applicant State or local authorities, modify or waive, for a major disaster, such administrative conditions for assistance as would otherwise prevent the giving of assistance under such programs if the inability to meet such conditions is a result of the major disaster.

[42 U.S.C. 5141]

COORDINATING OFFICERS

SEC. 302. (a) Immediately upon his declaration of a major disaster or emergency, the President shall appoint a Federal coordinating officer to operate in the affected area.

(b) In order to effectuate the purposes of this Act, the Federal coordinating officer, within the affected area, shall—

- (1) make an initial appraisal of the types of relief most urgently needed;
- (2) establish such field offices as he deems necessary and as are authorized by the President;

(3) coordinate the administration of relief, including activities of the State and local governments, the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizations, which agree to operate under his advise or direction, except that nothing contained in this Act shall limit or in any way affect the responsibilities of the American National Red Cross under the Act of January 5, 1905, as amended (33 Stat. 599); and

(4) take such other action, consistent with authority delegated to him by the President, and consistent with the provisions of this Act, as he may deem necessary to assist local citizens and public officials in promptly obtaining assistance to which they are entitled.

(c) When the President determines assistance under this Act is necessary, he shall request that the Governor of the affected State designate a State coordinating officer for the purpose of coordinating State and local disaster assistance efforts with those of the Federal Government.

(d) Where the area affected by a major disaster or emergency includes parts of more than 1 State, the President, at the discretion

of the President, may appoint a single Federal coordinating officer for the entire affected area, and may appoint such deputy Federal coordinating officers to assist the Federal coordinating officer as the President determines appropriate.

[42 U.S.C. 5143]

SEC. 303. EMERGENCY SUPPORT AND RESPONSE TEAMS.²

(a) **EMERGENCY SUPPORT TEAMS.**—The President shall form emergency support teams of Federal personnel to be deployed in an area affected by a major disaster or emergency. Such emergency support teams shall assist the Federal coordinating officer in carrying out his responsibilities pursuant to this Act. Upon request of the President, the head of any Federal agency is directed to detail to temporary duty with the emergency support teams on either a reimbursable or nonreimbursable basis, as is determined necessary by the President, such personnel within the administrative jurisdiction of the head of the Federal agency as the President may need or believe to be useful for carrying out the functions of the emergency support teams, each such detail to be without loss of seniority, pay, or other employee status.

(b) **EMERGENCY RESPONSE TEAMS.**—

(1) **ESTABLISHMENT.**—In carrying out subsection (a), the President, acting through the Administrator of the Federal Emergency Management Agency, shall establish—

(A) at a minimum 3 national response teams; and

(B) sufficient regional response teams, including Regional Office strike teams under section 507 of the Homeland Security Act of 2002; and

(C) other response teams as may be necessary to meet the incident management responsibilities of the Federal Government.

(2) **TARGET CAPABILITY LEVEL.**—The Administrator shall ensure that specific target capability levels, as defined pursuant to the guidelines established under section 646(a) of the Post-Katrina Emergency Management Reform Act of 2006, are established for Federal emergency response teams.

(3) **PERSONNEL.**—The President, acting through the Administrator, shall ensure that the Federal emergency response teams consist of adequate numbers of properly planned, organized, equipped, trained, and exercised personnel to achieve the established target capability levels. Each emergency response team shall work in coordination with State and local of-

² Paragraph (1) of section 633 of Public Law 109–295 provides as follows:

SEC. 633. EMERGENCY RESPONSE TEAMS.

Section 303 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5144) is amended—

(1) by striking “sec. 303.” and all that follows through “The President shall” and inserting the following:

“SEC. 303. EMERGENCY SUPPORT AND RESPONSE TEAMS.

“(a) **EMERGENCY SUPPORT TEAMS.**—The President shall”; and

Such amendment should have struck the centered section heading which precedes “Sec. 303.” and reads “EMERGENCY SUPPORT TEAM” and all that follows through “The President shall”. The amendment was executed to reflect the probable intent of Congress.

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officials and onsite personnel associated with a particular incident.

(4) **READINESS REPORTING.**—The Administrator shall evaluate team readiness on a regular basis and report team readiness levels in the report required under section 652(a) of the Post-Katrina Emergency Management Reform Act of 2006.

[42 U.S.C. 5144]

REIMBURSEMENT

SEC. 304. Federal agencies may be reimbursed for expenditures under this Act from funds appropriated for the purposes of this Act. Any funds received by Federal agencies as reimbursement for services or supplies furnished under the authority of this Act shall be deposited to the credit of the appropriation or appropriations currently available for such services or supplies.

[42 U.S.C. 5147]

NONLIABILITY

SEC. 305. The Federal Government shall not be liable for any claim based upon the exercise or performance of or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Federal Government in carrying out the provisions of this Act.

[42 U.S.C. 5148]

PERFORMANCE OF SERVICES

SEC. 306. (a) In carrying out the purposes of this Act, any Federal agency is authorized to accept and utilize the services or facilities of any State or local government, or of any agency, office, or employee thereof, with the consent of such government.

(b) In performing any services under this Act, any Federal agency is authorized—

(1) to appoint and fix the compensation of such temporary personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in competitive service;

(2) to employ experts and consultants in accordance with the provisions of section 3109 of such title, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates; and

(3) to incur obligations on behalf of the United States by contract or otherwise for the acquisition, rental, or hire of equipment, services, materials, and supplies for shipping, drayage, travel, and communications, and for the supervision and administration of such activities. Such obligations, including obligations arising out of the temporary employment of additional personnel, may be incurred by an agency in such amount as may be made available to it by the President.

[42 U.S.C. 5149]

SEC. 307. USE OF LOCAL FIRMS AND INDIVIDUALS.**(a) CONTRACTS OR AGREEMENTS WITH PRIVATE ENTITIES.—**

(1) **IN GENERAL.**—In the expenditure of Federal funds for debris clearance, distribution of supplies, reconstruction, and other major disaster or emergency assistance activities which may be carried out by contract or agreement with private organizations, firms, or individuals, preference shall be given, to the extent feasible and practicable, to those organizations, firms, and individuals residing or doing business primarily in the area affected by such major disaster or emergency.

(2) **CONSTRUCTION.**—This subsection shall not be considered to restrict the use of Department of Defense resources under this Act in the provision of assistance in a major disaster.

(3) **SPECIFIC GEOGRAPHIC AREA.**—In carrying out this section, a contract or agreement may be set aside for award based on a specific geographic area.

(b) IMPLEMENTATION.—

(1) **CONTRACTS NOT TO ENTITIES IN AREA.**—Any expenditure of Federal funds for debris clearance, distribution of supplies, reconstruction, and other major disaster or emergency assistance activities which may be carried out by contract or agreement with private organizations, firms, or individuals, not awarded to an organization, firm, or individual residing or doing business primarily in the area affected by such major disaster shall be justified in writing in the contract file.

(2) **TRANSITION.**—Following the declaration of an emergency or major disaster, an agency performing response, relief, and reconstruction activities shall transition work performed under contracts in effect on the date on which the President declares the emergency or major disaster to organizations, firms, and individuals residing or doing business primarily in any area affected by the major disaster or emergency, unless the head of such agency determines that it is not feasible or practicable to do so.

(3) **FORMULATION OF REQUIREMENTS.**—The head of a Federal agency, as feasible and practicable, shall formulate appropriate requirements to facilitate compliance with this section.

(c) **PRIOR CONTRACTS.**—Nothing in this section shall be construed to require any Federal agency to breach or renegotiate any contract in effect before the occurrence of a major disaster or emergency.

[42 U.S.C. 5150]

NONDISCRIMINATION IN DISASTER ASSISTANCE

SEC. 308. (a) The President shall issue, and may alter and amend, such regulations as may be necessary for the guidance of personnel carrying out Federal assistance functions at the site of a major disaster or emergency. Such regulations shall include provisions for insuring that the distribution of supplies, the processing of applications, and other relief and assistance activities shall be accomplished in an equitable and impartial manner, without dis-

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crimination on the grounds of race, color, religion, nationality, sex, age, disability, English proficiency, or economic status.

(b) As a condition of participation in the distribution of assistance or supplies under this Act or of receiving assistance under this Act, governmental bodies and other organizations shall be required to comply with regulations relating to nondiscrimination promulgated by the President, and such other regulations applicable to activities within an area affected by a major disaster or emergency as he deems necessary for the effective coordination of relief efforts.

[42 U.S.C. 5151]

USE AND COORDINATION OF RELIEF ORGANIZATIONS

SEC. 309. (a) In providing relief and assistance under this Act, the President may utilize, with their consent, the personnel and facilities of the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizations, in the distribution of medicine, food, supplies, or other items, and in the restoration, rehabilitation, or reconstruction of community services housing and essential facilities, whenever the President finds that such utilization is necessary.

(b) The President is authorized to enter into agreements with the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizations under which the disaster relief activities of such organizations may be coordinated by the Federal coordinating officer whenever such organizations are engaged in providing relief during and after a major disaster or emergency. Any such agreement shall include provisions assuring that use of Federal facilities, supplies, and services will be in compliance with regulations prohibiting duplication of benefits and guaranteeing nondiscrimination promulgated by the President under this Act, and such other regulation as the President may require.

[42 U.S.C. 5152]

SEC. 310. PRIORITY TO CERTAIN APPLICATIONS FOR PUBLIC FACILITY AND PUBLIC HOUSING ASSISTANCE.

(a) **PRIORITY.**—In the processing of applications for assistance, priority and immediate consideration shall be given by the head of the appropriate Federal agency, during such period as the President shall prescribe, to applications from public bodies situated in areas affected by major disasters under the following Acts:

(1) The United States Housing Act of 1937 for the provision of low-income housing.

(2) Section 702 of the Housing Act of 1954 for assistance in public works planning.

(3) The Community Development Block Grant Program under title I of the Housing and Community Development Act of 1974.

(4) Section 306 of the Consolidated Farm and Rural Development Act.

(5) The Public Works and Economic Development Act of 1965.

(6) The Appalachian Regional Development Act of 1965.

(7) The Federal Water Pollution Control Act.

(b) OBLIGATION OF CERTAIN DISCRETIONARY FUNDS.—In the obligation of discretionary funds or funds which are not allocated among the States or political subdivisions of a State, the Secretary of Housing and Urban Development and the Secretary of Commerce shall give priority to applications for projects for major disaster areas.

[42 U.S.C. 5153]

SEC. 311. INSURANCE.

(a) APPLICANTS FOR REPLACEMENT OF DAMAGED FACILITIES.—

(1) COMPLIANCE WITH CERTAIN REGULATIONS.—An applicant for assistance under section 406 of this Act (relating to repair, restoration, and replacement of damaged facilities), section 422 of this Act (relating to simplified procedure) or section 209(c)(2) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149(c)(2)) shall comply with regulations prescribed by the President to assure that, with respect to any property to be replaced, restored, repaired, or constructed with such assistance, such types and extent of insurance will be obtained and maintained as may be reasonably available, adequate, and necessary, to protect against future loss to such property.

(2) DETERMINATION.—In making a determination with respect to availability, adequacy, and necessity under paragraph (1), the President shall not require greater types and extent of insurance than are certified to him as reasonable by the appropriate State insurance commissioner responsible for regulation of such insurance.

(b) MAINTENANCE OF INSURANCE.—No applicant for assistance under section 406 of this Act (relating to repair, restoration, and replacement of damaged facilities), section 422 of this Act (relating to simplified procedure), or section 209(c)(2) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149(c)(2)) may receive such assistance for any property or part thereof for which the applicant has previously received assistance under this Act unless all insurance required pursuant to this section has been obtained and maintained with respect to such property. The requirements of this subsection may not be waived under section 301.

(c) STATE ACTING AS SELF-INSURER.—A State may elect to act as a self-insurer with respect to any or all of the facilities owned by the State. Such an election, if declared in writing at the time of acceptance of assistance under section 406 or 422 of this Act or section 209(c)(2) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149(c)(2)) or subsequently and accompanied by a plan for self-insurance which is satisfactory to the President, shall be deemed compliance with subsection (a). No such self-insurer may receive assistance under section 406 or 422 of this Act for any property or part thereof for which it has previously received assistance under this Act, to the extent that insurance for such property or part thereof would have been reasonably available.

[42 U.S.C. 5154]

SEC. 312. DUPLICATION OF BENEFITS.

(a) **GENERAL PROHIBITION.**—The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.

(b) **SPECIAL RULES.**—

(1) **LIMITATION.**—This section shall not prohibit the provision of Federal assistance to a person who is or may be entitled to receive benefits for the same purposes from another source if such person has not received such other benefits by the time of application for Federal assistance and if such person agrees to repay all duplicative assistance to the agency providing the Federal assistance.

(2) **PROCEDURES.**—The President shall establish such procedures as the President considers necessary to ensure uniformity in preventing duplication of benefits.

(3) **EFFECT OF PARTIAL BENEFITS.**—Receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have not been provided.

(c) **RECOVERY OF DUPLICATIVE BENEFITS.**—A person receiving Federal assistance for a major disaster or emergency shall be liable to the United States to the extent that such assistance duplicates benefits available to the person for the same purpose from another source. The agency which provided the duplicative assistance shall collect such duplicative assistance from the recipient in accordance with chapter 37 of title 31, United States Code, relating to debt collection, when the head of such agency considers it to be in the best interest of the Federal Government.

(d) **ASSISTANCE NOT INCOME.**—Federal major disaster and emergency assistance provided to individuals and families under this Act, and comparable disaster assistance provided by States, local governments, and disaster assistance organizations, shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs.

[42 U.S.C. 5155]

SEC. 313. STANDARDS AND REVIEWS.

The President shall establish comprehensive standards which shall be used to assess the efficiency and effectiveness of Federal major disaster and emergency assistance programs administered under this Act. The President shall conduct annual reviews of the activities of Federal agencies and State and local governments in major disaster and emergency preparedness and in providing major disaster and emergency assistance in order to assure maximum coordination and effectiveness of such programs and consistency in policies for reimbursement of States under this Act.

[42 U.S.C. 5156]

SEC. 314. PENALTIES.

(a) **MISUSE OF FUNDS.**—Any person who knowingly misapplies the proceeds of a loan or other cash benefit obtained under this Act shall be fined an amount equal to one and one-half times the misapplied amount of the proceeds or cash benefit.

(b) **CIVIL ENFORCEMENT.**—Whenever it appears that any person has violated or is about to violate any provision of this Act, including any civil penalty imposed under this Act, the Attorney General may bring a civil action for such relief as may be appropriate. Such action may be brought in an appropriate United States district court.

(c) **REFERRAL TO ATTORNEY GENERAL.**—The President shall expeditiously refer to the Attorney General for appropriate action any evidence developed in the performance of functions under this Act that may warrant consideration for criminal prosecution.

(d) **CIVIL PENALTY.**—Any individual who knowingly violates any order or regulation issued under this Act shall be subject to a civil penalty of not more than \$5,000 for each violation.

[42 U.S.C. 5157]

AVAILABILITY OF MATERIALS

SEC. 315. The President is authorized, at the request of the Governor of an affected State, to provide for a survey of construction materials needed in the area affected by a major disaster on an emergency basis for housing repairs, replacement housing, public facilities repairs and replacement, farming operations, and business enterprises and to take appropriate action to assure the availability and fair distribution of needed materials, including, where possible, the allocation of such materials for a period of not more than one hundred and eighty days after such major disaster. Any allocation program shall be implemented by the President to the extent possible, by working with and through those companies which traditionally supply construction materials in the affected area. For the purposes of this section “construction materials” shall include building materials and materials required for repairing housing, replacement housing, public facilities repairs and replacement, and for normal farm and business operations.

[42 U.S.C. 5158]

SEC. 316. PROTECTION OF ENVIRONMENT.

An action which is taken or assistance which is provided pursuant to section 402, 403, 406, 407, or 502, including such assistance provided pursuant to the procedures provided for in section 422, which has the effect of restoring a facility substantially to its condition prior to the disaster or emergency, shall not be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 852). Nothing in this section shall alter or affect the applicability of the National Environmental Policy Act of 1969 to other Federal actions taken under this Act or under any other provisions of law.

[42 U.S.C. 5159]

Sec. 317 ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY...**18****SEC. 317. RECOVERY OF ASSISTANCE.**

(a) **PARTY LIABLE.**—Any person who intentionally causes a condition for which Federal assistance is provided under this Act or under any other Federal law as a result of a declaration of a major disaster or emergency under this Act shall be liable to the United States for the reasonable costs incurred by the United States in responding to such disaster or emergency to the extent that such costs are attributable to the intentional act or omission of such person which caused such condition. Such action for reasonable costs shall be brought in an appropriate United States district court.

(b) **RENDERING OF CARE.**—A person shall not be liable under this section for costs incurred by the United States as a result of actions taken or omitted by such person in the course of rendering care or assistance in response to a major disaster or emergency.

[42 U.S.C. 5160]

SEC. 318. AUDITS AND INVESTIGATIONS.

(a) **IN GENERAL.**—Subject to the provisions of chapter 75 of title 31, United States Code, relating to requirements for single audits, the President shall conduct audits and investigations as necessary to assure compliance with this Act, and in connection therewith may question such persons as may be necessary to carry out such audits and investigations.

(b) **ACCESS TO RECORDS.**—For purposes of audits and investigations under this section, the President and Comptroller General may inspect any books, documents, papers, and records of any person relating to any activity undertaken or funded under this Act.

(c) **STATE AND LOCAL AUDITS.**—The President may require audits by State and local governments in connection with assistance under this Act when necessary to assure compliance with this Act or related regulations.

[42 U.S.C. 5161]

SEC. 319. ADVANCE OF NON-FEDERAL SHARE.

(a) **IN GENERAL.**—The President may lend or advance to an eligible applicant or a State the portion of assistance for which the State is responsible under the cost-sharing provisions of this Act in any case in which—

(1) the State is unable to assume its financial responsibility under such cost-sharing provisions—

(A) with respect to concurrent, multiple major disasters in a jurisdiction, or

(B) after incurring extraordinary costs as a result of a particular disaster; and

(2) the damages caused by such disasters or disaster are so overwhelming and severe that it is not possible for the applicant or the State to assume immediately their financial responsibility under this Act.

(b) **TERMS OF LOANS AND ADVANCES.**—

(1) **IN GENERAL.**—Any loan or advance under this section shall be repaid to the United States.

(2) **INTEREST.**—Loans and advances under this section shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current market yields

on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the reimbursement period of the loan or advance.

(c) REGULATIONS.—The President shall issue regulations describing the terms and conditions under which any loan or advance authorized by this section may be made.

[42 U.S.C. 5162]

SEC. 320. LIMITATION ON USE OF SLIDING SCALES.

No geographic area shall be precluded from receiving assistance under this Act solely by virtue of an arithmetic formula or sliding scale based on income or population.

[42 U.S.C. 5163]

SEC. 321. RULES AND REGULATIONS.

The President may prescribe such rules and regulations as may be necessary and proper to carry out the provisions of this Act, and may exercise, either directly or through such Federal agency as the President may designate, any power or authority conferred to the President by this Act.

[42 U.S.C. 5164]

SEC. 322. MITIGATION PLANNING.

(a) REQUIREMENT OF MITIGATION PLAN.—As a condition of receipt of an increased Federal share for hazard mitigation measures under subsection (e), a State, local, or tribal government shall develop and submit for approval to the President a mitigation plan that outlines processes for identifying the natural hazards, risks, and vulnerabilities of the area under the jurisdiction of the government.

(b) LOCAL AND TRIBAL PLANS.—Each mitigation plan developed by a local or tribal government shall—

- (1) describe actions to mitigate hazards, risks, and vulnerabilities identified under the plan; and
- (2) establish a strategy to implement those actions.

(c) STATE PLANS.—The State process of development of a mitigation plan under this section shall—

- (1) identify the natural hazards, risks, and vulnerabilities of areas in the State;
- (2) support development of local mitigation plans;
- (3) provide for technical assistance to local and tribal governments for mitigation planning; and
- (4) identify and prioritize mitigation actions that the State will support, as resources become available.

(d) FUNDING.—

(1) IN GENERAL.—Federal contributions under section 404 may be used to fund the development and updating of mitigation plans under this section.

(2) MAXIMUM FEDERAL CONTRIBUTION.—With respect to any mitigation plan, a State, local, or tribal government may use an amount of Federal contributions under section 404 not to exceed 7 percent of the amount of such contributions available to the government as of a date determined by the government.

Sec. 323 ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY... 20

(e) INCREASED FEDERAL SHARE FOR HAZARD MITIGATION MEASURES.—

(1) **IN GENERAL.**—If, at the time of the declaration of a major disaster, a State has in effect an approved mitigation plan under this section, the President may increase to 20 percent, with respect to the major disaster, the maximum percentage specified in the last sentence of section 404(a).

(2) **FACTORS FOR CONSIDERATION.**—In determining whether to increase the maximum percentage under paragraph (1), the President shall consider whether the State has established—

(A) eligibility criteria for property acquisition and other types of mitigation measures;

(B) requirements for cost effectiveness that are related to the eligibility criteria;

(C) a system of priorities that is related to the eligibility criteria; and

(D) a process by which an assessment of the effectiveness of a mitigation action may be carried out after the mitigation action is complete.

[42 U.S.C. 5165]

SEC. 323. MINIMUM STANDARDS FOR PUBLIC AND PRIVATE STRUCTURES.

(a) **IN GENERAL.**—As a condition of receipt of a disaster loan or grant under this Act—

(1) the recipient shall carry out any repair or construction to be financed with the loan or grant in accordance with applicable standards of safety, decency, and sanitation and in conformity with applicable codes, specifications, and standards; and

(2) the President may require safe land use and construction practices, after adequate consultation with appropriate State and local government officials.

(b) **EVIDENCE OF COMPLIANCE.**—A recipient of a disaster loan or grant under this Act shall provide such evidence of compliance with this section as the President may require by regulation.

[42 U.S.C. 5165a]

SEC. 324. MANAGEMENT COSTS.

(a) **DEFINITION OF MANAGEMENT COST.**—In this section, the term “management cost” includes any indirect cost, any administrative expense, and any other expense not directly chargeable to a specific project under a major disaster, emergency, or disaster preparedness or mitigation activity or measure.

(b) **ESTABLISHMENT OF MANAGEMENT COST RATES.**—Notwithstanding any other provision of law (including any administrative rule or guidance), the President shall by regulation establish management cost rates, for grantees and subgrantees, that shall be used to determine contributions under this Act for management costs.

(c) **REVIEW.**—The President shall review the management cost rates established under subsection (b) not later than 3 years after the date of establishment of the rates and periodically thereafter.

[42 U.S.C. 5165b]

SEC. 325. PUBLIC NOTICE, COMMENT, AND CONSULTATION REQUIREMENTS.

(a) PUBLIC NOTICE AND COMMENT CONCERNING NEW OR MODIFIED POLICIES.—

(1) **IN GENERAL.**—The President shall provide for public notice and opportunity for comment before adopting any new or modified policy that—

(A) governs implementation of the public assistance program administered by the Federal Emergency Management Agency under this Act; and

(B) could result in a significant reduction of assistance under the program.

(2) **APPLICATION.**—Any policy adopted under paragraph (1) shall apply only to a major disaster or emergency declared on or after the date on which the policy is adopted.

(b) CONSULTATION CONCERNING INTERIM POLICIES.—

(1) **IN GENERAL.**—Before adopting any interim policy under the public assistance program to address specific conditions that relate to a major disaster or emergency that has been declared under this Act, the President, to the maximum extent practicable, shall solicit the views and recommendations of grantees and subgrantees with respect to the major disaster or emergency concerning the potential interim policy, if the interim policy is likely—

(A) to result in a significant reduction of assistance to applicants for the assistance with respect to the major disaster or emergency; or

(B) to change the terms of a written agreement to which the Federal Government is a party concerning the declaration of the major disaster or emergency.

(2) **NO LEGAL RIGHT OF ACTION.**—Nothing in this subsection confers a legal right of action on any party.

(c) **PUBLIC ACCESS.**—The President shall promote public access to policies governing the implementation of the public assistance program.

[42 U.S.C. 5165c]

SEC. 326. DESIGNATION OF SMALL STATE AND RURAL ADVOCATE.

(a) **IN GENERAL.**—The President shall designate in the Federal Emergency Management Agency a Small State and Rural Advocate.

(b) **RESPONSIBILITIES.**—The Small State and Rural Advocate shall be an advocate for the fair treatment of small States and rural communities in the provision of assistance under this Act.

(c) **DUTIES.**—The Small State and Rural Advocate shall—

(1) participate in the disaster declaration process under section 401 and the emergency declaration process under section 501, to ensure that the needs of rural communities are being addressed;

(2) assist small population States in the preparation of requests for major disaster or emergency declarations; and

(3) conduct such other activities as the Administrator of the Federal Emergency Management Agency considers appropriate.

[42 U.S.C. 5165d]

TITLE IV—MAJOR DISASTER ASSISTANCE PROGRAMS

SEC. 401. PROCEDURE FOR DECLARATION.

(a) **IN GENERAL.**—All requests for a declaration by the President that a major disaster exists shall be made by the Governor of the affected State. Such a request shall be based on a finding that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As part of such request, and as a prerequisite to major disaster assistance under this Act, the Governor shall take appropriate response action under State law and direct execution of the State's emergency plan. The Governor shall furnish information on the nature and amount of State and local resources which have been or will be committed to alleviating the results of the disaster, and shall certify that, for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) will comply with all applicable cost-sharing requirements of this Act. Based on the request of a Governor under this section, the President may declare under this Act that a major disaster or emergency exists.

(b) INDIAN TRIBAL GOVERNMENT REQUESTS.—

(1) **IN GENERAL.**—The Chief Executive of an affected Indian tribal government may submit a request for a declaration by the President that a major disaster exists consistent with the requirements of subsection (a).

(2) **REFERENCES.**—In implementing assistance authorized by the President under this Act in response to a request of the Chief Executive of an affected Indian tribal government for a major disaster declaration, any reference in this title or title III (except sections 310 and 326) to a State or the Governor of a State is deemed to refer to an affected Indian tribal government or the Chief Executive of an affected Indian tribal government, as appropriate.

(3) **SAVINGS PROVISION.**—Nothing in this subsection shall prohibit an Indian tribal government from receiving assistance under this title through a declaration made by the President at the request of a State under subsection (a) if the President does not make a declaration under this subsection for the same incident.

(c) COST SHARE ADJUSTMENTS FOR INDIAN TRIBAL GOVERNMENTS.—

(1) **IN GENERAL.**—In providing assistance to an Indian tribal government under this title, the President may waive or adjust any payment of a non-Federal contribution with respect to the assistance if—

(A) the President has the authority to waive or adjust the payment under another provision of this title; and

(B) the President determines that the waiver or adjustment is necessary and appropriate.

(2) **CRITERIA FOR MAKING DETERMINATIONS.**—The President shall establish criteria for making determinations under paragraph (1)(B).

[42 U.S.C. 5170]

SEC. 402. GENERAL FEDERAL ASSISTANCE.

In any major disaster, the President may—

(1) direct any Federal agency, with or without reimbursement, to utilize its authorities and the resources granted to it under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical, and advisory services) in support of State and local assistance response or recovery efforts, including precautionary evacuations;

(2) coordinate all disaster relief assistance (including voluntary assistance) provided by Federal agencies, private organizations, and State and local governments, including precautionary evacuations and recovery;

(3) provide technical and advisory assistance to affected State and local governments for—

(A) the performance of essential community services;

(B) issuance of warnings of risks and hazards;

(C) public health and safety information, including dissemination of such information;

(D) provision of health and safety measures;

(E) management, control, and reduction of immediate threats to public health and safety; and

(F) recovery activities, including disaster impact assessments and planning;

(4) assist State and local governments in the distribution of medicine, food, and other consumable supplies, and emergency assistance; and

(5) provide accelerated Federal assistance and Federal support where necessary to save lives, prevent human suffering, or mitigate severe damage, which may be provided in the absence of a specific request and in which case the President—

(A) shall, to the fullest extent practicable, promptly notify and coordinate with officials in a State in which such assistance or support is provided; and

(B) shall not, in notifying and coordinating with a State under subparagraph (A), delay or impede the rapid deployment, use, and distribution of critical resources to victims of a major disaster.

[42 U.S.C. 5170a]

SEC. 403. ESSENTIAL ASSISTANCE.

(a) **IN GENERAL.**—Federal agencies may on the direction of the President, provide assistance essential to meeting immediate threats to life and property resulting from a major disaster, as follows:

(1) **FEDERAL RESOURCES, GENERALLY.**—Utilizing, lending, or donating to State and local governments Federal equipment, supplies, facilities, personnel, and other resources, other than the extension of credit, for use or distribution by such governments in accordance with the purposes of this Act.

(2) **MEDICINE, FOOD, AND OTHER CONSUMABLES.**—Distributing or rendering through State and local governments, the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief and disaster assistance organizations medicine durable medical equipment,³ food, and other consumable supplies, and other services and assistance to disaster victims.

(3) **WORK AND SERVICES TO SAVE LIVES AND PROTECT PROPERTY.**—Performing on public or private lands or waters any work or services essential to saving lives and protecting and preserving property or public health and safety, including—

(A) debris removal;

(B) search and rescue, emergency medical care, emergency mass care, emergency shelter, and provision of food, water, medicine durable medical equipment,³ and other essential needs, including movement of supplies or persons;

(C) clearance of roads and construction of temporary bridges necessary to the performance of emergency tasks and essential community services;

(D) provision of temporary facilities for schools and other essential community services;

(E) demolition of unsafe structures which endanger the public;

(F) warning of further risks and hazards;

(G) dissemination of public information and assistance regarding health and safety measures;

(H) provision of technical advice to State and local governments on disaster management and control;

(I) reduction of immediate threats to life, property, and public health and safety; and

(J) provision of rescue, care, shelter, and essential needs—

(i) to individuals with household pets and service animals; and

(ii) to such pets and animals.

(J)⁴ provision of rescue, care, shelter, and essential needs—

(i) to individuals with household pets and service animals; and

(ii) to such pets and animals.

(4) **CONTRIBUTIONS.**—Making contributions to State or local governments or owners or operators of private nonprofit facilities for the purpose of carrying out the provisions of this subsection.

(b) **FEDERAL SHARE.**—The Federal share of assistance under this section shall be not less than 75 percent of the eligible cost of such assistance.

(c) **UTILIZATION OF DOD RESOURCES.**—

(1) **GENERAL RULE.**—During the immediate aftermath of an incident which may ultimately qualify for assistance under this title or title V of this Act, the Governor of the State in

³ So in law. See amendments made by section 689(b) of Public Law 109–295.

⁴ So in law this subparagraph was added by Section 4 of Public Law 109–308.

which such incident occurred may request the President to direct the Secretary of Defense to utilize the resources of the Department of Defense for the purpose of performing on public and private lands any emergency work which is made necessary by such incident and which is essential for the preservation of life and property. If the President determines that such work is essential for the preservation of life and property, the President shall grant such request to the extent the President determines practicable. Such emergency work may only be carried out for a period not to exceed 10 days.

(2) **RULES APPLICABLE TO DEBRIS REMOVAL.**—Any removal of debris and wreckage carried out under this subsection shall be subject to section 407(b), relating to unconditional authorization and indemnification for debris removal.

(3) **EXPENDITURES OUT OF DISASTER RELIEF FUNDS.**—The cost of any assistance provided pursuant to this subsection shall be reimbursed out of funds made available to carry out this Act.

(4) **FEDERAL SHARE.**—The Federal share of assistance under this subsection shall be not less than 75 percent.

(5) **GUIDELINES.**—Not later than 180 days after the date of the enactment of the Disaster Relief and Emergency Assistance Amendments of 1988, the President shall issue guidelines for carrying out this subsection. Such guidelines shall consider any likely effect assistance under this subsection will have on the availability of other forms of assistance under this Act.

(6) **DEFINITIONS.**—For purposes of this section—

(A) **DEPARTMENT OF DEFENSE.**—The term “Department of Defense” has the meaning the term “department” has under section 101 of title 10, United States Code.

(B) **EMERGENCY WORK.**—The term “emergency work” includes clearance and removal of debris and wreckage and temporary restoration of essential public facilities and services.

(d) **SALARIES AND BENEFITS.**—

(1) **IN GENERAL.**—If the President declares a major disaster or emergency for an area within the jurisdiction of a State, tribal, or local government, the President may reimburse the State, tribal, or local government for costs relating to—

(A) basic pay and benefits for permanent employees of the State, tribal, or local government conducting emergency protective measures under this section, if—

(i) the work is not typically performed by the employees; and

(ii) the type of work may otherwise be carried out by contract or agreement with private organizations, firms, or individuals;⁵ or

(B) overtime and hazardous duty compensation for permanent employees of the State, tribal, or local government conducting emergency protective measures under this section.

⁵ The grammar at the end of subparagraph (A)(ii) is so in law.

(2) **OVERTIME.**—The guidelines for reimbursement for costs under paragraph (1) shall ensure that no State, tribal, or local government is denied reimbursement for overtime payments that are required pursuant to the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

(3) **NO EFFECT ON MUTUAL AID PACTS.**—Nothing in this subsection shall affect the ability of the President to reimburse labor force expenses provided pursuant to an authorized mutual aid pact.

[42 U.S.C. 5170b]

SEC. 404. HAZARD MITIGATION.

(a) **IN GENERAL.**—The President may contribute up to 75 percent of the cost of hazard mitigation measures which the President has determined are cost-effective and which substantially reduce the risk of future damage, hardship, loss, or suffering in any area affected by a major disaster. Such measures shall be identified following the evaluation of natural hazards under section 322 and shall be subject to approval by the President. Subject to section 322, the total of contributions under this section for a major disaster shall not exceed 15 percent for amounts not more than \$2,000,000,000, 10 percent for amounts of more than \$2,000,000,000 and not more than \$10,000,000,000, and 7.5 percent on amounts of more than \$10,000,000,000 and not more than \$35,333,000,000 of the estimated aggregate amount of grants to be made (less any associated administrative costs) under this Act with respect to the major disaster.

(b) **PROPERTY ACQUISITION AND RELOCATION ASSISTANCE.**—

(1) **GENERAL AUTHORITY.**—In providing hazard mitigation assistance under this section in connection with flooding, the Administrator of the Federal Emergency Management Agency may provide property acquisition and relocation assistance for projects that meet the requirements of paragraph (2).

(2) **TERMS AND CONDITIONS.**—An acquisition or relocation project shall be eligible to receive assistance pursuant to paragraph (1) only if—

(A) the applicant for the assistance is otherwise eligible to receive assistance under the hazard mitigation grant program established under subsection (a); and

(B) on or after the date of enactment of this subsection, the applicant for the assistance enters into an agreement with the Administrator that provides assurances that—

(i) any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices;

(ii) no new structure will be erected on property acquired, accepted or from which a structure was removed under the acquisition or relocation program other than—

(I) a public facility that is open on all sides and functionally related to a designated open space;

(II) a rest room; or

(III) a structure that the Administrator approves in writing before the commencement of the construction of the structure; and

(iii) after receipt of the assistance, with respect to any property acquired, accepted or from which a structure was removed under the acquisition or relocation program—

(I) no subsequent application for additional disaster assistance for any purpose will be made by the recipient to any Federal entity; and

(II) no assistance referred to in subclause (I) will be provided to the applicant by any Federal source.

(3) STATUTORY CONSTRUCTION.—Nothing in this subsection is intended to alter or otherwise affect an agreement for an acquisition or relocation project carried out pursuant to this section that was in effect on the day before the date of enactment of this subsection.

(c) PROGRAM ADMINISTRATION BY STATES.—

(1) IN GENERAL.—A State desiring to administer the hazard mitigation grant program established by this section with respect to hazard mitigation assistance in the State may submit to the President an application for the delegation of the authority to administer the program.

(2) CRITERIA.—The President, in consultation and coordination with States and local governments, shall establish criteria for the approval of applications submitted under paragraph (1). Until such time as the Administrator promulgates regulations to implement this paragraph, the Administrator may waive notice and comment rulemaking, if the Administrator determines doing so is necessary to expeditiously implement this section, and may carry out this section as a pilot program. The criteria shall include, at a minimum—

(A) the demonstrated ability of the State to manage the grant program under this section;

(B) there being in effect an approved mitigation plan under section 322; and

(C) a demonstrated commitment to mitigation activities.

(3) APPROVAL.—The President shall approve an application submitted under paragraph (1) that meets the criteria established under paragraph (2).

(4) WITHDRAWAL OF APPROVAL.—If, after approving an application of a State submitted under paragraph (1), the President determines that the State is not administering the hazard mitigation grant program established by this section in a manner satisfactory to the President, the President shall withdraw the approval.

(5) AUDITS.—The President shall provide for periodic audits of the hazard mitigation grant programs administered by States under this subsection.

(d) STREAMLINED PROCEDURES.—

(1) IN GENERAL.—For the purpose of providing assistance under this section, the President shall ensure that—

(A) adequate resources are devoted to ensure that applicable environmental reviews under the National Environmental Policy Act of 1969 and historic preservation reviews under the National Historic Preservation Act are completed on an expeditious basis; and

(B) the shortest existing applicable process under the National Environmental Policy Act of 1969 and the National Historic Preservation Act is utilized.

(2) AUTHORITY FOR OTHER EXPEDITED PROCEDURES.—The President may utilize expedited procedures in addition to those required under paragraph (1) for the purpose of providing assistance under this section, such as procedures under the Prototype Programmatic Agreement of the Federal Emergency Management Agency, for the consideration of multiple structures as a group and for an analysis of the cost-effectiveness and fulfillment of cost-share requirements for proposed hazard mitigation measures.

(e) ADVANCE ASSISTANCE.—The President may provide not more than 25 percent of the amount of the estimated cost of hazard mitigation measures to a State grantee eligible for a grant under this section before eligible costs are incurred.

[42 U.S.C. 5170c]

FEDERAL FACILITIES

SEC. 405. (a) The President may authorize any Federal agency to repair, reconstruct, restore, or replace any facility owned by the United States and under the jurisdiction of such agency which is damaged or destroyed by any major disaster if he determines that such repair, reconstruction, restoration, or replacement is of such importance and urgency that it cannot reasonably be deferred pending the enactment of specific authorizing legislation or the making of an appropriation for such purposes, or the obtaining of congressional committee approval.

(b) In order to carry out the provisions of this section, such repair, reconstruction, restoration, or replacement may be begun notwithstanding a lack or an insufficiency of funds appropriated for such purpose, where such lack or insufficiency can be remedied by the transfer, in accordance with law, of funds appropriated to that agency for another purpose.

(c) In implementing this section, Federal agencies shall evaluate the natural hazards to which these facilities are exposed and shall take appropriate action to mitigate such hazards, including safe land-use and construction practices, in accordance with standards prescribed by the President.

[42 U.S.C. 5171]

SEC. 406. REPAIR, RESTORATION, AND REPLACEMENT OF DAMAGED FACILITIES.**(a) CONTRIBUTIONS.—**

(1) IN GENERAL.—The President may make contributions—

(A) to a State or local government for the repair, restoration, reconstruction, or replacement of a public facility damaged or destroyed by a major disaster and for associated expenses incurred by the government; and

(B) subject to paragraph (3), to a person that owns or operates a private nonprofit facility damaged or destroyed by a major disaster for the repair, restoration, reconstruction, or replacement of the facility and for associated expenses incurred by the person.

(2) ASSOCIATED EXPENSES.—For the purposes of this section, associated expenses shall include—

(A) the costs of mobilizing and employing the National Guard for performance of eligible work;

(B) the costs of using prison labor to perform eligible work, including wages actually paid, transportation to a worksite, and extraordinary costs of guards, food, and lodging; and

(C) base and overtime wages for the employees and extra hires of a State, local government, or person described in paragraph (1) that perform eligible work, plus fringe benefits on such wages to the extent that such benefits were being paid before the major disaster.

(3) CONDITIONS FOR ASSISTANCE TO PRIVATE NONPROFIT FACILITIES.—

(A) IN GENERAL.—The President may make contributions to a private nonprofit facility under paragraph (1)(B) only if—

(i) the facility provides critical services (as defined by the President) in the event of a major disaster; or

(ii) the owner or operator of the facility—

(I) has applied for a disaster loan under section 7(b) of the Small Business Act (15 U.S.C. 636(b)); and

(II)(aa) has been determined to be ineligible for such a loan; or

(bb) has obtained such a loan in the maximum amount for which the Small Business Administration determines the facility is eligible.

(B) DEFINITION OF CRITICAL SERVICES.—In this paragraph, the term “critical services” includes power, water (including water provided by an irrigation organization or facility), sewer, wastewater treatment, communications (including broadcast and telecommunications), education, and emergency medical care.

(4) NOTIFICATION TO CONGRESS.—Before making any contribution under this section in an amount greater than \$20,000,000, the President shall notify—

(A) the Committee on Environment and Public Works of the Senate;

(B) the Committee on Transportation and Infrastructure of the House of Representatives;

(C) the Committee on Appropriations of the Senate; and

(D) the Committee on Appropriations of the House of Representatives.

(b) FEDERAL SHARE.—

(1) **MINIMUM FEDERAL SHARE.**—Except as provided in paragraph (2), the Federal share of assistance under this section shall be not less than 75 percent of the eligible cost of repair, restoration, reconstruction, or replacement carried out under this section.

(2) **REDUCED FEDERAL SHARE.**—The President shall promulgate regulations to reduce the Federal share of assistance under this section to not less than 25 percent in the case of the repair, restoration, reconstruction, or replacement of any eligible public facility or private nonprofit facility following an event associated with a major disaster—

(A) that has been damaged, on more than one occasion within the preceding 10-year period, by the same type of event; and

(B) the owner of which has failed to implement appropriate mitigation measures to address the hazard that caused the damage to the facility.

(c) LARGE IN-LIEU CONTRIBUTIONS.—

(1) FOR PUBLIC FACILITIES.—

(A) **IN GENERAL.**—In any case in which a State or local government determines that the public welfare would not best be served by repairing, restoring, reconstructing, or replacing any public facility owned or controlled by the State or local government, the State or local government may elect to receive, in lieu of a contribution under subsection (a)(1)(A), a contribution in an amount equal to 90 percent of the Federal share of the Federal estimate of the cost of repairing, restoring, reconstructing, or replacing the facility and of management expenses.

(B) **USE OF FUNDS.**—Funds contributed to a State or local government under this paragraph may be used—

(i) to repair, restore, or expand other selected public facilities;

(ii) to construct new facilities; or

(iii) to fund hazard mitigation measures that the State or local government determines to be necessary to meet a need for governmental services and functions in the area affected by the major disaster.

(C) **LIMITATIONS.**—Funds made available to a State or local government under this paragraph may not be used for—

(i) any public facility located in a regulatory floodway (as defined in section 59.1 of title 44, Code of Federal Regulations (or a successor regulation)); or

(ii) any uninsured public facility located in a special flood hazard area identified by the Administrator of the Federal Emergency Management Agency under

the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

(2) FOR PRIVATE NONPROFIT FACILITIES.—

(A) IN GENERAL.—In any case in which a person that owns or operates a private nonprofit facility determines that the public welfare would not best be served by repairing, restoring, reconstructing, or replacing the facility, the person may elect to receive, in lieu of a contribution under subsection (a)(1)(B), a contribution in an amount equal to 75 percent of the Federal share of the Federal estimate of the cost of repairing, restoring, reconstructing, or replacing the facility and of management expenses.

(B) USE OF FUNDS.—Funds contributed to a person under this paragraph may be used—

(i) to repair, restore, or expand other selected private nonprofit facilities owned or operated by the person;

(ii) to construct new private nonprofit facilities to be owned or operated by the person; or

(iii) to fund hazard mitigation measures that the person determines to be necessary to meet a need for the person's services and functions in the area affected by the major disaster.

(C) LIMITATIONS.—Funds made available to a person under this paragraph may not be used for—

(i) any private nonprofit facility located in a regulatory floodway (as defined in section 59.1 of title 44, Code of Federal Regulations (or a successor regulation)); or

(ii) any uninsured private nonprofit facility located in a special flood hazard area identified by the Administrator of the Federal Emergency Management Agency under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.).

(d) FLOOD INSURANCE.—

(1) REDUCTION OF FEDERAL ASSISTANCE.—If a public facility or private nonprofit facility located in a special flood hazard area identified for more than 1 year by the Administrator pursuant to the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) is damaged or destroyed, after the 180th day following the date of the enactment of the Disaster Relief and Emergency Assistance Amendments of 1988, by flooding in a major disaster and such facility is not covered on the date of such flooding by flood insurance, the Federal assistance which would otherwise be available under this section with respect to repair, restoration, reconstruction, and replacement of such facility and associated expenses shall be reduced in accordance with paragraph (2).

(2) AMOUNT OF REDUCTION.—The amount of a reduction in Federal assistance under this section with respect to a facility shall be the lesser of—

(A) the value of such facility on the date of the flood damage or destruction, or

(B) the maximum amount of insurance proceeds which would have been payable with respect to such facility if such facility had been covered by flood insurance under the National Flood Insurance Act of 1968 on such date.

(3) EXCEPTION.—Paragraphs (1) and (2) shall not apply to a private nonprofit facility which is not covered by flood insurance solely because of the local government's failure to participate in the flood insurance program established by the National Flood Insurance Act.

(4) DISSEMINATION OF INFORMATION.—The President shall disseminate information regarding the reduction in Federal assistance provided for by this subsection to State and local governments and the owners and operators of private nonprofit facilities who may be affected by such a reduction.

(e) ELIGIBLE COST.—

(1) DETERMINATION.—

(A) IN GENERAL.—For the purposes of this section, the President shall estimate the eligible cost of repairing, restoring, reconstructing, or replacing a public facility or private nonprofit facility—

(i) on the basis of the design of the facility as the facility existed immediately before the major disaster; and

(ii) in conformity with codes, specifications, and standards (including floodplain management and hazard mitigation criteria required by the President or under the Coastal Barrier Resources Act (16 U.S.C. 3501 et seq.)) applicable at the time at which the disaster occurred.

(B) COST ESTIMATION PROCEDURES.—

(i) IN GENERAL.—Subject to paragraph (2), the President shall use the cost estimation procedures established under paragraph (3) to determine the eligible cost under this subsection.

(ii) APPLICABILITY.—The procedures specified in this paragraph and paragraph (2) shall apply only to projects the eligible cost of which is equal to or greater than the amount specified in section 422.

(2) MODIFICATION OF ELIGIBLE COST.—

(A) ACTUAL COST GREATER THAN CEILING PERCENTAGE OF ESTIMATED COST.—In any case in which the actual cost of repairing, restoring, reconstructing, or replacing a facility under this section is greater than the ceiling percentage established under paragraph (3) of the cost estimated under paragraph (1), the President may determine that the eligible cost includes a portion of the actual cost of the repair, restoration, reconstruction, or replacement that exceeds the cost estimated under paragraph (1).

(B) ACTUAL COST LESS THAN ESTIMATED COST.—

(i) GREATER THAN OR EQUAL TO FLOOR PERCENTAGE OF ESTIMATED COST.—In any case in which the actual cost of repairing, restoring, reconstructing, or replacing a facility under this section is less than 100 percent of the cost estimated under paragraph (1), but

is greater than or equal to the floor percentage established under paragraph (3) of the cost estimated under paragraph (1), the State or local government or person receiving funds under this section shall use the excess funds to carry out cost-effective activities that reduce the risk of future damage, hardship, or suffering from a major disaster.

(ii) LESS THAN FLOOR PERCENTAGE OF ESTIMATED COST.—In any case in which the actual cost of repairing, restoring, reconstructing, or replacing a facility under this section is less than the floor percentage established under paragraph (3) of the cost estimated under paragraph (1), the State or local government or person receiving assistance under this section shall reimburse the President in the amount of the difference.

(C) NO EFFECT ON APPEALS PROCESS.—Nothing in this paragraph affects any right of appeal under section 423.

(3) EXPERT PANEL.—

(A) ESTABLISHMENT.—Not later than 18 months after the date of the enactment of this paragraph, the President, acting through the Administrator of the Federal Emergency Management Agency, shall establish an expert panel, which shall include representatives from the construction industry and State and local government.

(B) DUTIES.—The expert panel shall develop recommendations concerning—

(i) procedures for estimating the cost of repairing, restoring, reconstructing, or replacing a facility consistent with industry practices; and

(ii) the ceiling and floor percentages referred to in paragraph (2).

(C) REGULATIONS.—Taking into account the recommendations of the expert panel under subparagraph (B), the President shall promulgate regulations that establish—

(i) cost estimation procedures described in subparagraph (B)(i); and

(ii) the ceiling and floor percentages referred to in paragraph (2).

(D) REVIEW BY PRESIDENT.—Not later than 2 years after the date of promulgation of regulations under subparagraph (C) and periodically thereafter, the President shall review the cost estimation procedures and the ceiling and floor percentages established under this paragraph.

(E) REPORT TO CONGRESS.—Not later than 1 year after the date of promulgation of regulations under subparagraph (C), 3 years after that date, and at the end of each 2-year period thereafter, the expert panel shall submit to Congress a report on the appropriateness of the cost estimation procedures.

(4) SPECIAL RULE.—In any case in which the facility being repaired, restored, reconstructed, or replaced under this section was under construction on the date of the major disaster, the cost of repairing, restoring, reconstructing, or replacing the fa-

cility shall include, for the purposes of this section, only those costs that, under the contract for the construction, are the owner's responsibility and not the contractor's responsibility.

[42 U.S.C. 5172]

DEBRIS REMOVAL

SEC. 407. (a) The President, whenever he determines it to be in the public interest, is authorized—

(1) through the use of Federal departments, agencies, and instrumentalities, to clear debris and wreckage resulting from a major disaster from publicly and privately owned lands and waters; and

(2) to make grants to any State or local government or owner or operator of a private nonprofit facility for the purpose of removing debris or wreckage resulting from a major disaster from publicly or privately owned lands and waters.

(b) No authority under this section shall be exercised unless the affected State or local government shall first arrange an unconditional authorization for removal of such debris or wreckage from public and private property, and, in the case of removal of debris or wreckage from private property, shall first agree to indemnify the Federal Government against any claim arising from such removal.

(c) **RULES RELATING TO LARGE LOTS.**—The President shall issue rules which provide for recognition of differences existing among urban, suburban, and rural lands in implementation of this section so as to facilitate adequate removal of debris and wreckage from large lots.

(d) **FEDERAL SHARE.**—The Federal share of assistance under this section shall be not less than 75 percent of the eligible cost of debris and wreckage removal carried out under this section.

(e) **EXPEDITED PAYMENTS.**—

(1) **GRANT ASSISTANCE.**—In making a grant under subsection (a)(2), the President shall provide not less than 50 percent of the President's initial estimate of the Federal share of assistance as an initial payment in accordance with paragraph (2).

(2) **DATE OF PAYMENT.**—Not later than 60 days after the date of the estimate described in paragraph (1) and not later than 90 days after the date on which the State or local government or owner or operator of a private nonprofit facility applies for assistance under this section, an initial payment described in paragraph (1) shall be paid.

[42 U.S.C. 5173]

SEC. 408. FEDERAL ASSISTANCE TO INDIVIDUALS AND HOUSEHOLDS.

(a) **IN GENERAL.**—

(1) **PROVISION OF ASSISTANCE.**—In accordance with this section, the President, in consultation with the Governor of a State, may provide financial assistance, and, if necessary, direct services, to individuals and households in the State who, as a direct result of a major disaster, have necessary expenses and serious needs in cases in which the individuals and house-

holds are unable to meet such expenses or needs through other means.

(2) **RELATIONSHIP TO OTHER ASSISTANCE.**—Under paragraph (1), an individual or household shall not be denied assistance under paragraph (1), (3), or (4) of subsection (c) solely on the basis that the individual or household has not applied for or received any loan or other financial assistance from the Small Business Administration or any other Federal agency.

(b) **HOUSING ASSISTANCE.**—

(1) **ELIGIBILITY.**—The President may provide financial or other assistance under this section to individuals and households to respond to the disaster-related housing needs of individuals and households who are displaced from their predisaster primary residences or whose predisaster primary residences are rendered uninhabitable, or with respect to individuals with disabilities, rendered inaccessible or uninhabitable, as a result of damage caused by a major disaster.

(2) **DETERMINATION OF APPROPRIATE TYPES OF ASSISTANCE.**—

(A) **IN GENERAL.**—The President shall determine appropriate types of housing assistance to be provided under this section to individuals and households described in subsection (a)(1) based on considerations of cost effectiveness, convenience to the individuals and households, and such other factors as the President may consider appropriate.

(B) **MULTIPLE TYPES OF ASSISTANCE.**—One or more types of housing assistance may be made available under this section, based on the suitability and availability of the types of assistance, to meet the needs of individuals and households in the particular disaster situation.

(c) **TYPES OF HOUSING ASSISTANCE.**—

(1) **TEMPORARY HOUSING.**—

(A) **FINANCIAL ASSISTANCE.**—

(i) **IN GENERAL.**—The President may provide financial assistance to individuals or households to rent alternate housing accommodations, existing rental units, manufactured housing, recreational vehicles, or other readily fabricated dwellings. Such assistance may include the payment of the cost of utilities, excluding telephone service.

(ii) **AMOUNT.**—The amount of assistance under clause (i) shall be based on the fair market rent for the accommodation provided plus the cost of any transportation, utility hookups, security deposits, or unit installation not provided directly by the President.

(B) **DIRECT ASSISTANCE.**—

(i) **IN GENERAL.**—The President may provide temporary housing units, acquired by purchase or lease, directly to individuals or households who, because of a lack of available housing resources, would be unable to make use of the assistance provided under subparagraph (A).

(ii) LEASE AND REPAIR OF RENTAL UNITS FOR TEMPORARY HOUSING.—

(I) IN GENERAL.—The President, to the extent the President determines it would be a cost-effective alternative to other temporary housing options, may—

(aa) enter into lease agreements with owners of multifamily rental property located in areas covered by a major disaster declaration to house individuals and households eligible for assistance under this section; and

(bb) make repairs or improvements to properties under such lease agreements, to the extent necessary to serve as safe and adequate temporary housing.

(II) IMPROVEMENTS OR REPAIRS.—Under the terms of any lease agreement for property entered into under this subsection, the value of the improvements or repairs—

(aa) shall be deducted from the value of the lease agreement; and

(bb) may not exceed the value of the lease agreement.

(iii) PERIOD OF ASSISTANCE.—The President may not provide direct assistance under clause (i) with respect to a major disaster after the end of the 18-month period beginning on the date of the declaration of the major disaster by the President, except that the President may extend that period if the President determines that due to extraordinary circumstances an extension would be in the public interest.

(iv) COLLECTION OF RENTAL CHARGES.—After the end of the 18-month period referred to in clause (iii), the President may charge fair market rent for each temporary housing unit provided.

(2) REPAIRS.—

(A) IN GENERAL.—The President may provide financial assistance for—

(i) the repair of owner-occupied private residences, utilities, and residential infrastructure (such as a private access route) damaged by a major disaster to a safe and sanitary living or functioning condition; and

(ii) eligible hazard mitigation measures that reduce the likelihood of future damage to such residences, utilities, or infrastructure.

(B) RELATIONSHIP TO OTHER ASSISTANCE.—A recipient of assistance provided under this paragraph shall not be required to show that the assistance can be met through other means, except insurance proceeds.

(3) REPLACEMENT.—

(A) IN GENERAL.—The President may provide financial assistance for the replacement of owner-occupied private residences damaged by a major disaster.

(B) **APPLICABILITY OF FLOOD INSURANCE REQUIREMENT.**—With respect to assistance provided under this paragraph, the President may not waive any provision of Federal law requiring the purchase of flood insurance as a condition of the receipt of Federal disaster assistance.

(4) **PERMANENT HOUSING CONSTRUCTION.**—The President may provide financial assistance or direct assistance to individuals or households to construct permanent or semi-permanent housing in insular areas outside the continental United States and in other locations in cases in which—

(A) no alternative housing resources are available; and

(B) the types of temporary housing assistance described in paragraph (1) are unavailable, infeasible, or not cost-effective.

(d) **TERMS AND CONDITIONS RELATING TO HOUSING ASSISTANCE.**—

(1) **SITES.**—

(A) **IN GENERAL.**—Any readily fabricated dwelling provided under this section shall, whenever practicable, be located on a site that—

(i) is complete with utilities;

(ii) meets the physical accessibility requirements for individuals with disabilities; and

(iii) is provided by the State or local government, by the owner of the site, or by the occupant who was displaced by the major disaster.

(B) **SITES PROVIDED BY THE PRESIDENT.**—A readily fabricated dwelling may be located on a site provided by the President if the President determines that such a site would be more economical or accessible.

(2) **DISPOSAL OF UNITS.**—

(A) **SALE TO OCCUPANTS.**—

(i) **IN GENERAL.**—Notwithstanding any other provision of law, a temporary housing unit purchased under this section by the President for the purpose of housing disaster victims may be sold directly to the individual or household who is occupying the unit if the individual or household lacks permanent housing.

(ii) **SALE PRICE.**—A sale of a temporary housing unit under clause (i) shall be at a price that is fair and equitable.

(iii) **DEPOSIT OF PROCEEDS.**—Notwithstanding any other provision of law, the proceeds of a sale under clause (i) shall be deposited in the appropriate Disaster Relief Fund account.

(iv) **HAZARD AND FLOOD INSURANCE.**—A sale of a temporary housing unit under clause (i) shall be made on the condition that the individual or household purchasing the housing unit agrees to obtain and maintain hazard and flood insurance on the housing unit.

(v) **USE OF GSA SERVICES.**—The President may use the services of the General Services Administration to accomplish a sale under clause (i).

(B) OTHER METHODS OF DISPOSAL.—If not disposed of under subparagraph (A), a temporary housing unit purchased under this section by the President for the purpose of housing disaster victims—

(i) may be sold to any person; or

(ii) may be sold, transferred, donated, or otherwise made available directly to a State or other governmental entity or to a voluntary organization for the sole purpose of providing temporary housing to disaster victims in major disasters and emergencies if, as a condition of the sale, transfer, or donation, the State, other governmental agency, or voluntary organization agrees—

(I) to comply with the nondiscrimination provisions of section 308; and

(II) to obtain and maintain hazard and flood insurance on the housing unit.

(e) FINANCIAL ASSISTANCE TO ADDRESS OTHER NEEDS.—

(1) MEDICAL, DENTAL, CHILD CARE, AND FUNERAL EXPENSES.—The President, in consultation with the Governor of a State, may provide financial assistance under this section to an individual or household in the State who is adversely affected by a major disaster to meet disaster-related medical, dental, child care, and funeral expenses.

(2) PERSONAL PROPERTY, TRANSPORTATION, AND OTHER EXPENSES.—The President, in consultation with the Governor of a State, may provide financial assistance under this section to an individual or household described in paragraph (1) to address personal property, transportation, and other necessary expenses or serious needs resulting from the major disaster.

(f) STATE ROLE.—

(1) FINANCIAL ASSISTANCE TO ADDRESS OTHER NEEDS.—

(A) GRANT TO STATE.—Subject to subsection (g), a Governor may request a grant from the President to provide financial assistance to individuals and households in the State under subsection (e).

(B) ADMINISTRATIVE COSTS.—A State that receives a grant under subparagraph (A) may expend not more than 5 percent of the amount of the grant for the administrative costs of providing financial assistance to individuals and households in the State under subsection (e).

(2) ACCESS TO RECORDS.—In providing assistance to individuals and households under this section, the President shall provide for the substantial and ongoing involvement of the States in which the individuals and households are located, including by providing to the States access to the electronic records of individuals and households receiving assistance under this section in order for the States to make available any additional State and local assistance to the individuals and households.

(g) COST SHARING.—

(1) FEDERAL SHARE.—Except as provided in paragraph (2), the Federal share of the costs eligible to be paid using assistance provided under this section shall be 100 percent.

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(2) **FINANCIAL ASSISTANCE TO ADDRESS OTHER NEEDS.**—In the case of financial assistance provided under subsection (e)—
 (A) the Federal share shall be 75 percent; and
 (B) the non-Federal share shall be paid from funds made available by the State.

(h) **MAXIMUM AMOUNT OF ASSISTANCE.**—

(1) **IN GENERAL.**—No individual or household shall receive financial assistance greater than \$25,000 under this section with respect to a single major disaster.

(2) **ADJUSTMENT OF LIMIT.**—The limit established under paragraph (1) shall be adjusted annually to reflect changes in the Consumer Price Index for All Urban Consumers published by the Department of Labor.

(i) **VERIFICATION MEASURES.**—In carrying out this section, the President shall develop a system, including an electronic database, that shall allow the President, or the designee of the President, to—

(1) verify the identity and address of recipients of assistance under this section to provide reasonable assurance that payments are made only to an individual or household that is eligible for such assistance;

(2) minimize the risk of making duplicative payments or payments for fraudulent claims under this section;

(3) collect any duplicate payment on a claim under this section, or reduce the amount of subsequent payments to offset the amount of any such duplicate payment;

(4) provide instructions to recipients of assistance under this section regarding the proper use of any such assistance, regardless of how such assistance is distributed; and

(5) conduct an expedited and simplified review and appeal process for an individual or household whose application for assistance under this section is denied.

(j) **RULES AND REGULATIONS.**—The President shall prescribe rules and regulations to carry out this section, including criteria, standards, and procedures for determining eligibility for assistance.

[42 U.S.C. 5174]

[Sec. 409 repealed by section 104(c)(2) of Public Law 106-390 (114 Stat. 1559).]

UNEMPLOYMENT ASSISTANCE

SEC. 410. (a) The President is authorized to provide to any individual unemployed as a result of a major disaster such benefit assistance as he deems appropriate while such individual is unemployed for the weeks of such unemployment with respect to which the individual is not entitled to any other unemployment compensation (as that term is defined in section 85(b) of the Internal Revenue Code of 1986) or waiting period credit. Such assistance as the President shall provide shall be available to an individual as long as the individual's unemployment caused by the major disaster continues or until the individual is reemployed in a suitable position, but no longer than 26 weeks after the major disaster is declared. Such assistance for a week of unemployment shall not ex-

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ceed the maximum weekly amount authorized under the unemployment compensation law of the State in which the disaster occurred. The President is directed to provide such assistance through agreements with States which, in his judgment, have an adequate system for administering such assistance through existing State agencies.

(b) **REEMPLOYMENT ASSISTANCE.**—

(1) **STATE ASSISTANCE.**—A State shall provide, without reimbursement from any funds provided under this Act, reemployment assistance services under any other law administered by the State to individuals receiving benefits under this section.

(2) **FEDERAL ASSISTANCE.**—The President may provide reemployment assistance services under other laws to individuals who are unemployed as a result of a major disaster and who reside in a State which does not provide such services.

[42 U.S.C. 5177]

[Sec. 411 repealed by section 206(c) of Public Law 106–390 (114 Stat. 1571).]

BENEFITS AND DISTRIBUTION

SEC. 412. (a) Whenever the President determines that, as a result of a major disaster, low-income households are unable to purchase adequate amounts of nutritious food, he is authorized, under such terms and conditions as he may prescribe, to distribute through the Secretary of Agriculture or other appropriate agencies benefit allotments to such households pursuant to the provisions of the Food Stamp Act of 1964⁶ (P.L. 91–671; 84 Stat. 2048) and to make surplus commodities available pursuant to the provisions of this Act.

(b) The President, through the Secretary of Agriculture or other appropriate agencies, is authorized to continue to make such benefit allotments and surplus commodities available to such households for so long as he determines necessary, taking into consideration such factors as he deems appropriate, including the consequences of the major disaster on the earning power of the households, to which assistance is made available under this section.

(c) Nothing in this section shall be construed as amending or otherwise changing the provisions of the Food Stamp Act of 1964⁶ except as they relate to the availability of supplemental nutrition assistance program benefits in an area affected by a major disaster.

[42 U.S.C. 5179]

FOOD COMMODITIES

SEC. 413. (a) The President is authorized and directed to assure that adequate stocks of food will be ready and conveniently available for emergency mass feeding or distribution in any area of the United States which suffers a major disaster or emergency.

⁶The reference to the “Food Stamp Act of 1964” probably should be a reference to the “Food Stamp Act of 2008”. The global amendment to the Robert T. Stafford Disaster Relief and Emergency Assistance Act made by section 4002(b)(1)(C) and (2)(DD) of Public Law 110–246 to strike “Food Stamp Act” and insert “Food and Nutrition Act of 2008” was not carried out.

(b) The Secretary of Agriculture shall utilize funds appropriated under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to purchase food commodities necessary to provide adequate supplies for use in any area of the United States in the event of a major disaster or emergency in such area.

[42 U.S.C. 5180]

RELOCATION ASSISTANCE

SEC. 414. Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by such Act.

[42 U.S.C. 5181]

LEGAL SERVICES

SEC. 415. Whenever the President determines that low-income individuals are unable to secure legal services adequate to meet their needs as a consequence of a major disaster, consistent with the goals of the programs authorized by this Act, the President shall assure that such programs are conducted with the advice and assistance of appropriate Federal agencies and State and local bar associations.

[42 U.S.C. 5182]

CRISIS COUNSELING ASSISTANCE AND TRAINING

SEC. 416. The President is authorized to provide professional counseling services, including financial assistance to State or local agencies or private mental health organizations to provide such services or training of disaster workers, to victims of major disasters in order to relieve mental health problems caused or aggravated by such major disaster or its aftermath.

[42 U.S.C. 5183]

COMMUNITY DISASTER LOANS

SEC. 417. (a) IN GENERAL.—The President is authorized to make loans to any local government which may suffer a substantial loss of tax and other revenues as a result of a major disaster, and has demonstrated a need for financial assistance in order to perform its governmental functions.

(b) AMOUNT.—The amount of any such loan shall be based on need, shall not exceed—

(1) 25 percent of the annual operating budget of that local government for the fiscal year in which the major disaster occurs, and shall not exceed \$5,000,000; or

(2) if the loss of tax and other revenues of the local government as a result of the major disaster is at least 75 percent of the annual operating budget of that local government for the fiscal year in which the major disaster occurs, 50 percent of the

annual operating budget of that local government for the fiscal year in which the major disaster occurs, and shall not exceed \$5,000,000.

(c) REPAYMENT.—

(1) CANCELLATION.—Repayment of all or any part of such loan to the extent that revenues of the local government during the three full fiscal year period following the major disaster are insufficient to meet the operating budget of the local government, including additional disaster-related expenses of a municipal operation character shall be cancelled.

(2) CONDITION ON CONTINUING ELIGIBILITY.—A local government shall not be eligible for further assistance under this section during any period in which the local government is in arrears with respect to a required repayment of a loan under this section.

(d) EFFECT ON OTHER ASSISTANCE.—Any loans made under this section shall not reduce or otherwise affect any grants or other assistance under this Act.

[42 U.S.C. 5184]

EMERGENCY COMMUNICATIONS

SEC. 418. The President is authorized during, or in anticipation of, an emergency or major disaster to establish temporary communications systems and to make such communications available to State and local government officials and other persons as he deems appropriate.

[42 U.S.C. 5185]

EMERGENCY PUBLIC TRANSPORTATION

SEC. 419. The President is authorized to provide temporary public transportation service in an area affected by a major disaster to meet emergency needs and to provide transportation to governmental offices, supply centers, stores, post offices, schools, major employment centers, and such other places as may be necessary in order to enable the community to resume its normal pattern of life as soon as possible.

[42 U.S.C. 5186]

SEC. 420. FIRE MANAGEMENT ASSISTANCE.

(a) IN GENERAL.—The President is authorized to provide assistance, including grants, equipment, supplies, and personnel, to any State or local government for the mitigation, management, and control of any fire on public or private forest land or grassland that threatens such destruction as would constitute a major disaster.

(b) COORDINATION WITH STATE AND TRIBAL DEPARTMENTS OF FORESTRY.—In providing assistance under this section, the President shall coordinate with State and tribal departments of forestry.

(c) ESSENTIAL ASSISTANCE.—In providing assistance under this section, the President may use the authority provided under section 403.

(d) RULES AND REGULATIONS.—The President shall prescribe such rules and regulations as are necessary to carry out this section.

[42 U.S.C. 5187]

TIMBER SALE CONTRACTS

SEC. 421. (a) Where an existing timber sale contract between the Secretary of Agriculture or the Secretary of the Interior and a timber purchaser does not provide relief from major physical change not due to negligence of the purchaser prior to approval of construction of any section of specified road or of any other specified development facility and, as a result of a major disaster, a major physical change results in additional construction work in connection with such road or facility by such purchaser with an estimated cost, as determined by the appropriate Secretary, (1) of more than \$1,000 for sales under one million board feet, (2) of more than \$1 per thousand board feet for sales of one to three million board feet, or (3) of more than \$3,000 for sales over three million board feet, such increased construction cost shall be borne by the United States.

(b) If the appropriate Secretary determines that damages are so great that restoration, reconstruction, or construction is not practical under the cost-sharing arrangement authorized by subsection (a) of this section, he may allow cancellation of a contract entered into by his Department notwithstanding contrary provisions therein.

(c) The Secretary of Agriculture is authorized to reduce to seven days the minimum period of advance public notice required by the first section of the Act of June 4, 1897 (16 U.S.C. 476), in connection with the sale of timber from national forests, whenever the Secretary determines that (1) the sale of such timber will assist in the construction of any area of a State damaged by a major disaster, (2) the sale of such timber will assist in sustaining the economy of such area, or (3) the sale of such timber is necessary to salvage the value of timber damaged in such major disaster or to protect undamaged timber.

(d) The President, when he determines it to be in the public interest, is authorized to make grants to any State or local government for the purpose of removing from privately owned lands timber damaged as a result of a major disaster, and such State or local government is authorized upon application, to make payments out of such grants to any person for reimbursement of expenses actually incurred by such person in the removal of damaged timber, not to exceed the amount that such expenses exceed the salvage value of such timber.

[42 U.S.C. 5188]

SEC. 422. SIMPLIFIED PROCEDURE.

(a) IN GENERAL.—If the Federal estimate of the cost of—

(1) repairing, restoring, reconstructing, or replacing under section 406 any damaged or destroyed public facility or private nonprofit facility,

(2) emergency assistance under section 403 or 502, or

(3) debris removed under section 407,

is less than \$35,000 (or, if the Administrator has established a threshold under subsection (b), the amount established under subsection (b)), the President (on application of the State or local gov-

Sec. 423 ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY...**44**

ernment or the owner or operator of the private nonprofit facility) may make the contribution to such State or local government or owner or operator under section 403, 406, 407, or 502, as the case may be, on the basis of such Federal estimate. Such \$35,000 amount or, if applicable, the amount established under subsection (b), shall be adjusted annually to reflect changes in the Consumer Price Index for All Urban Consumers published by the Department of Labor.

(b) THRESHOLD.—

(1) **REPORT.**—Not later than 1 year after the date of enactment of this subsection, the President, acting through the Administrator of the Federal Emergency Management Agency (in this section referred to as the “Administrator”), shall—

(A) complete an analysis to determine whether an increase in the threshold for eligibility under subsection (a) is appropriate, which shall include consideration of cost-effectiveness, speed of recovery, capacity of grantees, past performance, and accountability measures; and

(B) submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report regarding the analysis conducted under subparagraph (A).

(2) **AMOUNT.**—After the Administrator submits the report required under paragraph (1), the President shall direct the Administrator to—

(A) immediately establish a threshold for eligibility under this section in an appropriate amount, without regard to chapter 5 of title 5, United States Code; and

(B) adjust the threshold annually to reflect changes in the Consumer Price Index for all Urban Consumers published by the Department of Labor.

(3) **REVIEW.**—Not later than 3 years after the date on which the Administrator establishes a threshold under paragraph (2), and every 3 years thereafter, the President, acting through the Administrator, shall review the threshold for eligibility under this section.

[42 U.S.C. 5189]

SEC. 423. APPEALS OF ASSISTANCE DECISIONS.

(a) **RIGHT OF APPEAL.**—Any decision regarding eligibility for, from, or amount of assistance under this title may be appealed within 60 days after the date on which the applicant for such assistance is notified of the award or denial of award of such assistance.

(b) **PERIOD FOR DECISION.**—A decision regarding an appeal under subsection (a) shall be rendered within 90 days after the date on which the Federal official designated to administer such appeals receives notice of such appeal.

(c) **RULES.**—The President shall issue rules which provide for the fair and impartial consideration of appeals under this section.

[42 U.S.C. 5189a]

45 ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY... Sec. 427**SEC. 424. DATE OF ELIGIBILITY; EXPENSES INCURRED BEFORE DATE OF DISASTER.**

Eligibility for Federal assistance under this title shall begin on the date of the occurrence of the event which results in a declaration by the President that a major disaster exists; except that reasonable expenses which are incurred in anticipation of and immediately preceding such event may be eligible for Federal assistance under this Act.

[42 U.S.C. 5189b]

SEC. 425. TRANSPORTATION ASSISTANCE TO INDIVIDUALS AND HOUSEHOLDS.

The President may provide transportation assistance to relocate individuals displaced from their predisaster primary residences as a result of an incident declared under this Act or otherwise transported from their predisaster primary residences under section 403(a)(3) or 502, to and from alternative locations for short or long-term accommodation or to return an individual or household to their predisaster primary residence or alternative location, as determined necessary by the President.

[42 U.S.C. 5189c]

SEC. 426. CASE MANAGEMENT SERVICES.

The President may provide case management services, including financial assistance, to State or local government agencies or qualified private organizations to provide such services, to victims of major disasters to identify and address unmet needs.

[42 U.S.C. 5189d]

SEC. 427. ESSENTIAL SERVICE PROVIDERS.

(a) **DEFINITION.**—In this section, the term “essential service provider” means an entity that—

(1) provides—

- (A) telecommunications service;
- (B) electrical power;
- (C) natural gas;
- (D) water and sewer services; or
- (E) any other essential service, as determined by the President;

(2) is—

- (A) a municipal entity;
- (B) a nonprofit entity; or
- (C) a private, for profit entity; and

(3) is contributing to efforts to respond to an emergency or major disaster.

(b) **AUTHORIZATION FOR ACCESSIBILITY.**—Unless exceptional circumstances apply, in an emergency or major disaster, the head of a Federal agency, to the greatest extent practicable, shall not—

(1) deny or impede access to the disaster site to an essential service provider whose access is necessary to restore and repair an essential service; or

(2) impede the restoration or repair of the services described in subsection (a)(1).

(c) **IMPLEMENTATION.**—In implementing this section, the head of a Federal agency shall follow all applicable Federal laws, regulations, and policies.

[42 U.S.C. 5189e]

SEC. 428. PUBLIC ASSISTANCE PROGRAM ALTERNATIVE PROCEDURES.

(a) **APPROVAL OF PROJECTS.**—The President, acting through the Administrator of the Federal Emergency Management Agency, may approve projects under the alternative procedures adopted under this section for any major disaster or emergency declared on or after the date of enactment of this section⁷. The Administrator may also apply the alternate procedures adopted under this section to a major disaster or emergency declared before enactment of this Act⁷ for which construction has not begun as of the date of enactment of this Act⁷.

(b) **ADOPTION.**—The Administrator, in coordination with States, tribal and local governments, and owners or operators of private nonprofit facilities, may adopt alternative procedures to administer assistance provided under sections 403(a)(3)(A), 406, 407, and 502(a)(5).

(c) **GOALS OF PROCEDURES.**—The alternative procedures adopted under subsection (a) shall further the goals of—

(1) reducing the costs to the Federal Government of providing such assistance;

(2) increasing flexibility in the administration of such assistance;

(3) expediting the provision of such assistance to a State, tribal or local government, or owner or operator of a private nonprofit facility; and

(4) providing financial incentives and disincentives for a State, tribal or local government, or owner or operator of a private nonprofit facility for the timely and cost-effective completion of projects with such assistance.

(d) **PARTICIPATION.**—Participation in the alternative procedures adopted under this section shall be at the election of a State, tribal or local government, or owner or operator of a private nonprofit facility consistent with procedures determined by the Administrator.

(e) **MINIMUM PROCEDURES.**—The alternative procedures adopted under this section shall include the following:

(1) For repair, restoration, and replacement of damaged facilities under section 406—

(A) making grants on the basis of fixed estimates, if the State, tribal or local government, or owner or operator of the private nonprofit facility agrees to be responsible for any actual costs that exceed the estimate;

(B) providing an option for a State, tribal or local government, or owner or operator of a private nonprofit facility to elect to receive an in-lieu contribution, without reduction, on the basis of estimates of—

(i) the cost of repair, restoration, reconstruction, or replacement of a public facility owned or controlled

⁷The date of enactment of P.L. 113-2 is January 29, 2013.

by the State, tribal or local government or owner or operator of a private nonprofit facility; and

(ii) management expenses;

(C) consolidating, to the extent determined appropriate by the Administrator, the facilities of a State, tribal or local government, or owner or operator of a private nonprofit facility as a single project based upon the estimates adopted under the procedures;

(D) if the actual costs of a project completed under the procedures are less than the estimated costs thereof, the Administrator may permit a grantee or subgrantee to use all or part of the excess funds for—

(i) cost-effective activities that reduce the risk of future damage, hardship, or suffering from a major disaster; and

(ii) other activities to improve future Public Assistance operations or planning;

(E) in determining eligible costs under section 406, the Administrator shall make available, at an applicant's request and where the Administrator or the certified cost estimate prepared by the applicant's professionally licensed engineers has estimated an eligible Federal share for a project of at least \$5,000,000, an independent expert panel to validate the estimated eligible cost consistent with applicable regulations and policies implementing this section; and

(F) in determining eligible costs under section 406, the Administrator shall, at the applicant's request, consider properly conducted and certified cost estimates prepared by professionally licensed engineers (mutually agreed upon by the Administrator and the applicant), to the extent that such estimates comply with applicable regulations, policy, and guidance.

(2) For debris removal under sections 403(a)(3)(A), 407, and 502(a)(5)—

(A) making grants on the basis of fixed estimates to provide financial incentives and disincentives for the timely or cost-effective completion if the State, tribal or local government, or owner or operator of the private nonprofit facility agrees to be responsible to pay for any actual costs that exceed the estimate;

(B) using a sliding scale for determining the Federal share for removal of debris and wreckage based on the time it takes to complete debris and wreckage removal;

(C) allowing use of program income from recycled debris without offset to the grant amount;

(D) reimbursing base and overtime wages for employees and extra hires of a State, tribal or local government, or owner or operator of a private nonprofit facility performing or administering debris and wreckage removal;

(E) providing incentives to a State or tribal or local government to have a debris management plan approved by the Administrator and have pre-qualified 1 or more de-

bris and wreckage removal contractors before the date of declaration of the major disaster; and

(F) if the actual costs of projects under subparagraph (A) are less than the estimated costs of the project, the Administrator may permit a grantee or subgrantee to use all or part of the excess funds for—

- (i) debris management planning;
- (ii) acquisition of debris management equipment for current or future use; and
- (iii) other activities to improve future debris removal operations, as determined by the Administrator.

(f) **WAIVER AUTHORITY.**—Until such time as the Administrator promulgates regulations to implement this section, the Administrator may—

(1) waive notice and comment rulemaking, if the Administrator determines the waiver is necessary to expeditiously implement this section; and

(2) carry out the alternative procedures under this section as a pilot program.

(g) **OVERTIME PAYMENTS.**—The guidelines for reimbursement for costs under subsection (e)(2)(D) shall ensure that no State or local government is denied reimbursement for overtime payments that are required pursuant to the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

(h) **REPORT.**—

(1) **IN GENERAL.**—Not earlier than 3 years, and not later than 5 years, after the date of enactment of this section, the Inspector General of the Department of Homeland Security shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives a report on the alternative procedures for the repair, restoration, and replacement of damaged facilities under section 406 authorized under this section.

(2) **CONTENTS.**—The report shall contain an assessment of the effectiveness of the alternative procedures, including—

(A) whether the alternative procedures helped to improve the general speed of disaster recovery;

(B) the accuracy of the estimates relied upon;

(C) whether the financial incentives and disincentives were effective;

(D) whether the alternative procedures were cost effective;

(E) whether the independent expert panel described in subsection (e)(1)(E) was effective; and

(F) recommendations for whether the alternative procedures should be continued and any recommendations for changes to the alternative procedures.

[42 U.S.C. 5189f]

SEC. 429. UNIFIED FEDERAL REVIEW.

(a) **IN GENERAL.**—Not later than 18 months after the date of enactment of this section, and in consultation with the Council on Environmental Quality and the Advisory Council on Historic Pres-

ervation, the President shall establish an expedited and unified interagency review process to ensure compliance with environmental and historic requirements under Federal law relating to disaster recovery projects, in order to expedite the recovery process, consistent with applicable law.

(b) CONTENTS.—The review process established under this section shall include mechanisms to expeditiously address delays that may occur during the recovery from a major disaster and be updated, as appropriate, consistent with applicable law.

[42 U.S.C. 5189g]

TITLE V—EMERGENCY ASSISTANCE PROGRAMS

SEC. 501. PROCEDURE FOR DECLARATION.

(a) REQUEST AND DECLARATION.—All requests for a declaration by the President that an emergency exists shall be made by the Governor of the affected State. Such a request shall be based on a finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As a part of such request, and as a prerequisite to emergency assistance under this Act, the Governor shall take appropriate action under State law and direct execution of the State's emergency plan. The Governor shall furnish information describing the State and local efforts and resources which have been or will be used to alleviate the emergency, and will define the type and extent of Federal aid required. Based upon such Governor's request, the President may declare that an emergency exists.

(b) CERTAIN EMERGENCIES INVOLVING FEDERAL PRIMARY RESPONSIBILITY.—The President may exercise any authority vested in him by section 502 or section 503 with respect to an emergency when he determines that an emergency exists for which the primary responsibility for response rests with the United States because the emergency involves a subject area for which, under the Constitution or laws of the United States, the United States exercises exclusive or preeminent responsibility and authority. In determining whether or not such an emergency exists, the President shall consult the Governor of any affected State, if practicable. The President's determination may be made without regard to subsection (a).

(c) INDIAN TRIBAL GOVERNMENT REQUESTS.—

(1) IN GENERAL.—The Chief Executive of an affected Indian tribal government may submit a request for a declaration by the President that an emergency exists consistent with the requirements of subsection (a).

(2) REFERENCES.—In implementing assistance authorized by the President under this title in response to a request of the Chief Executive of an affected Indian tribal government for an emergency declaration, any reference in this title or title III (except sections 310 and 326) to a State or the Governor of a State is deemed to refer to an affected Indian tribal govern-

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ment or the Chief Executive of an affected Indian tribal government, as appropriate.

(3) SAVINGS PROVISION.—Nothing in this subsection shall prohibit an Indian tribal government from receiving assistance under this title through a declaration made by the President at the request of a State under subsection (a) if the President does not make a declaration under this subsection for the same incident.

[42 U.S.C. 5191]

SEC. 502. FEDERAL EMERGENCY ASSISTANCE.

(a) SPECIFIED.—In any emergency, the President may—

(1) direct any Federal agency, with or without reimbursement, to utilize its authorities and the resources granted to it under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical and advisory services) in support of State and local emergency assistance efforts to save lives, protect property and public health and safety, and lessen or avert the threat of a catastrophe, including precautionary evacuations;

(2) coordinate all disaster relief assistance (including voluntary assistance) provided by Federal agencies, private organizations, and State and local governments;

(3) provide technical and advisory assistance to affected State and local governments for—

(A) the performance of essential community services;

(B) issuance of warnings of risks or hazards;

(C) public health and safety information, including dissemination of such information;

(D) provision of health and safety measures; and

(E) management, control, and reduction of immediate threats to public health and safety;

(4) provide emergency assistance through Federal agencies;

(5) remove debris in accordance with the terms and conditions of section 407;

(6) provide assistance in accordance with section 408;

(7) assist State and local governments in the distribution of medicine, food, and other consumable supplies, and emergency assistance; and

(8) provide accelerated Federal assistance and Federal support where necessary to save lives, prevent human suffering, or mitigate severe damage, which may be provided in the absence of a specific request and in which case the President—

(A) shall, to the fullest extent practicable, promptly notify and coordinate with a State in which such assistance or support is provided; and

(B) shall not, in notifying and coordinating with a State under subparagraph (A), delay or impede the rapid deployment, use, and distribution of critical resources to victims of an emergency.

(b) GENERAL.—Whenever the Federal assistance provided under subsection (a) with respect to an emergency is inadequate, the President may also provide assistance with respect to efforts to

save lives, protect property and public health and safety, and lessen or avert the threat of a catastrophe, including precautionary evacuations.

(c) **GUIDELINES.**—The President shall promulgate and maintain guidelines to assist Governors in requesting the declaration of an emergency in advance of a natural or man-made disaster (including for the purpose of seeking assistance with special needs and other evacuation efforts) under this section by defining the types of assistance available to affected States and the circumstances under which such requests are likely to be approved.

[42 U.S.C. 5192]

SEC. 503. AMOUNT OF ASSISTANCE.

(a) **FEDERAL SHARE.**—The Federal share for assistance provided under this title shall be equal to not less than 75 percent of the eligible costs.

(b) **LIMIT ON AMOUNT OF ASSISTANCE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), total assistance provided under this title for a single emergency shall not exceed \$5,000,000.

(2) **ADDITIONAL ASSISTANCE.**—The limitation described in paragraph (1) may be exceeded when the President determines that—

(A) continued emergency assistance is immediately required;

(B) there is a continuing and immediate risk to lives, property, public health or safety; and

(C) necessary assistance will not otherwise be provided on a timely basis.

(3) **REPORT.**—Whenever the limitation described in paragraph (1) is exceeded, the President shall report to the Congress on the nature and extent of emergency assistance requirements and shall propose additional legislation if necessary.

[42 U.S.C. 5193]

TITLE VI—EMERGENCY PREPAREDNESS

SEC. 601. DECLARATION OF POLICY.

The purpose of this title is to provide a system of emergency preparedness for the protection of life and property in the United States from hazards and to vest responsibility for emergency preparedness jointly in the Federal Government and the States and their political subdivisions. The Congress recognizes that the organizational structure established jointly by the Federal Government and the States and their political subdivisions for emergency preparedness purposes can be effectively utilized to provide relief and assistance to people in areas of the United States struck by a hazard. The Federal Government shall provide necessary direction, coordination, and guidance, and shall provide necessary assistance, as authorized in this title so that a comprehensive emergency preparedness system exists for all hazards.

[42 U.S.C. 5195]

SEC. 602. DEFINITIONS.

(a) **DEFINITIONS.**—For purposes of this title only:

(1) **HAZARD.**—The term “hazard” means an emergency or disaster resulting from—

(A) a natural disaster; or

(B) an accidental or man-caused event.

(2) **NATURAL DISASTER.**—The term “natural disaster” means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, or other catastrophe in any part of the United States which causes, or which may cause, substantial damage or injury to civilian property or persons.

(3) **EMERGENCY PREPAREDNESS.**—The term “emergency preparedness” means all those activities and measures designed or undertaken to prepare for or minimize the effects of a hazard upon the civilian population, to deal with the immediate emergency conditions which would be created by the hazard, and to effectuate emergency repairs to, or the emergency restoration of, vital utilities and facilities destroyed or damaged by the hazard. Such term includes the following:

(A) Measures to be undertaken in preparation for anticipated hazards (including the establishment of appropriate organizations, operational plans, and supporting agreements, the recruitment and training of personnel, the conduct of research, the procurement and stockpiling of necessary materials and supplies, the provision of suitable warning systems, the construction or preparation of shelters, shelter areas, and control centers, and, when appropriate, the non-military evacuation of the civilian population).

(B) Measures to be undertaken during a hazard (including the enforcement of passive defense regulations prescribed by duly established military or civil authorities, the evacuation of personnel to shelter areas, the control of traffic and panic, and the control and use of lighting and civil communications).

(C) Measures to be undertaken following a hazard (including activities for fire fighting, rescue, emergency medical, health and sanitation services, monitoring for specific dangers of special weapons, unexploded bomb reconnaissance, essential debris clearance, emergency welfare measures, and immediately essential emergency repair or restoration of damaged vital facilities).

(4) **ORGANIZATIONAL EQUIPMENT.**—The term “organizational equipment” means equipment determined by the Administrator to be necessary to an emergency preparedness organization, as distinguished from personal equipment, and of such a type or nature as to require it to be financed in whole or in part by the Federal Government. Such term does not include those items which the local community normally uses in combating local disasters, except when required in unusual quantities dictated by the requirements of the emergency preparedness plans.

(5) **MATERIALS.**—The term “materials” includes raw materials, supplies, medicines, equipment, component parts and technical information and processes necessary for emergency preparedness.

(6) **FACILITIES.**—The term “facilities”, except as otherwise provided in this title, includes buildings, shelters, utilities, and land.

(7) **ADMINISTRATOR.**—The term “Administrator” means the Administrator of the Federal Emergency Management Agency.

(8) **NEIGHBORING COUNTRIES.**—The term “neighboring countries” includes Canada and Mexico.

(9) **UNITED STATES AND STATES.**—The terms “United States” and “States” includes⁸ the several States, the District of Columbia, and territories and possessions of the United States.

(10) **STATE.**—The term “State” includes interstate emergency preparedness authorities established under section 611(h).

(b) **CROSS REFERENCE.**—The terms “national defense” and “defense,” as used in the Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.), includes⁸ emergency preparedness activities conducted pursuant to this title.

[42 U.S.C. 5195a]

SEC. 603. ADMINISTRATION OF TITLE.

This title shall be carried out by the Administrator of the Federal Emergency Management Agency.

[42 U.S.C. 5195b]

Subtitle A—Powers and Duties

SEC. 611. DETAILED FUNCTIONS OF ADMINISTRATION.

(a) **IN GENERAL.**—In order to carry out the policy described in section 601, the Administrator shall have the authorities provided in this section.

(b) **FEDERAL EMERGENCY RESPONSE PLANS AND PROGRAMS.**—The Administrator may prepare Federal response plans and programs for the emergency preparedness of the United States and sponsor and direct such plans and programs. To prepare such plans and programs and coordinate such plans and programs with State efforts, the Administrator may request such reports on State plans and operations for emergency preparedness as may be necessary to keep the President, Congress, and the States advised of the status of emergency preparedness in the United States.

(c) **DELEGATION OF EMERGENCY PREPAREDNESS RESPONSIBILITIES.**—With the approval of the President, the Administrator may delegate to other departments and agencies of the Federal Government appropriate emergency preparedness responsibilities and review and coordinate the emergency preparedness activities of the departments and agencies with each other and with the activities of the States and neighboring countries.

⁸The word “includes” in subsections (a)(9) and (b) probably should read “include”.

(d) **COMMUNICATIONS AND WARNINGS.**—The Administrator may make appropriate provision for necessary emergency preparedness communications and for dissemination of warnings to the civilian population of a hazard.

(e) **EMERGENCY PREPAREDNESS MEASURES.**—The Administrator may study and develop emergency preparedness measures designed to afford adequate protection of life and property, including—

(1) research and studies as to the best methods of treating the effects of hazards;

(2) developing shelter designs and materials for protective covering or construction;

(3) developing equipment or facilities and effecting the standardization thereof to meet emergency preparedness requirements; and

(4) plans that take into account the needs of individuals with pets and service animals prior to, during, and following a major disaster or emergency.

(f) **TRAINING PROGRAMS.**—(1) The Administrator may—

(A) conduct or arrange, by contract or otherwise, for training programs for the instruction of emergency preparedness officials and other persons in the organization, operation, and techniques of emergency preparedness;

(B) conduct or operate schools or including the payment of travel expenses, in accordance with subchapter I of chapter 57 of title 5, United States Code, and the Standardized Government Travel Regulations, and per diem allowances, in lieu of subsistence for trainees in attendance or the furnishing of subsistence and quarters for trainees and instructors on terms prescribed by the Administrator; and

(C) provide instructors and training aids as necessary.

(2) The terms prescribed by the Administrator for the payment of travel expenses and per diem allowances authorized by this subsection shall include a provision that such payment shall not exceed one-half of the total cost of such expenses.

(3) The Administrator may lease real property required for the purpose of carrying out this subsection, but may not acquire fee title to property unless specifically authorized by law.

(g) **PUBLIC DISSEMINATION OF EMERGENCY PREPAREDNESS INFORMATION.**—The Administrator may publicly disseminate appropriate emergency preparedness information by all appropriate means.

(h) **EMERGENCY PREPAREDNESS COMPACTS.**—(1) The Administrator shall establish a program supporting the development of emergency preparedness compacts for acts of terrorism, disasters, and emergencies throughout the Nation, by—

(A) identifying and cataloging existing emergency preparedness compacts for acts of terrorism, disasters, and emergencies at the State and local levels of government;

(B) disseminating to State and local governments examples of best practices in the development of emergency preparedness compacts and models of existing emergency preparedness compacts, including agreements involving interstate jurisdictions; and

(C) completing an inventory of Federal response capabilities for acts of terrorism, disasters, and emergencies, making such inventory available to appropriate Federal, State, and local government officials, and ensuring that such inventory is as current and accurate as practicable.

(2) The Administrator may—

(A) assist and encourage the States to negotiate and enter into interstate emergency preparedness compacts;

(B) review the terms and conditions of such proposed compacts in order to assist, to the extent feasible, in obtaining uniformity between such compacts and consistency with Federal emergency response plans and programs;

(C) assist and coordinate the activities under such compacts; and

(D) aid and assist in encouraging reciprocal emergency preparedness legislation by the States which will permit the furnishing of mutual aid for emergency preparedness purposes in the event of a hazard which cannot be adequately met or controlled by a State or political subdivision thereof threatened with or experiencing a hazard.

(3) A copy of each interstate emergency preparedness compact shall be transmitted promptly to the Senate and the House of Representatives. The consent of Congress is deemed to be granted to each such compact upon the expiration of the 60-day period beginning on the date on which the compact is transmitted to Congress.

(4) Nothing in this subsection shall be construed as preventing Congress from disapproving, or withdrawing at any time its consent to, any interstate emergency preparedness compact.

(i) MATERIALS AND FACILITIES.—(1) The Administrator may procure by condemnation or otherwise, construct, lease, transport, store, maintain, renovate or distribute materials and facilities for emergency preparedness, with the right to take immediate possession thereof.

(2) Facilities acquired by purchase, donation, or other means of transfer may be occupied, used, and improved for the purposes of this title before the approval of title by the Attorney General as required by section 355 of the Revised Statutes (40 U.S.C. 255).

(3) The Administrator may lease real property required for the purpose of carrying out the provisions of this subsection, but shall not acquire fee title to property unless specifically authorized by law.

(4) The Administrator may procure and maintain under this subsection radiological, chemical, bacteriological, and biological agent monitoring and decontamination devices and distribute such devices by loan or grant to the States for emergency preparedness purposes, under such terms and conditions as the Administrator shall prescribe.

(j) FINANCIAL CONTRIBUTIONS.—(1) The Administrator may make financial contributions, on the basis of programs or projects approved by the Administrator, to the States for emergency preparedness purposes, including the procurement, construction, leasing, or renovating of materials and facilities. Such contributions shall be made on such terms or conditions as the Administrator shall prescribe, including the method of purchase, the quantity,

quality, or specifications of the materials or facilities, and such other factors or care or treatment to assure the uniformity, availability, and good condition of such materials or facilities.

(2) The Administrator may make financial contributions, on the basis of programs or projects approved by the Administrator, to the States and local authorities for animal emergency preparedness purposes, including the procurement, construction, leasing, or renovating of emergency shelter facilities and materials that will accommodate people with pets and service animals.

(3) No contribution may be made under this subsection for the procurement of land or for the purchase of personal equipment for State or local emergency preparedness workers.

(4) The amounts authorized to be contributed by the Administrator to each State for organizational equipment shall be equally matched by such State from any source it determines is consistent with its laws.

(5) Financial contributions to the States for shelters and other protective facilities shall be determined by taking the amount of funds appropriated or available to the Administrator for such facilities in each fiscal year and apportioning such funds among the States in the ratio which the urban population of the critical target areas (as determined by the Administrator) in each State, at the time of the determination, bears to the total urban population of the critical target areas of all of the States.

(6) The amounts authorized to be contributed by the Administrator to each State for such shelters and protective facilities shall be equally matched by such State from any source it determines is consistent with its laws and, if not matched within a reasonable time, the Administrator may reallocate such amounts to other States under the formula described in paragraph (4). The value of any land contributed by any State or political subdivision thereof shall be excluded from the computation of the State share under this subsection.

(7) The amounts paid to any State under this subsection shall be expended solely in carrying out the purposes set forth herein and in accordance with State emergency preparedness programs or projects approved by the Administrator. The Administrator shall make no contribution toward the cost of any program or project for the procurement, construction, or leasing of any facility which (A) is intended for use, in whole or in part, for any purpose other than emergency preparedness, and (B) is of such kind that upon completion it will, in the judgment of the Administrator, be capable of producing sufficient revenue to provide reasonable assurance of the retirement or repayment of such cost; except that (subject to the preceding provisions of this subsection) the Administrator may make a contribution to any State toward that portion of the cost of the construction, reconstruction, or enlargement of any facility which the Administrator determines to be directly attributable to the incorporation in such facility of any feature of construction or design not necessary for the principal intended purpose thereof but which is, in the judgment of the Administrator necessary for the use of such facility for emergency preparedness purposes.

(8) The Administrator shall submit to Congress a report, at least annually, regarding all contributions made pursuant to this subsection.

(9) All laborers and mechanics employed by contractors or sub-contractors in the performance of construction work financed with the assistance of any contribution of Federal funds made by the Administrator under this subsection shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (commonly known as the Davis-Bacon Act (40 U.S.C. 276a-276a-5)), and every such employee shall receive compensation at a rate not less than one and ½ times the basic rate of pay of the employee for all hours worked in any workweek in excess of eight hours in any workday or 40 hours in the workweek, as the case may be. The Administrator shall make no contribution of Federal funds without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this subsection, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (5 U.S.C. App.) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276(c)).

(k) **SALE OR DISPOSAL OF CERTAIN MATERIALS AND FACILITIES.**—The Administrator may arrange for the sale or disposal of materials and facilities found by the Administrator to be unnecessary or unsuitable for emergency preparedness purposes in the same manner as provided for excess property under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.). Any funds received as proceeds from the sale or other disposition of such materials and facilities shall be deposited into the Treasury as miscellaneous receipts.

[42 U.S.C. 5196]

SEC. 612. MUTUAL AID PACTS BETWEEN STATES AND NEIGHBORING COUNTRIES.

The Administrator shall give all practicable assistance to States in arranging, through the Department of State, mutual emergency preparedness aid between the States and neighboring countries.

[42 U.S.C. 5196a]

SEC. 613. CONTRIBUTIONS FOR PERSONNEL AND ADMINISTRATIVE EXPENSES.

(a) **GENERAL AUTHORITY.**—To further assist in carrying out the purposes of this title, the Administrator may make financial contributions to the States (including interstate emergency preparedness authorities established pursuant to section 611(h)) for necessary and essential State and local emergency preparedness personnel and administrative expenses, on the basis of approved plans (which shall be consistent with the Federal emergency response plans for emergency preparedness) for the emergency preparedness of the States. The financial contributions to the States under this section may not exceed one-half of the total cost of such necessary and essential State and local emergency preparedness personnel and administrative expenses.

(b) **PLAN REQUIREMENTS.**—A plan submitted under this section shall—

(1) provide, pursuant to State law, that the plan shall be in effect in all political subdivisions of the State and be mandatory on them and be administered or supervised by a single State agency;

(2) provide that the State shall share the financial assistance with that provided by the Federal Government under this section from any source determined by it to be consistent with State law;

(3) provide for the development of State and local emergency preparedness operational plans, including a catastrophic incident annex, pursuant to standards approved by the Administrator;

(4) provide for the employment of a full-time emergency preparedness director, or deputy director, by the State;

(5) provide that the State shall make such reports in such form and content as the Administrator may require;

(6) make available to duly authorized representatives of the Administrator and the Comptroller General, books, records, and papers necessary to conduct audits for the purposes of this section; and

(7) include a plan for providing information to the public in a coordinated manner.

(c) **CATASTROPHIC INCIDENT ANNEX.**—

(1) **CONSISTENCY.**—A catastrophic incident annex submitted under subsection (b)(3) shall be—

(A) modeled after the catastrophic incident annex of the National Response Plan; and

(B) consistent with the national preparedness goal established under section 643 of the Post-Katrina Emergency Management Reform Act of 2006, the National Incident Management System, the National Response Plan, and other related plans and strategies.

(2) **CONSULTATION.**—In developing a catastrophic incident annex submitted under subsection (b)(3), a State shall consult with and seek appropriate comments from local governments, emergency response providers, locally governed multijurisdictional councils of government, and regional planning commissions.

(d) **TERMS AND CONDITIONS.**—The Administrator shall establish such other terms and conditions as the Administrator considers necessary and proper to carry out this section.

(e) **APPLICATION OF OTHER PROVISIONS.**—In carrying out this section, the provisions of section⁹ 611(h) and 621(h) shall apply.

(f) **ALLOCATION OF FUNDS.**—For each fiscal year concerned, the Administrator shall allocate to each State, in accordance with regulations and the total sum appropriated under this title, amounts to be made available to the States for the purposes of this section. Regulations governing allocations to the States under this subsection shall give due regard to (1) the criticality of the areas which may be affected by hazards with respect to the development of the

⁹So in law. The word "section" in subsection (e) probably should read "sections".

total emergency preparedness readiness of the United States, (2) the relative state of development of emergency preparedness readiness of the State, (3) population, and (4) such other factors as the Administrator shall prescribe. The Administrator may reallocate the excess of any allocation not used by a State in a plan submitted under this section. Amounts paid to any State or political subdivision under this section shall be expended solely for the purposes set forth in this section.

(g) **STANDARDS FOR STATE AND LOCAL EMERGENCY PREPAREDNESS OPERATIONAL PLANS.**—In approving standards for State and local emergency preparedness operational plans pursuant to subsection (b)(3), the Administrator shall ensure that such plans take into account the needs of individuals with household pets and service animals prior to, during, and following a major disaster or emergency.

(h) **SUBMISSION OF PLAN.**—If a State fails to submit a plan for approval as required by this section within 60 days after the Administrator notifies the States of the allocations under this section, the Administrator may reallocate such funds, or portions thereof, among the other States in such amounts as, in the judgment of the Administrator, will best assure the adequate development of the emergency preparedness capability of the United States.

(h) ¹⁰ **ANNUAL REPORTS.**—The Administrator shall report annually to the Congress all contributions made pursuant to this section.

[42 U.S.C. 5196b]

SEC. 614. GRANTS FOR CONSTRUCTION OF EMERGENCY OPERATIONS CENTERS.

(a) **GRANTS.**—The Administrator of the Federal Emergency Management Agency may make grants to States under this title for equipping, upgrading, and constructing State and local emergency operations centers.

(b) **FEDERAL SHARE.**—Notwithstanding any other provision of this title, the Federal share of the cost of an activity carried out using amounts from grants made under this section shall not exceed 75 percent.

[42 U.S.C. 5196c]

SEC. 615. USE OF FUNDS TO PREPARE FOR AND RESPOND TO HAZARDS.

Funds made available to the States under this title may be used by the States for the purposes of preparing for hazards and providing emergency assistance in response to hazards. Regulations prescribed to carry out this section shall authorize the use of emergency preparedness personnel, materials, and facilities supported in whole or in part through contributions under this title for emergency preparedness activities and measures related to hazards.

[42 U.S.C. 5196d]

¹⁰ So in law. Two subsections (h) have been enacted.

SEC. 616. DISASTER RELATED INFORMATION SERVICES.

(a) **IN GENERAL.**—Consistent with section 308(a), the Administrator of¹¹ Federal Emergency Management Agency shall—

(1) identify, in coordination with State and local governments, population groups with limited English proficiency and take into account such groups in planning for an emergency or major disaster;

(2) ensure that information made available to individuals affected by a major disaster or emergency is made available in formats that can be understood by—

(A) population groups identified under paragraph (1);

and

(B) individuals with disabilities or other special needs;

and

(3) develop and maintain an informational clearinghouse of model language assistance programs and best practices for State and local governments in providing services related to a major disaster or emergency.

(b) **GROUP SIZE.**—For purposes of subsection (a), the Administrator of Federal Emergency Management Agency shall define the size of a population group.

[42 U.S.C. 5196f]

Subtitle B—General Provisions

SEC. 621. ADMINISTRATIVE AUTHORITY.

(a) **IN GENERAL.**—For the purpose of carrying out the powers and duties assigned to the Administrator under this title, the Administrator may exercise the administrative authorities provided under this section.

(b) **ADVISORY PERSONNEL.**—(1) The Administrator may employ not more than 100 part-time or temporary advisory personnel (including not to exceed 25 subjects of the United Kingdom or citizens of Canada) as the Administrator considers to be necessary in carrying out the provisions of this title.

(2) Persons holding other offices or positions under the United States for which they receive compensation, while serving as advisory personnel, shall receive no additional compensation for such service. Other part-time or temporary advisory personnel so employed may serve without compensation or may receive compensation at a rate not to exceed \$180 for each day of service, plus authorized subsistence and travel, as determined by the Administrator.

(c) **SERVICES OF OTHER AGENCY PERSONNEL AND VOLUNTEERS.**—The Administrator may—

(1) use the services of Federal agencies and, with the consent of any State or local government, accept and use the services of State and local agencies;

(2) establish and use such regional and other offices as may be necessary; and

¹¹ So in law. Probably should read "of the Federal".

(3) use such voluntary and uncompensated services by individuals or organizations as may from time to time be needed.

(d) GIFTS.—Notwithstanding any other provision of law, the Administrator may accept gifts of supplies, equipment, and facilities and may use or distribute such gifts for emergency preparedness purposes in accordance with the provisions of this title.

(e) REIMBURSEMENT.—The Administrator may reimburse any Federal agency for any of its expenditures or for compensation of its personnel and use or consumption of its materials and facilities under this title to the extent funds are available.

(f) PRINTING.—The Administrator may purchase such printing, binding, and blank-book work from public, commercial, or private printing establishments or binderies as the Administrator considers necessary upon orders placed by the Public Printer or upon waivers issued in accordance with section 504 of title 44, United States Code.

(g) RULES AND REGULATIONS.—The Administrator may prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this title and perform any of the powers and duties provided by this title. The Administrator may perform any of the powers and duties provided by this title through or with the aid of such officials of the Federal Emergency Management Agency as the Administrator may designate.

(h) FAILURE TO EXPEND CONTRIBUTIONS CORRECTLY.—(1) When, after reasonable notice and opportunity for hearing to the State or other person involved, the Administrator finds that there is a failure to expend funds in accordance with the regulations, terms, and conditions established under this title for approved emergency preparedness plans, programs, or projects, the Administrator may notify such State or person that further payments will not be made to the State or person from appropriations under this title (or from funds otherwise available for the purposes of this title for any approved plan, program, or project with respect to which there is such failure to comply) until the Administrator is satisfied that there will no longer be any such failure.

(2) Until so satisfied, the Administrator shall either withhold the payment of any financial contribution to such State or person or limit payments to those programs or projects with respect to which there is substantial compliance with the regulations, terms, and conditions governing plans, programs, or projects hereunder.

(3) As used in this subsection, the term “person” means the political subdivision of any State or combination or group thereof or any person, corporation, association, or other entity of any nature whatsoever, including instrumentalities of States and political subdivisions.

[42 U.S.C. 5197]

SEC. 622. SECURITY REGULATIONS.

(a) ESTABLISHMENT.—The Administrator shall establish such security requirements and safeguards, including restrictions with respect to access to information and property as the Administrator considers necessary.

(b) LIMITATIONS ON EMPLOYEE ACCESS TO INFORMATION.—No employee of the Federal Emergency Management Agency shall be

permitted to have access to information or property with respect to which access restrictions have been established under this section, until it shall have been determined that no information is contained in the files of the Federal Bureau of Investigation or any other investigative agency of the Government indicating that such employee is of questionable loyalty or reliability for security purposes, or if any such information is so disclosed, until the Federal Bureau of Investigation shall have conducted a full field investigation concerning such person and a report thereon shall have been evaluated in writing by the Administrator.

(c) NATIONAL SECURITY POSITIONS.—No employee of the Federal Emergency Management Agency shall occupy any position determined by the Administrator to be of critical importance from the standpoint of national security until a full field investigation concerning such employee shall have been conducted by the Director of the Office of Personnel Management and a report thereon shall have been evaluated in writing by the Administrator of the Federal Emergency Management Agency. In the event such full field investigation by the Director of the Office of Personnel Management develops any data reflecting that such applicant for a position of critical importance is of questionable loyalty or reliability for security purposes, or if the Administrator of the Federal Emergency Management Agency for any other reason considers it to be advisable, such investigation shall be discontinued and a report thereon shall be referred to the Administrator of the Federal Emergency Management Agency for evaluation in writing. Thereafter, the Administrator of the Federal Emergency Management Agency may refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation by such Bureau. The result of such latter investigation by such Bureau shall be furnished to the Administrator of the Federal Emergency Management Agency for action.

(d) EMPLOYEE OATHS.—Each Federal employee of the Federal Emergency Management Agency acting under the authority of this title, except the subjects of the United Kingdom and citizens of Canada specified in section 621(b), shall execute the loyalty oath or appointment affidavits prescribed by the Director of the Office of Personnel Management. Each person other than a Federal employee who is appointed to serve in a State or local organization for emergency preparedness shall before entering upon duties, take an oath in writing before a person authorized to administer oaths, which oath shall be substantially as follows:

“I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

“And I do further swear (or affirm) that I do not advocate, nor am I a member or an affiliate of any organization, group, or combination of persons that advocates the overthrow of the Government of the United States by force or violence; and that during such time as I am a member of _____ (name of emergency preparedness organization), I will not advocate nor

become a member or an affiliate of any organization, group, or combination of persons that advocates the overthrow of the Government of the United States by force or violence.”

“After appointment and qualification for office, the director of emergency preparedness of any State, and any subordinate emergency preparedness officer within such State designated by the director in writing, shall be qualified to administer any such oath within such State under such regulations as the director shall prescribe. Any person who shall be found guilty of having falsely taken such oath shall be punished as provided in section 1621 of title 18, United States Code.”

[42 U.S.C. 5197a]

SEC. 623. USE OF EXISTING FACILITIES.

In performing duties under this title, the Administrator—

(1) shall cooperate with the various departments and agencies of the Federal Government;

(2) shall use, to the maximum extent, the existing facilities and resources of the Federal Government and, with their consent, the facilities and resources of the States and political subdivisions thereof, and of other organizations and agencies; and

(3) shall refrain from engaging in any form of activity which would duplicate or parallel activity of any other Federal department or agency unless the Administrator, with the written approval of the President, shall determine that such duplication is necessary to accomplish the purposes of this title.

[42 U.S.C. 5197b]

SEC. 624. ANNUAL REPORT TO CONGRESS.

The Administrator shall annually submit a written report to the President and Congress covering expenditures, contributions, work, and accomplishments of the Federal Emergency Management Agency pursuant to this title, accompanied by such recommendations as the Administrator considers appropriate.

[42 U.S.C. 5197c]

SEC. 625. APPLICABILITY OF TITLE.

The provisions of this title shall be applicable to the United States, its States, Territories and possessions, and the District of Columbia, and their political subdivisions.

[42 U.S.C. 5197d]

SEC. 626. AUTHORIZATION OF APPROPRIATIONS AND TRANSFERS OF FUNDS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

(b) TRANSFER AUTHORITY.—Funds made available for the purposes of this title may be allocated or transferred for any of the purposes of this title, with the approval of the Director of the Office of Management and Budget, to any agency or government corporation designated to assist in carrying out this title. Each such allocation or transfer shall be reported in full detail to the Congress within 30 days after such allocation or transfer.

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[42 U.S.C. 5197e]

SEC. 627. RELATION TO ATOMIC ENERGY ACT OF 1954.

Nothing in this title shall be construed to alter or modify the provisions of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.).

[42 U.S.C. 5197f]

SEC. 628. FEDERAL BUREAU OF INVESTIGATION.

Nothing in this title shall be construed to authorize investigations of espionage, sabotage, or subversive acts by any persons other than personnel of the Federal Bureau of Investigation.

[42 U.S.C. 5197g]

SEC. 629. MINORITY EMERGENCY PREPAREDNESS DEMONSTRATION PROGRAM.

(a) **IN GENERAL.**—The Administrator shall establish a minority emergency preparedness demonstration program to research and promote the capacity of minority communities to provide data, information, and awareness education by providing grants to or executing contracts or cooperative agreements with eligible nonprofit organizations to establish and conduct such programs.

(b) **ACTIVITIES SUPPORTED.**—An eligible nonprofit organization may use a grant, contract, or cooperative agreement awarded under this section—

(1) to conduct research into the status of emergency preparedness and disaster response awareness in African American and Hispanic households located in urban, suburban, and rural communities, particularly in those States and regions most impacted by natural and manmade disasters and emergencies; and

(2) to develop and promote awareness of emergency preparedness education programs within minority communities, including development and preparation of culturally competent educational and awareness materials that can be used to disseminate information to minority organizations and institutions.

(c) **ELIGIBLE ORGANIZATIONS.**—A nonprofit organization is eligible to be awarded a grant, contract, or cooperative agreement under this section with respect to a program if the organization is a nonprofit organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)) and exempt from tax under section 501(a) of such Code, whose primary mission is to provide services to communities predominately populated by minority citizens, and that can demonstrate a partnership with a minority-owned business enterprise or minority business located in a HUBZone (as defined in section 3(p) of the Small Business Act (15 U.S.C. 632(p))) with respect to the program.

(d) **USE OF FUNDS.**—A recipient of a grant, contract, or cooperative agreement awarded under this section may only use the proceeds of the grant, contract, or agreement to—

(1) acquire expert professional services necessary to conduct research in communities predominately populated by mi-

nority citizens, with a primary emphasis on African American and Hispanic communities;

(2) develop and prepare informational materials to promote awareness among minority communities about emergency preparedness and how to protect their households and communities in advance of disasters;

(3) establish consortia with minority national organizations, minority institutions of higher education, and faith-based institutions to disseminate information about emergency preparedness to minority communities; and

(4) implement a joint project with a minority serving institution, including a part B institution (as defined in section 322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2))), an institution described in subparagraph (A), (B), or (C) of section 326¹² of that Act (20 U.S.C. 1063b(e)(1)(A), (B), or (C)), and a Hispanic-serving institution (as defined in section 502(a)(5) of that Act (20 U.S.C. 1101a(a)(5))).

(e) APPLICATION AND REVIEW PROCEDURE.—To be eligible to receive a grant, contract, or cooperative agreement under this section, an organization must submit an application to the Administrator at such time, in such manner, and accompanied by such information as the Administrator may reasonably require. The Administrator shall establish a procedure by which to accept such applications.

(f) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to carry out this section \$1,500,000 for fiscal year 2002 and such funds as may be necessary for fiscal years 2003 through 2007. Such sums shall remain available until expended.

[42 U.S.C. 5197h]

TITLE VII—MISCELLANEOUS

AUTHORITY TO PRESCRIBE RULES AND ACCEPT GIFTS

SEC. 701. (a)(1) The President may prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act, and he may exercise any power or authority conferred on him by any section of this Act either directly or through such Federal agency or agencies as he may designate.

(2) DEADLINE FOR PAYMENT OF ASSISTANCE.—Rules and regulations authorized by paragraph (1) shall provide that payment of any assistance under this Act to a State shall be completed within 60 days after the date of approval of such assistance.

(b) In furtherance of the purposes of this Act, the President or his delegate may accept and use bequests, gifts, or donations of service, money, or property, real, personal, or mixed, tangible, or intangible. All sums received under this subsection shall be deposited in a separate fund on the books of the Treasury and shall be available for expenditure upon the certification of the President or his delegate. At the request of the President or his delegate, the Secretary of the Treasury may invest and reinvest excess monies in the fund. Such investments shall be in public debt securities with maturities suitable for the needs of the fund and shall bear

¹² So in law. Should read "section 326(e)(1)".

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interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The interest on such investments shall be credited to, and form a part of, the fund.

[42 U.S.C. 5201]

SEC. 702. [Amended various other Acts].

REPEAL OF EXISTING LAW

SEC. 703. The Disaster Relief Act of 1970, as amended (84 Stat. 1744), is hereby repealed, except sections 231, 233, 234, 235, 236, 237, 301, 302, 303, and 304. Notwithstanding such repeal the provisions of the Disaster Relief Act of 1970 shall continue in effect with respect to any major disaster declared prior to the enactment of this Act.

PRIOR ALLOCATION OF FUNDS

SEC. 704. Funds heretofore appropriated and available under Public Laws 91-606, as amended, and 92-385 shall continue to be available for the purpose of providing assistance under those Acts as well as for the purposes of this Act.

SEC. 705. DISASTER GRANT CLOSEOUT PROCEDURES.

(a) STATUTE OF LIMITATIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), no administrative action to recover any payment made to a State or local government for disaster or emergency assistance under this Act shall be initiated in any forum after the date that is 3 years after the date of transmission of the final expenditure report for the disaster or emergency.

(2) FRAUD EXCEPTION.—The limitation under paragraph (1) shall apply unless there is evidence of civil or criminal fraud.

(b) REBUTTAL OF PRESUMPTION OF RECORD MAINTENANCE.—

(1) IN GENERAL.—In any dispute arising under this section after the date that is 3 years after the date of transmission of the final expenditure report for the disaster or emergency, there shall be a presumption that accounting records were maintained that adequately identify the source and application of funds provided for financially assisted activities.

(2) AFFIRMATIVE EVIDENCE.—The presumption described in paragraph (1) may be rebutted only on production of affirmative evidence that the State or local government did not maintain documentation described in that paragraph.

(3) INABILITY TO PRODUCE DOCUMENTATION.—The inability of the Federal, State, or local government to produce source documentation supporting expenditure reports later than 3 years after the date of transmission of the final expenditure report shall not constitute evidence to rebut the presumption described in paragraph (1).

(4) RIGHT OF ACCESS.—The period during which the Federal, State, or local government has the right to access source documentation shall not be limited to the required 3-year re-

tention period referred to in paragraph (3), but shall last as long as the records are maintained.

(c) **BINDING NATURE OF GRANT REQUIREMENTS.**—A State or local government shall not be liable for reimbursement or any other penalty for any payment made under this Act if—

- (1) the payment was authorized by an approved agreement specifying the costs;
- (2) the costs were reasonable; and
- (3) the purpose of the grant was accomplished.

[42 U.S.C. 5205]

SEC. 706. FIREARMS POLICIES.

(a) **PROHIBITION ON CONFISCATION OF FIREARMS.**—No officer or employee of the United States (including any member of the uniformed services), or person operating pursuant to or under color of Federal law, or receiving Federal funds, or under control of any Federal official, or providing services to such an officer, employee, or other person, while acting in support of relief from a major disaster or emergency, may—

- (1) temporarily or permanently seize, or authorize seizure of, any firearm the possession of which is not prohibited under Federal, State, or local law, other than for forfeiture in compliance with Federal law or as evidence in a criminal investigation;
- (2) require registration of any firearm for which registration is not required by Federal, State, or local law;
- (3) prohibit possession of any firearm, or promulgate any rule, regulation, or order prohibiting possession of any firearm, in any place or by any person where such possession is not otherwise prohibited by Federal, State, or local law; or
- (4) prohibit the carrying of firearms by any person otherwise authorized to carry firearms under Federal, State, or local law, solely because such person is operating under the direction, control, or supervision of a Federal agency in support of relief from the major disaster or emergency.

(b) **LIMITATION.**—Nothing in this section shall be construed to prohibit any person in subsection (a) from requiring the temporary surrender of a firearm as a condition for entry into any mode of transportation used for rescue or evacuation during a major disaster or emergency, provided that such temporarily surrendered firearm is returned at the completion of such rescue or evacuation.

(c) **PRIVATE RIGHTS OF ACTION.**—

(1) **IN GENERAL.**—Any individual aggrieved by a violation of this section may seek relief in an action at law, suit in equity, or other proper proceeding for redress against any person who subjects such individual, or causes such individual to be subjected, to the deprivation of any of the rights, privileges, or immunities secured by this section.

(2) **REMEDIES.**—In addition to any existing remedy in law or equity, under any law, an individual aggrieved by the seizure or confiscation of a firearm in violation of this section may bring an action for return of such firearm in the United States district court in the district in which that individual resides or in which such firearm may be found.

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(3) **ATTORNEY FEES.**—In any action or proceeding to enforce this section, the court shall award the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs.

[42 U.S.C. 5207]

Duplication of Benefit Documentation

Grant Number: B-13-MS-01-0002

Project: Alberta Parkway

1. Total Need Prior to Any Assistance	\$8,914,206
2. All Potentially Duplicative Assistance	
a. Insurance	\$0
b. Federal Emergency Management Agency (FEMA)	\$0
c. Small Business Administration (SBA)	\$0
d. National Flood Insurance Program (NFIP)	\$0
e. Other Federal	\$389,348
f. Other State	\$0
g. Other Local	\$124,600
	* see below for sources and attached for documentation
h. Non-profit, private sector, charitable	\$15,000
	*see below for sources and attached for documentation
TOTAL	\$528,948
3. Deduct Assistance Determined to be Duplicative	
a. Other Federal	\$389,348
b. Other Local	\$124,600
c. Non-profit, private sector, charitable	\$15,000
TOTAL	\$528,948
4. Initial Award (Item 1 less Item 3)	\$8,385,258
5. Program Cap (if applicable)	N/A
6. Final Award (lesser of Items 4 and 5)	\$8,385,258

Amount obligated in 2013 CDBG-DR Action Plan as of the last Action Plan approved as amended is \$6,331,491.66. The City of Tuscaloosa has budgeted \$8,238,306 in 2013 CDBG-DR funds. Action Plan amendment was submitted to HUD Field Office on July 8, 2016. Draft grant agreement was received from HUD Field Office and reviewed on August 1, 2016. Grant agreement will be executed by Mayor upon receipt.

- Other Federal funding is 2012 CDBG-DR funds in the amount of \$389,348 (see attached resolution)
- Other local funding is City of Tuscaloosa Water and Sewer-RFFI funds in the amount of \$124,600 (see attached documentation)
- Non-profit, private sector, charitable is a Miracle-Gro Gardens Grant in the amount of \$15,000 (see attached documentation)

Subrogation agreement Yes _____ No _____ N/A X _____
City is the lead agency

Was the applicant denied a SBA loan? Yes _____ No X _____

If yes, what actions will be taken by the
City? _____

**Federal Register Notice FR-5582-N-01 Clarification of Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees (published November 16, 2011), and HUD Guidance of Duplication of Benefit Requirements and Provision of CDBG Disaster Recovery (DR) Assistance (published July 25, 2013) are used for guidance in the determination, calculation, and recapture of duplication of benefits.*

File Prepared By: Savannah Howell
Title: Director, IPS Administration
Signature: Savannah Howell

Review/Concurrence By: London Jenkins
Title: Federal Programs Financial Technician
Signature: London Jenkins

APPROVED AS TO FORM

GDW
Office of the City Attorney

Prepared By: GDW
Requested: Finance Cmte
Presentation on: 8-16-16
Suspension of Rules: No

RESOLUTION

RESOLUTION ESTABLISHING A BUDGET FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY AWARD (A12-0593)

BE IT RESOLVED BY THE TUSCALOOSA CITY COUNCIL that the City Council hereby approves the Community Development Block Grant Disaster Recovery Budget itemized budget as presented to and approved by the Finance Committee on August 9, 2016 as follows:

Project	Amount
Alberta Revitalization	\$ 389,348.00
10 th Avenue Revitalization	\$ 6,811,231.00
Commercial Revolving Loan Program	\$ 2,077,538.44
Forest Lake Revitalization Infrastructure	\$ 252,870.51
Rosedale Court Phase II	\$ 1,296,369.00
Planning	\$ 843,729.40
Administration	\$ 831,735.30
Hurricane Creek Housing Development	\$ 751,810.00
University Place City Walk Infrastructure Project	\$ 131,345.27
Juanita Drive/ Habitat for Humanity	\$ 439,826.50
Hargrove Road and Hackberry Project	\$ 1,798,406.00
Homebuyer/ Down Payment Assistance Program	\$ 110,000.00
Contingency	\$ 900,492.58
Total	\$16,634,702.00

FUNDING REQUIRED: ☐ Yes ☐ No

COUNCIL ACTION

By: _____
Finance Director

Resolution _____
Ordinance (Pity-y) m-absent
Introduced _____
Passed Adopted 8-16-16
2nd Reading Tom Meyer
Unanimous City Clerk
Failed _____
Tabled _____
Amended _____
Comments: _____

45

RESOLUTION

THIRD AMENDMENT TO FISCAL 2016 RESOLUTION DESIGNATING A PORTION OF THE WATER AND SEWER RESERVE FOR FUTURE IMPROVEMENT FUND (WSRFFI) FOR CERTAIN SPECIFIED CAPITAL IMPROVEMENT PROJECTS, IDENTIFYING OTHER FUNDING SOURCES AND BUDGETING THE SAME FOR DESIGNATED CAPITAL IMPROVEMENT PROJECTS AND CONTINUING ENCUMBRANCE OF UNEXPENDED FUNDS FOR PROJECTS DESIGNATED IN PRIOR FISCAL YEARS (A07-0203 / A98-0431)

WHEREAS, heretofore, the City of Tuscaloosa (the "City") by resolution (A99-0533, A99-0363), on September 14, 1999, and subsequently each fiscal year or more frequently as necessary, adopted the revised Water and Wastewater Comprehensive Plan Update, dated December 1998, as amending the 1986 Comprehensive Improvement Plan (CIP) to collectively constitute the CIP of the City of Tuscaloosa, for the City's water and wastewater treatment, distribution and collection systems (the "System") which would designate therein the various sources of funding for specified capital improvement projects and programs of the City Water and Sewer Department; and,

WHEREAS, in order to better manage, monitor and administer water and sewer funds for capital improvements it has been determined to convert the CIP into a Water and Sewer Reserve Fund for Future Improvement (WSRFFI) by resolution adopted on March 6, 2007; and,

WHEREAS, the Council has determined to re-establish the WSRFFI for Fiscal 2011.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF TUSCALOOSA, as follows:

SECTION ONE. Water and Sewer Reserve Fund for Future Improvement, (WSRFFI).

That the resolution previously enacted by the City Council designating a specific amount of the City of Tuscaloosa's Water and Sewer Reserve Fund for Future Improvement (WSRFFI) as encumbered for certain designated public improvement and special projects of the Water and Sewer Department in the stated amount for expenditures in the fiscal year including continuing encumbrances of unexpended reserve funds in the stated amounts for those projects previously designated in prior years and confirmed herein, be further amended by the language and/or amounts as indicated herein in **BOLD PRINT**. Unless subsequently amended or repealed, any unexpended funds herein designated shall remain encumbered through Fiscal 2011, as follows:

That a net total of **\$19,289,318** of the City of Tuscaloosa's Water and Sewer Reserve Fund be budgeted and encumbered for the following described Water and Sewer Improvement and special projects or programs of the City of Tuscaloosa, in the stated amount per project for expenditure in Fiscal 2011 and subsequent fiscal years:

Project	Account Number	FY 2010
ALBERTA REVITALIZATION PROJECT		\$124,600
ALDOT INTERSECTION IMPROVEMENTS-US 82 AND BEAR CREEK CUT-OFF ROAD		\$315,000
ALDOT MCFARLAND WIDENING		\$6,125
ALDOT UNIVERSITY BOULEVARD EAST BRIDGE REPLACEMENT		\$260,000

ALDOT US/82 MCFARLAND		\$1,000,000
ALDOT WATER & SEWER RELOCATION		\$100,000
LINE A SEWER IMPROVEMENTS (AMERICHEM)		\$1,200,000
BEECH HILLS SEWER REPAIR		\$250,000
BROADVIEW APARTMENT SEWER LINE REPAIR		\$371,000
BROOKHAVEN DRAINAGE PROJECT		\$250,000
COLLEGE PARK LINE		\$80,000
COUNTY PROJECT—2014 HOLT SEWER SCADA		\$45,000
CYPRESS CREEK DRAINAGE PROJECT PHASE 1		\$100,000
CYPRESS CREEK SIDEWALKS		\$50,000
DISTRIBUTION LINE RENEWAL PROGRAM		\$200,000
EASEMENT ACQUISITION PROGRAM		\$1,529,546
EIGHTH STREET EAST (ALBERTA)		\$300,000
FACILITY MAINTENANCE	61207031-609110	\$261,661
FLETCHER PLANT BLOWER & AERATION UPGRADE		\$ 830,000
FOREST LAKE CITY WALK (INCLUDES SAFE WALK GRANT)		\$50,000
FOURTH STREET IMPROVEMENTS (GREENSBORO AVENUE TO DEAD-END)		\$100,000
HARGROVE ROAD AND SKYLAND BOULEVARD RE-ALIGNMENT		\$560,000
JAMES I. HARRISON PARKWAY/HARGROVE ROAD		\$ 15,000
HARRISON PARKWAY, PHASE TWO		\$ 960,000
HAZARDOUS MATERIAL GENERATOR GRANT		\$496,221
HIGHLAND PHASE IV		\$250,000
HIGHLAND ROAD WATER & SEWER IMPROVEMENTS 2015		\$ 266,529
IMPACT FEES, PHASE ONE		\$49,500
INSTALL VALVE UPSTREAM OF AERATOR & REHAB DOWNSTREAM VALVE		\$75,000
IT SINKING FUND		\$400,000
JACK WARNER PARKWAY REBUILD (GUILDSWOOD TO GREENSBORO AVENUE)		\$400,000
JINSEI: AGREEMENT		\$33,500
JUANITA DRIVE IMPROVEMENTS		\$474,000
LAKE AVENUE SANITARY SEWER		\$218,000
LAKE INTAKE CRIB REPLACEMENT		\$ 6,320
LAKE TUSCALOOSA IMPROVEMENTS		\$221,000
LIFT STATION (LS) 21 INTERCEPTOR LOWER PORTION		\$0
LIFT STATION (LS) 21 INTERCEPTOR UPPER PORTION		\$1,820,000
LIFT STATION (LS) 42 REPAIRS		\$245,000
LIQUID LIME OVERHAUL		\$512,000

LOOP ROAD IMPROVEMENTS – PHASE III		\$550,000
LOVE PLANT FILTER MEDIA CHANGE OUT		\$600,000
MC FARLAND BOULEVARD/HARGROVE ROAD IMPROVEMENTS		\$150,000
METER SHOP RECONSTRUCTION		\$700,000
PAVING		\$120,000
PERMANENT DBP INSTALLATION AT WTP		\$610,000
PRINCE AVENUE ROADWAY		\$775,000
REPAIR WEST END WATER TANK		\$770,000
RICE MINE ROAD IMPROVEMENTS		\$250,000
ROSEWOOD SEWER PROJECT		\$640,000
SCADA FIELD IMPROVEMENTS		\$65,003
SCADA SERVER REPLACEMENT		\$188,997
SOKOL PARK SEWER PROJECT		\$280,000
SRF LOAN ADMINISTRATION		\$25,000
TENTH AVENUE CORRIDOR REVITALIZATION		\$200,000
THIRTY-NINETH (39 TH) AVENUE EAST DRAINAGE AND SIDEWALK		\$100,000
TRAINING SOFTWARE & IMPLEMENTATION		\$60,000
TRANSFER TO PUBLIC WORKS CAPITAL FUND (PAVING)		\$35,000
UNDESIGNATED RESERVE		\$618,093
UNIVERSITY BOULEVARD STORM SEWER IMPROVEMENTS		\$500,000
UNIVERSITY/DOWNTOWN CORRIDOR IMPROVEMENTS		\$500,000
WATER DESIGN GUIDELINE UPDATE		\$15,000
WATER AND SEWER NEW ASSET MATERIAL NEEDS		\$10,000
TOTAL OUTSTANDING APPROVED PROJECTS		\$22,187,095
*LESS TOTAL REMAINING REIMBURSEMENTS		<u>2,897,777</u>
NET DESIGNATION		\$19,289,318

*The following remaining reimbursements from grants and other sources are budgeted:

ALDOT INTERSECTION IMPROVEMENTS US 82 AND BEAR CREEK CUT-OFF ROAD		\$273,000
ALDOT MCFARLAND WIDENING		\$6,125
ALDOT UNIVERSITY BOULEVARD EAST		\$137,410
ALDOT US/82 MCFARLAND		\$1,000,000
ALDOT WATER & SEWER RELOCATION		\$100,000
COUNTY PROJECT—2014 HOLT SEWER SCADA EASTERN BYPASS—WATER MAIN EXTENSION RELOCATION	100%/0%	\$45,000 \$220,000
HAZARDOUS MATERIAL GENERATOR GRANT	(FEMA 75/25)	\$356,242
REPAIR VA WATER TANK	Water & Sewer Operating	\$700,000

TRAINING SOFTWARE & IMPLEMENTATION	Water & Sewer Operating	\$60,000
TOTAL REMAINING REIMBURSEMENTS		\$2,897,777

President Pro Tem Taylor introduced in writing and moved the adoption of a resolution adopting the 19th amendment to the resolution establishing a budget for the Public Works Capital Fund. Councilmember Pugh duly seconded the motion. The Mayor called the roll for a vote. All Councilmembers present voted "yes"; no, none. The Mayor announced the result of the vote and declared the following resolution adopted:

RESOLUTION

RESOLUTION AMENDING RESOLUTION ESTABLISHING A BUDGET FOR THE PUBLIC WORKS CAPITAL FUND (AMENDMENT NO. 19) (A14-0965)

BE IT RESOLVED BY THE TUSCALOOSA CITY COUNCIL that the Public Works Capital Fund Budget is hereby amended as follows:

<u>Public Works Capital Fund Revenue</u>	<u>Amount</u>	<u>Source</u>
Rebuilding Fund	\$159,589	
Alabama Trust Fund	\$1,056,000	
Water & Sewer RFFI	\$237,000	
Gas Tax Funds	\$1,503,000	
DURP	\$124,986	
Tourism Fund-Capital	\$50,000	
Water and Sewer Fund	\$13,000	
Water and Sewer (RFFI)	\$35,000	
Federal Grant	\$25,000	
Cost Reimbursed-Special Projects	\$8,000	
General Fund	\$3,248,757	
TOTAL:	\$6,460,332	
<u>Public Works Expenditures</u>	<u>Amount</u>	<u>Source</u>
TDOT Traffic-Utility Pole Trailer	\$19,000	2006/2007 Refunding
TDOT Traffic-Replace Ford E350 Truck	\$34,000	2006/2007 Refunding
TDOT Right of Way-Replace 2002 Chevy 1500 Truck	\$19,750	2006/2007 Refunding
TDOT Infrastructure-Replace 2001 Pickup	\$20,000	2006/2007 Refunding
TDOT Infrastructure-Replace 1987 Pickup	\$23,500	2006/2007 Refunding
TDOT Infrastructure-Single Axle Dump Truck	\$85,000	2006/2007 Refunding
TDOT Infrastructure-Asphalt Patch Truck	\$165,000	2006/2007 Refunding
Environmental Services-Trash Truck	\$120,000	2006/2007 Refunding
Environmental Services-Garbage Truck	\$135,000	2006/2007 Refunding
PDS Vehicles (2)	\$40,000	Rebuilding Budget
OCE Vehicle	\$20,000	Rebuilding Budget
Street Lights	\$26,648	2006/2007 Refunding

*forward:
Mike Wright*



THE UNITED STATES CONFERENCE OF MAYORS

1620 EYE STREET, NORTHWEST
WASHINGTON, D.C. 20006
TELEPHONE (202) 293-7330
FAX (202) 293-2352
URL: www.usmayors.org

March 26, 2013

The Honorable Walter Maddox
City of Tuscaloosa
P.O. Box 2-89
Tuscaloosa, AL 35403

Dear Mayor Maddox:

On behalf of The United States Conference of Mayors and Scotts Miracle-GRO Company, I am pleased to enclose a grant award payment of \$15,000.00 for the **2013 GRO1000 Garden and Green Space Grant Award Program** for the Alberta Parkways Gardens.

I wishing your program much success and looking forward to hearing about your upcoming local event on April 24 which I understand will be a part of a week long celebration of your city's recovery from the April 27 disaster.

If you have any questions or need any information please do not hesitate to contact me at 202-861-6704.

Sincerely,

Tom

Tom Cochran
CEO & Executive Director

*Congratulations
Mayor!*

APR 17 2013

55456

OUR REF. NO.	YOUR INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
109159		03/27/2013	\$15,000.00	\$15,000.00	\$0.00	\$15,000.00
10100075-1922						
TOTALS			\$15,000.00	\$15,000.00	\$0.00	\$15,000.00

DOB Verification of Sources

Grant Number: B-13-MS-01-0002

Project: Alberta Parkway

At the time the Alberta Parkway project was approved and an initial budget was established by the City Council of the City of Tuscaloosa on May 7, 2013, there was no available funding for the project provided through insurance, FEMA, SBA, NFIP, and state funds. To date, the City has not received funding from any aforementioned sources for the project. Other federal funding was provided by 2012 CDBG-DR funds in the amount of \$389,348 (see attached resolution). Other Local funding was provided and budgeted in the City of Tuscaloosa's Water and Sewer Reserve Fund for Future Improvements in the amount of \$124,600 (see attached resolution). Additionally, non-profit, private sector, charitable funds, were provided for through a grant from the U.S. Conference of Mayors, Miracle-Gro Gardens Grant in the amount of \$15,000 (see attached award letter and check).

I attest that the above statement in regard to available funds for the noted project are correct and true.

By: Carly Standridge
Title: Internal Auditor
Signature: Carly

Concurrence By: Savannah Howell
Title: Director, IPS Administration
Signature: Savannah Howell

Project Need Justification

Grant Number: B-13-MS-01-0002

Project: Alberta Parkway

The need for this project is based upon cost estimates provided by City staff, engineers, architects, consultants, resolutions authorizing contract amounts, certified bid tabs, change orders, and other items incidental to the overall cost of the project. See attached for supporting documentation and below for a breakdown of estimated costs for the project.

Alberta Parkway	
Task	Total
Engineering	827,100.00
Planning/Admin	36,832.06
Signage	877.24
Advertising	2586.26
Appraisals	17,600.00
Property Acquisitions – Phase 1A	514,700.13
Property Acquisitions – Phase 1B	514,700.13
Property Acquisitions – Phase 2	165,000.00
Taxes on Property – Phase 1A	3202.34
Taxes on Property – Phase 1B	0
Taxes on Property – Phase 2	0
Construction - Phase 1A	1,258,206.26
Construction – Phase 1B	2,224,219.97
Construction – Phase 2 (estimate)	2,500,000.00
Alabama Power - Utility Relocation – Phase 1A	360,492.00
Alabama Power - Utility Relocation – Phase 1B	133,507.48
Alabama Power - Utility Relocation – Phase 2 (estimate)	175,000.00
AT&T -Utility Relocation – Phase 1A	9,599.81
AT&T -Utility Relocation – Phase 1B	107,356.00
AT&T -Utility Relocation – Phase 2 (estimate)	26,839.00
Comcast - Utility Relocation – Phase 1A	0
Comcast - Utility Relocation – Phase 1B	33,450.00
Comcast - Utility Relocation – Phase 2 (estimate)	2,937.20
TOTAL	8,914,206.00

***Phase 2 has not yet been bid; additional funding sources will be identified if needed.**

****If supporting documentation for any line items are not included in this packet, any and all items requested can be made immediately provided upon request. All supporting documentation has not been provided in this packet, due to the high volume of pages necessary for creation. All information is included in City of Tuscaloosa files.**

APPROVED AS TO FORM

GDW
Office of the City Attorney

Prepared By: GDW
Requested: Finance
Presentation on: 02/17/2015
Suspension of Rules: No

RESOLUTION

**RESOLUTION AMENDING THE RESOLUTION PREVIOUSLY ADOPTED
BY THE CITY COUNCIL ON FEBRUARY 25, 2014 PERTAINING TO
AMENDMENT NO. 1 TO THE CONTRACT FOR ENGINEERING
AND RELATED SERVICES WITH WALKER ASSOCIATES, INC. FOR
THE ALBERTA PARKWAY PROJECT
(A12-1324)**

WHEREAS, the City Council of Tuscaloosa adopted a resolution on February 25, 2014 that authorized the Mayor to execute Amendment No. 1 to the contract between the City of Tuscaloosa and the professional engineering firm of Walker Associates, Inc. for engineering and related services in regard to the Alberta Parkway Project; and

WHEREAS, said resolution referenced a total compensation of \$467,100, which was in error.

BE IT RESOLVED BY THE CITY COUNCIL OF TUSCALOOSA that the Resolution adopted by the City Council of Tuscaloosa on February 25, 2014 is hereby amended to reflect a total compensation amount of \$827,100.

FUNDING REQUIRED: ☐ Yes ☒ No

By: _____

Finance Director

COUNCIL ACTION

Resolution _____
Ordinance _____
Introduced (Tg/C-y)
Passed _____
2nd Reading Adopted 2.17.15
Unanimous Deputy K. Clement
Failed _____
Tabled _____
Amended Asst. City Clerk
Comments: _____

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APPROVED AS TO FORM

GDW
Office of the City Attorney

Prepared By: GDW
Requested: OGE/Projects Comte
Presentation on: 02/25/2014
Suspension of Rules: No

RESOLUTION

RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO THE CONTRACT FOR ENGINEERING AND RELATED SERVICES WITH WALKER ASSOCIATES, INC. FOR THE ALBERTA PARKWAY PROJECT (A12-1324)

BE IT RESOLVED BY THE CITY COUNCIL OF TUSCALOOSA as follows:

That the Mayor be, and he is hereby, authorized to execute Amendment No. 1 to the contract between the City of Tuscaloosa and the professional engineering firm of Walker Associates, Inc. for engineering and related services in regard to the Alberta Parkway Project, to increase the total amount of compensation from \$320,100 to \$467,100 in the due to coordination with Tuscaloosa Forward Generational Plan and alternative route planning by, and as an act for and on behalf of the City of Tuscaloosa, and the City Clerk is authorized to attest the same.

FUNDING REQUIRED: ☒ Yes ☐ No

Amends:
CDR DR1: 309 318
CDR DR 2: 7138 306
WSRFEI: 124 600
7652256
By: W. H. W. W. W.
Finance Director

COUNCIL ACTION

Resolution _____
Ordinance CTY IP-y
Introduced _____
Passed Adopted 2.25.14
2nd Reading _____
Unanimous Debby K. Clements
Failed _____
Tabled Asst. City Clerk
Amended _____
Comments: _____

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APPROVED AS TO FORM

210m
Office of the City Attorney

Prepared By: GB
Requested: Projects Comte
Presentation on: 08/04/2012
Suspension of Rules: No

RESOLUTION

**RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT
FOR ENGINEERING SERVICES WITH WALKER ASSOCIATES, INC.
FOR ALBERTA PARKWAY
(A12-1324)**

BE IT RESOLVED BY THE CITY COUNCIL OF TUSCALOOSA as follows:

That the Mayor be, and he is hereby authorized to execute a contract between the City of Tuscaloosa and the professional engineering firm of Walker Associates, Inc. for and on behalf of the City of Tuscaloosa for engineering and related services in regard to the Alberta Parkway in an amount not to exceed \$ 547,100 by and as an act for and on behalf of the City of Tuscaloosa and the City Clerk is authorized to attest the same.

FUNDING REQUIRED: ☒ Yes ☐ No

DR Budget -
Alberta Revitalization
[Signature]
By: [Signature]
Finance Director

COUNCIL ACTION

Resolution ✓
Ordinance _____
Introduced _____
Passed 9-4-12
2nd Reading _____
Unanimous _____
Failed _____
Tabled _____
Amended _____
Comments: _____

CONTRACT CHANGE ORDER NO. 3

City of Tuscaloosa, Office of the City Attorney

FINAL

DATE: May 26, 2015

PROJECT: ALBERTA REVITALIZATION INFRASTRUCTURE PROJECT PHASE 1A

TO: CIVILWORX CONSTRUCTION, LLC

(Contractor)

TERMS: You are hereby authorized, subject to the provisions of your Contract for this Project, to make the following changes thereto in accordance with the attached Change Order Request and supporting documents and to:

FURNISH the necessary labor, materials and equipment to:

Unit Price Reconciliation (Dated 05/26/15): The difference in the bid quantities and the installed quantities as shown on the attached Unit Price Reconciliation form. These differences are due to slight overruns or underruns of some bid quantities, and/or additional work requested by the Owner.

TOTAL ADDITION OR REDUCTION TO CONTRACT PRICE:

(Note: Numbers in parentheses are deductions).

ORIGINAL CONTRACT PRICE	\$	1,242,334.40
LESS CONTINGENCY/ALLOWANCE	\$	0
NET ORIGINAL CONTRACT PRICE	\$	1,242,334.40
Net total of previous Change Orders	\$	39,740.40
Previous revised Contract Price	\$	1,282,074.80
This Change Order No. <u>3</u> <input type="checkbox"/> Add <input checked="" type="checkbox"/> Deduct	\$	(23,868.54)
Revised Contract Price this date	\$	1,258,206.26

Extension of time resulting from this Change Order - 0 - (Indicate number of calendar days).

The amount of this Change Order will be the responsibility of The City of Tuscaloosa, Alabama

This Contract Modification constitutes full and mutual accord and satisfaction for all time and all cost related to this change. By acceptance of this Contract Modification, the Contractor hereby agrees that the modification represents an equitable adjustment to the Contract, and further, agrees to waive all right to file any further claims or changes arising out of or as a result of this change, or the accumulation of executed Contract Modifications on this Contract.

The Contractor and Owner(s) hereby agree to the terms of this Change Order as contained herein.

CONSENT OF SURETY

RLI Insurance Company
(Company)
By: [Signature]
Madison Andrew Hudson, Attorney-In-Fact

CONTRACTING PARTIES

CIVILWORX CONSTRUCTION, LLC
(Contractor)
By: [Signature]
(Authorized Representative)

RECOMMENDED

By: [Signature]
WALKER ASSOCIATES, INC.
(Design Engineer or Architect)

CITY OF TUSCALOOSA

By: [Signature]
(Mayor)



WALKER ASSOCIATES, INC.
ENGINEERING, PLANNING, GIS & SURVEYING

City of Tuscaloosa
Alberta Revitalization Infrastructure Project Phase 1A
City Project No. A12-1324



CERTIFICATE:

I, Michael Bradley Porter, a Registered Professional Engineer in the State of Alabama, and representing the firm of Walker Associates, Inc., do hereby certify that to the best of my knowledge, the following Tabulation of Bids is true and correct.

Michael Bradley Porter, P.E., Alabama Registration No. 30442



BID TABULATION FORM

BASE BID ITEMS		Civil/Work Construction, LLC		Cornerstone Civil Contractors, LLC		Price Construction Co., Inc.		DMH Utilities, LLC		Russo Corporation	
Item No.	Quantity	Unit	Description	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	1	I.S.	Payment and Performance Bonds	\$12,500.00	\$12,500.00	\$16,000.00	\$16,000.00	\$15,500.00	\$15,500.00	\$30,000.00	\$30,000.00
2	1	I.S.	Mobilization and Demobilization	\$28,230.00	\$28,230.00	\$41,000.00	\$41,000.00	\$12,000.00	\$12,000.00	\$20,000.00	\$20,000.00
3	1	I.S.	Demolition, Clearing, and Grubbing (Approximately 1.1 acres)	\$10,000.00	\$10,000.00	\$13,500.00	\$13,500.00	\$100,000.00	\$100,000.00	\$20,000.00	\$20,000.00
4	1137	I.F.	Removal/Stone Backfill of Existing Pipe (4" & larger, all material)	\$44.00	\$50,028.00	\$21.75	\$24,729.75	\$32.00	\$36,384.00	\$43,206.00	\$43,206.00
5	12	each	Remove Existing Sanitary Manhole/Storm Structure & Backfill	\$750.00	\$9,000.00	\$9,000.00	\$9,000.00	\$2,500.00	\$30,000.00	\$8,448.00	\$8,448.00
6	10	C.Y.	Slurry Fill of Abandoned Pipes	\$700.00	\$7,000.00	\$400.00	\$4,000.00	\$250.00	\$2,500.00	\$3,150.00	\$3,150.00
7	2508	C.Y.	Remove Existing Pavements (Concrete and Asphalt)	\$2.00	\$5,016.00	\$5.50	\$13,750.00	\$4.00	\$10,032.00	\$47,652.00	\$47,652.00
8	1	each	Remove Existing Fire Hydrant	\$900.00	\$900.00	\$500.00	\$500.00	\$1,000.00	\$1,000.00	\$1,050.00	\$1,050.00
9	1	I.S.	Demo/Remove Existing Residence No. 1 (2303 7th Street East)	\$6,800.00	\$6,800.00	\$5,000.00	\$5,000.00	\$4,730.00	\$4,730.00	\$10,000.00	\$10,000.00
10	1	I.S.	Demo/Remove Existing Residence No. 2 (2305 7th Street East)	\$7,800.00	\$7,800.00	\$5,000.00	\$5,000.00	\$4,345.00	\$4,345.00	\$7,500.00	\$7,500.00
11	1	I.S.	Demo/Remove Existing Residence No. 3 (2311 7th Street East)	\$7,700.00	\$7,700.00	\$5,000.00	\$5,000.00	\$3,575.00	\$3,575.00	\$7,500.00	\$7,500.00
12	1	I.S.	Demo/Remove Existing Residence No. 4 (2313 7th Street East)	\$7,500.00	\$7,500.00	\$5,000.00	\$5,000.00	\$3,740.00	\$3,740.00	\$7,500.00	\$7,500.00
13	1	I.S.	Demo/Remove Existing Residence No. 5 (2315 7th Street East)	\$7,600.00	\$7,600.00	\$5,000.00	\$5,000.00	\$4,015.00	\$4,015.00	\$7,500.00	\$7,500.00
14	1	I.S.	Demo/Remove Existing Residence No. 6 (702 24th Avenue East)	\$8,200.00	\$8,200.00	\$5,000.00	\$5,000.00	\$6,930.00	\$6,930.00	\$10,000.00	\$10,000.00
15	1	I.S.	Demo/Remove Existing Residence No. 7 (2403 7th Street East)	\$6,800.00	\$6,800.00	\$5,000.00	\$5,000.00	\$4,015.00	\$4,015.00	\$7,500.00	\$7,500.00
16	1	I.S.	Demo/Remove Existing Concrete Slab No. 1 (2417 7th Street East)	\$2,500.00	\$2,500.00	\$1,000.00	\$1,000.00	\$2,860.00	\$2,860.00	\$3,200.00	\$3,200.00
17	1	I.S.	Demo/Remove Existing Concrete Slab No. 2 (2417 7th Street East)	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,860.00	\$2,860.00	\$3,200.00	\$3,200.00
18	1	I.S.	Demo/Remove Existing Concrete Slab No. 3 (2419 7th Street East)	\$43,800.00	\$43,800.00	\$76,000.00	\$76,000.00	\$83,500.00	\$83,500.00	\$30,000.00	\$30,000.00
19	1	I.S.	Earthwork	\$10,000.00	\$10,000.00	\$27,000.00	\$27,000.00	\$5,000.00	\$5,000.00	\$7,600.00	\$7,600.00
20	1	I.S.	Topsoil (Req'd 4" thick in all disturbed areas)	\$8.00	\$8.00	\$19.50	\$19.50	\$1.00	\$1.00	\$2.00	\$2.00
21	2000	C.Y.	Removal/Disposal/Replacement of Unsuitable Material	\$10.00	\$20,000.00	\$75.00	\$150,000.00	\$16.50	\$33,000.00	\$19.00	\$38,000.00
22	50	S.Y.	Milling/Planing Existing Pavement (Thickness Varies) (26th Avenue)	\$10.00	\$500.00	\$17.50	\$875.00	\$5.00	\$250.00	\$5.00	\$250.00
23	2718	S.Y.	Roadbed Stabilizing Material (Includes ALDOT #57 Stone and Roadbed	\$8.00	\$21,744.00	\$5.25	\$14,268.00	\$5.07	\$13,780.26	\$6.00	\$16,308.00
24	2718	S.Y.	Bituminous Treatment A (ALDOT 401)	\$1.05	\$2,553.90	\$1.00	\$2,718.00	\$1.04	\$2,826.72	\$1.50	\$4,077.00
25	480	gal	Tack Coat (ALDOT 405A)	\$3.68	\$1,766.40	\$3.25	\$1,560.00	\$3.30	\$1,584.00	\$4.00	\$1,920.00
26	2500	S.Y.	Bituminous Concrete Wearing Surface Layer, 1/2" Max Aggregate Mix (ALDOT 424A) (1.50" Compacted Thickness)	\$8.65	\$21,625.00	\$8.90	\$22,250.00	\$8.76	\$21,900.00	\$10.00	\$25,000.00
27	2270	S.Y.	Bituminous Concrete Upper Binder Layer, 3/4" Max Aggregate Mix (ALDOT 424B) (1.50" Compacted Thickness)	\$7.60	\$17,252.00	\$7.90	\$17,933.00	\$7.77	\$17,637.90	\$9.00	\$20,430.00
28	2270	S.Y.	Bituminous Concrete Lower Binder Layer, 1" Max Aggregate Mix (ALDOT 424B) (2.25" Compacted Thickness)	\$11.35	\$25,764.50	\$11.65	\$26,445.50	\$11.40	\$25,878.00	\$13.00	\$29,510.00
29	37	S.Y.	Asphalt Patching	\$60.00	\$2,220.00	\$45.00	\$1,665.00	\$41.44	\$1,533.28	\$47.00	\$1,739.00
30	21	S.Y.	Concrete Driveway - Residential (6" Thick)	\$63.55	\$1,334.55	\$45.00	\$945.00	\$66.55	\$1,397.55	\$68.00	\$1,425.60
31	28	S.Y.	Concrete Sidewalk	\$52.00	\$1,456.00	\$40.00	\$1,120.00	\$54.45	\$1,524.60	\$56.00	\$1,568.00
32	1090	I.F.	Combination Curb and Gutter	\$17.20	\$18,748.00	\$20.00	\$22,000.00	\$15.40	\$16,786.00	\$24.00	\$26,160.00
33	100	I.F.	2" Band Curb	\$31.60	\$3,160.00	\$45.00	\$4,500.00	\$29.70	\$2,970.00	\$57.00	\$5,700.00
34	53	I.F.	4" Valley Gutter (Residential Driveways)	\$34.25	\$1,815.25	\$45.00	\$2,325.00	\$32.45	\$1,720.35	\$69.00	\$3,633.00
35	87	I.F.	4" Valley Gutter with Reinforcement (Fire Station No. 4 Driveway)	\$34.25	\$2,979.75	\$50.00	\$4,250.00	\$43.45	\$3,780.15	\$91.15	\$7,930.55
36	54	I.F.	4" Valley Gutter with Reinforcement (APCO Driveway)	\$34.25	\$1,849.50	\$50.00	\$2,700.00	\$32.45	\$1,752.30	\$69.00	\$4,524.00
37	84	I.F.	16" Valley Gutter	\$43.75	\$3,675.00	\$70.00	\$5,880.00	\$40.70	\$3,418.80	\$76.00	\$6,384.00
38	15	I.F.	15" R.C. Pipe, Class 3	\$56.00	\$840.00	\$32.00	\$480.00	\$40.00	\$600.00	\$57.00	\$855.00
39	31	I.F.	18" R.C. Pipe, Class 3	\$38.00	\$1,178.00	\$44.00	\$1,364.00	\$80.00	\$2,480.00	\$98.00	\$3,038.00
40	362	I.F.	24" R.C. Pipe, Class 3	\$48.00	\$17,376.00	\$46.00	\$16,652.00	\$80.00	\$28,960.00	\$60.00	\$21,720.00
41	31	I.F.	22" x 13 1/2" R.C. Arch Pipe, Class 3	\$50.00	\$1,550.00	\$58.00	\$1,798.00	\$88.00	\$2,728.00	\$83.00	\$2,573.00
42	28	I.F.	28 1/2" x 18" R.C. Arch Pipe, Class 3	\$60.00	\$1,680.00	\$71.00	\$1,988.00	\$102.00	\$2,856.00	\$106.00	\$2,968.00
43	441	I.F.	58 1/2" x 36" R.C. Arch Pipe, Class 3	\$130.00	\$57,330.00	\$142.00	\$62,622.00	\$150.00	\$66,150.00	\$143.00	\$63,063.00
44	1	each	Type "S" Inlet (1 Wing) (Depths Vary)	\$3,500.00	\$3,500.00	\$3,200.00	\$3,200.00	\$4,000.00	\$4,000.00	\$3,300.00	\$3,300.00
45	2	each	Type "S" Inlet (2 Wing) (Depths Vary)	\$3,600.00	\$7,200.00	\$3,200.00	\$6,400.00	\$8,500.00	\$17,000.00	\$3,600.00	\$7,200.00
46	2	each	Type "S" Inlet (2 Wing) with BMP Shout (Model 30R) & S' Sump	\$5,000.00	\$10,000.00	\$4,400.00	\$8,800.00	\$7,500.00	\$15,000.00	\$7,000.00	\$14,000.00
47	1	each	Concrete Junction Box (Depths Vary)	\$2,800.00	\$2,800.00	\$2,400.00	\$2,400.00	\$5,100.00	\$5,100.00	\$6,700.00	\$6,700.00
48	1	I.S.	Storm Structure 1-1 (Junction Box, Special)	\$14,000.00	\$14,000.00	\$14,500.00	\$14,500.00	\$15,000.00	\$15,000.00	\$25,000.00	\$25,000.00

Storm Sewer System Improvements (continued)			Chilworth Construction, LLC		Comestock Civil Constructors, LLC		Price Construction Co., Inc.		DRM Utilities, LLC		Russo Corporation		
Item No.	Quantity	Unit	Description	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
49	1	l.s.	Storm Structure 1-2 (Junction Box, Special)	\$9,000.00	\$9,000.00	\$11,900.00	\$11,900.00	\$9,900.00	\$9,900.00	\$12,600.00	\$12,600.00	\$28,306.27	\$28,306.27
50	1	l.s.	Storm Structure 1-3 (Junction Box, Special)	\$10,000.00	\$10,000.00	\$11,300.00	\$11,300.00	\$10,900.00	\$10,900.00	\$12,600.00	\$12,600.00	\$27,439.28	\$27,439.28
51	1	l.s.	Storm Structure 1-4 (Junction Box, Special)	\$18,000.00	\$18,000.00	\$11,300.00	\$11,300.00	\$18,400.00	\$18,400.00	\$12,400.00	\$12,400.00	\$34,355.02	\$34,355.02
52	1	l.s.	Storm Structure 1-5 (Junction Box, Special)	\$14,000.00	\$14,000.00	\$11,300.00	\$11,300.00	\$15,000.00	\$15,000.00	\$12,600.00	\$12,600.00	\$36,301.16	\$36,301.16
53	1	each	Tie to Existing Storm Structure	\$2,000.00	\$2,000.00	\$4,000.00	\$4,000.00	\$5,000.00	\$5,000.00	\$1,400.00	\$1,400.00	\$44,640.18	\$44,640.18
54	2	each	Concrete Plug Existing Storm Structure Invert or Pipe	\$1,000.00	\$2,000.00	\$750.00	\$1,500.00	\$2,500.00	\$5,000.00	\$1,050.00	\$2,100.00	\$2,194.33	\$4,388.66
Sanitary Sewer System Improvements													
55	120	l.f.	4" PVC SDR 26 Sanitary Sewer Lateral (includes any req'd end caps)	\$30.00	\$3,600.00	\$68.00	\$8,160.00	\$55.00	\$6,600.00	\$42.00	\$5,040.00	\$130.08	\$15,609.60
56	868	l.f.	8" PVC SDR 26 Sanitary Sewer Main	\$95.00	\$82,460.00	\$78.00	\$67,704.00	\$110.00	\$95,400.00	\$80.00	\$71,176.00	\$171.37	\$148,789.16
57	333	l.f.	10" PVC SDR 26 Sanitary Sewer Main	\$40.00	\$13,320.00	\$35.00	\$11,655.00	\$60.00	\$19,980.00	\$42.00	\$13,986.00	\$127.45	\$42,440.85
58	35	l.f.	6" DI CL 52 Sanitary Sewer Stub Out and Cap at Fire Station #4	\$75.00	\$2,625.00	\$75.00	\$2,625.00	\$100.00	\$3,500.00	\$69.00	\$2,415.00	\$118.05	\$4,131.75
59	7	each	Standard Precast Manhole	\$5,000.00	\$35,000.00	\$3,100.00	\$21,700.00	\$3,580.00	\$25,060.00	\$2,700.00	\$18,900.00	\$3,851.55	\$26,960.85
60	4	each	Standard Precast Doghouse Manhole	\$7,500.00	\$30,000.00	\$3,200.00	\$12,800.00	\$6,000.00	\$24,000.00	\$4,600.00	\$18,400.00	\$3,499.73	\$13,998.92
61	1	each	Tie to Existing Sewer Lateral	\$2,000.00	\$2,000.00	\$500.00	\$500.00	\$1,000.00	\$1,000.00	\$750.00	\$750.00	\$553.27	\$553.27
62	0	each	Tie to Existing Sewer Main (Includes Concrete Collar)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$704.00	\$704.00	\$0.00	\$0.00
63	2	each	Concrete Plug Existing Sanitary Manhole Invert or Pipe	\$300.00	\$600.00	\$350.00	\$700.00	\$500.00	\$1,000.00	\$250.00	\$500.00	\$473.14	\$946.28
64	1201	l.f.	Post Construction Camera Inspection	\$1.50	\$1,801.50	\$5.00	\$6,005.00	\$2.20	\$2,642.20	\$15.00	\$18,015.00	\$7.14	\$8,575.14
Water Distribution and Fire Protection System Improvements													
65	89	l.f.	3/4" Type "K" Copper Water Service Line (includes cap where req'd)	\$12.00	\$1,068.00	\$10.00	\$890.00	\$36.00	\$3,204.00	\$15.00	\$1,335.00	\$66.53	\$5,911.17
66	10	l.f.	6" Class 350 Compression Joint D.I. Water Main	\$40.00	\$400.00	\$21.00	\$210.00	\$50.00	\$500.00	\$45.00	\$450.00	\$98.38	\$983.80
67	828	l.f.	8" Class 350 Compression Joint D.I. Water Main	\$40.00	\$33,120.00	\$35.50	\$29,394.00	\$52.00	\$43,056.00	\$65.00	\$53,820.00	\$74.20	\$61,437.60
68	2	each	6" x 8" Tapping Sleeve and Valve and Valve Box	\$3,500.00	\$7,000.00	\$3,000.00	\$6,000.00	\$4,000.00	\$8,000.00	\$3,000.00	\$6,000.00	\$3,164.54	\$6,329.08
69	1	each	8" x 8" Tapping Sleeve and Valve and Valve Box	\$3,500.00	\$3,500.00	\$4,200.00	\$4,200.00	\$5,150.00	\$5,150.00	\$3,700.00	\$3,700.00	\$3,989.65	\$3,989.65
70	5	each	8" Gate Valve and Valve Box	\$1,800.00	\$9,000.00	\$1,150.00	\$5,750.00	\$2,300.00	\$11,500.00	\$1,300.00	\$6,500.00	\$1,079.83	\$5,999.15
71	2	each	8" DIIM Water Main Plug	\$500.00	\$1,000.00	\$550.00	\$1,100.00	\$500.00	\$1,000.00	\$900.00	\$1,800.00	\$660.71	\$1,321.42
72	5	each	Cut/Cap Existing Water Main	\$2,000.00	\$10,000.00	\$975.00	\$4,875.00	\$500.00	\$2,500.00	\$1,300.00	\$6,500.00	\$662.64	\$3,313.20
73	5	each	Direct Tap to Water Main	\$250.00	\$1,250.00	\$425.00	\$2,125.00	\$500.00	\$2,500.00	\$500.00	\$2,500.00	\$364.41	\$1,822.05
74	1	each	Fire Hydrant Assembly	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,300.00	\$3,300.00	\$3,300.00	\$3,300.00	\$3,379.61	\$3,379.61
75	1	l.s.	Pressure Testing and Disinfection (For Entire System)	\$3,000.00	\$3,000.00	\$1,100.00	\$1,100.00	\$2,500.00	\$2,500.00	\$4,000.00	\$4,000.00	\$2,973.69	\$2,973.69
Electrical, Fiber Optic, Irrigation, Utility Improvements													
76	1	l.s.	2" Sch 40 PVC Conduit (APCO) (4'-710 l.f.)	\$7,625.00	\$7,625.00	\$9,500.00	\$9,500.00	\$8,144.00	\$8,144.00	\$9,400.00	\$9,400.00	\$4,857.31	\$8,557.31
77	1	l.s.	3" Sch 40 PVC Conduit (APCO) (4'-230 l.f.)	\$5,240.00	\$5,240.00	\$8,100.00	\$8,100.00	\$6,666.00	\$6,666.00	\$7,700.00	\$7,700.00	\$7,250.48	\$7,250.48
78	1	l.s.	5" Sch 40 PVC Conduit (APCO) (4'-5,000 l.f.)	\$115,035.00	\$115,035.00	\$129,400.00	\$129,400.00	\$117,350.00	\$117,350.00	\$153,000.00	\$153,000.00	\$127,639.47	\$127,639.47
79	1	l.s.	4" Sch 40 PVC Conduit (AT&T) (4'-410 l.f.)	\$7,930.00	\$7,930.00	\$9,600.00	\$9,600.00	\$8,470.00	\$8,470.00	\$9,700.00	\$9,700.00	\$9,212.65	\$9,212.65
80	1	l.s.	1 1/2" Sch 40 PVC Conduit (TDOT) (4'-720 l.f.)	\$11,605.00	\$11,605.00	\$14,000.00	\$14,000.00	\$12,394.00	\$12,394.00	\$14,000.00	\$14,000.00	\$13,480.38	\$13,480.38
81	1	l.s.	1 1/4" Sch 40 PVC Conduit (TDOT) (4'-170 l.f.)	\$2,430.00	\$2,430.00	\$3,100.00	\$3,100.00	\$2,593.00	\$2,593.00	\$3,000.00	\$3,000.00	\$2,820.03	\$2,820.03
82	1	l.s.	4" Sch 40 PVC Conduit W(3) 1 1/4" Interducts (TDOT) (4'-3,800 l.f.)	\$142,225.00	\$142,225.00	\$158,000.00	\$158,000.00	\$146,388.00	\$146,388.00	\$159,223.31	\$159,223.31	\$159,223.31	\$159,223.31
83	1	l.s.	6" Sch 40 PVC Conduit (Irrigation) (4'-100 l.f.)	\$2,625.00	\$2,625.00	\$3,000.00	\$3,000.00	\$2,800.00	\$2,800.00	\$3,300.00	\$3,300.00	\$3,046.16	\$3,046.16
84	3	each	4"x6"x4" Pull Box (APCO) (Installation Only)	\$345.00	\$1,035.00	\$400.00	\$1,200.00	\$1,035.00	\$3,315.00	\$450.00	\$1,350.00	\$399.61	\$1,198.83
85	1	each	6"x15"x7" Manhole (APCO) (Installation Only)	\$6,120.00	\$6,120.00	\$6,500.00	\$6,500.00	\$6,335.00	\$6,335.00	\$7,600.00	\$7,600.00	\$7,108.10	\$7,108.10
86	1	each	Pad Mount Transformer (APCO) (Installation Only)	\$2,065.00	\$2,065.00	\$2,200.00	\$2,200.00	\$2,128.00	\$2,128.00	\$2,500.00	\$2,500.00	\$2,422.81	\$2,422.81
87	3	each	Secondary Pedestal (APCO) (Installation Only)	\$435.00	\$1,305.00	\$500.00	\$1,500.00	\$463.00	\$1,389.00	\$550.00	\$1,650.00	\$503.70	\$1,511.10
88	2	each	3"x4"x3" TDV Vault	\$3,630.00	\$7,260.00	\$3,800.00	\$7,600.00	\$3,875.00	\$7,750.00	\$4,500.00	\$9,000.00	\$4,215.09	\$8,430.18
89	1	each	4"x6"x4" TDV Vault	\$4,300.00	\$4,300.00	\$4,500.00	\$4,500.00	\$4,587.00	\$4,587.00	\$5,300.00	\$5,300.00	\$4,989.19	\$4,989.19
90	1	l.s.	Tie to Existing AT&T Cabinets	\$2,280.00	\$2,280.00	\$2,300.00	\$2,300.00	\$2,432.00	\$2,432.00	\$2,800.00	\$2,800.00	\$2,645.35	\$2,645.35
91	1	l.s.	Tie to Existing Residential Power Panel (Service Conversion)	\$1,310.00	\$1,310.00	\$1,375.00	\$1,375.00	\$1,397.00	\$1,397.00	\$1,600.00	\$1,600.00	\$1,519.49	\$1,519.49
Erosion Control													
92	1	l.s.	Erosion Control Management and Maintenance	\$16,500.00	\$16,500.00	\$15,000.00	\$15,000.00	\$30,000.00	\$30,000.00	\$23,600.00	\$23,600.00	\$24,816.62	\$24,816.62
Traffic Control													
93	1	l.s.	Traffic Control	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$15,000.00	\$15,000.00	\$5,000.00	\$5,000.00	\$1,794.67	\$1,794.67
94	1	l.s.	Construction Signs	\$6,000.00	\$6,000.00	\$1,500.00	\$1,500.00	\$5,000.00	\$5,000.00	\$6,400.00	\$6,400.00	\$5,982.24	\$5,982.24
Permanent Signage and Striping													
95	1376	l.f.	Solid Yellow, Class 1, Type A Traffic Stripe (4" Wide)	\$1.00	\$1,376.00	\$3.00	\$4,128.00	\$0.47	\$646.72	\$1.00	\$1,376.00	\$2.39	\$3,288.64
Miscellaneous Items													
96	100	tons	ALDOT No. 24 Stone (Miscellaneous Use As Directed by the Owner's Representative)	\$16.00	\$1,600.00	\$26.00	\$2,600.00	\$25.00	\$2,500.00	\$31.00	\$3,100.00	\$59.05	\$5,905.00
97	100	tons	ALDOT No. 57 Stone (Miscellaneous Use As Directed by the Owner's Representative)	\$16.00	\$1,600.00	\$26.00	\$2,600.00	\$25.00	\$2,500.00	\$25.00	\$2,500.00	\$31.77	\$3,177.00
98	100	tons	ALDOT No. 8910 Stone (Miscellaneous Use As Directed by the Owner's Representative)	\$16.00	\$1,600.00	\$26.00	\$2,600.00	\$23.00	\$2,300.00	\$24.00	\$2,400.00	\$30.57	\$3,057.00
99	150	c.y.	Utility Trench Foundation Material (As Directed by Owner's Representative)	\$20.00	\$3,000.00	\$48.00	\$7,200.00	\$41.25	\$6,187.50	\$36.00	\$5,400.00	\$89.31	\$13,396.50
100	750	s.y.	Geotextile Stabilization Mat (Mirafi HPS70) Only As Directed by the Owner's Representative)	\$4.15	\$3,112.50	\$4.50	\$3,375.00	\$6.00	\$4,500.00	\$6.00	\$4,500.00	\$10.17	\$7,637.50
101	500	l.f.	6" Underdrain (As Directed by the Owner's Representative)	\$12.00	\$6,000.00	\$19.00	\$9,500.00	\$10.00	\$5,000.00	\$17.00	\$8,500.00	\$38.19	\$19,095.00
102	1	each	Remove/Reset Mailbox	\$200.00	\$200.00	\$250.00	\$250.00	\$500.00	\$500.00	\$100.00	\$100.00	\$299.11	\$299.11
103	1	allowance	Asbestos Abatement of Existing Residences to be Demolished	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
TOTAL BASE BID					\$1,189,794.40		\$1,243,904.75		\$1,364,955.08		\$1,414,045.00		\$1,895,881.87

ALTERNATES			CivilWork Construction, LLC			Cornerstone Civil Contractors, LLC			Pine Construction Co., Inc.			DRM Utilities, LLC			Russia Corporation		
Item No.	Quantity	Unit	Description	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
Alternate No. 1																	
A1	120	l.f.	4" D.I. CL 52 Sanitary Sewer Lateral (includes any req'd end caps)	\$ 38.00	\$ 4,560.00	\$ 39.00	\$ 4,680.00	\$ 38.40	\$ 4,608.00	\$ 69.00	\$ 8,280.00	\$ 40.71	\$ 4,885.20				
A2	868	l.f.	8" D.I. CL 52 Sanitary Sewer Main	\$ 40.00	\$ 34,720.00	\$ 40.00	\$ 34,720.00	\$ 33.88	\$ 29,407.84	\$ 96.00	\$ 83,328.00	\$ 36.56	\$ 31,754.08				
A3	333	l.f.	10" D.I. CL 52 Sanitary Sewer Main	\$ 40.00	\$ 13,320.00	\$ 30.00	\$ 9,990.00	\$ 39.23	\$ 13,063.59	\$ 70.00	\$ 23,310.00	\$ 42.64	\$ 14,199.12				
TOTAL ALTERNATE NO. 1					\$ 52,600.00		\$ 49,390.00		\$ 47,079.43		\$ 114,918.00		\$ 50,818.40				
TOTAL BASE BID + ALTERNATE NO. 1					\$ 1,242,334.40		\$ 1,293,294.75		\$ 1,416,014.51		\$ 1,528,963.00		\$ 1,946,200.27				
ENVELOPE ADJUSTMENT																	
TOTAL BASE BID					\$ 1,189,734.40		\$ 1,243,904.75		\$ 1,364,935.08		\$ 1,414,045.00		\$ 1,895,381.87				
TOTAL ALTERNATE NO. 1					\$ 52,600.00		\$ 49,390.00		\$ 47,079.43		\$ 114,918.00		\$ 50,818.40				
PROJECT BID TOTAL					\$ 1,242,334.40		\$ 1,293,294.75		\$ 1,416,014.51		\$ 1,528,963.00		\$ 1,946,200.27				
PROJECT BID TOTAL AS SHOWN ON BID PROPOSAL FORM					\$ 1,242,334.40		\$ 1,293,294.75		\$ 1,416,014.51		\$ 1,515,338.50		\$ 1,946,200.27				

* Denotes a correction due to mathematical error submitted in the original Bid Proposal Form which was read aloud.

CONTRACT CHANGE ORDER NO. 3

City of Tuscaloosa, Office of the City Attorney

FINAL

DATE: April 7, 2016

PROJECT: ALBERTA REVITALIZATION INFRASTRUCTURE PROJECT PHASE 1B

TO: RYAN SHIRLEY COMPANY, INC.

(Contractor)

TERMS: You are hereby authorized, subject to the provisions of your Contract for this Project, to make the following changes thereto in accordance with the attached Change Order Request and supporting documents and to:

FURNISH the necessary labor, materials and equipment to:

- Unit Price Reconciliation (Dated 04/07/16): The difference in the bid quantities and the installed quantities as shown on the attached Unit Price Reconciliation form. These differences are due to slight overruns or underruns of some bid quantities, and/or additional work requested by the Owner.

TOTAL ADDITION OR REDUCTION TO CONTRACT PRICE:

(Note: Numbers in parentheses are deductions).

ORIGINAL CONTRACT PRICE	\$ 2,231,786.77
LESS CONTINGENCY/ALLOWANCE	\$ 0
NET ORIGINAL CONTRACT PRICE	\$ 2,231,786.77
Net total of previous Change Orders	\$ 23,845.76
Previous revised Contract Price	\$ 2,255,632.53
This Change Order No. <u>3</u> <input type="checkbox"/> Add <input checked="" type="checkbox"/> Deduct	\$ 31,412.56
Revised Contract Price this date	\$ 2,224,219.97

Extension of time resulting from this Change Order - 0 - (Indicate number of calendar days).

The amount of this Change Order will be the responsibility of The City of Tuscaloosa, Alabama

This Contract Modification constitutes full and mutual accord and satisfaction for all time and all cost related to this change. By acceptance of this Contract Modification, the Contractor hereby agrees that the modification represents an equitable adjustment to the Contract, and further, agrees to waive all right to file any further claims or changes arising out of or as a result of this change, or the accumulation of executed Contract Modifications on this Contract.

The Contractor and Owner(s) hereby agree to the terms of this Change Order as contained herein.

CONSENT OF SURETY

Western Surety Company

(Company)

By: Julie Tubbs, Attorney-in-Fact

RECOMMENDED

By: WALKER ASSOCIATES, INC.

(Design Engineer or Architect)

CONTRACTING PARTIES

RYAN SHIRLEY COMPANY, INC.

(Contractor)

By: [Signature] (Authorized Representative)

CITY OF TUSCALOOSA

By: [Signature] (Mayor)



City of Tuscaloosa
Alberta Revitalization Infrastructure Project Phase 1B
City Project No. A12-1324

BID TABULATION FORM

BID OPENING: TUESDAY, APRIL 28, 2015 AT 10:00AM

CERTIFICATE:

I, Michael Bradley Porter, a Registered Professional Engineer in the State of Alabama, do hereby certify that to the best of my knowledge, the following Tabulation of Bids is true and correct.

Michael Bradley Porter
Michael Bradley Porter, P.E., Alabama Registration No. 30442



Ryan Shirley Company, Inc.		Cornerstone Civil Contractors, LLC		John Platt Company, Inc.		Price Construction Co., Inc.	
P.O. Box 657 Northport, AL 35476 AL License No. 20976		2311 Joe Mallinham Parkway Tuscaloosa, Alabama 35401 AL License No. 39115		P.O. Box 20183 Tuscaloosa, AL 35402 AL License No. 9266		P.O. Box 78 Peterson, AL 35478 AL License No. 15839	
Item No.	Quantity	Unit	Description	Unit Cost	Total Cost	Unit Cost	Total Cost
BASE BID BIDDERS							
1	1	L.S.	Payment and Performance Bonds	\$35,870.00	\$ 35,870.00	\$27,637.50	\$ 27,637.50
2	1	L.S.	Mobilization and Demobilization	\$54,880.00	\$ 54,880.00	\$131,158.38	\$ 131,158.38
3	1	L.S.	Demolition, Clearing, and Grubbing (Approximately 5 acres)	\$88,000.00	\$ 88,000.00	\$12,896.86	\$ 12,896.86
4	980	L.F.	Remove/Stone Backfill of Existing Pipe (4" & larger, all material)	\$22.19	\$ 21,746.20	\$35.70	\$ 34,986.00
5	13	each	Remove Existing Sanitary Manhole/Storm Structure & Backfill	\$403.85	\$ 5,250.05	\$1,785.83	\$ 18,715.79
6	15	C.Y.	Slurry Fill of Abandoned Pipes	\$300.00	\$ 4,500.00	\$352.70	\$ 5,290.50
7	4207	C.Y.	Remove Existing Pavements (Concrete and Asphalt)	\$3.57	\$ 15,018.99	\$2.85	\$ 11,989.95
8	2	each	Remove Existing Fire Hydrant	\$150.00	\$ 300.00	\$885.54	\$ 1,771.08
9	2	each	Remove Existing Fire Hydrant	\$70,800.00	\$ 141,600.00	\$88,597.18	\$ 177,194.36
10	1	L.S.	Topsoil	\$77,500.00	\$ 77,500.00	\$55,000.00	\$ 55,000.00
11	1500	C.Y.P.	Remove/Dispose/Replacement of Unsuitable Material	\$17.44	\$ 26,160.00	\$1.00	\$ 1,500.00
12	200	S.Y.	Milling/Planing Existing Pavement (Thickness Varies)	\$9.88	\$ 1,976.00	\$11.23	\$ 2,246.00
13	8995	S.Y.	Crushed Aggregate Stone Base, 825B (4" Thickness) (Concrete Pavement & Residential Drives)	\$0.81	\$ 7,285.95	\$0.84	\$ 7,555.80
14	247	S.Y.	Crushed Aggregate Stone Base, 825B (6" Thickness) (Asphalt Pavement & Speed Tables)	\$7.57	\$ 1,869.79	\$6.71	\$ 1,657.37
15	7329	S.Y.	Crushed Aggregate Stone Base, 825B (6" Thickness) (Asphalt Pavement & Speed Tables)	\$7.31	\$ 53,574.99	\$7.59	\$ 55,627.11
16	7101	S.Y.	Bituminous Treatment A (ALDOT 401)	\$0.94	\$ 6,674.94	\$0.97	\$ 7,101.00
17	602	gal	Truck Coat (ALDOT 405A)	\$2.98	\$ 1,793.96	\$3.10	\$ 1,866.20
18	6023	S.Y.	Bituminous Concrete Wearing Surface Layer, 1/2" Max Aggregate Mix (ALDOT 424A) (1.5" Compacted Thickness)	\$7.23	\$ 43,546.29	\$7.51	\$ 45,232.73
19	6023	S.Y.	Bituminous Concrete Lower Binder Layer, 1" Max Aggregate Mix (ALDOT 424B) (1.5" Compacted Thickness)	\$11.74	\$ 70,710.02	\$12.19	\$ 73,420.37
20	1500	S.Y.	Temporary Asphalt Patching (2" Asphalt Thickness)	\$16.59	\$ 24,885.00	\$16.92	\$ 25,380.00
21	217	S.Y.	Concrete Driveway - Residential (6" Thick)	\$48.50	\$ 10,524.50	\$52.85	\$ 11,468.45
22	45	S.Y.	Concrete Pavement (Drives at APCO Substation)	\$57.25	\$ 2,576.25	\$54.00	\$ 2,430.00
23	202	S.Y.	Concrete Speed Table	\$54.50	\$ 11,009.00	\$50.78	\$ 10,353.52
24	1057	S.Y.	Concrete Sidewalk	\$42.43	\$ 44,848.51	\$50.89	\$ 53,790.73
25	2282	S.Y.	Concrete City Walk	\$54.60	\$ 124,597.20	\$48.00	\$ 109,536.00
26	227	S.F.	Truncated Dome Pavers	\$12.36	\$ 8,985.72	\$14.15	\$ 10,287.05
27	24	each	Handicap Ramp	\$700.00	\$ 16,800.00	\$945.45	\$ 22,690.80
28	1406	S.Y.	Permeable Concrete Pavers (Includes all Stone Base Materials, Concrete Band, & Underdrain)	\$125.22	\$ 176,050.32	\$158.39	\$ 222,096.34
29	846	L.F.	Combination Curb and Gutter	\$17.78	\$ 15,041.88	\$19.28	\$ 16,310.88
30	2025	L.F.	6" Standup Curb	\$12.32	\$ 35,073.00	\$19.55	\$ 39,588.75
31	2594	L.F.	8" Standup Curb (Includes Median Curb Cuts)	\$12.34	\$ 44,978.96	\$19.53	\$ 50,660.82
32	114	L.F.	6" Valley Gutter	\$47.30	\$ 5,392.20	\$59.34	\$ 6,764.76
Storm Sewer System Improvements							
33	360	L.F.	15" R.C. Pipe, Class 3	\$26.25	\$ 9,450.00	\$28.00	\$ 10,080.00
34	275	L.F.	18" R.C. Pipe, Class 3	\$32.10	\$ 8,877.50	\$36.19	\$ 10,072.25
35	340	L.F.	24" R.C. Pipe, Class 3	\$34.03	\$ 11,768.20	\$37.25	\$ 12,675.00
36	160	L.F.	30" R.C. Pipe, Class 3	\$43.09	\$ 6,894.40	\$46.00	\$ 7,360.00
37	57	L.F.	22" x 13 1/2" R.C. Arch Pipe, Class 3	\$49.22	\$ 2,805.54	\$51.00	\$ 2,913.00
38	615	L.F.	36 1/2" x 18" R.C. Arch Pipe, Class 3	\$69.45	\$ 42,855.75	\$74.00	\$ 45,540.00
39	79	L.F.	36 1/2" x 22 1/2" R.C. Arch Pipe, Class 3	\$2,300.00	\$ 181,800.00	\$2,400.00	\$ 189,600.00
40	12	each	Type "S" Inlet (1 Wing) (Depths Vary)	\$2,515.00	\$ 30,180.00	\$2,600.00	\$ 31,200.00
41	2	each	Concrete Junction Box (Depths Vary)	\$1,860.00	\$ 3,720.00	\$1,900.00	\$ 3,800.00
42	4	each	Grate Inlets	\$15,360.00	\$ 61,440.00	\$16,000.00	\$ 64,000.00
43	1	L.S.	Storm Structure 1:1 (Junction Box, Special)	\$5,277.00	\$ 5,277.00	\$5,400.00	\$ 5,400.00
44	1	L.S.	Storm Structure 4:1 (Type "S" Inlet (1 Wing), Special)	\$5,051.00	\$ 5,051.00	\$5,200.00	\$ 5,200.00
45	1	L.S.	Storm Structure 4:2 (Type "S" Inlet (1 Wing), Special)	\$5,051.00	\$ 5,051.00	\$5,200.00	\$ 5,200.00
46	1	L.S.	Storm Structure 4:3 (Type "S" Inlet (2 Wing), Special)	\$5,051.00	\$ 5,051.00	\$5,200.00	\$ 5,200.00
47	1	L.S.	Storm Structure 5:1 (Grate Inlet, Special)	\$2,410.00	\$ 2,410.00	\$2,500.00	\$ 2,500.00
48	1	L.S.	Storm Structure 7:1 (Junction Box, Special)	\$17,100.00	\$ 17,100.00	\$17,600.00	\$ 17,600.00

Storm Sewer System Improvements (continued)				Ryer Shilley Company, Inc.		Comprehensive Civil Constructors, LLC		John Fleet Company, Inc.		Pitzer Construction Co., Inc.	
Item No.	Quantity	Unit	Description	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
49	2	each	Remove/Raise Junction Box Ring & Cover to Grade	\$550.00	\$1,100.00	\$300.00	\$600.00	\$998.62	\$1,997.24	\$1,000.00	\$2,000.00
50	1	each	15" Slope Paved Headwall	\$800.00	\$800.00	\$600.00	\$600.00	\$1,080.00	\$1,080.00	\$825.00	\$825.00
51	3	each	Tie to Existing Storm Structure	\$700.00	\$2,100.00	\$1,500.00	\$4,500.00	\$1,877.80	\$5,633.40	\$1,000.00	\$3,000.00
Sanitary Sewer System Improvements											
52	285	l.f.	4" PVC DI CL 52 Sanitary Sewer Lateral (Includes any req'd end caps)	\$66.45	\$18,986.25	\$85.00	\$24,225.00	\$90.66	\$25,838.10	\$88.00	\$25,005.00
53	937	l.f.	8" DI CL 52 Sanitary Sewer Main	\$83.96	\$78,980.52	\$77.00	\$72,141.00	\$95.63	\$89,605.31	\$98.00	\$87,456.00
54	231	l.f.	10" DI CL 52 Sanitary Sewer Main	\$78.51	\$18,135.81	\$91.00	\$21,021.00	\$97.26	\$22,467.06	\$95.00	\$21,945.00
55	8	each	Standard Precast Manhole	\$2,640.00	\$21,120.00	\$3,000.00	\$24,000.00	\$2,705.78	\$21,646.24	\$2,500.00	\$20,000.00
56	5	each	Standard Precast Doghouse Manhole	\$2,475.00	\$12,375.00	\$3,300.00	\$16,500.00	\$3,500.08	\$17,500.40	\$3,500.00	\$17,500.00
57	7	each	Tie to Existing Sewer Lateral	\$95.00	\$665.00	\$450.00	\$3,150.00	\$508.31	\$3,558.17	\$1,000.00	\$7,000.00
58	1	l.s.	Bypass Pumping	\$4,800.00	\$4,800.00	\$7,000.00	\$7,000.00	\$13,865.60	\$13,865.60	\$10,000.00	\$10,000.00
59	1168	l.f.	Post Construction Camera Inspection	\$3.65	\$4,263.20	\$3.50	\$4,086.00	\$1.66	\$1,927.20	\$2.20	\$2,568.00
Water Distribution and Fire Protection System Improvements											
60	390	l.f.	3/4" Type "K" Copper Water Service Line (Includes cap where req'd)	\$4.42	\$1,723.80	\$37.00	\$6,630.00	\$22.04	\$8,595.60	\$30.00	\$11,700.00
61	40	l.f.	2" PVC CL 200 Watermain	\$8.64	\$345.60	\$22.00	\$880.00	\$36.40	\$1,456.00	\$38.00	\$1,520.00
62	10	l.f.	4" D.I. CL 350 Compression Joint Watermain	\$40.06	\$400.60	\$60.00	\$600.00	\$87.15	\$871.50	\$50.00	\$500.00
63	75	l.f.	6" D.I. Class 350 Compression Joint Watermain	\$20.27	\$1,520.25	\$30.00	\$2,250.00	\$32.15	\$3,911.25	\$40.00	\$3,000.00
64	1322	l.f.	8" D.I. Class 350 Compression Joint Watermain	\$28.72	\$37,967.84	\$38.00	\$50,336.00	\$41.18	\$54,439.96	\$43.75	\$57,837.50
65	253	l.f.	12" D.I. Class 350 Compression Joint Watermain	\$80.94	\$20,477.82	\$110.00	\$27,830.00	\$115.26	\$29,160.78	\$90.00	\$22,770.00
66	3	each	8" x 8" Tapping Sleeve, Valve, and Valve Box	\$5,000.00	\$15,000.00	\$3,800.00	\$11,400.00	\$3,503.17	\$10,509.51	\$3,864.00	\$11,592.00
67	2	each	2" Gate Valve and Valve Box	\$450.00	\$900.00	\$450.00	\$900.00	\$484.14	\$968.28	\$664.00	\$1,328.00
68	1	each	4" Gate Valve and Valve Box	\$550.00	\$550.00	\$550.00	\$550.00	\$643.34	\$643.34	\$750.00	\$750.00
69	9	each	8" Gate Valve and Valve Box	\$900.00	\$8,100.00	\$1,000.00	\$9,000.00	\$997.07	\$8,973.63	\$1,356.00	\$12,204.00
70	6	each	12" Gate Valve and Valve Box	\$1,600.00	\$9,600.00	\$1,600.00	\$9,600.00	\$1,748.68	\$10,492.08	\$2,428.00	\$14,568.00
71	4	each	8" DI MI Water Main Plug (Incl. 2" Threaded Connection if Req'd)	\$100.00	\$400.00	\$400.00	\$1,600.00	\$393.81	\$1,575.24	\$336.00	\$1,344.00
72	2	each	12" DI MI Water Main Plug (Incl. 2" Threaded Connection if Req'd)	\$150.00	\$300.00	\$300.00	\$1,200.00	\$438.14	\$876.28	\$739.00	\$1,478.00
73	8	each	Remove/Reset Existing Meter	\$115.00	\$920.00	\$60.00	\$480.00	\$524.23	\$4,193.84	\$900.00	\$7,200.00
74	1	each	3/4" Domestic Meter and Box	\$600.00	\$600.00	\$75.50	\$75.50	\$923.95	\$923.95	\$739.00	\$739.00
75	1	each	2" Irrigation Meter and Box	\$4,190.00	\$4,190.00	\$4,000.00	\$4,000.00	\$6,851.90	\$6,851.90	\$3,500.00	\$3,500.00
76	2	each	Flush Assembly	\$500.00	\$1,000.00	\$800.00	\$1,600.00	\$1,578.49	\$3,156.98	\$1,000.00	\$2,000.00
77	5	each	Tie to Existing Watermain	\$225.00	\$1,125.00	\$560.00	\$2,800.00	\$758.98	\$3,794.90	\$1,000.00	\$5,000.00
78	3	each	Cut/Cap Existing Water Main	\$155.00	\$465.00	\$450.00	\$1,350.00	\$1,427.30	\$4,281.90	\$500.00	\$1,500.00
79	10	each	Direct Tap to Water Main	\$110.00	\$1,100.00	\$350.00	\$3,500.00	\$284.51	\$2,845.10	\$300.00	\$3,000.00
80	3	each	Fire Hydrant Assembly	\$2,800.00	\$8,400.00	\$3,500.00	\$10,500.00	\$3,243.60	\$9,730.80	\$3,600.00	\$10,800.00
81	1	l.s.	Pressure Testing and Disinfection (For Entire System)	\$2,000.00	\$2,000.00	\$4,750.00	\$4,750.00	\$3,211.13	\$3,211.13	\$2,500.00	\$2,500.00
Electrical, Fiber Optic, Inverter, Utility Improvements											
82	1	l.s.	2" Sch 40 PVC Conduit (APCO) (+/- 1,582 l.f.)	\$8,357.00	\$8,357.00	\$9,800.00	\$9,800.00	\$8,691.28	\$8,691.28	\$9,192.70	\$9,192.70
83	1	l.s.	3" Sch 40 PVC Conduit (APCO) (+/- 1,051 l.f.)	\$9,054.00	\$9,054.00	\$10,600.00	\$10,600.00	\$9,416.16	\$9,416.16	\$9,959.40	\$9,959.40
84	1	l.s.	5" Sch 40 PVC Conduit (APCO) (+/- 978 l.f.)	\$14,171.00	\$14,171.00	\$16,700.00	\$16,700.00	\$14,737.84	\$14,737.84	\$15,588.10	\$15,588.10
85	1	l.s.	1" Sch 40 PVC Conduit (AT&T) (+/- 937 l.f.)	\$7,024.00	\$7,024.00	\$8,300.00	\$8,300.00	\$7,304.96	\$7,304.96	\$7,726.40	\$7,726.40
86	1	l.s.	4" Sch 40 PVC Conduit (AT&T) (+/- 4,910 l.f.)	\$37,188.00	\$37,188.00	\$43,800.00	\$43,800.00	\$38,675.52	\$38,675.52	\$40,906.80	\$40,906.80
87	1	l.s.	3/4" Sch 40 PVC Conduit (TDOT) (+/- 10 l.f.)	\$123.00	\$123.00	\$145.00	\$145.00	\$127.92	\$127.92	\$135.30	\$135.30
88	1	l.s.	1 1/4" Sch 40 PVC Conduit (TDOT) (+/- 796 l.f.)	\$5,610.00	\$5,610.00	\$6,600.00	\$6,600.00	\$5,834.40	\$5,834.40	\$6,171.00	\$6,171.00
89	1	l.s.	1 1/2" Sch 40 PVC Conduit (TDOT) (+/- 2,907 l.f.)	\$22,204.00	\$22,204.00	\$26,200.00	\$26,200.00	\$23,092.16	\$23,092.16	\$24,424.40	\$24,424.40
90	1	l.s.	2" Sch 40 PVC Conduit (TDOT) (+/- 1,119 l.f.)	\$8,185.00	\$8,185.00	\$9,650.00	\$9,650.00	\$8,512.40	\$8,512.40	\$9,003.50	\$9,003.50
91	1	l.s.	4" Sch 40 PVC Conduit w/ (3) 1 1/4" Interducts (TDOT) (+/- 9,000 l.f.)	\$125,715.00	\$125,715.00	\$168,300.00	\$168,300.00	\$122,421.52	\$122,421.52	\$129,484.30	\$129,484.30
92	1	l.s.	1" Sch 40 PVC Conduit (COMC) (+/- 629 l.f.)	\$4,655.00	\$4,655.00	\$5,500.00	\$5,500.00	\$4,841.20	\$4,841.20	\$5,120.50	\$5,120.50
93	1	l.s.	3" Sch 40 PVC Conduit (COMC) (+/- 1,782 l.f.)	\$14,463.00	\$14,463.00	\$17,000.00	\$17,000.00	\$15,041.52	\$15,041.52	\$15,909.30	\$15,909.30
94	2	each	4"x6"x4" Pull Box (APCO) (Installation Only)	\$347.00	\$694.00	\$800.00	\$1,600.00	\$360.88	\$721.76	\$81.70	\$163.40
95	2	each	Pad Mount Transformer (APCO) (Installation Only)	\$248.00	\$496.00	\$300.00	\$600.00	\$257.92	\$515.84	\$272.80	\$545.60
96	4	each	Secondary Pedestal (APCO) (Installation Only)	\$132.50	\$530.00	\$150.00	\$600.00	\$137.80	\$551.20	\$145.75	\$583.00
97	4	each	2.5"x4"x3" TDV Vault	\$1,341.00	\$5,364.00	\$1,500.00	\$6,000.00	\$1,394.64	\$5,578.56	\$1,475.10	\$5,900.40
98	1	each	4"x6"x4" TDV Vault	\$2,512.00	\$2,512.00	\$3,000.00	\$3,000.00	\$2,612.48	\$2,612.48	\$2,763.20	\$2,763.20
99	1	l.s.	Tie to Existing Conduits (From Phase 1A)	\$2,392.00	\$2,392.00	\$2,800.00	\$2,800.00	\$2,487.68	\$2,487.68	\$2,631.20	\$2,631.20
100	5	each	Tie to Existing Residential Power Panel (Service Conversion) (APCO)	\$37,000.00	\$185,000.00	\$2,200.00	\$11,000.00	\$194.48	\$972.40	\$205.70	\$1,028.50
Erosion Control											
101	1	l.s.	Erosion Control Management and Maintenance	\$12,390.00	\$12,390.00	\$30,500.00	\$30,500.00	\$30,676.54	\$30,676.54	\$50,600.00	\$50,600.00
Traffic Control											
102	1	l.s.	Traffic Control	\$7,500.00	\$7,500.00	\$6,300.00	\$6,300.00	\$3,756.00	\$3,756.00	\$25,000.00	\$25,000.00
103	1	l.s.	Construction Signs	\$7,500.00	\$7,500.00	\$3,800.00	\$3,800.00	\$6,679.20	\$6,679.20	\$5,000.00	\$5,000.00
Permanent Signage and Striping											
104	428	l.f.	Solid White, Class 1, Type A Traffic Stripe (4" Wide)	\$0.45	\$192.60	\$0.50	\$214.00	\$0.50	\$214.00	\$0.46	\$196.88
105	1033	l.f.	Dashed Yellow, Class 1, Type A Traffic Stripe (4" Wide)	\$0.40	\$413.20	\$0.50	\$516.50	\$0.44	\$454.52	\$0.46	\$475.18
106	963	l.f.	Solid Yellow, Class 1, Type A Traffic Stripe (4" Wide)	\$0.45	\$433.35	\$0.50	\$481.50	\$0.46	\$442.98	\$0.46	\$428.28
107	306	l.f.	Solid White, Class 1, Type A Traffic Stripe (6" Wide)	\$0.65	\$198.90	\$0.75	\$229.50	\$0.72	\$220.32	\$0.69	\$211.14
108	100	l.f.	Dotted White, Class 1, Type A Traffic Stripe (6" Wide)	\$0.50	\$50.00	\$0.60	\$60.00	\$0.55	\$55.00	\$0.60	\$60.00
109	474	l.f.	Crosswalk Stripe (Traffic Control Markings, Class 1, Type A)	\$7.95	\$3,768.30	\$9.00	\$4,266.00	\$8.75	\$4,147.50	\$8.34	\$3,953.16
110	129	l.f.	2" Stop Bar (Traffic Control Markings, Class 1, Type A)	\$1.50	\$193.50	\$1.75	\$225.75	\$1.65	\$212.85	\$1.77	\$223.33
111	44	l.f.	Yellow Bar (Traffic Control Markings, Class 1, Type A)	\$6.00	\$264.00	\$7.00	\$308.00	\$6.60	\$290.40	\$7.38	\$325.32
112	3	each	Only's (Traffic Control Markings, Class 1, Type A)	\$55.00	\$165.00	\$65.00	\$195.00	\$60.50	\$181.50	\$66.00	\$198.00
113	3	each	Arrows (Traffic Control Markings, Class 1, Type A)	\$38.00	\$114.00	\$45.00	\$135.00	\$41.80	\$125.40	\$44.00	\$132.00
114	8	each	Decorative Signs	\$1,635.00	\$13,080.00	\$450.00	\$3,600.00	\$698.50	\$5,588.00	\$770.00	\$6,160.00

Miscellaneous Items				Ryan Shirley Company, Inc.		Cornerstone Civil Contractors, LLC		John Platt Company, Inc.		Price Construction Co., Inc.	
Item No.	Quantity	Unit	Description	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
115	100	tons	ALDOT No. 24 Stone (Miscellaneous Use As Directed by the Owner's Representative)	\$25.00	\$ 2,500.00	\$25.00	\$ 2,500.00	\$17.99	\$ 1,799.00	\$25.00	\$ 2,500.00
116	100	tons	ALDOT No. 57 Stone (Miscellaneous Use As Directed by the Owner's Representative)	\$25.00	\$ 2,500.00	\$25.00	\$ 2,500.00	\$17.99	\$ 1,799.00	\$25.00	\$ 2,500.00
117	100	tons	ALDOT No. 8910 Stone (Miscellaneous Use As Directed by the Owner's Representative)	\$25.00	\$ 2,500.00	\$25.00	\$ 2,500.00	\$17.99	\$ 1,799.00	\$25.00	\$ 2,500.00
118	150	c.y.	Utility Trench Foundation Material (As Directed by Owner's Representative)	\$45.00	\$ 6,750.00	\$40.00	\$ 6,000.00	\$27.94	\$ 4,191.00	\$43.00	\$ 6,450.00
119	1500	s.y.	Geotextile Stabilization Mat (Mirafi HP570) (Only As Directed by the Owner's Representative)	\$2.90	\$ 4,350.00	\$3.00	\$ 4,500.00	\$5.61	\$ 8,415.00	\$3.75	\$ 5,625.00
120	1000	l.f.	6" Underdrain (As Directed by the Owner's Representative)	\$3.88	\$ 3,880.00	\$10.00	\$ 10,000.00	\$17.90	\$ 17,900.00	\$17.00	\$ 17,000.00
121	11	each	6" Removable Bolland	\$875.00	\$ 7,425.00	\$600.00	\$ 6,600.00	\$1,725.00	\$ 18,975.00	\$1,705.00	\$ 18,755.00
122	2	each	8" Metal Bench	\$1,970.00	\$ 3,940.00	\$2,600.00	\$ 5,200.00	\$3,146.14	\$ 6,292.28	\$2,888.00	\$ 5,776.00
123	6	each	Trash Receptacle	\$1,385.00	\$ 8,310.00	\$2,000.00	\$ 12,000.00	\$1,821.19	\$ 10,927.14	\$1,860.00	\$ 11,160.00
124	8	each	Remove/Reset Mailbox	\$50.00	\$ 400.00	\$250.00	\$ 2,000.00	\$165.00	\$ 1,320.00	\$500.00	\$ 4,000.00
Landscaping and Irrigation Improvements											
125	229	each	Ballerina Indian Hawthorn - 3 Gallon	\$17.51	\$ 4,009.79	\$20.00	\$ 4,580.00	\$18.36	\$ 4,204.44	\$18.70	\$ 4,282.30
126	82	each	Big Blue Urtica - 1 Gallon	\$5.57	\$ 456.74	\$6.50	\$ 533.00	\$5.94	\$ 487.08	\$6.05	\$ 496.10
127	160	each	Cord Drift Rose - 3 Gallon	\$27.81	\$ 4,449.60	\$31.00	\$ 4,960.00	\$29.16	\$ 4,665.60	\$29.70	\$ 4,752.00
128	148	each	Dwarf Maiden Grass - 3 Gallon	\$31.93	\$ 4,725.64	\$36.00	\$ 5,328.00	\$33.48	\$ 4,955.04	\$34.10	\$ 5,046.80
129	60	each	Little Richard Abelia - 3 Gallon	\$15.45	\$ 927.00	\$17.00	\$ 1,020.00	\$16.20	\$ 972.00	\$16.50	\$ 990.00
130	126	each	Kaleidoscope Abelia - 3 Gallon	\$31.93	\$ 4,023.18	\$36.00	\$ 4,536.00	\$33.48	\$ 4,218.48	\$34.10	\$ 4,296.60
131	30	each	Willow Oak - 4" Caliper	\$334.75	\$ 10,042.50	\$350.00	\$ 10,500.00	\$351.00	\$ 10,530.00	\$357.50	\$ 10,725.00
132	26	each	Commemoration Sugar Maple - 4" Caliper	\$334.75	\$ 8,703.50	\$350.00	\$ 9,100.00	\$351.00	\$ 9,126.00	\$357.50	\$ 9,295.00
133	13	each	Nuttall Oak - 4" Caliper	\$334.75	\$ 4,351.75	\$350.00	\$ 4,550.00	\$351.00	\$ 4,563.00	\$357.50	\$ 4,647.50
134	11	each	Chinese Pistache - 4" Caliper	\$334.75	\$ 3,682.25	\$350.00	\$ 3,850.00	\$351.00	\$ 3,861.00	\$357.50	\$ 3,932.50
135	16	each	Sarah's Favorite Grape Myrtle - 10' to 12' Ht.	\$212.18	\$ 3,394.88	\$225.00	\$ 3,600.00	\$222.48	\$ 3,559.68	\$226.60	\$ 3,625.60
136	25	each	Tuscarora Grape Myrtle - 10' to 12' Ht.	\$212.18	\$ 5,304.50	\$225.00	\$ 5,625.00	\$222.48	\$ 5,784.48	\$226.60	\$ 5,891.60
137	22	each	Princeton Elm - 4" Caliper	\$334.75	\$ 7,364.50	\$350.00	\$ 7,700.00	\$351.00	\$ 7,722.00	\$357.50	\$ 7,865.00
138	15000	s.y.	Empire Zoysia Sod	\$6.80	\$ 102,000.00	\$7.25	\$ 108,750.00	\$7.26	\$ 108,900.00	\$7.26	\$ 108,900.00
139	300	s.y.	Bermuda Sod	\$3.85	\$ 1,155.00	\$4.00	\$ 1,200.00	\$4.24	\$ 1,272.00	\$4.23	\$ 1,269.00
140	1000	s.y.	Permanent Seed & Mulch	\$5.15	\$ 5,150.00	\$2.00	\$ 2,000.00	\$5.67	\$ 5,670.00	\$5.66	\$ 5,660.00
141	1	l.s.	Irrigation System - Complete In Place	\$91,487.79	\$ 91,487.79	\$100,000.00	\$ 100,000.00	\$97,111.30	\$ 97,111.30	\$97,705.37	\$ 97,705.37
Electrical Improvements											
142	1	l.s.	Electrical Improvements	\$38,510.00	\$ 38,510.00	\$50,000.00	\$ 50,000.00	\$40,050.40	\$ 40,050.40	\$42,361.00	\$ 42,361.00
143	2	each	Lighting Controller	\$4,134.00	\$ 8,268.00	\$5,000.00	\$ 10,000.00	\$4,299.36	\$ 8,598.72	\$4,547.40	\$ 9,094.80
144	14	each	Street Fixture - Type A (Installation Only-Material By City)	\$1,740.00	\$ 24,360.00	\$3,200.00	\$ 44,800.00	\$1,809.60	\$ 25,334.40	\$1,914.00	\$ 26,796.00
145	24	each	City Walk Fixture - Type C (Installation Only-Material By City)	\$1,928.00	\$ 46,272.00	\$2,800.00	\$ 67,200.00	\$2,005.12	\$ 48,122.88	\$2,120.80	\$ 50,899.20
146	2	each	Street/City Walk Fixture - Type B (Installation Only-Material By City)	\$2,490.00	\$ 4,980.00	\$3,500.00	\$ 7,000.00	\$2,589.60	\$ 5,179.20	\$2,739.00	\$ 5,478.00
TOTAL BASE BID				\$ 2,271,747.00	\$ 2,271,747.00	\$ 2,670,427.50	\$ 2,670,427.50	\$ 2,271,747.00	\$ 2,271,747.00	\$ 2,749,953.00	\$ 2,749,953.00
Alternates											
Item No.	Quantity	Unit	Description	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
A1	285	l.f.	4" PVC SDR 26 Sanitary Sewer Lateral (Includes any req'd end caps)	\$39.64	\$ 11,297.40	\$25.00	\$ 7,125.00	\$33.00	\$ 9,405.00	\$39.64	\$ 11,297.40
A2	937	l.f.	8" PVC SDR 26 Sanitary Sewer Main	\$30.59	\$ 28,662.83	\$30.00	\$ 28,110.00	\$26.00	\$ 24,362.00	\$30.81	\$ 28,662.83
TOTAL ALTERNATE NO. 1				\$ 40,960.23	\$ 40,960.23	\$ 35,235.00	\$ 35,235.00	\$ 29,767.00	\$ 29,767.00	\$ 39,978.57	\$ 39,978.57
TOTAL BASE BID + ALTERNATE NO. 1				\$ 2,312,707.23	\$ 2,312,707.23	\$ 2,705,662.50	\$ 2,705,662.50	\$ 2,301,514.00	\$ 2,301,514.00	\$ 2,789,931.57	\$ 2,789,931.57
Envelope Adjustment											
TOTAL BASE BID				\$ 2,271,747.00	\$ 2,271,747.00	\$ 2,670,427.50	\$ 2,670,427.50	\$ 2,271,747.00	\$ 2,271,747.00	\$ 2,749,953.00	\$ 2,749,953.00
TOTAL ALTERNATE NO. 1				\$ 40,960.23	\$ 40,960.23	\$ 35,235.00	\$ 35,235.00	\$ 29,767.00	\$ 29,767.00	\$ 39,978.57	\$ 39,978.57
PROJECT BID TOTAL				\$ 2,312,707.23	\$ 2,312,707.23	\$ 2,705,662.50	\$ 2,705,662.50	\$ 2,301,514.00	\$ 2,301,514.00	\$ 2,789,931.57	\$ 2,789,931.57
PROJECT BID TOTAL AS SHOWN ON BID PROPOSAL FORM				\$ 2,312,707.23	\$ 2,312,707.23	\$ 2,638,192.50	\$ 2,638,192.50	\$ 2,287,375.59	\$ 2,287,375.59	\$ 2,709,974.03	\$ 2,709,974.03

Savannah Howell

From: Wendy McBride
Sent: Monday, August 15, 2016 7:37 AM
To: Savannah Howell
Subject: FW: Alberta Parkway Phase 2

FYI...

From: Bradley Porter [<mailto:bporter@walkercivil.com>]
Sent: Friday, June 10, 2016 5:03 PM
To: Wendy McBride <wmcbride@tuscaloosa.com>
Cc: Jeremy Jones <jjones2@tuscaloosa.com>; Christopher Casey <ccasey@tuscaloosa.com>
Subject: RE: Alberta Parkway Phase 2

Yes, see below for our current opinion of construction cost:

Sitework Construction Cost Base Bid: \$2,400,000
Add Alternate for Permeable Pavers at On-Street Parking: +\$100,000
Alabama Power Cost for Underground Power Conversion: +\$175,000
Cost for Technology Materials provided by City (Poles, Mast Arms, Fixtures, IT Cabinets): +\$107,000

construction

Bradley

From: Wendy McBride [<mailto:wmcbride@tuscaloosa.com>]
Sent: Wednesday, June 08, 2016 10:49 AM
To: Bradley Porter
Cc: Jeremy Jones; Christopher Casey
Subject: RE: Alberta Parkway Phase 2

Thank you.

Do you have an updated cost estimate for Phase 2?

From: Bradley Porter [<mailto:bporter@walkercivil.com>]
Sent: Monday, June 06, 2016 9:44 AM
To: Wendy McBride <wmcbride@tuscaloosa.com>
Cc: Jeremy Jones <jjones2@tuscaloosa.com>; Christopher Casey <ccasey@tuscaloosa.com>
Subject: RE: Alberta Parkway Phase 2

As part of Alberta Pkwy Phase 2 we will be doing some milling, leveling, and overlay on the east side of Kicker Road (existing northbound lane). This will be associated with the widening for the turn lanes onto the Parkway. We currently plan to limit this work and tie back to existing grades at the centerline of the existing road and do not propose any work on the southbound lane.

Obviously, the above noted work would impact any resurfacing done at this time in the proposed Phase 2 work area, but outside of the areas noted on the attached sketch, we would not anticipate any further impacts as a result of the Phase 2 improvements. There would most likely be construction traffic using Kicker Road as part of the Parkway project but I

would think if there was any damage to occur beyond normal wear and tear, it would hopefully be confined to within the proposed Phase 2 construction area only as we did not observe any excessive damage to the surround roads as part of the Phase 1A and 1B projects.

Side note, we hope to be sending the Phase 2 plans over for LDP review in the near future, just waiting on electrical drawings. As you know, we are still waiting on the environmental documents to run their course but we plan to go ahead and send these for review so that whenever we get all the responses back on the environmental, we will be ready to bid.

Hope this helps and let me know if you have any other questions.

Bradley

From: Wendy McBride [<mailto:wmcbride@tuscaloosa.com>]

Sent: Monday, June 06, 2016 8:07 AM

To: Bradley Porter

Cc: Jeremy Jones; Christopher Casey

Subject: Alberta Parkway Phase 2

Bradley,

If the City resurfaces Kicker Road now, will the construction of Phase 2 cause damage? Just trying to coordinate.

Thanks,
Wendy



ALBERTA REVITALIZATION INFRASTRUCTURE PROJECT
CITY OF TUSCALOOSA PROJECT NO. A12-1324
ENGINEER'S PRELIMINARY OPINION OF PROBABLE PROJECT COST
Revised March 30, 2016



	Engineering Planning and Design Cost	Property Acquisition Cost	Private Utility Company Cost	Construction Cost	Total
OVERALL PROJECT ENGINEERING, PLANNING, ADVERTISING, PROPERTY ACQUISITION, & APPRAISAL COST					
Design, Contract Documents, and Construction Administration	\$ 827,100.00	\$ -	\$ -	\$ -	
Advertising	\$ 36,832.06	\$ -	\$ -	\$ -	
Property Acquisition to Date (Phase 1A and Phase 1B)	\$ 278.25	\$ -	\$ -	\$ -	
Taxes on Property Acquired to Date	\$ -	\$ 1,029,400.25	\$ -	\$ -	
Appraisals	\$ 17,600.00	\$ 2,673.34	\$ -	\$ -	
OVERALL PROJECT ENGINEERING, PLANNING, ADVERTISING, & APPRAISAL COST SUBTOTAL	\$ 881,810.31	\$ 1,032,073.59	\$ -	\$ -	\$ 1,913,883.90

ALBERTA REVITALIZATION INFRASTRUCTURE PROJECT PHASE 1A					
Alberta Revitalization Infrastructure Project Phase 1A Cost (Final Project Cost as of 05/28/15)	\$ -	\$ -	\$ -	\$ 1,258,206.26	
-Improvements to 26th Avenue East from 6th Street East to 8th Street East	\$ -	\$ -	\$ 360,492.00	\$ -	
-Install utilities around substation expansion from 26th Avenue East to 25th Avenue East	\$ -	\$ -	\$ 9,998.81	\$ -	
Alabama Power Company	\$ -	\$ -	\$ -	\$ -	
AT&T	\$ -	\$ -	\$ -	\$ -	
Comcast	\$ -	\$ -	\$ -	\$ -	
ALBERTA REVITALIZATION INFRASTRUCTURE PROJECT PHASE 1A COST SUBTOTAL	\$ -	\$ -	\$ 370,091.81	\$ 1,258,206.26	\$ 1,628,298.07
TOTAL PHASE 1A ENGINEERING AND CONSTRUCTION COST TOTAL	\$ 881,810.31	\$ 1,032,073.59	\$ 370,091.81	\$ 1,258,206.26	\$ 3,542,181.97

ALBERTA REVITALIZATION INFRASTRUCTURE PROJECT PHASE 1B					
Alberta Revitalization Infrastructure Project Phase 1B Cost (Projected Cost from 03/01/16)	\$ -	\$ -	\$ -	\$ 2,224,770.00	
-Improvements on 7th Street East from 23rd Avenue East to 26th Avenue East	\$ -	\$ -	\$ 133,507.48	\$ -	
-Installation of utilities, landscapes, and lighting	\$ -	\$ -	\$ 107,356.00	\$ -	
Alabama Power Company	\$ -	\$ -	\$ 33,450.00	\$ -	
AT&T	\$ -	\$ -	\$ -	\$ -	
Comcast	\$ -	\$ -	\$ -	\$ -	
Domestic Energy and Lighting (Materials Only)	\$ -	\$ -	\$ -	\$ 21,286.00	
Graybar Electric (Materials Only)	\$ -	\$ -	\$ -	\$ 16,950.00	
Valmont Industries (Materials Only)	\$ -	\$ -	\$ -	\$ 76,630.00	
ALBERTA REVITALIZATION INFRASTRUCTURE PROJECT PHASE 1B PRELIMINARY COST SUBTOTAL	\$ -	\$ -	\$ 274,313.48	\$ 2,339,636.00	\$ 2,613,949.48
TOTAL PHASE 1A & 1B ENGINEERING AND CONSTRUCTION COST TOTAL	\$ 881,810.31	\$ 1,032,073.59	\$ 644,405.29	\$ 3,597,942.26	\$ 6,156,131.45

ALBERTA REVITALIZATION INFRASTRUCTURE PROJECT PHASE 2					
Alberta Revitalization Infrastructure Project Phase 2 Preliminary Construction Cost	\$ -	\$ -	\$ -	\$ 2,300,000.00	
-Improvements on 7th Street East from Kicker Road to 23rd Avenue East	\$ -	\$ -	\$ 175,000.00	\$ -	
-Installation of utilities, landscapes, and lighting	\$ -	\$ -	\$ 26,839.00	\$ -	
Kicker Road Improvements	\$ -	\$ -	\$ 2,937.20	\$ -	
Alabama Power Company	\$ -	\$ -	\$ -	\$ -	
AT&T	\$ -	\$ -	\$ -	\$ -	
Comcast	\$ -	\$ -	\$ -	\$ -	
Domestic Energy and Lighting (Materials Only)	\$ -	\$ -	\$ -	\$ 20,902.00	
Graybar Electric (Materials Only)	\$ -	\$ -	\$ -	\$ 13,560.00	
Valmont Industries (Materials Only)	\$ -	\$ -	\$ -	\$ 72,286.00	
Phase 2 Property Acquisition (Estimated)	\$ -	\$ -	\$ -	\$ -	
ALBERTA REVITALIZATION INFRASTRUCTURE PROJECT PHASE 2 PRELIMINARY COST SUBTOTAL	\$ -	\$ -	\$ 204,776.20	\$ 2,406,246.00	\$ 2,776,524.20
TOTAL PHASE 1A, 1B, & 2 ENGINEERING AND CONSTRUCTION COST TOTAL	\$ 881,810.31	\$ 1,197,073.59	\$ 849,181.49	\$ 6,004,500.26	\$ 8,932,655.65

Cost associated with project but not included as part of summary above					
Alabama Power Land Reimbursement				\$	\$ 158,000.00
Cost Associated with Work Required for APCO Substation Expansion				\$	\$ 440,973.59



Office of Resilience &
Innovation
City of Tuscaloosa

P.O. Box 2089 Tuscaloosa, AL 35403
205-248-5700

Date

Name
Business
Address,
City, State, Zip

RE: Recapture of Funds
City Law File: _____

Dear Subrecipient Name:

Upon review of funds received from sources including FEMA, SBA, insurance, etc., in conjunction with CDBG-DR funds and the uses outlined for those funds, the City has determined that a possible duplication of benefit may have arisen. At this time, your case is under review and you will be contacted by the City of Tuscaloosa for documentation to determine whether a duplication of benefit has occurred and repayment of funds is necessary.

Please respond to the Office of Resilience and Innovation at (205)248-5700 within thirty (30) days of the postmarked letter to verify that you have received this notice, are aware of a possible duplication of benefit and potential repayment of funds, and agreement to provide any documentation necessary to determine whether a duplication of benefit has arisen.

Thank you in advance for your prompt attention to this matter. Again, any questions regarding this letter and verification of receipt of the letter should be directed to the Office of Resilience and Innovation at (205) 248-5700.

Regards,

Demi Lewis
Federal Programs Compliance Officer

Stronger. Safer. Smarter.

The Office of Resilience & Innovation is dedicated to helping the City become more resilient to physical, social and economic challenges.



Office of Resilience &
Innovation
City of Tuscaloosa

P.O. Box 2089 Tuscaloosa, AL 35403
205-248-5700

Date

Name

Business

Address,

City, State, Zip

RE: Recapture of Funds

City Law File: _____

Dear Subrecipient Name:

The City of Tuscaloosa has reviewed your case to determine whether a duplication of benefit has occurred and repayment of funds is necessary. The City has determined that a duplication of benefit occurred based on the documentation that was provided to the City and the subsequent calculations and review that was made by the City. Specifically, a duplication of benefit was determined to arise [enter here a description of the determination of duplication of benefit including, but not limited to, funds duplicated, use of funds duplicated].

It has been determined that a duplication of benefit in the amount of \$XXX has occurred. [Here the City will list whether the payment is due in full or that the City will work with the Subrecipient on a payment plan].

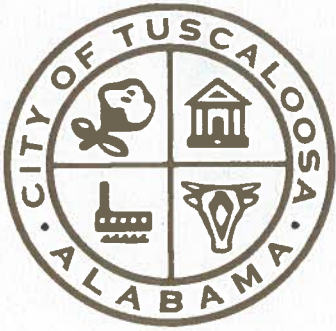
Please respond to the Office of Resilience and Innovation at (205)248-5700 within thirty (30) days of the postmarked letter to verify that you have received this notice and are aware of the repayment of funds. Failure to respond to the City of Tuscaloosa within thirty (30) days of the postmarked letter, may result in the City moving to take collection efforts for the repayment of duplicated funds.

Thank you in advance for your prompt attention to this matter. Again, any questions regarding this letter and verification of receipt of the letter should be directed to the Office of Resilience and Innovation at (205) 248-5700.

Regards,

Demi Lewis

Federal Programs Compliance Officer



Office of Resilience & Innovation
City of Tuscaloosa

P.O. Box 2089 Tuscaloosa, AL 35403
205-248-5700

Date

Name

Business Name

Address

City, State Zip

Re: Non-Compliant Status
City Law File: _____

Dear Subrecipient Name:

I am writing you in regards of the **[loan program type]** for **[business name]**. You currently have a non-compliant status. Your letter was sent out on **[date]**. To avoid compliance failure/re-payment, we need the following items to be turned into within thirty (30) days from the date the notice is mailed:

1. List item
2. List item
3. List item

In the executed agreement signed on **[executed agreement date]** between the City of Tuscaloosa and **[subrecipient name and title]** of **[business name]**, the borrower agreed to fully and faithfully comply with the terms as set forth herein for the entire compliance period:

- The project to be funded is located within the recovery zone as determined by the City.
- That 51% or greater of all full-time equivalent jobs created or retained shall benefit low to moderate income individuals.
- That funds must be implemented towards an eligible use.
- That the project must begin within sixty (60) days for the Small Business Revitalization Loan and ninety (90) days for the Commercial Revolving Loan of receiving funds from the City.

On Page 4, Section 5 (e) of the agreement, it states that:

In the event that Borrower fails to comply with any term set forth in paragraph 5 (d) and is found to be in default of said obligations during the one year period, Borrower is deemed to be in material default of this agreement and the loan amount funds are to be immediately due in full and repaid by the Borrower to the City from the collateral as set forth in paragraph 6 section xiii and such collateral is forfeited, surrendered and signed over, if applicable to the City or such other remedy at law or equity as the City in its discretion may choose.

Stronger. Safer. Smarter.

If you fail to comply within the 30 day period, legal matters will be taken.

Thank you in advance for your prompt attention to this matter. If you should have any additional questions, please give me a call at 205-248-5700.

Sincerely,

**Demi Lewis
Federal Programs Compliance Officer**



Office of Resilience & Innovation
City of Tuscaloosa

P.O. Box 2089 Tuscaloosa, AL 35403
205-248-5700

Date

Name

Business Name

Address

City, State Zip

Re: Loan Default Agreement:
City Law File: _____

Dear Subrecipient Name:

I am writing you in regards of the [loan program type] for [business name]. We previously sent a letter about your non-compliant status. On [date], the [list all City employee's job classifications that helped come to a verdict] reached a verdict on solving your non-compliant status.

After reviewing your loan agreement, we established that the funds were [insert explanation]. You have now entered default.

This is a notice of default, and the balance of [amount] needs to be paid back immediately in full and repaid by the Borrower to the City. The funds were to be used for [list eligibility category].

On Page 4, Section 5 (e) of the loan agreement, it states that:

The City in its discretion may require the entire balance of the outstanding principal of the Loan shall become immediately due and payable upon:

- (i) *Failure to make any installment payment as stipulated above of principal.*
- (ii) *Falsifying information, improper use of funds*
- (iii) *Bankruptcy, reorganization, syndication, dissolution or liquidation of the Borrower, or upon the sale, partial sale, refinancing, exchange, transfer, sale under foreclosure or other disposition of Project Elements without notice and express written permission of the City or any part thereof.*
- (iv) *Failure to make any installment payment as stipulated above of principal.*
- (v) *Falsifying information, improper use of funds*
- (vi) *Bankruptcy, reorganization, syndication, dissolution or liquidation of the Borrower, or upon the sale, partial sale, refinancing, exchange, transfer, sale under foreclosure or other disposition of Project Elements without notice and express written permission of the City or any part thereof.*
- (vii) *Failure to make any installment payment as stipulated above of principal.*

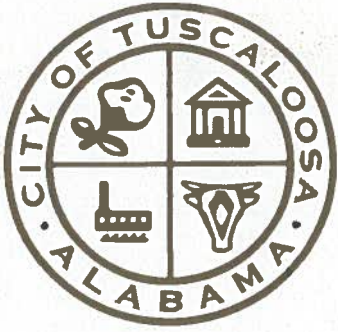
Stronger. Safer. Smarter.

- (viii) Falsifying information, improper use of funds*
- (ix) Bankruptcy, reorganization, syndication, dissolution or liquidation of the Borrower, or upon the sale, partial sale, refinancing, exchange, transfer, sale under foreclosure or other disposition of Project Elements without notice and express written permission of the City or any part thereof.*
- (x) Any failure to perform any of the covenants or conditions contained in this Loan and Inducement Agreement or other Municipal, State or Federal regulations*
- (xi) Borrowers Non-compliance at any time or point during the monitoring period of any Housing and Urban Development (HUD) requirements including any low/moderate job eligible activity requirements.*
- (xii) Failure to surrender titles or other means of security to secure the collateral.*
- (xiii) Sale, encumbrance or disposal of any secured collateral without the City's knowledge or consent*
- (xiv) Failure to notify the City of any additional disaster assistance received subsequent to the funds as loaned in this agreement, including but limited to, SBA, FEMA or HUD where such additional funds are in excess of the need for repairs or improvements and to return the excess of any such funds to the City as set forth in paragraph 7.*

Failure to respond to this notice by [date], such collateral will be forfeited, surrendered and signed over or such other remedy at law or equity as the City in its discretion may choose. Please provide immediate payment to avoid these actions.

Sincerely,

Demi Lewis
Federal Programs Compliance Officer



Office of Resilience & Innovation
City of Tuscaloosa

P.O. Box 2089 Tuscaloosa, AL 35403
205-248-5700

Date

Name

Business Name

Address

City, State Zip

Re: Partial Loan Repayment
City Law File: _____

Dear Subrecipient Name:

As previously agreed, you will be paying back [total amount] in [reason for repayment entered here] of expenses pursuant to your loan agreement with the City of Tuscaloosa. You are to reimburse the City of Tuscaloosa the sum of [total amount]. The amount is to be paid in monthly installments of [monthly payment amount] with the first payment due by [date].

In order to keep your account in good standing and to avoid additional late charges, please remit payments in the amount of [monthly payment amount] on the 15th of each month thereafter until the principle amount is paid in full. Checks are to be made payable to the City of Tuscaloosa. Payments may be mailed to P.O. Box 2089, Tuscaloosa, AL 35403 or delivered to the Office of Resilience and Innovation at the Tuscaloosa City Hall 2201 University Boulevard, Tuscaloosa, Alabama 35401. If a payment of principal is not made in or within fifteen (15) days of its due date, there will be a \$25.00 late charge.

Thank you in advance for your prompt attention to this matter. If you should have any additional questions, please give me a call at 205-248-5700.

Regards,

Demi Lewis
Federal Programs Compliance Officer

Stronger. Safer. Smarter



Office of Resilience & Innovation
City of Tuscaloosa

P.O. Box 2089 Tuscaloosa, AL 35403
205-248-5700

Date

Name

Business Name

Address

City, State Zip

Re: Recapture of Funds:
City Law File: _____

Dear Subrecipient Name:

The City of Tuscaloosa has reviewed your case to determine whether a duplication of benefit or default of loan terms has occurred and repayment of funds is necessary. The City has determined that a duplication of benefit or default of loan terms occurred based on the documentation that was provided to the City and the subsequent calculations and review that was made by the City. Specifically, a duplication of benefit and/or default was determined to arise [enter a description of the determination of duplication of benefit including, but not limited to, funds duplicated or defaulted on, use of funds duplicated].

It has been determined that a duplication of benefit or default in the amount of \$xxxx has occurred. [Here the City will list whether the payment is due of in full or that the City will work with the subrecipient on a payment plan].

Please respond to the Office of Resilience and Innovation at (205) 248-5700 within thirty (30) days of the postmarked letter to verify that you have received this notice and are aware of the repayment of funds. Failure to respond to the City of Tuscaloosa within thirty (30) days of the postmarked letter, may result in the City moving to take collection efforts for the repayment of funds.

Thank you in advance for your prompt attention to this matter. Again, any questions regarding this letter and verification of recipient of the letter should be direct to the Office of Resilience and Innovation at (205) 248-5700.

Regards,

Demi Lewis
Federal Programs Compliance Officer

Stronger. Safer. Smarter.

DATE RECEIVED: _____

INITIALS: _____

***City of Tuscaloosa Use Only

**CITY OF TUSCALOOSA
COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY**

AUDIT CERTIFICATION

The City of Tuscaloosa and its Subrecipients are subject to the requirements of the Office of Management and Budget (OMB), 2 CFR Part 200, subpart F. The City is required to monitor its Subrecipients of federal awards and determine whether they have met the audit requirements and are in compliance with federal laws and regulations.

Subrecipient Information

Name		Fiscal Year Ended (MM/DD/YYYY)	
Address		State	ZIP Code
Representative	Position Title		
Email Address	Telephone No.		

Select all that apply

- ☐ Our entity **is subject** to the Single Audit requirements because our entity expended \$750,000 or more in total federal awards for the fiscal year ended noted above. ***Please include a copy of the audit report, or provide a website below where it can be accessed.***

Audit Report Web Address

- ☐ Our entity **is exempt** from the Single Audit requirements because total federal awards expended were less than \$750,000 for the fiscal year ended noted above.
- ☐ Our entity's financial statements for the fiscal year ended above were audited. ***Please include a copy of the audited financial statements.***

Certification

I certify that the above information is accurate, our entity will comply with 2 CFR Part 200, subpart F, and that our entity will notify The City of Tuscaloosa upon submission of the single audit report with the Federal Audit Clearinghouse.

Representative's Signature

Date

Return this completed form to:
The City of Tuscaloosa
C/O Office of Resilience and Innovation
PO Box 2089
Tuscaloosa, AL 35403

Date: _____

**CITY OF TUSCALOOSA
COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY**

SUBRECIPIENT AUDIT MONITORING CHECKLIST

Subrecipient: _____ Contract #: _____

Period of Review: _____ Contract Amount: _____

1) Was the City provided with the most recent copy of the financial compilation or audit review? Yes/No

(a) If yes, what was the date it was last conducted? _____

(b) What type of opinion was rendered?

Qualified Unqualified Adverse Going Concern

2) Has the subrecipient expended \$750,000 or more in federal funds for the period of review?

(a) If yes, was the City provided with the most recent copy of the Grant Compliance Audit? Yes/No

(i) If yes, are there any significant deficiencies or material weaknesses denoted in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Yes/No

- If yes, please list in a separate report along with any client response and current status

(ii) Are there any non-significant deficiency or material weakness findings that relate to the CDBG-DR activities carried out by the subrecipient? Yes/No

- If yes, please list in a separate report along with any client response and current status

3) Assess and note areas of risk and/or subject areas for particular focus during on-site visit.

Audit Status: **APPROVED**

NOT APPROVED

<if not approved, see plan of action in accompanying letter to the subrecipient and possible resolution>

Signature of City Staff: _____ Date: _____

DRGR Action Plan/Amendment Review Guide

Name of Grantee:		
Disaster Recovery Grant Amount:		
Disaster Recovery Grant Number:		
Reviewer(s):		
Program Manager:		
HUD Office:		
Effective Contract Date for the Grant/Grant Amendment:		
<i>Note: this question only applies to CDBG disaster recovery grantees receiving funds under the Disaster Relief Appropriations Act, 2013 (Public Law 113-2, approved January 29, 2013).</i>		
Date Reviewed:		
Type of Review:		
<input type="checkbox"/> Initial Submission (Complete Entire Form)		
<i>Note: Complete the entire review guide following the grantee's first Action Plan submission, regardless of the number of activities established in DRGR.</i>		
<input type="checkbox"/> New Project and/or Activities Requiring Funds to be Unrestricted (Complete Questions 3-5)		
If New Project(s) and/or Activities Require Funds to be Unrestricted, complete the following:		
<i>Project/Activity Title</i>	<i>Project/Activity Number</i>	<i>Budget</i>
Total		
<i>New amount to be unblocked for eligible activities reviewed (reference Total in above chart):</i>		\$
<i>Prior amount unblocked for eligible activities reviewed:</i>		\$
<i>Total Amount to be unblocked for eligible activities reviewed:</i>		\$
Review Outcome:		
<input type="checkbox"/> Approved		
<input type="checkbox"/> Rejected (If Rejected, attach comments detailing reason for rejection)		
<i>Note: A response of "YES" is required for all key (*) items in order to mark the initial submission approved.</i>		
Signatures:		
CPD Staff _____	Date _____	
CPD Manager _____	Date _____	

DRGR Action Plan/Amendment Review Guide

GENERAL QUESTIONS

1. Administration ¹

a) Does the grantee have at least one DRGR grantee administrator able to certify other users and assign them to grants? *	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
b) Does the grantee have at least one DRGR user with drawdown request authorization? *	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
c) Does the grantee have at least one DRGR user with drawdown approve authorization? *	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
Comments:		

GRANT LEVEL REVIEW

2. Narrative Summaries

a) Are the "Disaster Damage" and "Recovery Needs" narrative summaries substantially similar to the grantee's published HUD-accepted Action Plan? *	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
b) Does the "Recovery Needs" summary include actions to affirmatively further fair housing?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
		N/A
<i>Note: This is required for grantees receiving funds under Public Law 113-2 (awards made in 2013).</i>		
Comments:		

3. Consistency of the DRGR Action Plan with the HUD-accepted Published Action Plan

a) Are the Project Budgets in the DRGR Action Plan consistent with the program budgets identified in the grantee's published HUD-accepted Action Plan or Partial Action Plan/Amendment? ²	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
If no, has the grantee amended its published Action Plan?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
		N/A
b) Has the grantee estimated any expected program income and/or revolving loan funds? ³	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No
		N/A
<i>Note: A response of "Yes" is appropriate if the grantee has programs where proceeds are anticipated (e.g. Acquisition/Disposition, Economic Development, and/or Housing programs).</i>		

¹ Select "AdminRept04b" from the Reports Module to view DRGR System Roles of grantee staff.

² To review Project Budgets, select "Search/Edit Projects" from the DRGR Action Plan Module sidebar and enter the Grant # in the "Search Criteria" field.

³ Estimated Program Income/Revolving Loan Funds are identified at the top of the "Review Action Plan" screen in the DRGR Action Plan module.

DRGR Action Plan/Amendment Review Guide

<p>c) Does the total amount budgeted for projects equal the total grant amount (and estimated program income/revolving loan funds, if applicable)?</p> <p><i>Note: The grantee may not have budgeted all funds at the project level upon initial submission, but the Action Plan may still be approved.</i></p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>d) Does the total amount budgeted for activities within each project equal the total project amount?</p> <p><i>Note: Upon initial Action Plan submission, it is acceptable and expected that the project budgets are not fully budgeted at the activity level.</i></p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>e) Has the grantee established program income accounts for any organizations that will be allowed to retain program income and/or designated any revolving loan funds using the DRGR project screen, if applicable? ⁴</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Comments:</p>	

4. Spending targets and thresholds

<p>a) Do budgets for planning and administrative expenses fall under the admin cap? Has the grantee selected “N/A” as the national objective for all planning and administrative activities?</p> <p><i>Note: Activity delivery costs should NOT be classified under the administration activity type. Instead, activity delivery costs should be associated with and built into the relevant activity budget.</i></p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>b) Do budgets for low- and moderate-income activities meet the required threshold for the overall spending targets (generally >50% for LMI activities, if the overall benefit waiver and alternative requirement was granted)? ⁵</p> <p><i>Note: To verify compliance with the overall spending target, calculate (LMI Budgeted Amount) / (Total Grant Amount – Admin & Planning Budgeted Amount).</i></p>	<input type="checkbox"/> <input type="checkbox"/> Yes No
<p>c) Do budgets for affordable rental housing meet the required levels, if applicable?</p> <p><i>Note: Congress established affordable rental housing spending requirements for P.L. 109-234 and P.L. 110-329 grants (see table on following page). For all P.L. 109-234 and P.L. 110-329 grants, affordable rental housing activities must use the DRGR activity type: “Affordable Rental Housing (KRW and IKE Grants Only)”.</i></p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
<p>Comments:</p>	

⁴ To review Program Income Accounts, select “Search/View PI Accounts” from the Drawdown Module sidebar and enter the Grant # in the “Search Criteria” field.

⁵ Select “Fin Rept01” from the Reports Module to verify grant amounts budgeted by National Objective.

DRGR Action Plan/Amendment Review Guide

<u>Appropriation</u>	<u>State</u>	<u>Grant Number</u>	<u>Minimum Amount Required for Affordable Rental Housing</u>
2006 (P.L. 109-234)	Alabama	B-06-DG-01-0002	\$4,103,146
	Florida	B-06-DG-12-0002	\$19,344,001
	Louisiana	B-06-DG-22-0002	\$811,907,984
	Mississippi	B-06-DG-28-0002	\$81,777,703
	Texas	B-06-DG-48-0002	\$82,867,166
2008 (P.L. 110-329)	Arkansas	B-08-DI-05-0001	\$10,134,098
	California	B-08-DI-06-0001	\$4,427,908
	Florida	B-08-DI-12-0001	\$9,079,866
	Georgia	B-08-DI-13-0001	\$485,736
	Illinois	B-08-DI-17-0001	\$18,950,911
	Indiana	B-08-DI-18-0001	\$39,021,933
	Iowa	B-08-DI-19-0001	\$71,910,891
	Kentucky	B-08-DI-21-0001	\$341,943
	Louisiana	B-08-DI-22-0001	\$118,582,672
	Mississippi	B-08-DI-28-0001	\$667,737
	Missouri	B-08-DI-29-0001	\$10,372,631
	Puerto Rico	B-08-DI-72-0001	\$1,911,040
	Tennessee	B-08-DI-47-0001	\$10,362,819
	Texas	B-08-DI-48-0001	\$342,521,992
	Wisconsin	B-08-DI-55-0001	\$11,227,823

ACTIVITY LEVEL REVIEW

5. Activity Set-up

Note: A response of "NO" to any item in this section requires Action Plan edits prior to Approval.

<p>a) Has the grantee identified an adequate number of activities to show every responsible organization that will be <i>carrying out</i> a program?</p> <p><i>Note: Activity description should NOT indicate multiple awards will be made in the future. The grantee must identify the "Name of the Organization Carrying out Activity" on Page 2 of the Action Plans – Add Activity screen.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>b) If a program will be implemented using multiple national objectives, has the grantee created separate activities for each national objective used to carry out the program?</p> <p><i>Note: Single family housing MUST be divided into SEPARATE ACTIVITIES BY NATIONAL OBJECTIVE for low- and moderate-income assistance activities, urgent need activities, and slum/blight activities. Grantees are NOT REQUIRED to enter each single family address as a separate activity, but may do so if they prefer to track their programs in this manner.</i></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>c) Has the grantee identified every DRGR activity type that will be used to carry out a corresponding eligible use, as listed in the grantee's published plan?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

DRGR Action Plan/Amendment Review Guide

<p>d) If infrastructure or public facilities activities are classified as area benefit, does the grantee correctly identify the service area of each activity by showing the number of persons which the activity is available to based on census data or survey data?</p> <p>Do all area benefit activities classified under the low- and moderate-income national objective show the required proportion of low- and moderate-income persons?</p> <p><i>Note: To determine whether an activity is classified as 'direct' or 'area' benefit, select "Download Action Plan" from the sidebar in the Action Plan Module and review the "Benefit Report Type" field for each activity.</i></p>	<div> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A </div> <div> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A </div>
<p>e) Do all infrastructure and public facilities activities include other appropriate non-beneficiary performance measures (e.g. number of linear feet of public improvement or public facilities)?</p>	<div> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A </div>
<p>f) Are all housing activities classified as direct benefit activities? Do they include proposed beneficiaries such as number of households assisted by income level? Do the activities include other appropriate non-beneficiary performance measures such as the projected number of housing units?</p> <p><i>Note 1: To determine whether an activity is classified as 'direct' or 'area' benefit, select "Download Action Plan" from the sidebar in the Action Plan Module and review the "Benefit Report Type" field for each activity.</i></p> <p><i>Note 2: Residential buyout activities may be funded under the L/M area benefit national objective if CDBG-DR is used as matching funds for FEMA's Hazard Mitigation Grant Program (HMGP).</i></p>	<div> <input type="checkbox"/> <input type="checkbox"/> Yes No </div>
<p>g) Proposed Housing Beneficiary and Accomplishment Measures:</p> <ol style="list-style-type: none"> Does each activity include the proposed number of renter/owner households AND the proposed number of single family/multifamily housing units? Does the sum of proposed renter/owner households equal the total proposed number of households, and the sum of proposed single family/multifamily housing units equal the total proposed number of housing units? Does the total proposed number of households equal the total proposed number of housing units for each activity? <p><i>Note: Select "No" if any of the above is false.</i></p>	<div> <input type="checkbox"/> <input type="checkbox"/> Yes No </div>

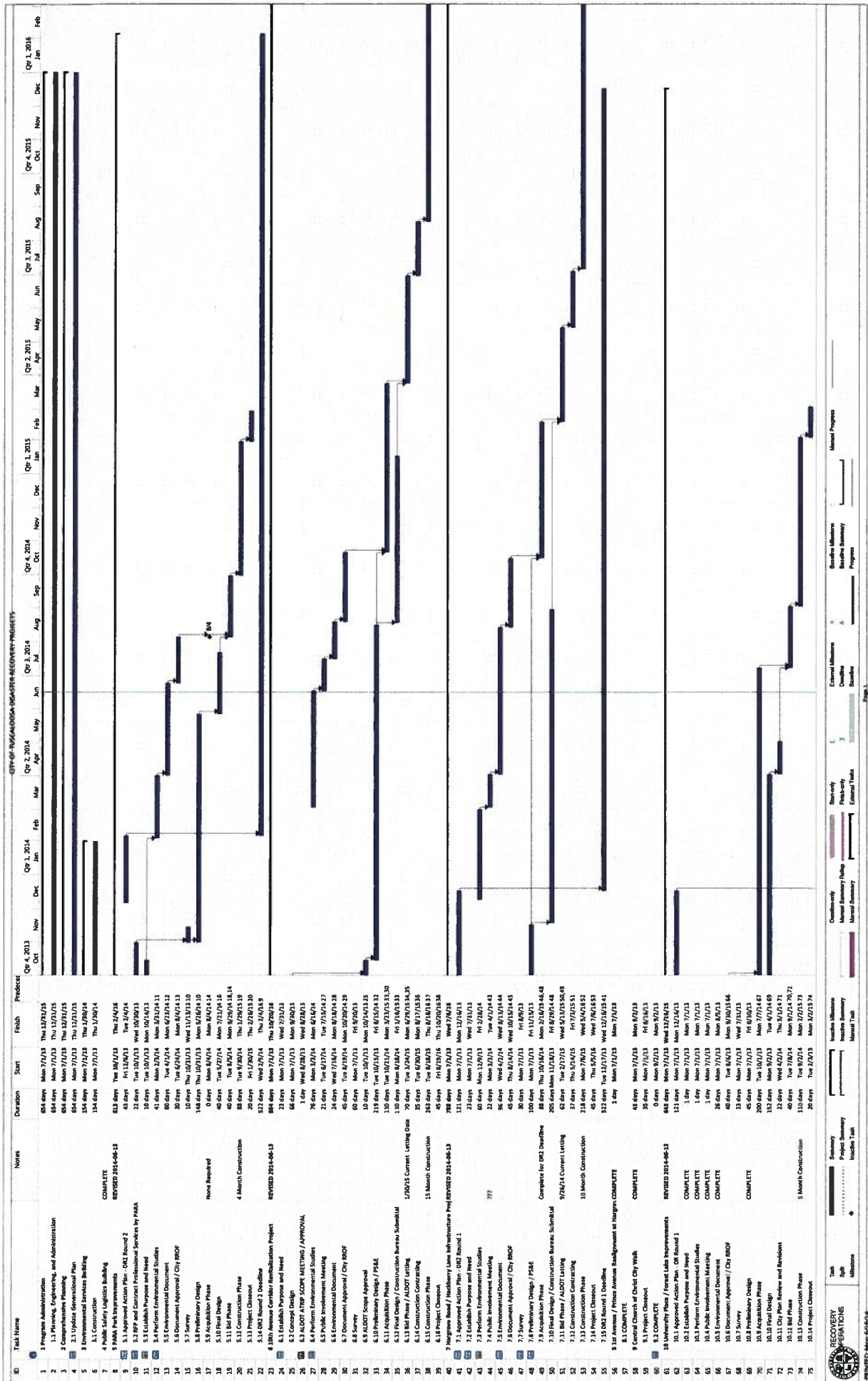
DRGR Action Plan/Amendment Review Guide

<p>h) Is every multifamily housing complex funded by the grant listed as a separate activity?</p>	<div> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A </div>
<p>i) If economic development activities are classified as direct benefit activities, does the grantee include the proposed number of businesses assisted or jobs created/retained by income level?</p> <p><i>Note: To determine whether an activity is classified as 'direct' or 'area' benefit, select "Download Action Plan" from the sidebar in the Action Plan Module and review the "Benefit Report Type" field for each activity.</i></p>	<div> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A </div>
<p>j) If economic development activities are classified as area benefit activities, does the grantee correctly identify the service area of each activity by showing the number of persons which the activity is available to based on census data or survey data? (Read the activity descriptions to ensure activities are correctly classified as area benefit activities.</p> <p><i>Note: To determine whether an activity is classified as 'direct' or 'area' benefit, select "Download Action Plan" from the sidebar in the Action Plan Module and review the "Benefit Report Type" field for each activity.</i></p>	<div> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A </div>
<p>k) Are "Activity Description" and "Location Description" narratives adequate for each activity?</p>	<div> <input type="checkbox"/> Yes <input type="checkbox"/> No </div>
<p>l) For every activity, has the grantee listed budget information on each contract over \$25,000 tied to responsible organization profiles with DUNS numbers for each organization involved in an all activities OR included a statement in the activity description such as "There are no contracts over \$25,000 with other organizations for this activity."</p> <p><i>Note: This is required for grantees receiving funds under Public Law 113-2 (awards made in 2013).</i></p>	<div> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A </div>
<p>Comments:</p>	

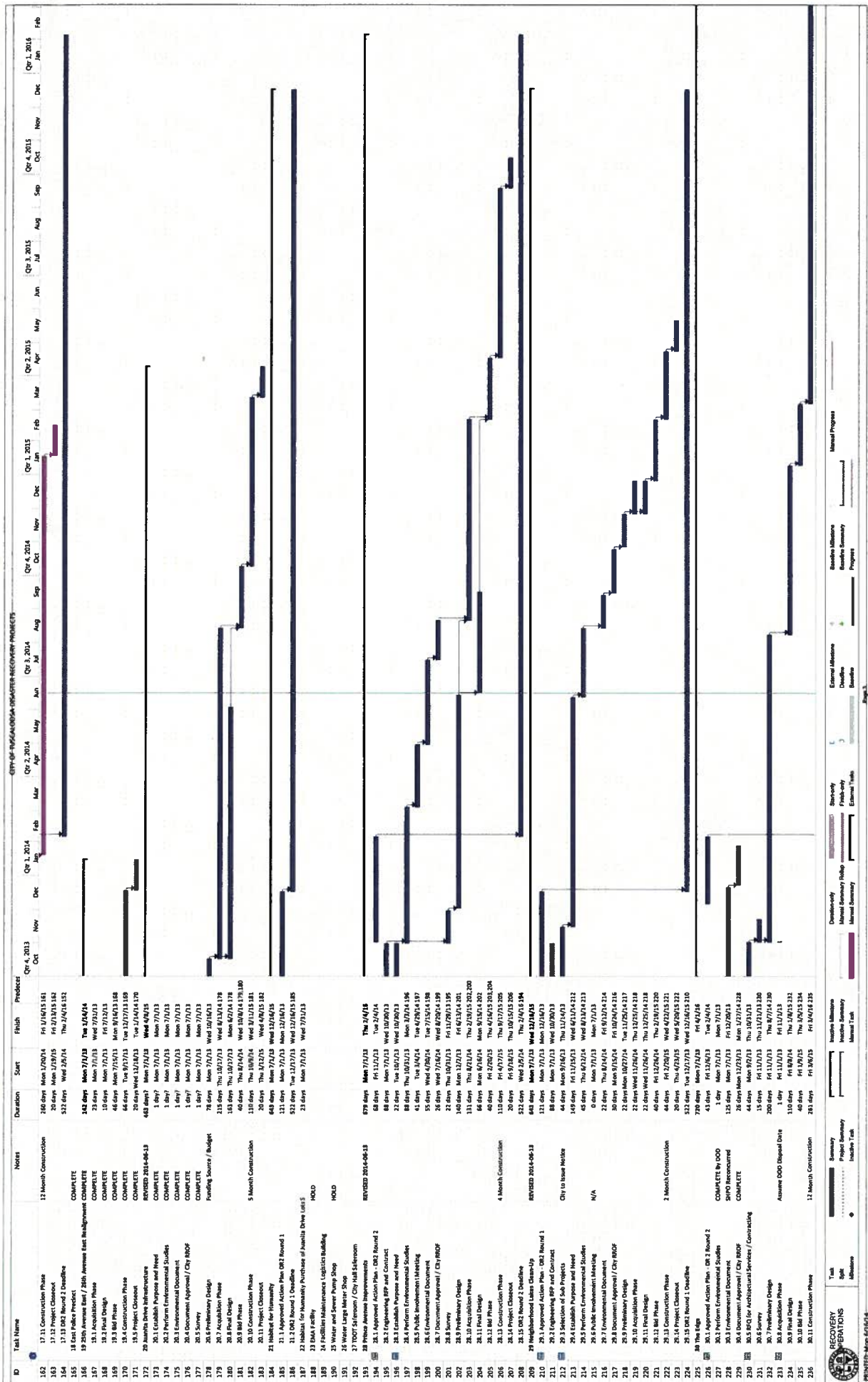
Note: A response of "NO" to any item in this section requires Action Plan edits prior to Approval.

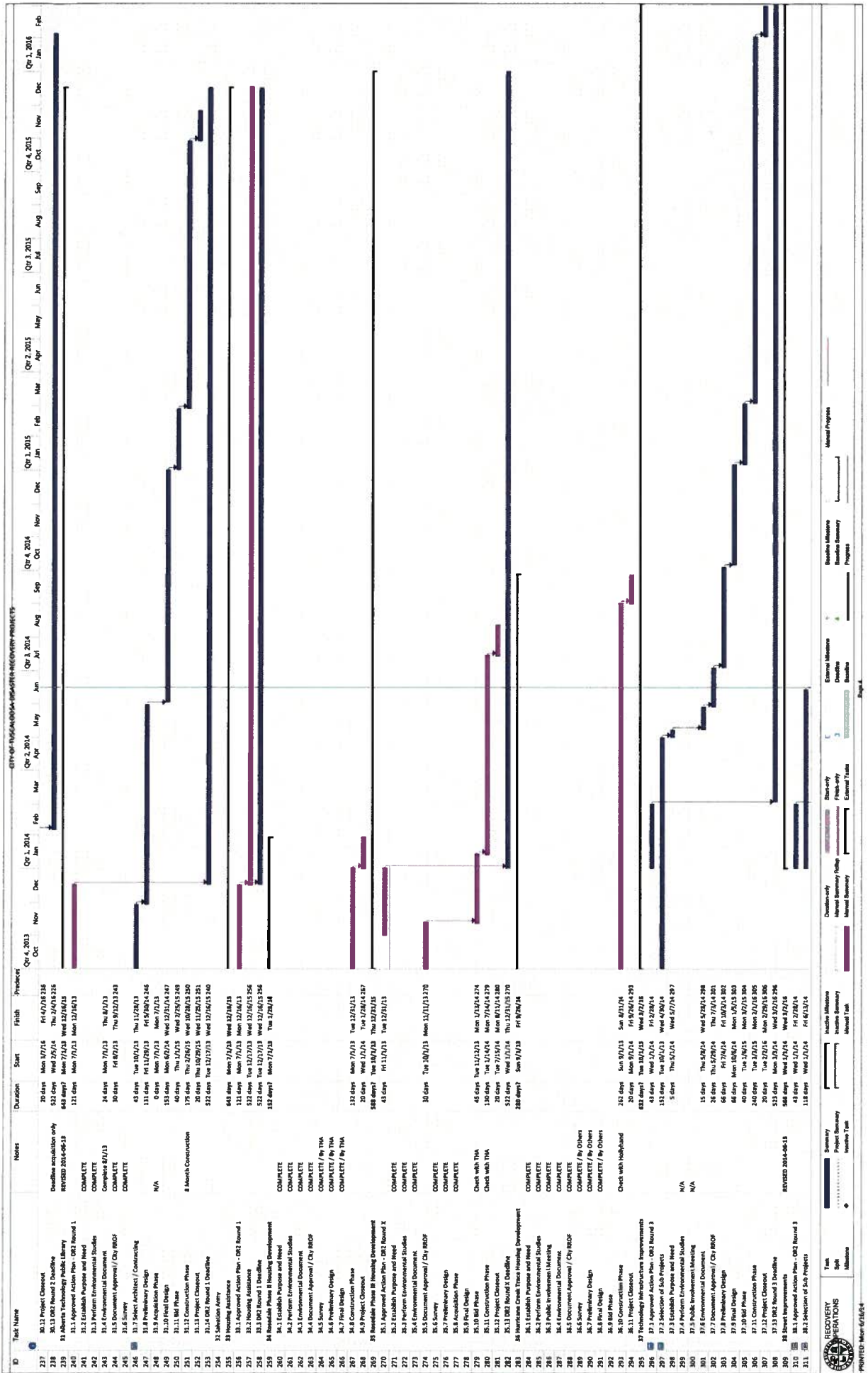
Grantee: City of Tuscaloosa
Grant Number: B-13-MS-01-0002
Date Updated: 01/21/2015

A. Contractor Name	B. DUNS Number	C. Procured By	D. Contract Execution Date	E. Contract End Date	F. Total Contract Amount	G. Amount of CDBG-DR Funds	H. Brief Description of Contract
Walker Associates, Inc.	062475842	City of Tuscaloosa	03/05/14	dependent on close-out of recovery projects	\$750,000.00	\$750,000.00	Planning activities related to disaster recovery
Walker Associates, Inc.	062475842	City of Tuscaloosa	03/05/14	dependent on close-out of recovery projects	\$750,000.00	\$750,000.00	General Administration of Disaster Recovery Activities
McGiffert And Associates, LLC	078979317	City of Tuscaloosa	10/11/12	Est. 12/16/16	\$405,839.00	\$405,839.00	Engineering and Design
McGiffert And Associates, LLC	078979317	City of Tuscaloosa	10/23/13	Est. 12/16/15	\$367,853.00	\$367,853.00	Engineering and Design
McGiffert And Associates, LLC	078979317	City of Tuscaloosa	12/30/13	Est. 12/16/15	\$308,205.00	\$79,859.00	Engineering and Design
Walker Associates, Inc.	062475842	City of Tuscaloosa	11/12/12	Est. 2/23/16	\$827,100.00	\$468,614.31	Engineering and Design
CivilWorx Construction	043304301	City of Tuscaloosa	11/24/14	Est. 3/25/15	\$1,242,334.40	\$1,242,334.40	Water, Sanitary Sewer, Storm Sewer, Concrete Work, Roadway Infrastructure
Mills & Farmer, Inc.	969327597	CivilWorx Construction	11/24/14	Est. 3/25/15	\$163,234.00	\$163,234.00	Electrical and Fiber Optic Improvements
L & D	030640443	CivilWorx Construction	11/24/14	Est. 3/25/15	\$54,450.00	\$54,450.00	Concrete Work
Mallory Burhalter Paving, Inc.	045630407	CivilWorx Construction	11/24/14	Est. 3/25/15	\$79,800.00	\$79,800.00	Asphalt Paving
Burk-Kleinpetter, Inc.	55625910	City of Tuscaloosa	11/19/13	Est. 2/4/16	\$152,000.00	\$152,000.00	Engineering and Design
K & A Builders, Inc.	781619585	City of Tuscaloosa	10/16/13	Est. 2/28/15	\$1,398,809.15	\$1,398,809.15	General Construction & Oversight
N.C. Morgan Construction Company	034129668	City of Tuscaloosa	10/16/13	Est. 2/28/15	\$251,718.75	\$251,718.75	Drywall/Acoustical
International Fire Protection, Inc.	615310075	City of Tuscaloosa	10/16/13	Est. 2/28/15	\$43,624.00	\$43,624.00	Fire Protection
Mills & Farmer, Inc.	969327597	City of Tuscaloosa	10/16/13	Est. 2/28/15	\$281,387.90	\$281,387.90	Electrical
Rice Floor and Tile, Inc.	147873459	City of Tuscaloosa	10/16/13	Est. 2/28/15	\$77,820.21	\$77,820.21	Flooring
Burns Plumbing Co., Inc.	937746548	City of Tuscaloosa	10/16/13	Est. 2/28/15	\$206,900.00	\$206,900.00	Plumbing
Farley and Hysaw Heating and Air	118034073	City of Tuscaloosa	10/16/13	Est. 2/28/15	\$98,900.00	\$98,900.00	HVAC
Price Construction Co., Inc.	146242875	City of Tuscaloosa	10/16/13	Est. 2/28/15	\$359,354.63	\$359,354.63	Site Work
McGiffert And Associates, LLC	078979317	City of Tuscaloosa	12/24/12	Est. 9/05/15	\$202,452.00	\$49,760.50	Engineering and Design
McGiffert And Associates, LLC	078979317	City of Tuscaloosa	09/11/12	Est. 9/05/15	\$410,560.00	\$111,191.95	Engineering and Design
GFC Construction Inc.	607748357	City of Tuscaloosa	09/05/14	Est. 9/05/15	\$707,964.02	\$707,964.02	General Construction and Oversight
Dogan Steel, Inc.	155304496	GFC Construction	09/19/14	Est. 9/05/15	\$27,630.00	\$27,630.00	Fence/Handrails
Mallory Burhalter Paving, Inc.	045630407	GFC Construction	09/26/14	Est. 9/05/15	\$293,444.00	\$293,444.00	Concrete/Asphalt Paving
Guthrie Landscaping (GLS LLC)	155573996	GFC Construction	10/22/14	Est. 9/05/15	\$224,505.69	\$224,505.69	Landscaping
Rushing Concrete	072102841	GFC Construction	11/03/14	Est. 9/05/15	\$250,080.00	\$250,080.00	Sidewalk/drains/etc.
Straitline Fence, LLC	010594225	GFC Construction	10/06/14	Est. 9/05/15	\$6,955.00	\$6,955.00	Fencing
Ward Scott Architecture	153910633	City of Tuscaloosa	9/24/2014	Est. 11/25/15	\$201,500	\$201,500	Architecture and Design
Ikaros	040702385	ALDOT	9/4/2014	7/31/2016	\$5,900,000	\$1,180,000	General Construction and Oversight
Neel-Schaffer & Almon Associates	067106138	City of Tuscaloosa	2/6/2013	Est. 02/08/16	\$237,800	All CDBG	Engineering and Design
Sprouse Construction	025619191	PARA	12/4/2014	Est. 12/04/15	\$238,100	\$238,100	Construction and Installation
J.T. Harrison Construction	961656782	Salvation Army	10/13/2014	Est. 5/31/16	\$4,942,500	\$500,000	Construction







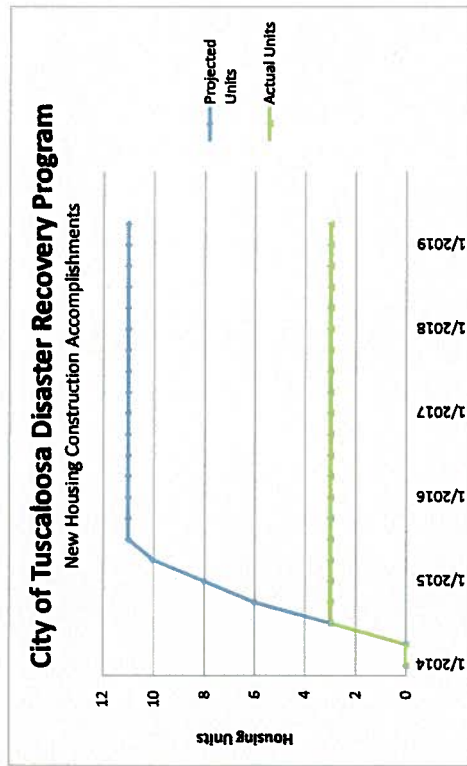


CITY OF TUSCALOOSA

HUD Disaster Recovery 2
 PERFORMANCE PROJECTIONS
 August 1, 2014



Construction of New Housing	1/2014	4/2014	7/2014	10/2014	1/2015	4/2015	7/2015	10/2015	1/2016	4/2016	7/2016
Projected Units	0	0	3	6	8	10	11	11	11	11	11
# of Housing Units (Quarterly Projection)	0	0	3	3	2	2	1	0	0	0	0
Actual Units	0	0	3	3	3	3	3	3	3	3	3
# of Housing Units (Populated from QPR Reporting)	0	0	3	0	0	0	0	0	0	0	0



Habitat for Humanity

CITY OF TUSCALOOSA

HUD Disaster Recovery 2

PERFORMANCE PROJECTIONS

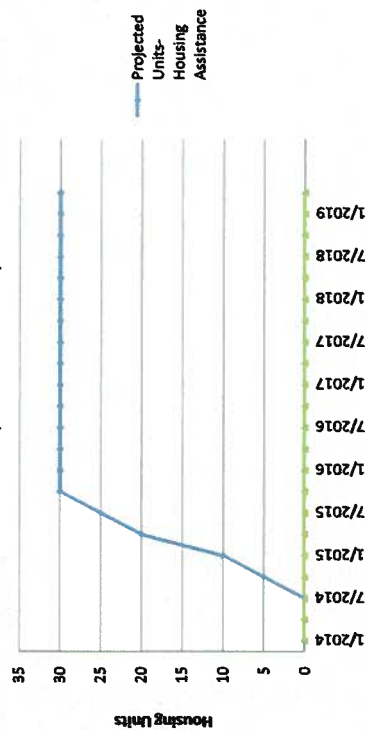
August 1, 2014



Homeownership Assistance	1/2014	4/2014	7/2014	10/2014	1/2015	4/2015	7/2015	10/2015	1/2016	4/2016	7/2016
Projected Units-Housing Assistance	0	0	0	5	10	20	25	30	30	30	30
# of Housing Units (Quarterly Projection)	0	0	0	5	5	10	5	5	0	0	0
Actual Units	0	0	0	0	0	0	0	0	0	0	0
# of Housing Units (populated from QPR Reporting)	0	0	0	0	0	0	0	0	0	0	0

City of Tuscaloosa Disaster Recovery Program

Homeownership Assistance Accomplishments



Housing Assistance

CITY OF TUSCALOOSA

HUD Disaster Recovery 2
PERFORMANCE PROJECTIONS
August 1, 2014



Residential Rehab and Reconstruction-N/A	1/2014	4/2014	7/2014	10/2014	1/2015	4/2015	7/2015	10/2015	1/2016	4/2016	7/2016
Projected Units	0	0	0	0	0	0	0	0	0	0	0
# of Housing Units (Quarterly Projection)	0	0	0	0	0	0	0	0	0	0	0
Actual Units	0	0	0	0	0	0	0	0	0	0	0
# of Housing Units (Populated from QPR Reporting)	0	0	0	0	0	0	0	0	0	0	0

City of Tuscaloosa Disaster Recovery Program

Residential Rehab & Reconstruction Accomplishments



CITY OF TUSCALOOSA

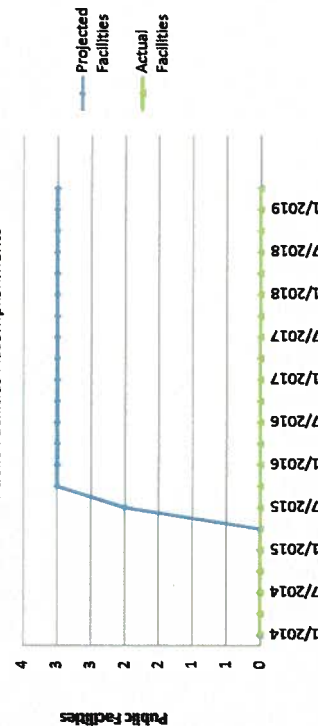
HUD Disaster Recovery 2
PERFORMANCE PROJECTIONS
August 1, 2014



Public Facilities	1/2014	4/2014	7/2014	10/2014	1/2015	4/2015	7/2015	10/2015	1/2016	4/2016	7/2016
Projected Facilities	0	0	0	0	0	0	2	3	3	3	3
# of Public Facilities (Quarterly Projection)	0	0	0	0	0	0	2	1	0	0	0
Actual Facilities	0	0	0	0	0	0	0	0	0	0	0
# of Public Facilities (Populated from QPR Reporting)	0	0	0	0	0	0	0	0	0	0	0
Quarterly Projections by Activity Type:											
Acquisition, construction, reconstruction of public facilities	0	0	0	0	0	0	2	1	0	0	0
Construction/reconstruction of water lift stations	0	0	0	0	0	0	0	0	0	0	0
Construction/reconstruction of water/sewer lines or systems	0	0	0	0	0	0	0	0	0	0	0
Dike/dam/stream-river bank repairs	0	0	0	0	0	0	0	0	0	0	0
Rehabilitation/reconstruction of public facilities	0	0	0	0	0	0	0	0	0	0	0
# of Public Facilities	0	0	0	0	0	0	0	0	0	0	0

City of Tuscaloosa Disaster Recovery Program

Public Facilities Accomplishments



DRGR Activity Types: (1) Acq, const, reconstr of public facilities; (2) Const/reconstr of water lift stations; (3) Const/reconstr of water/sewer lines or systems; (4) Dike/dam/stream-river bank repairs; and (5) Rehab/reconstr of public facilities

Alberta Technology Library
Fire Station 4
Para Park Improvements

1
1
1

CITY OF TUSCALOOSA

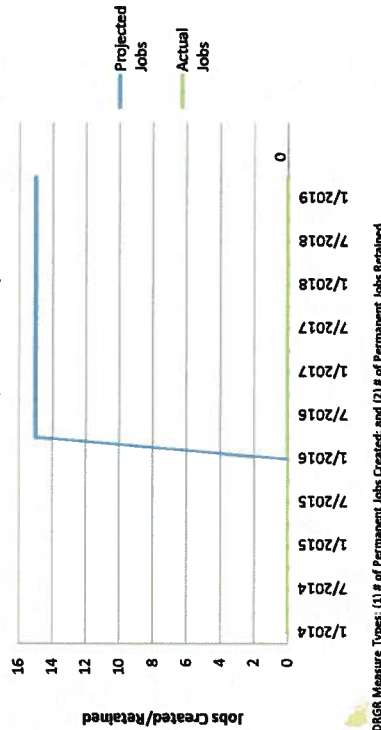
HUD Disaster Recovery 2
PERFORMANCE PROJECTIONS
August 1, 2014



Economic Development	1/2014	4/2014	7/2014	10/2014	1/2015	4/2015	7/2015	10/2015	1/2016	4/2016	7/2016
Projected Jobs	0	0	0	0	0	0	0	0	0	15	15
# of Jobs Created/Retained (Quarterly Projection)	0	0	0	0	0	0	0	0	0	15	0
Actual Jobs	0	0	0	0	0	0	0	0	0	0	0
# of Jobs Created/Retained (Populated from QPR Reporting)	0	0	0	0	0	0	0	0	0	0	0
# of Permanent Jobs Created	0	0	0	0	0	0	0	0	0	15	0
# of Permanent Jobs Retained	0	0	0	0	0	0	0	0	0	0	0

City of Tuscaloosa Disaster Recovery Program

Economic Development Accomplishments



DRGR Measure Types: (1) # of Permanent Jobs Created; and (2) # of Permanent Jobs Retained

The Edge

x

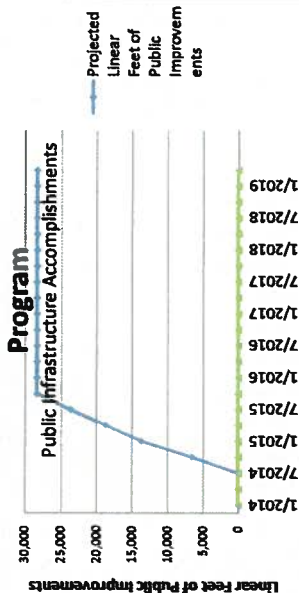
CITY OF TUSCALOOSA

HUD Disaster Recovery 2
PERFORMANCE PROJECTIONS
August 1, 2014



Public Infrastructure	1/2014	4/2014	7/2014	10/2014	1/2015	4/2015	7/2015	10/2015	1/2016	4/2016	7/2016
Projected Linear Feet of Public Improvements	0	0	0	6,575	13,690	18,670	23,635	28,317	28,317	28,317	28,317
# of Linear Feet of Public Improvements (Quarterly Projection)	0	0	0	6,575	7,115	4,980	4,965	4,682	0	0	0
Actual Linear Feet of Public Improvements	0	0	0	0	0	0	0	0	0	0	0
# of Linear Feet of Public Improvements (Populated from QPR Reporting)	0	0	0	0	0	0	0	0	0	0	0
Quarterly Projections by Activity Type:											
Construction/reconstruction of water/sewer lines or systems	0	0	0	3075	2495	0	0	0	0	0	0
# of Linear Feet of Public Improvements	0	0	0	0	0	0	0	0	0	0	0
Dike/dam/stream-river bank repairs	0	0	0	0	0	0	0	0	0	0	0
# of Linear Feet of Public Improvements	0	0	0	0	0	0	0	0	0	0	0
Rehabilitation/reconstruction of a public improvement	0	0	0	3500	4620	4980	4965	4682	0	0	0
# of Linear Feet of Public Improvements	0	0	0	0	0	0	0	0	0	0	0

City of Tuscaloosa Disaster Recovery Program



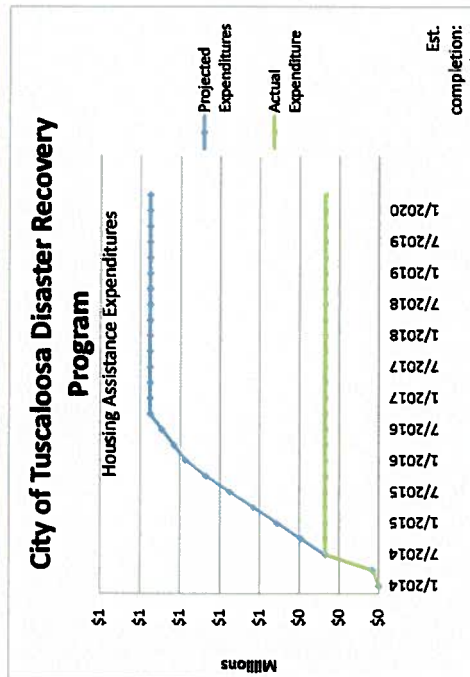
Neighborhood Lakes
University Place / Forest Lk
Hargrove Road / Hackberry Ln
Rosewood Sewer
Cedar Crest Drainage
Prince Avenue

CITY OF TUSCALOOSA

HUD Disaster Recovery 2
FINANCIAL PROJECTIONS
August 1, 2014



Housing	1/2014	4/2014	7/2014	10/2014	1/2015	4/2015	7/2015	10/2015	1/2016	4/2016	7/2016	10/2016
Projected Expenditures	\$0	\$29,510	\$269,876	\$389,876	\$509,876	\$629,876	\$749,876	\$870,366	\$970,000	\$1,030,000	\$1,090,000	\$1,150,000
Quarterly Projection	\$0	\$29,510	\$240,366	\$120,000	\$120,000	\$120,000	\$120,000	\$120,490	\$99,634	\$60,000	\$60,000	\$60,000
Actual Expenditure	\$0	\$29,510	\$269,876	\$269,876	\$269,876	\$269,876	\$269,876	\$269,876	\$269,876	\$269,876	\$269,876	\$269,876
Actual Quarterly Expend (from QPRs)	\$0	\$29,510	\$240,366	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



* Includes:	Total	0	20000	20000	20000	20000	20000	20000	20000	20000	20000	10000
Housing Assistance	\$150,000	9510	240366.18	100000	100000	100000	100000	100000	100000	100000	100000	50000
Habitat for Humanity	\$1,000,000	20000	240366.18	120000	120000	120000	120000	120000	120000	120000	120000	60000
Total	\$1,150,000	29510	240366.18	120000	120000	120000	120000	120000	120000	120000	120000	60000

CITY OF TUSCALOOSA

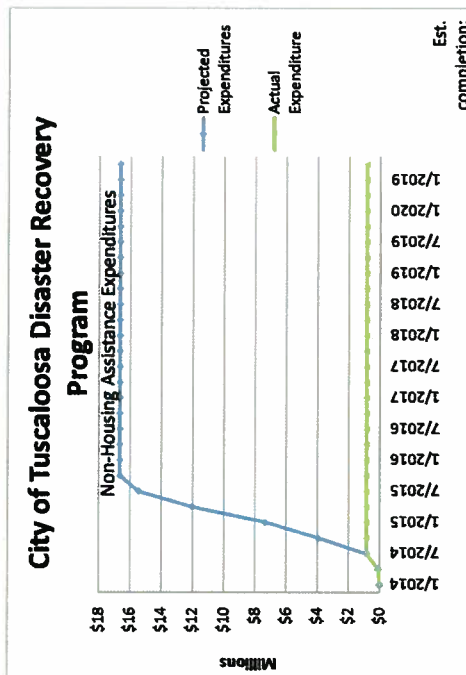
HUD Disaster Recovery 2

FINANCIAL PROJECTIONS

August 1, 2014



Non-Housing	1/2014	4/2014	7/2014	10/2014	1/2015	4/2015	7/2015	10/2015	1/2016	4/2016	7/2016	10/2016
Projected Expenditures	\$0	\$92,959	\$847,936	\$3,922,936	\$7,320,083	\$12,004,349	\$15,445,398	\$16,654,347	\$16,654,347	\$16,654,347	\$16,654,347	\$16,654,347
Quarterly Projection	\$0	\$92,959	\$754,977	\$3,075,000	\$3,397,147	\$4,684,265	\$3,441,050	\$1,208,949	\$0	\$0	\$0	\$0
Actual Expenditure	\$0	\$92,959	\$847,936	\$847,936	\$847,936	\$847,936	\$847,936	\$847,936	\$847,936	\$847,936	\$847,936	\$847,936
Actual Quarterly Expend (from QPRs)	\$0	\$92,959	\$754,977	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



* Includes:

	Total	1/2014	7/2014	1/2015	7/2015	1/2016	7/2016	1/2017	7/2017	1/2018	7/2018	1/2019	7/2019	1/2020	1/2021
Neighborhood Lakes	\$200,000														
University Place / Forest Lk	\$3,042,100														
Hargrove Road / Hackberry Ln	\$952,247														
Rosewood Sewer	\$1,710,000														
Cedar Crest Drainage	\$2,200,000														
Fire Station #4	\$2,750,000														
The Edge	\$725,000														
PARA Parks-Harmon & Jaycee	\$1,275,000														
Prince Avenue	\$1,000,000														
Alberta Technology Library	\$2,800,000														
	\$16,654,347														

CITY OF TUSCALOOSA

HUD Disaster Recovery 2

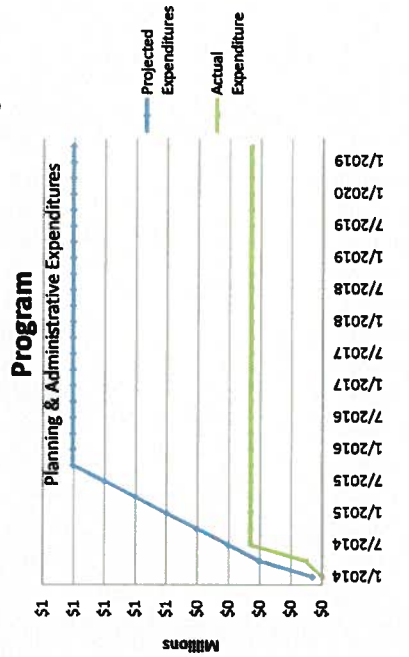
FINANCIAL PROJECTIONS

August 1, 2014



Planning & Admin	1/2014	4/2014	7/2014	10/2014	1/2015	4/2015	7/2015	10/2015	1/2016	4/2016	7/2016	10/2016
Projected Expenditures	\$30,000	\$200,000	\$300,000	\$400,000	\$500,000	\$600,000	\$700,000	\$802,717	\$802,717	\$802,717	\$802,717	\$802,717
Quarterly Projection	\$30,000	\$170,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$102,717	\$0	\$0	\$0	\$0
Actual Expenditure	\$0	\$53,221	\$230,372	\$230,372	\$230,372	\$230,372	\$230,372	\$230,372	\$230,372	\$230,372	\$230,372	\$230,372
Actual Quarterly Expend (from QPRs)	\$0	\$53,221	\$177,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

City of Tuscaloosa Disaster Recovery Program



* Includes:

Planning

Administration

Total

Total		25000	129525.59	10000	10000	10000	10000	10000	10000	10000	10000	10000
Planning	\$200,000											
Administration	\$602,717	80000	47625.14	80000	90000	90000	90000	90000	90000	90000	90000	90000
Total	\$802,717	\$105,000	177150.73	90000	100000	100000	100000	100000	100000	100000	100000	100000

CITY OF TUSCALOOSA

HUD Disaster Recovery 2

FINANCIAL PROJECTIONS

August 1, 2014



	1/2014	4/2014	7/2014	10/2014	1/2015	4/2015	7/2015	10/2015	1/2016	4/2016	7/2016	10/2016
Total Expenditures	\$30,000	\$322,469	\$1,417,812	\$4,712,812	\$8,329,959	\$13,234,225	\$16,895,274	\$18,327,430	\$18,427,064	\$18,487,064	\$18,547,064	\$18,607,064
Projected Expenditures	\$30,000	\$292,469	\$1,095,343	\$3,295,000	\$3,617,147	\$4,904,265	\$3,661,050	\$1,432,156	\$99,634	\$60,000	\$60,000	\$60,000
Quarterly Projection	\$0	\$175,690	\$39,256	\$1,348,184	\$1,348,184	\$1,348,184	\$1,348,184	\$1,348,184	\$1,348,184	\$1,348,184	\$1,348,184	\$1,348,184
Actual Expenditure												
Actual Quarterly Expend (from QPRs)	\$0	\$175,690	\$1,172,494	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

City of Tuscaloosa Disaster Recovery Program

