COMMUNITY DEVELOPMENT BLOCK GRANT - MITIGATION

Overview and Timeline

RELEASE OF FUNDS

HUD rules for new CDBG-MIT program are located in two Federal Register notices for Puerto Rico: the main notice at 84 FR 4583 and the Puerto Rico allocation notice at 85 FR 4676.

Federal Register

84 FR 45838

CDBG-MIT Main Notice
Released August 30, 2019

85 FR 4676

CDBG-MIT Allocation for Puerto Rico
Released January 27, 2020

45838 Federal Register / Vol. 84, No. 169 / Friday, August 30, 2019 / Notices

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–6109–N–02]

RIN 2506–ZA02

Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Mitigation Grantees

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This notice allocates $6.875 billion in Community Development Block Grant Mitigation (CDBG–MIT) funds to grantees recovering from qualifying 2015, 2016, and 2017 disasters. Funds allocated by this notice were made available by the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (approved February 9, 2018) (the ''Appropriations Act''). This notice describes grant requirements and procedures, including waivers and alternative requirements, applicable to CDBG–MIT funds only. The Department acknowledges the governance and financial management challenges of the Commonwealth of Puerto Rico and the on-going capacity considerations in the U.S. Virgin Islands. Accordingly, the allocation of funds to the Commonwealth of Puerto Rico and the U.S. Virgin Islands for mitigation and electrical power system improvements shall be governed by subsequent notices in order to provide additional time to Puerto Rico and the U.S. Virgin Islands to work with the Department to address these issues.

DATES: *Applicability Date:* September 4, 2019.

FOR FURTHER INFORMATION CONTACT: Jessie Handforth Kome, Acting Director, Office of Block Grant Assistance, Community Planning and Development, Department of Housing and Urban Development, 451 7th Street SW, Room 7282, 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 Ms. Kome 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:

Table of Contents

I. Overview and Policy Objectives
II. Use of CDBG–MIT Funds
A. Mitigation Definition
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B. Housing and Related Floodplain Issues
C. Infrastructure
D. Economic Development
VI. Certifications and Collection of Information
VII. Duration of Funding
VIII. Catalog of Federal Domestic Assistance
IX. Finding of No Significant Impact

I. Overview and Policy Objectives

The Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Division B, Subdivision 1 of the Bipartisan Budget Act of 2018, Pub. L. 115–123, approved February 9, 2018) (the ''Appropriations Act''), made available $28 billion in Community Development Block Grant disaster recovery (CDBG–DR) funds, and directed HUD to allocate not less than $12 billion for mitigation activities proportional to the amounts that CDBG–DR grantees received for qualifying disasters in 2015, 2016, and 2017. This notice accordingly allocates $6,875,044,000 in CDBG–MIT funds for mitigation activities consistent with the Appropriations Act.

CDBG–MIT funds represent a unique and significant opportunity for grantees to use this assistance in areas impacted by recent disasters to carry out strategic and high-impact activities to mitigate disaster risks and reduce future losses. While it is impossible to eliminate all risks, CDBG–MIT funds will enable grantees to mitigate against disaster risks, while at the same time allowing grantees the opportunity to transform State and local planning.

Through this allocation for mitigation, HUD seeks to:

- Support data-informed investments in high-impact projects that will reduce risks attributable to natural disasters, with particular focus on repetitive loss of property and critical infrastructure;
- Build the capacity of States and local governments to comprehensively analyze disaster risks and to update hazard mitigation plans through the use of data and meaningful community engagement;
- Support the adoption of policies that reflect local and regional priorities that will have long-lasting effects on community risk reduction, to include the risk reduction to community lifelines such as Safety and Security, Communications, Food, Water, Sheltering, Transportation, Health and Medical, Hazardous Material (management) and Energy (Power & Fuel); and future disaster costs (e.g., adoption of forward-looking land use plans that integrate the hazard mitigation plan, latest edition of the published disaster-resistant building codes and standards (to include wildland urban interface, flood and all hazards, ASCE–24, and ASCE–7 respectively), vertical flood elevation protection, and policies that encourage hazard insurance for private and public facilities); and
- Maximize the impact of available funds by encouraging leverage, private-public partnerships, and coordination with other Federal programs.

The guiding structure and objectives established for CDBG–MIT funds bear similarities to other federal programs that address hazard mitigation, particularly FEMA's Hazard Mitigation Grant Program (HMGP). Accordingly, HUD has structured this notice and its requirements to complement HMGP policies and processes where possible. For example, both CDBG–MIT funds and FEMA HMGP funds require grantees to conduct a multi-hazard risk assessment to inform projects and programs. Additionally, grantee use of CDBG–MIT funds will be focused on effectively addressing risks to indispensable services that enable the continuous operation of critical business and government functions, and that are critical to the protection of human health and safety, or economic security, as described in section V.A.2.a.(1) of this notice.

The Appropriations Act provides CDBG–MIT funds as a supplemental appropriation to the Community Development Block Grant (CDBG) program. Accordingly, the alignment of CDBG–MIT funds with other federal mitigation programs must also occur within the basic CDBG framework. The national objectives of the CDBG program are: (a) Providing benefit to low- and moderate-income persons; (b) preventing or eliminating slum and blighting conditions; or (c) addressing a severe and recently arising urgent community welfare or health need. Unlike other forms of Federal disaster recovery assistance, CDBG–DR and CDBG–MIT grants have a statutory focus on benefiting vulnerable lower-income people and communities and targeting the most impacted and distressed areas.

The Appropriations Act requires that prior to the obligation of CDBG–DR funds by the Secretary, a grantee shall submit a plan to HUD for approval detailing the proposed use of all funds, including the criteria for eligibility and how the use of these funds will address

RELEASE OF FUNDS

HUD's definition for mitigation is new and stipulated in the Federal Register specifically for CDBG-MIT activities at 84 FR 45838. Puerto Rico currently awaits an additional release of $1.93 billion for electrical power system enhancements.

CDBG-MIT

Mitigation activities are those that **increase resilience to disasters and reduce or eliminate the long-term risk** of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.

- HUD, 84 FR 45838

January 27, 2020

$8.285B

mitigation funds

Awaiting

$1.93B

electrical power system enhancements

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MITIGATION REQUIREMENTS

Mitigation activities must meet the four key HUD requirements listed below. The HUD definition referenced in item 1 below was introduced in the previous slide. The additional three requirements are further described in the following four slides.

1

Must meet the **HUD definition of mitigation activities**.

2

Address the **current and future risks** as identified in the grantee's Mitigation Needs Assessment of **most impacted and distressed** areas.

3

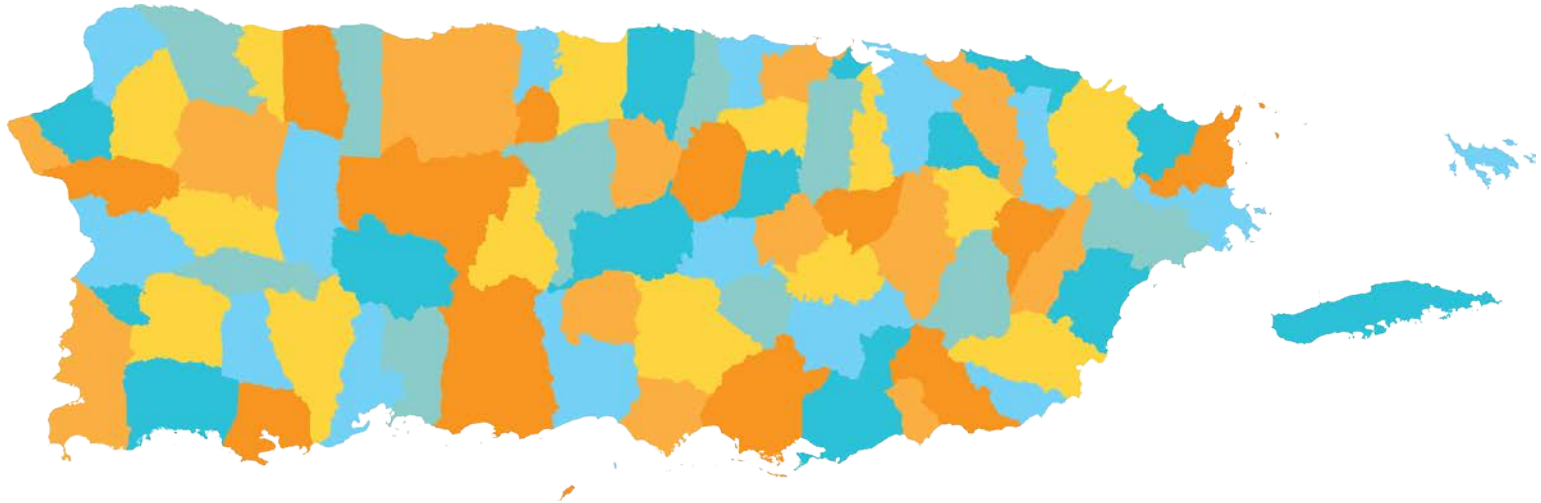
Must **be CDBG-eligible activities under title I of the Housing and Community Development Act of 1974 (HCDA)** or otherwise eligible/ approved to a waiver or alternative requirement.

4

Must **meet a national objective**, including additional criteria for mitigation activities and Covered Projects (as defined by HUD).

2 - MUST ADDRESS CURRENT AND FUTURE RISK IN MID AREAS

Projects will not qualify for funding unless they directly relate to an unmet need identified in the multi-hazard risk assessment. This risk assessment is built on the FEMA Hazard Mitigation Planning (HMP), planning framework.



All 78 municipalities considered HUD Most Impacted and Distressed

MULTI-HAZARD RISK ASSESSMENT

Risk-based Mitigation Needs Assessment that identifies analyzes all current and future disaster risks

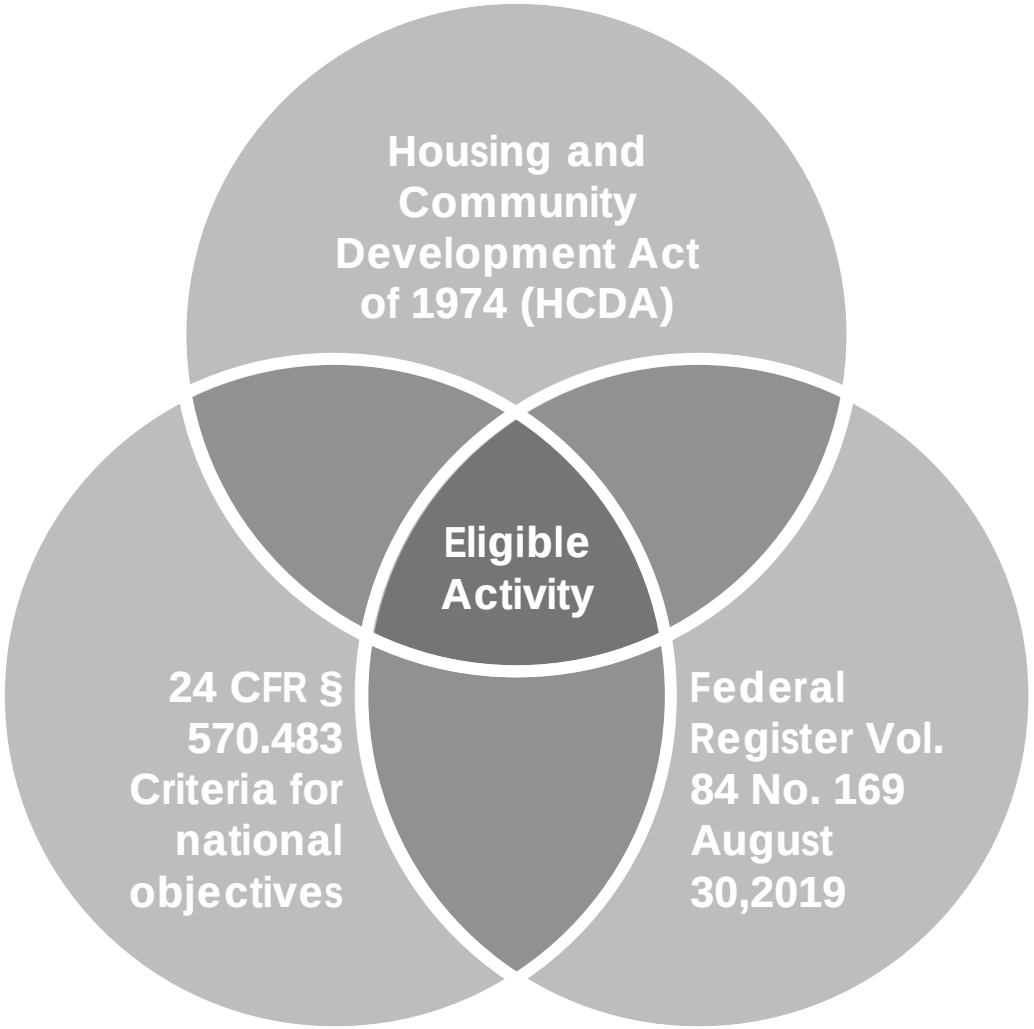
Must consult with HMGP-eligible jurisdictions, including the **State Hazard Mitigation Officer (SHMO)**

Must use the most recent risk assessment completed through the FEMA HMP

If a jurisdiction is currently updating an expired HMP, the grantee must consult with the agency

3 - CDBG ELIGIBLE ACTIVITIES

CDBG-MIT is based on the same regulatory framework as CDBG-DR and largely follows the same regulatory requirements for eligible activities – but differs in that activities must serve a mitigation purpose.



- PLANNING
- HOUSING
- INFRASTRUCTURE
- ECONOMIC DEVELOPMENT

3 - CDBG ELIGIBLE ACTIVITIES (Continued)

The activities listed here are examples of eligible use of funds from the Mitigation Federal Register Notice. Determining eligible activities, eligible subrecipients, and allocations to different programs is part of the planning process. These details will be included in the Action Plan.

PLANNING

Potential activities may include:

- ✓ Support for local and regional functional land-use plans
- ✓ Master plans
- ✓ Historic preservation plans
- ✓ Comprehensive plans
- ✓ Community recovery plans
- ✓ Resilience plans
- ✓ Development of building codes, zoning ordinances, and neighborhood plans

HOUSING

Potential activities may include:

- ✓ Buyouts (potentially accompanied by additional housing or homeownership assistance for relocated families)
- ✓ Elevation (which may be accompanied by rehabilitation, reconstruction, or new construction activities to support resilient housing)
- ✓ Flood proofing; and wind, water, fire, earthquake retrofitting or ‘‘hardening’’ of single- and multifamily units

ECONOMIC DEVELOPMENT

Potential activities may include:

- ✓ Assistance to businesses for the installation of disaster mitigation improvements and technologies
- ✓ Financing to support the development of technologies, systems and other measures to mitigate future disaster impacts
- ✓ ‘‘Hardening’’ of commercial areas and facilities
- ✓ Financing critical infrastructure sectors to allow continued commercial operations during and after disasters
- ✓ Leverage Economic Opportunity Zones established within the grantee’s jurisdiction

INFRASTRUCTURE

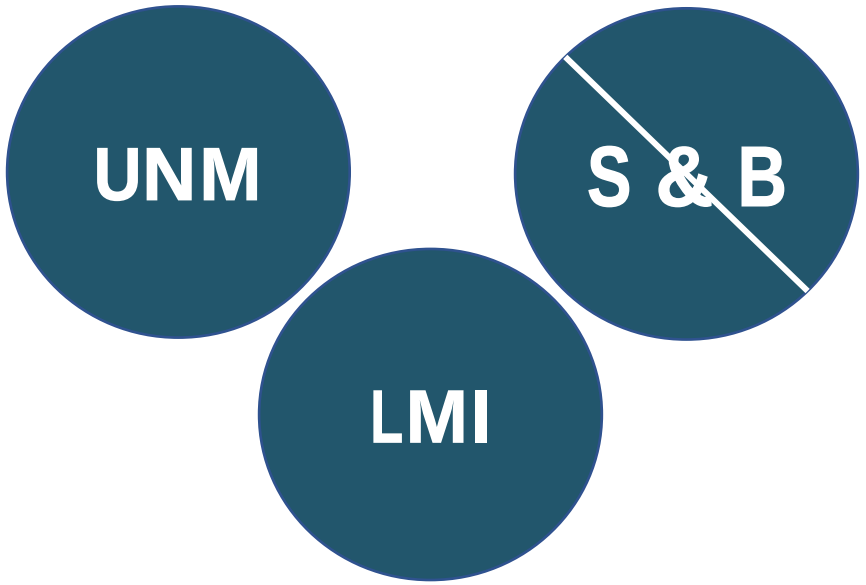
Potential activities may include:

- ✓ Regional investments in risk reduction to develop disaster-resistant infrastructure
- ✓ Upgrading of water, sewer, solid waste, communications, energy, transportation, health and medical, and other public infrastructure to address specific, identified risks
- ✓ Financing multi-use infrastructure; and
- ✓ Green or natural mitigation infrastructure development

source: 84 FR 45849

4 - HUD NATIONAL OBJECTIVE & TIE BACK

New national objective criteria for CDBG-MIT include the following:

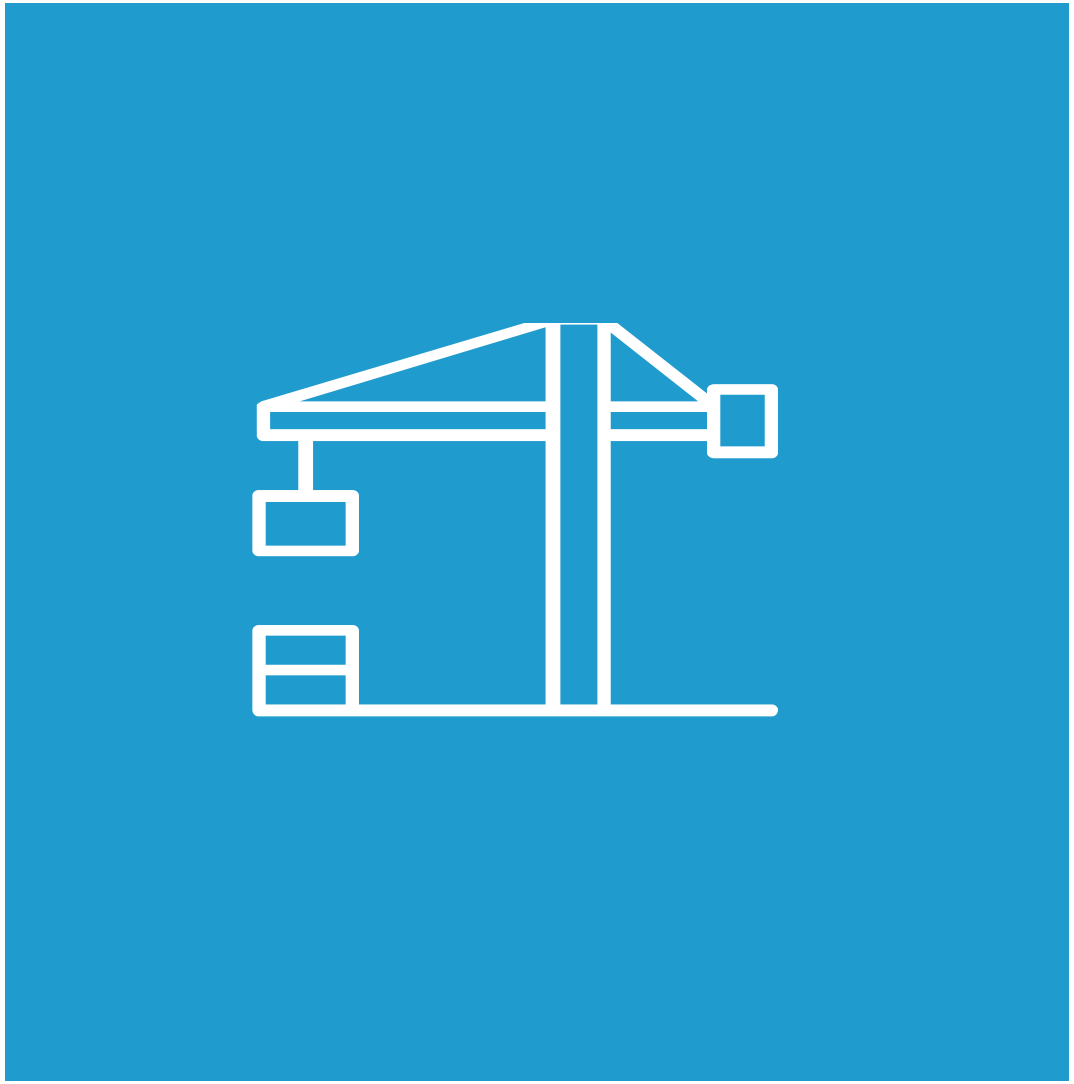


- New **urgent need mitigation (UNM)** national objective**.** Requires activities to **result in measurable and verifiable reductions in the risk** of loss of life and property from future disasters and yield community development benefits.
- **No elimination of slum and blight (S&B)** conditions without approval from HUD, because this national objective generally is not appropriate in the context of mitigation activities.
- **Low- and moderate-income (LMI) priority.** Proposed mitigation programs and projects must prioritize the protection of low-and-moderate income individuals.
  No less than 50% of Grant must benefit LMI.

CDBG-MIT **does not require a "tie-back"** to a specific event, but must meet criteria set by HUD for mitigation.

4 - CDBG-MIT COVERED PROJECTS

Covered projects are a new concept under HUD, and defined based on funding thresholds. For these projects, a Benefit Cost Analysis (BCA) must be completed utilizing the FEMA process, unless a comparable analysis can be produced showing significant benefit to LMI populations.



Covered Projects are defined for Puerto Rico as an infrastructure project having **a total project cost of $50 million or more, with at least $25 million of CDBG funds** (CDBG, CDBG-DR and/or CDBG-MIT).

A Covered Project requires the completion of a Benefit Cost Analysis (BCA).

Covered Projects must be added to the original Action Plan or by substantial amendment, which each include a public comment period.

PLANNING & STAKEHOLDER ENGAGEMENT

Your participation in the Mitigation planning process ***is vital.***

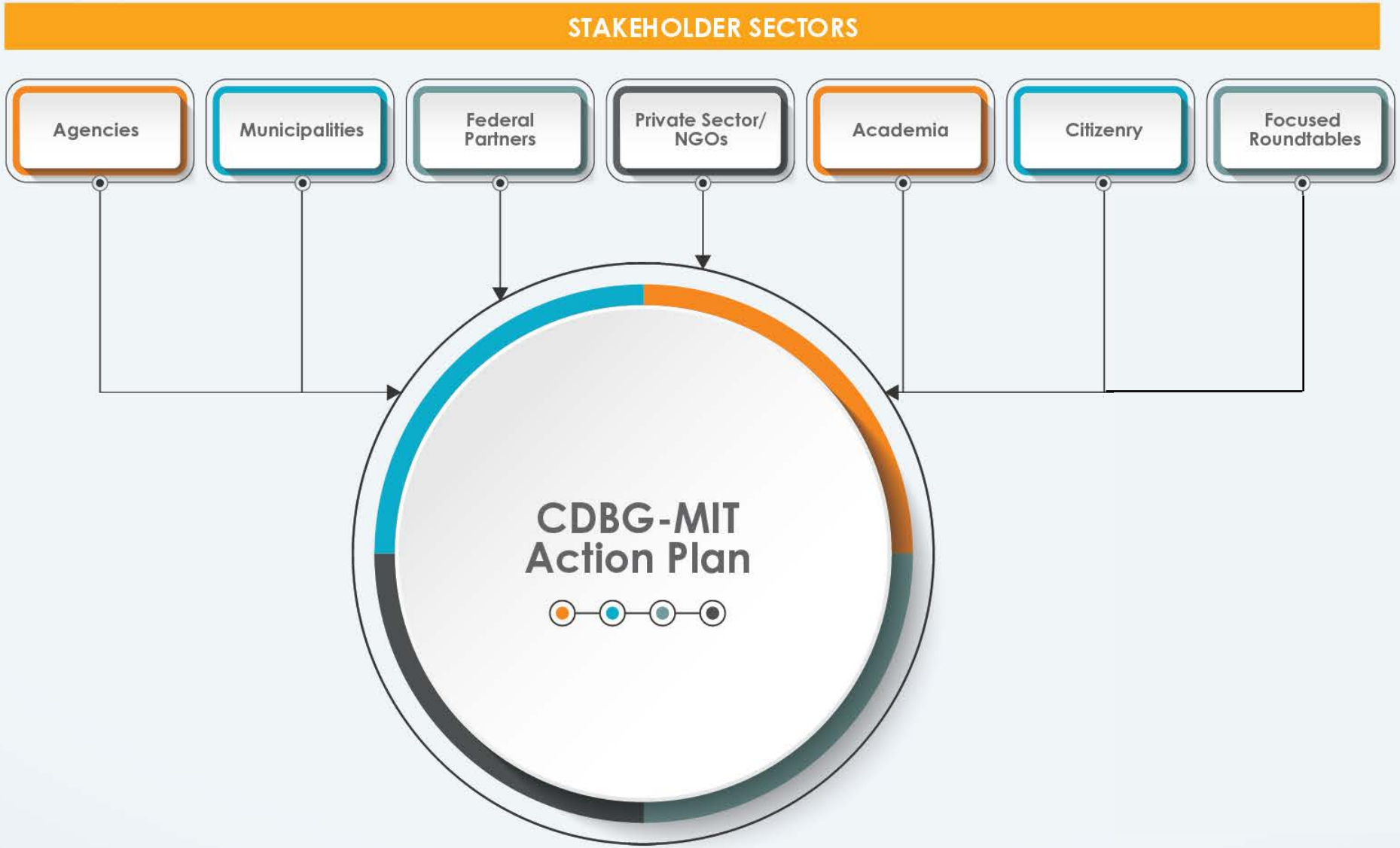
Mitigation planning is underway. PRDOH is evaluating mitigation opportunities that ensure a resilient future for the Island. The agency is committed to data-informed investments in high-impact projects that will reduce risks attributable to past and future disasters.

PRDOH is committed to leading a robust stakeholder and public engagement effort beginning May 2020 through August 2020 to develop the initial plan, then continuing engagement opportunities through final submission to HUD.

Upon HUD's approval of the plan, PRDOH will continue stakeholder engagement by standing up a **Citizen Advisory Group** to provide increased transparency in the implementation of CDBG–MIT funds.

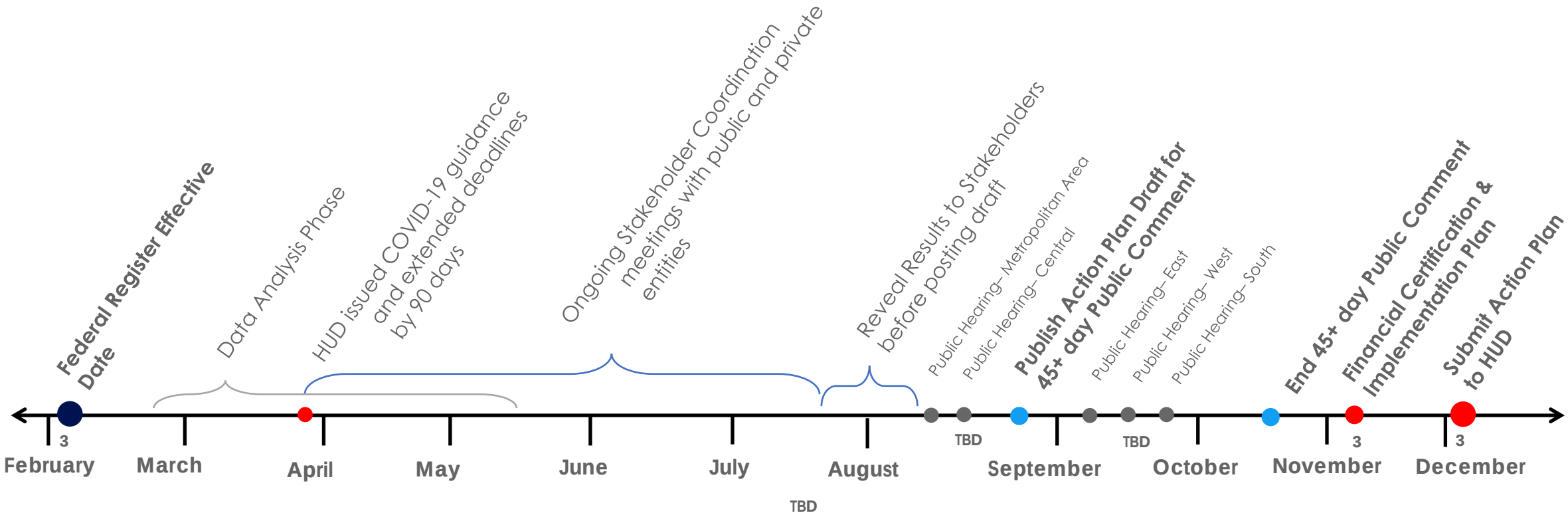
PRDOH is engaging with public agencies, municipalities, federal partners, NGOs, academic community, the private sector and the people of Puerto Rico. Input from all these stakeholders will be considered as part of Action Plan development.

CDBG-MIT ACTION PLAN OUTREACH & ENGAGEMENT



ACTION PLAN TIMELINE

(Revised based on HUD guidance for impacts of COVID-19)



The timeline here shows the progression of Action Plan activities extending through December 3, 2020 – an extension date set by HUD in consideration of COVID-19 impacts on public engagement. The planning timeline includes four months of rigorous stakeholder engagement, two public hearings before the Action Plan draft is posted for public comment and three additional public hearings during the comment period.

Rev 5/7/2020

CONTACT US

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https://www.cdbg-dr.pr.gov/CDBG-MIT