

National Disaster Resilience Competition Frequently Asked Questions

Remember: We do our best, but **if an answer below does not completely comport with the NOFA, the NOFA prevails**. Please read the NOFA carefully.

The most recent Q&As are added at the bottom of the document.

1. Why should you apply?

- Pursue local physical, social, and economic resilience
- Focus on the most vulnerable populations and sectors and protect them
- Compete and learn with a national cadre of communities
- Broad technical support across Federal granting agencies
- Parallel (and independent) philanthropic effort
- U.S annual disaster declarations rising

2. What are the Goals of the NDRC?

- To fairly allocate remaining PL 113-2 Community Development Block Grant (CDBG) disaster recovery funds.
- To apply science-based and forward-looking risk analysis to address recovery, resilience, and revitalization needs.
- To leave a legacy of institutionalizing the implementation of thoughtful, innovative, and resilient approaches to addressing future risks.
- To provide resources to help communities plan and implement disaster recovery that makes them more resilient to future threats while improving quality of life and making communities more resilient to economic stresses or other shocks.
- To fully engage stakeholders about the impacts of climate change and to develop pathways to resilience based on sound science.
- To leverage investments from the philanthropic community to help communities define problems, set goals, explore options, and craft solutions.

3. What are all the pieces of the NOFA?

- NOFA
- Appendices
 - A – Program and Post-Award Requirements
 - B – List of Qualified Counties
 - C – Phase 1 and Phase 2 Partner Letter
 - D – Phase 2 Partner Agreement Terms
 - E – Phase 2 Instructions for Requesting Waivers
 - F – Phase 1 and Phase 2 Certifications
 - G - Phase 1 and Phase 2 Most Impacted and Distressed and Unmet Recovery Needs Criteria and Instructions
 - H – Phase 2 Benefit-Cost Analysis Guidance for Covered Projects

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- I – Phase 1 and Phase 2 Consultation Summary
- J – Phase 1 and Phase 2 Crosswalk Checklist
- General Section

4. Where did the funds come from?

- Congress appropriated CDBG supplemental funds in Public Law 113-2. After some funds were taken back in a rescission, \$15.2 billion was available
- HUD allocated about \$14.2 billion by formula to areas that were nationally most impacted and distressed by the disasters of 2011, 2012, and 2013 (CDBG-DR)
- See <https://hudexchange.info/cdbg-dr>
- The remaining funds (\$999,108,000) support this competition

5. Why a competition?

- The data available for allocation are aging and not credible beyond formula awards already made.
- The data are up at the county level and don't highlight unmet recovery needs in smaller most impacted and distressed areas.
- The data supporting the formula don't consider local pre-disaster distress measures.
- P.L 113-2 requires use of the *best available data*.

6. Who may apply?

- 67 governmental applicants are eligible to apply for \$817M general pool. See list in NOFA.
- 3 applicants for \$181M Sandy pool. See list in NOFA.
- NDRC factors are the same for both pools.
- HUD reserves the ability to ensure geographic diversity.

7. May eligible counties apply?

- Only the 67 listed governmental applicants are eligible to apply. See list in NOFA.
- "Eligible county" is used to describe a county with a declaration for a Qualified Disaster; such a county is not automatically considered most impacted and distressed
- An Eligible Applicant must demonstrate at least one most impacted and distressed area with unmet recovery needs to meet the NOFA threshold; the same demonstration is required for any area proposed to benefit from CDBG-NDR assistance.
- HUD requires consultation with affected local governments and stakeholders

8. May Indian tribes apply?

- By statute, only states and units of general local government are eligible for P.L. 113-2 grants
- By NOFA, only the 67 listed governmental applicants are eligible to apply. See list in NOFA
- A state may partner with a tribe

9. How can I participate if my locality did not have a Qualified Disaster or is not in an eligible county?

- The NOFA provides a significant number of points for proposals that bring leverage and long-term commitments that enhance resilience beyond the most impacted and distressed area that qualifies for CDBG-NDR assistance
- Contact an Eligible Applicant to discuss how your community can participate

10. I am an expert in [name your field]. How may I participate in the NDRC?

- An Eligible Applicant may partner with other organizations to demonstrate necessary capacity. You may wish to contact one of the 67 Eligible Applicants listed in the NOFA.
- General Administrative Capacity
 - Project management (or program management as applicable) and logistics
 - Procurement (both professional services and construction)
 - Contract management
 - Financial management
 - Accountability, Quality Control/Quality Assurance, Monitoring, Internal Audit
 - Rapid program design and launch
 - Determining, tracking, and evaluating project or program outcomes
- Technical Capacity
 - Risk, impacts, and vulnerability assessment, including integration of information on extreme weather events, climate variability, and climate change
 - Management of project design (architecture, landscape architecture, and engineering)
 - Site, city, and regional planning
 - Flood insurance and floodplain management
 - Insurance industry issues
 - Green (nature-based) infrastructure planning and implementation
 - Pre-development site preparation
 - Property disposition (as applicable)
 - Leveraged/mixed financing
 - Acquisition and disposition of real estate, including voluntary and involuntary relocation of homes and businesses,
 - Rehabilitation and reconstruction of housing, commercial, industrial, and other structures,
 - Redevelopment of property, from procurement through occupancy or final use
 - Remediation of brownfields and contaminated sites and ecological restoration
 - Accessing operating and investment capital
 - Assessing technical feasibility and value engineering
- Community Engagement and Inclusiveness

- Regional collaboration
- Cross-disciplinary collaboration
- Community Engagement and Outreach, especially with vulnerable populations and their advocates Project coordination in partnership with other key implementing stakeholders
- Consultation and stakeholder involvement during need determination, design, implementation, commissioning, and evaluation phases of a project
- Working productively with other organizations, including meeting management (both facilitation and scheduling).

11. How does an Eligible Applicant apply? (Basics)

- Get the NOFA (plus all Appendices) and forms from grants.gov. CFDA number is 14.272. Read them and follow the directions.
- Connect to CDBG and CDBG-DR mailing lists and read all the things here: <https://hudexchange.info/cdbg-dr/resilientrecovery>
- Find partners and connect with experts
- Consult with stakeholders and citizens
- Crunch data and form conclusions
- Generate a compelling disaster resilience idea
- Respond to the factors
- Submit a Phase 1 application by the deadline

12. How does an Eligible Applicant apply (Phases)?

- Two phases
 - In Phase 1 you have 180 days to frame the issues, find partners, consult with stakeholders, generate an idea, make a long-term commitment
 - HUD will invite high Phase 1 scorers to submit a Phase 2 project implementation proposal drawn from your Phase 1 framing and idea
 - Reserve pool – \$30M CDBG-DR pool to address well-documented unmet recovery needs in non-selected applicant communities

13. With whom may an Eligible Applicant apply?

- One of the 67 governments listed in the NOFA must be the Applicant
- You may choose Partners to add capacity to your team, depth to your application (Soundness of Approach), and aid in implementation (Leverage and Outcomes)
- After award, a Partner will help implement Phase 2 and may become a subrecipient, developer, contractor, co-funder, consultant . . .

14. What are the thresholds?

- Eligible Applicant
- Eligible County (Appendix B)

- Eligible Activity
- Most impacted and distressed area with Unmet Recovery Needs
- Incorporate resilience
- Meet a national objective
- Meet overall benefit (or provide a compelling need to receive a waiver)
- Establish tie-back
- Benefit-Cost Analysis (Phase 2 Covered Projects)
- Execute certifications
- Meet General Section administrative thresholds

15. What are the most impacted and distressed and the unmet recovery needs thresholds?

- Most impacted and distressed area with Unmet Recovery Needs
 - Funds are only to address unmet recovery needs (including related resilience) of most impacted and distressed areas that are located in eligible counties
 - Unmet recovery needs in a most impacted and distressed area is a participation threshold – best applications will reach further.
 - See webinar on this threshold

16. What does this term mean?

- Generally terms are defined the same as in the annual Community Development Block Grant (CDBG) program
- Some NDRC terms defined in the NOFA:
 - Most Impacted and Distressed (see Appendix G)
 - Unmet Recovery Needs
 - Tie-back
 - Qualified Disaster
 - Resilience
 - Project
 - Covered Project
 - Vulnerable Populations

17. What is your basis for that conclusion?

- Evidence-based practice
 - *refers to the use of the best available conclusions/findings from research and studies as a base for determining the best practices and predictions of outcomes in a field. A strong evidence base is offered by studies with designs that can support causal conclusions and studies that, in total, include enough of the range of participants and settings to support generalizability.*
- Demonstrate you set goals, designed programs based on quality data

18. How can you be more efficient?

- Faster launches through coordination with environmental and historic preservation consultation requirements
- Competition design merges some environmental review consultation and analysis elements into program-related factors
- Include staff with environmental review expertise from outset and look for opportunities to include required environmental consultation on meeting agendas.

19. What will help you get to Phase 2?

- Make a long-term commitment with measurable resilience enhancing effects.
- Phase 1: Factor 5 Long-term commitment
 - *Describe any steps you have already taken or are seriously considering that commit you to increasing the resilience in your jurisdiction regardless of whether you receive a CDBG-NDR award. HUD will only award points for Phase 1 or invite an Applicant to Phase 2 if it has already taken (since the date of the Qualified Disaster) or firmly commits to take within one year of the announcement of Phase 2 results, one or more actions improving permanent resilience in a geography including at a minimum its most impacted and distressed target area(s).*

20. Why is leverage so important?

- CDBG-NDR funds are for necessary expenses to address Unmet Recovery Needs in most impacted and distressed areas
- However, risks and extreme events do not have boundaries; resilience should not have boundaries
- Best applications will commit leverage to expand the reach of NDRC into broader geography and beyond activities with tie-back to the Qualified Disaster

21. Why the emphasis on vulnerable populations?

- Research shows vulnerable populations may not have access to the information and resources needed to participate in recovery
- CDBG-DR's unique role in post-disaster relates to program focus on low- and moderate-income persons and the businesses, housing, and infrastructure serving them
- Environmental justice responsibilities of grantees
- Involvement of all stakeholders needed to frame the best path(s) forward

22. What are the Phase 1 deadlines?

- You may submit your Most impacted and Distressed and Unmet Recovery Needs threshold responses within 45 days of NOFA publication for early review.
 - The NOFA was published September 17. Forty-five days after is November 1, which falls on a weekend. HUD will accept 45 day submissions until COB Monday, November 3, as a courtesy.
 - HUD will review your Most impacted and Distressed and Unmet Recovery Needs threshold responses and send a letter within 15 working days indicating whether your submission meets threshold requirements or not, and indicate noted deficiencies.
 - If HUD says your initial submission does not meet a threshold, you may make changes and submit in your Phase 1 application.
 - The 45-day threshold review is an optional submission.
 - See the NOFA and the topic webinar for more information on meeting these thresholds.
- Full Phase 1 applications due 180 days after publication, March 15, 2015, via grants.gov

23. What happens in Phase 2?

- An Applicant invited to Phase 2 will submit a proposal for a project to implement based on the Phase 1 framing and idea.
- The project must be demonstrated to be feasible. This means the Applicant has the capacity to implement it, and the project is designed properly to achieve the proposed benefits.
- The best applications will extend resilience beyond actions and areas eligible for CDBG-NDR assistance by leveraging, plans, and strategic long-term commitments.

24. What are the Phase 2 deadlines?

- If invited by HUD, you will submit your Phase 2 application 120 days after the date of your invitation letter.
- HUD and other agencies and experts will rate and rank all applications
- HUD anticipates taking up to 60 days after the Phase 2 submissions before announcing awards.
- HUD must obligate the funds (sign a grant agreement) by September 30, 2017.
- A grantee will have 24 months to expend the funds after obligation.
 - If you submit a schedule with your Phase 2 application that indicates time needed for completion of your proposal exceeds 24 months, you must also submit a waiver request for a time extension with its application.
- See Appendix A for requirement detail and Appendix E for instructions on requesting a waiver.

25. What triggers a BCA?

- Any Phase 2 application with a Covered Project must submit a benefit-cost analysis

- *“Covered Project. A major infrastructure project having an estimated total cost of \$50 million or more (including at least \$10 million of CDBG–DR or CDBG-NDR funds), or benefiting multiple counties. Additionally, two or more related infrastructure projects that have a combined total cost of \$50 million or more (including at least \$10 million total of CDBG–DR, or CDBG-NDR funds) must be designated as major infrastructure projects.”*
- See Appendix H for instructions
- All Phase 2 applications must submit outcome metrics based on Appendix H.
- HUD is not considering the BCA for points
- *“HUD will not fund any Phase 2 activities for which the benefits to the applicant’s community and to the United States as a whole are not demonstrated by the evidence submitted to justify the costs.”*

26. Is this really Community Development Block Grant?

- CDBG-DR builds off basic CDBG chassis
- Supplemental appropriations language establishes basis for use of CDBG-DR by:
 - Establishing funding level
 - Identifying events eligible for assistance
 - Providing waiver & alternative requirement authority
 - Defining other requirements
- CDBG includes a broad range of eligible activities that align with recovery and resilience
 - Public facilities and infrastructure
 - Housing rehabilitation and construction
 - Assistance to businesses
 - Acquisition/Demolition

27. Do activities have to meet a CDBG national objective?

- Activities must meet CDBG national objective (See Appendix A)
 - Low/mod benefit
 - Address slums/blight
 - Urgent need

28. What does not change from annual CDBG?

- HUD works from basic CDBG statute and regs
- Applies waiver and alternative requirement authority
- Ability to “bend” CDBG for disaster recovery is broad but has certain key limitations imposed by:
 - Supplemental appropriation
 - Cross-cutting statutes
 - Administration policy

- Sandy Supplemental (PL 113-2) permits HUD to waive or establish alternative requirements for any statute or regulation that it administers in connection with use of funds except for requirements related to:
 - Fair housing
 - Non-discrimination
 - Labor standards (Davis-Bacon)
 - The environment (NEPA and related acts)
- Further, HUD does not waive OMB and Treasury requirements which would interfere with statutory directives to limit fraud, waste and mismanagement

29. Is economic development still an eligible activity?

- Yes.
- CDBG-NDR funds may only be used to assist small businesses per SBA definition
- For example, effectively limits use of CDBG-DR funds for energy grid projects carried out by large for-profit utilities as well as liquid fuel supply chain activities that involve major companies

30. What activities are not eligible for CDBG-NDR assistance?

- Ineligible activities for CDBG-NDR funding:
 - Any activity not meeting eligibility, national objective, tie-back, Unmet Recovery Need, and most impacted and distressed area thresholds.
 - Most pre-award activities (partial waiver in NOFA)
 - Any activity not in compliance with fair housing and civil rights requirements
 - Projects dependent on contingent action to be effective or feasible, or projects that do not demonstrate feasibility
 - Temporary measures
 - Response activities, equipment, and training
 - Projects in a Special Flood Hazard Area where the jurisdiction is not participating in the National Flood Insurance Program

31. What waivers are available?

- Appendix E describes possible waivers and provides instructions on making requests.

32. What can an Eligible Applicant win?

- Minimum NDRC grant amount is \$1 million
- Maximum NDRC grant amount is \$500 million
- Reserve pool
 - \$30 million total for non-selected Phase 1 and Phase 2 applicants with demonstrated Unmet Recovery Needs.
 - HUD will issue a separate Federal Register allocation Notice

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- Maximum allocation \$500 thousand (for existing PL 113-2 CDBG-DR grantees)
 - Maximum allocation \$2.5 million (for non-PL 112-2 grantees)
- See NOFA for details

New: Week of October 6-10, 2014 Questions and Answers

Q33: In Appendix G, Section II. B. 1 (a) includes the phrase “a concentration of housing damage in a sub-county area due to the eligible disaster causing damage to either a minimum of 100 homes or serious damage to a minimum of 20 homes.” What exactly qualifies as “serious damage”?

A: Along with the data on the HUDUser site linked from Appendix G, HUD is adding an explanation of how HUD identified "serious damage". However, HUD did not specifically define the term in the NOFA, so an applicant may explain, with supporting data, why it believes its Most Impacted and Distressed Area(s) has serious damage that meets the concentrated housing damage standard of "serious damage to a minimum of 20 homes" under II.B.1.(a) of Appendix A.

Applicants could use HUD's criteria for "serious damage" but a different data source (if HUD agrees with the validity of the data), or could use some other criteria to make a case for serious damage, if supported by valid data.

Q34: May existing CDBG-DR or regular CDBG awards be eligibly used to apply for the CDBG-NDR competition?

A: The regular eligibility rules issued under the applicable CDBG-DR grant Notice for each grant apply. All those Notices rely on the regular CDBG regulations on this point.

In all CDBG and CDBG-DR grants, planning is an eligible activity under the Housing and Community Development Act of 1974 (HCD Act) and, for Entitlement grantees in the regulations at 24 CFR 570.205. Also in the CDBG Entitlement regulations at 24 CFR 570.206, preparation of applications for CDBG and other federal programs is an eligible general administration cost if the grantee determines that the funds applied for are necessary to meet community development objectives. A current annual CDBG or CDBG-DR *state* grantee may use the entitlement regulations as interpretive guidance or make and document its own reasonable reading of the Housing and Community Development Act of 1974 regarding eligibility.

As with any CDBG-DR expenditure, if you use CDBG-DR funds for this purpose, you will need to reasonably establish how the use of funds relates to recovery from the disaster(s) for which you were awarded the funds. (What the NDRC NOFA defines as tie-back.) Further, for the annual CDBG program, State expenditures for planning activities are required by the regulations to meet a national objective.

Q35: *Removed and updated week of November 24, 2014.*

Q36: May there be multiple applications from one state, i.e. more than one proposal in Phase 1?

A: No. Only one application is permitted per Eligible Applicant. There are 67 eligible applicants. All of them are states or local governments. Here's what the NOFA says:

1. Number of Applications and Projects.

- (1) An Applicant may participate in a maximum of one application under this NOFA. A Partner may participate in more than one application, provided each application demonstrates capacity.
- (2) There is no limit to the number of proposed activities, partners, or projects per application, so long as all proposed activities meet all thresholds and CDBG-NDR program requirements.

Q37: Has the Rockefeller Foundation put out the academy list yet? Does HUD have any other resilience information?

A: The Rockefeller Foundation (RF) is posting information about its effort here: <http://www.rockefellerfoundation.org/our-work/current-work/resilience/national-disaster-resilience-competition> .

HUD's site at www.hud.gov/resilience will also provide links to the RF effort and other general resilience resources.

Q38: How many projects may an applicant submit within the NOFA response for Phase 1 and Phase 2 to address the multitude of unmet needs in our area that we may be looking to address with this funding opportunity?

A: The NDRC NOFA does not request project submissions in response to Phase 1. HUD is aware that potential applicants for this competition will be at varying points in resilience-related planning and will respond to some of the Phase 1 questions accordingly in present, future, or past tense. The NOFA characterizes Phase 1 as a framing phase and summarizes this way: "The applicant's responses in Phase 1 will describe this framing process and its results, identify the partners and other resources, and describe the resulting resilient recovery concept or idea."

If you are invited to Phase 2, the NOFA provides the following guidance: "You must identify scaling and scoping options for your Phase 2 proposal as described in the Soundness of Approach Factor. There is no limit to the number of proposed activities, partners, or projects per application, so long as all proposed activities meet all thresholds and CDBG-NDR program requirements."

Q39: Can drought prevention be addressed without a specific declaration for drought? Could it be considered as a precursor to a fire declaration?

A: At the grant technical level (what you may use CDBG-NDR funds for), the only costs allowable to be charged to a Phase 2 CDBG-NDR award are

"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.”

At this level (CDBG-NDR grant funds, technical requirements), in this context, “disaster” means a Qualified Disaster, which must be a Presidentially declared major disaster under the Stafford Act. Note however, that, within a disaster recovery project (speaking generically and including housing, infrastructure, etc), or economic revitalization project, HUD accepts costs related to resilience as necessary expenses and the NOFA explicitly says, “The CDBG context also leads naturally to requiring resilience elements within recovery projects because it creates stability. Reducing current and future risk is essential to the long-term economic well-being of communities and businesses.” Thus, if you are contemplating a recovery project that has established “tie-back” and you want to add elements to the project to address identified future threats and risks (including risks from extreme events other than major declared disasters), in general, you may, within the requirements described in the NOFA and Appendix A.

Another way to say what Phase 1 requires is that you must tie back to the Qualified Disaster, then pivot to look forward to understand the risks, threats, hazards, community development objectives, or vulnerabilities that the design of your recovery proposal must take into account to be most effective, useful, and enduring.

On the competition level (what you can apply other resources to), note that several Phase 1 and Phase 2 factors provide additional points for extending the reach of your resilience proposal beyond the Qualified Area or activities for which you can demonstrate tie-back and for providing funding from other sources to achieve this extension.

Q40: Is dollar cap for all proposed projects or per project?

A: We assume to dollar cap you are referring to is the \$500 million for Phase 2 awards? This limit is per application. An application may include multiple projects.

Q41: If we present five alternatives [for the Most Impacted and Distressed Area with Unmet Recovery Needs (MID-URN)] and one is bad, will all five be rejected (for both the November 3rd deadline and Phase 1). Will HUD do partial awards?

A: To meet the Most Impacted and Distressed and Unmet Recovery Needs threshold for your application to be rated for Phase 1, you only need to have one MID-URN Qualified Area meet the thresholds. For the optional 45 day submission, even if HUD indicates that none of your submitted areas demonstrate that they meet threshold, you may still make changes and make a Phase 1 submission.

No CDBG-NDR awards will be made following Phase 1. Any applicant meeting the requirements for referral to the reserve pool will receive additional guidance from HUD through a separate Federal Register Notice. HUD did reserve the right to make partial awards following Phase 2 and

the NOFA asks all applicants to describe scaling and scoping possible within their Phase 2 proposals.

Q42: In Appendix G, Section II, under “Most Impacted Characteristics” Threshold Requirement B (Infrastructure) states, “Damage to permanent infrastructure (i.e. FEMA Category C to G) in a sub-county area estimated at \$2 million or greater.” Is the \$2 million minimum threshold for a single project or can it be the accumulation of multiple projects in a sub-county area? Also, can the damage cross over multiple FEMA categories?

A: The \$2 million is the minimum for the total damage to permanent infrastructure in the identified sub-county area, not restricted to a single project. Damage in multiple FEMA C to G categories may contribute to the total for purposes of the Most Impacted Characteristics requirement.

Q43: We wanted to confirm if as a Public Corporation (part of the government of [state]) we are eligible to apply directly for funding, or if the application should be submitted by the agency that manages the CDBG funding for [state]. Please clarify so that we can proceed with the development of our application.

A: Under the CDBG statute, the governor or chief elected official of a state or commonwealth may designate a state agency to submit an application to HUD and administer any grant that may be awarded. Under the NOFA, each Eligible Applicant may submit only one application to HUD.

Q44: What are the procurement requirements applicable for for-profit Partners?

A: HUD did not waive any procurement requirements, but was able to provide some relief because the timeframes for procurement would preclude some Eligible Applicants from gaining necessary capacity. Also note that under the CDBG regulations, procurement requirements will not be applicable to some for-profit Partners, depending on their role. Such for-profits may include, for example, co-funders such as lending institutions, or project developers.

Where procurement requirements would be applicable, the NOFA provides that:

“in the case of a Partner specifically identified in the application that the Grantee would be otherwise required by program requirements to competitively procure, will not be required by HUD to undertake additional procurement competition to secure the services of any Partner for an application selected under this NOFA. (In many cases, this will entail the Grantee undertaking a cost analysis prior to making payments to such a Partner.) The provisions of 24 CFR 85.36 set forth the conditions under which a grantee may engage in a non-competitive, single source procurement (§ 85.36 (d)(4)). Grantees operating under part 85 are granted the authorization referenced under § 85.36 (d)(4)(i)(C) only regarding procurement of a duly documented Partner selected prior to the Applicant’s submission to HUD. State grantees that have not adopted part 85 should review state or local requirements associated with single source procurement to

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ensure continued consistency with § 85.36 and are advised to follow all applicable procurement requirements.”

Q45: Is the restoration or preservation of natural ecosystems eligible for CDBG-NDR assistance?

A: Probably, assuming the project meets national objective, tie-back, and other program requirements. CDBG eligible activities that may support such a project include, for example, planning, acquisition of property for a public purpose, clearance, public improvements, payment of non-Federal share in connection with a Federal grant-in-aid, relocation, and historic preservation. In Phase 2, the NOFA also provides eligibility waiver request instructions in Appendix E.

The NOFA says, “Maintaining an improvement across time is often easier if the improvement was designed and developed to be effective given future conditions and to be sustainable, in the sense of using green or natural resources or approaches compatible with or supporting the natural environment.”

The Rebuild by Design competition resulted in several proposals involving restoration or preservation of natural ecosystems. Information about the Rebuild by Design process and innovative design proposals is available at www.rebuildbydesign.org.

Q46: What is HUD’s methodology for determining “serious damage”?

A: Total Housing Units Damaged = number of housing units with a FEMA Individual Assistance inspection showing real property or personal property damage.

Total Housing Units with Serious Damage = number of owner-occupied housing units with real property FEMA inspected damage of \$8,000 or greater and/or 4 or more feet of flooding on the first floor; plus the number of renter-occupied housing units with personal property FEMA inspected damage of \$2,000 or greater and/or 4 or more feet of flooding on the first floor

These definitions are the same as those used to determine formula allocations. More detail on the methodology for formula allocations are included in formula CDBG-DR Federal Register allocation notices.

Q47: Do you have step-by-step instructions for a state to find LMISD data by county (or sub-county area)?

A: INSTRUCTIONS

1. follow link and open app
<http://hud.maps.arcgis.com/home/item.html?id=9642c475e56f49efb6e62f2d8a846a78>
2. deselect block group layer
3. select county layer

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4. zoom or search to zoom
5. click on county in map
6. see LMISD attributes in pop-up

Our data specialist says even easier might be the lists of Local Government Summary LMISD by State <https://www.hudexchange.info/manage-a-program/acs-low-mod-summary-data-local-government/> click on your State, open the Excel file, and the Counties are first in the sort order, followed by CoSubs, then Places.

New: Week of October 13-17, 2014 Questions and Answers

Q48: How should a state Eligible Applicant treat CDBG entitlements? Does the state have to pass-through the funds?

A: States that are Eligible Applicants may choose whether or not to include CDBG entitlement communities and other units of general local government as Partners in the NDRC application. Regardless, if it receives a Phase 2 award, a State grantee will not be required to distribute funds as it does in the regular, annual CDBG program. In Appendix A, the NOFA provides State grantees a waiver and alternative requirement as follows:

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 NOFA, rather than distribute all funds to local governments. 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 NOFA 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, so long as the State is consistent with its Action Plan, including description of capacity and commitments to work with partners. 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.

Q49: Is [x,y,z] eligible for CDBG-NDR funding?

A: HUD staff may help an Eligible Applicant determine whether an activity, as presented by the applicant, is CDBG or CDBG-DR eligible, but HUD may not advise on how to change a possible CDBG-NDR proposed activity to make it eligible if it is not, or how to make the proposed activity more competitive or advise on whether the Eligible Applicant should seek an eligibility waiver. Questioners are strongly advised to study the program requirements in the NDRC NOFA, including Appendix A, before asking questions regarding activity eligibility.

Q50: May New York City and the states of New York and New Jersey compete for funds from the national pool as well?

A: Yes. New York City and the states of New York and New Jersey are each listed as one of the Eligible Applicants in the NOFA and may each submit one application. In making award decisions, HUD will consider for the set-aside any Phase 2 applications from the jurisdictions eligible for that pool, and, if they are high-scoring and not fully funded, HUD will also consider

those applications within the overall pool. The set-aside is otherwise subject to the same requirements as the overall competition.

Note that HUD did reserve the right to ensure geographic diversity in making award selections.

Q51: Who can be a Partner? A tribe? A city or county? A developer? A bank?

A: Yes, any of those may be a Partner. Here is the definition of Partner from the NOFA:

“Partner. Partner means a State, unit of local government, a nonprofit entity, a private developer, a financial institution, or other entity chosen by the Applicant to assist the Applicant in applying for funding or in carrying out a funding award or project under this NOFA, and which submits a letter of intent to assist in that capacity, and which may be referenced by the Applicant for purposes of demonstrating additional capacity for planning, design, financing, or implementation in applying for funding under this NOFA.”

Q52: If the Eligible Applicant shows that there are unmet housing recovery needs in a county to pass threshold, can it only propose activities related to housing or can it also include infrastructure? (i.e., propose to elevate flood-impacted homes, AND address undersized culverts in that county that were the cause of the flooding that created home damage.)

A. Your proposal must tie-back to recovery from the effects of the Qualified disaster. Housing need may include a need to repair housing, and it may also, for example, include a need to protect the recovery of an affected residential area that was already repaired or elevated to protect affordability or economic revitalization. You must establish a reasonable tie-back to addressing the effects of the Qualified Disaster. Here is the definition from the NOFA:

Tie-back. A tie-back reasonably shows how the effects of the Qualified Disaster resulted in an Unmet Recovery Need that can be addressed by the proposed CDBG-NDR-assisted activities. Or, stated in the reverse, how the proposed project reasonably “ties-back” to addressing demonstrated direct and indirect effects of the Qualified Disaster. Once the necessary tie-back is established for a project, you may design a project that addresses or satisfies an Unmet Recovery Need and also has co-benefits, such as meeting other community development objectives and economic revitalization needs, including greater resilience to negative effects of climate change. HUD has determined that generally, designing a project that improves resilience to the impacts of climate change while meeting an Unmet Recovery Need is a necessary and reasonable cost of recovery.

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Q53: Does the most impacted and distressed and unmet recovery needs threshold determination made by HUD at the time of the 45-day threshold review permanently fix the project area for the purposes of Phase 1 and Phase 2 work? Or, can we make the case for adding other impacted and distressed areas with unmet needs that may emerge through the Phase 1 planning process?

A: No, the optional 45 day submission does not permanently fix the project area. Yes, you may make changes in your Phase 1 submission and updates if you are invited to Phase 2. HUD anticipates that consultation and iterative consideration will cause applicant understanding of unmet recovery needs to change.

Q54: Do the unmet recovery needs submitted to meet the threshold criteria need to be CDBG-DR eligible? For example, if a town wastewater system in a special flood hazard area is compromised by the disaster but the community does not participate in the NFIP (making the activity ineligible for CDBG-DR), can the cost of repair be used to meet the threshold?

A: No, the unmet recovery needs submitted to meet the threshold criteria do not need to be CDBG-DR eligible.

Q55: Removed 1/29/2015. See FAQ 159.

Q56: Removed 1/29/2015. See FAQ 159.

Q57: I can't find the Appendices on grants.gov. Can you give me the step-by-step instructions?

A: The Appendices can be tricky to find on grants.gov. Here are the step by step instructions.

1. Go to <http://www.grants.gov/web/grants/home.html>
2. Click on the "Browse Agencies" Tab under "Find Open Grant Opportunities"
3. Click on "Department of Housing and Urban Development"
4. Click on "FR-5800-N-29" (National Disaster Resilience Competition)
5. On the next screen, click the "Application Package" tab
6. Click "Download" under "Instructions and Application"
7. Enter and verify your email address or check "No, I do not wish to provide my email address"
8. Click "Submit"
9. Click on the "Download Application Instruction" link and download the zip file

Q58: If all HUD CDBG-DR guidelines including resilient building measures are included in the construction of a project and that project is completed before possible NDRC funds are awarded, can the project cost be reimbursed to the City (with NDRC funds) if property documented?

A: No. HUD granted a partial pre-award waiver in the NOFA. Here is what the NOFA says:

“You may not use CDBG-NDR grant funds to pay for any activities carried out on or before the date of the letter announcing the award of the grant except that you may use grant funds, should you receive an award, to reimburse CDBG-NDR eligible costs of grant application preparation, including planning and citizen outreach activities. Note that general administration costs may not exceed more than 5 percent of any grant. This is not waivable. For detailed guidance on what costs are included in general administration, see Notice CPD 2013-07, available from www.hud.gov.”

Q59: Is there a process for requesting a 45-day deadline extension?

A: The 45 day review is optional and HUD is not providing extensions. HUD is providing the early review to help Eligible Applicants determine whether they have at least one most impacted and distressed area with unmet recovery needs that will meet the competition threshold requirement. Meeting the thresholds for the competition means that HUD will score the entire Phase 1 application. You may, of course, submit for the 45 day review as many areas as you choose to, however, the 45 day submission does not have to include all possible qualified areas that may be submitted in the official Phase 1 application in March.

Q60: The Corporation for National and Community Service (CNCS) allows the use of federal funds as match towards its grants contingent upon approval from the other federal agency. Can these CDBG-NDR funds be used for cost share or match for another Federal program? Can you confirm that the costs of supporting or running a National Service program would be allowable under CDBG-NDR?

A: For background, CDBG (and by extension CDBG-DR and CDBG-NDR) grants are governed by the Housing and Community Development Act of 1974, which creates a framework of national objectives and eligible activities. Within this framework, the grantees (all states and units of general local government or Tribes) make funding decisions and implement programs. CDBG funds are difficult-to-impossible to use to pay organizational operating costs per se. They are intended to build an infrastructure or affordable housing project, provide a direct service to an eligible population, or to finance economic development loans (for several examples).

One of the eligible activities for CDBG funds is payment of cost share or match for other Federal programs. If a CDBG grantee chooses to use grant funds for such match, the CDBG national objectives, Davis-Bacon, environmental, and financial requirements must all be met. So the answer to your first question is, yes, payment of match is an eligible activity, however, all the

other CDBG-NDR requirements must also be met for the activity to be fundable. This determination is made at the local level, by the grantee or applicant. If a grantee elects to partner with the Corps or a nonprofit or governmental organization working with the Corps to carry out a specific project, this could potentially fit in the CDBG model and be fundable.

In this context, the second question is straightforward. If the activity the Corps members are working on is eligible and meets a national objective and, for CDBG-NDR, ties back to a Qualified Disaster, and meets all applicable CDBG-NDR requirements, then the allowable costs for the eligible activity would be those allowed under the applicable OMB Cost Circulars.

Q61: Do you have a schedule for webinars and what information will you cover?

A: We have two types of webinars hosted by HUD and two topic streams. The two webinar types are live and pre-recorded. The two topic streams are NOFA Technical and General Resilience. Some of the HUD webinars will be presented live, with opportunity for questions and answers. We are scheduling those now and adding them to the HUDEXchange calendar. Other webinars are being pre-recorded and will be posted on the HUDEXchange site for visitors to view on their own schedule. We plan to post or hold at least one HUD-hosted webinar per week and are accelerating our schedule to get as many as possible completed and posted by the end of the year.

If HUD staff participate in a webinar hosted by another organization, we will provide links to recordings or transcripts of those webinars. We also update the FAQs at the HUDEXchange page for the NOFA to reflect any new questions or answers. (In the interests of fairness, we are using the same presentation and talking points for all such outside webinars.)

We will also send messages to the HUDEXchange CDBG and CDBG-DR mailing lists and updating the FAQs regularly during Phase 1.

New: Week of October 20-24, 2014 Questions and Answers

Q62: Who is a good contact at the Small Business Administration for data on impacted businesses?

A: Lynda Lowe (Lynda.Lowe@sba.gov) and Alex Contreras (alejandro.contreras@sba.gov) are the SBA points of contact who know about the NDRC. One of their roles includes the development of MOUs for the SBA to share data with various partners.

Q63: Are there any more Rockefeller Foundation workshops scheduled for the NDRC competition? If so, where and when?

A: The Rockefeller Foundation effort is independent of the technical aspects of the competition (which I work on), so I cannot update you on it. The Rockefeller Foundation website with information about its resilience efforts is here: <http://www.rockefellerfoundation.org/our-work/current-work/resilience/national-disaster-resilience-competition>. My understanding is that the Foundation is reaching out to the 67 eligible applicants to extend invitations to participate and that the summit and academies are not open to the general public.

Both HUD and the Rockefeller Foundation will be providing information and resources about community resilience on through our websites.

Q64: As it pertains to requirements for meeting 'most impacted,' 'distressed,' and 'unmet needs' thresholds, Appendix G – on numerous occasions – details data gathering methodology that is anecdotal in nature. This would include, for example, windshield surveys and such surveys designed to locate a certain number of distressed business owners, etc... Does HUD have a particular way by which it plans to validate such information? Would a state-certified list of addresses suffice, for instance?

A: Our Policy Development and Research staff confirm that a certification by the Eligible Applicant, in your case a state-certified list of addresses, would suffice for threshold purposes.

Q65: In Appendix G, Section II. B. 2. (d) states -- "Disaster impacted an area with prior documented environmental distress. The affected area contains a contaminated property cleaned, undergoing cleanup, or proposed for cleanup. States maintain a list of "brownfield" sites, many of which are linkable via this source: http://www.epa.gov/brownfields/state_tribal/state_map.htm. Applicants must demonstrate the prior documented environmental distress." Does this mean that under that criteria, only brownfields are to be considered? Or were brownfields given as an example, and other document environmental distress may also be considered?

A: Brownfields are an example. The requirement is, “The affected area contains a contaminated property cleaned, undergoing cleanup, or proposed for cleanup . . . Applicants must demonstrate the prior documented environmental distress.”

Q66: What is the 45 day review for and what should be in the submission?

A : For the optional 45-day submission, HUD is providing a courtesy review of only the most impacted and distressed area with unmet recovery needs threshold requirements, as stated and described in Appendix G to the NOFA. Here is what the NOFA says about what to put into your request, and we also have a sample letter template linked on our website (<https://www.hudexchange.info/cdbg-dr/resilient-recovery/>) :

“During the first 45 days after publication of this NOFA, any potential Applicant may provide HUD a single written request with its “most impacted and distressed” and “unmet needs” threshold responses for one or more potential target areas (as defined in more detail in Appendix G). This request is not subject to citizen participation requirements. HUD will respond within 15 working days to confirm or reject whether the information provided for each area meets the thresholds and provide specific reasons for any rejection. HUD will only provide such a response one time for each potential Applicant. HUD may tell an Applicant how a submission is deficient, but may not tell an Applicant how to fix the submission. Such requests must be submitted to ResilientRecovery@hud.gov and include the Applicant name; name, title, email address, telephone number, and agency of a contact person employed by the Applicant to which HUD shall respond.”

Q67: Are job training and other economic or social resilience activities eligible, or are you mostly only looking for infrastructure?

A: For a full list of the activities eligible for funding, see 24 CFR 570.201-207 of the CDBG regulations, Section 105(a) of the Housing and Community Development Act, and the waivers and alternative requirements granted in section V.B. of Appendix A of the NDRC NOFA. Also note that Appendix E provides instructions for requesting eligibility waivers in Phase 2. (Such waivers are not necessary for the Phase 1 “framing” submissions.)

As to what types of activities HUD expects to be proposed, note the following language in Phase 2 Factor 3, Soundness of Approach:

“A sound approach addresses comprehensive recovery, including the risks from vulnerabilities and community development objectives identified in Phase 1 and the preceding factors in a manner that will clearly be effective in creating or supporting physical or economic recovery and maintaining it resiliently for the foreseeable future.”

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Q68: May we submit a multi-state application? And if yes, how?

A: Yes, a multi-state application is possible. See FAQs below for options.

Q69: For infrastructure projects that do not conform nicely to census tracts/block groups, are income surveys (pursuant to CDBG CPD Notices on Income Surveys) permitted in the NDRC as viable source data?

A: Yes, you may use surveys completed in accordance with the CPD Notices on Income Surveys.

Q70: Are Federally Funded Research and Development Centers eligible to receive funding for planning and analysis support through a primary, eligible grantee?

A: Planning is an eligible activity for CDBG-NDR assistance, provided the planning is necessary for understanding and meeting the community development objectives of the most impacted and distressed area with unmet recovery needs, or to determine which areas are most impacted and distressed with unmet recovery needs. Planning necessary for understanding and meeting the objectives of larger or different geography (which the NOFA does provide points for) requires other resources. Here is the CDBG planning regulation that applies to cities and counties (and serves as interpretive guidance for states). http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5;node=24:3.1.1.3.4#se24.3.570_1205

Costs of applying to a federal program are also eligible at 24 CFR 570.206(f).

Q71: May [Eligible Applicant] just submit a list of projects for the 45 day or Phase 1 review?

A: No. Project information would not be responsive at either time. The optional 45 day review covers the most impacted and distressed area with unmet recovery needs thresholds. The Phase 1 application is about framing – refer to the response to Question 38 in this FAQ.

Q72: In Appendix G, Section II. B. 2. (d) states --

“Disaster impacted an area with prior documented environmental distress. The affected area contains a contaminated property cleaned, undergoing cleanup, or proposed for cleanup. States maintain a list of “brownfield” sites, many of which are linkable via this source: http://www.epa.gov/brownfields/state_tribal/state_map.htm. Applicants must demonstrate the prior documented environmental distress.”

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Does this mean that under that criteria, only brownfields are to be considered? Or were brownfields given as an example, and other documented environmental distress may also be considered?

A: Brownfields are an example. The requirement is, "The affected area contains a contaminated property cleaned, undergoing cleanup, or proposed for cleanup . . . Applicants must demonstrate the prior documented environmental distress."

Q73: We are considering a multi-state NDRC application. Is a multi-state application possible? How?

A: Yes, a multi-state application is possible. See FAQs below for options.

New: 11/14/2014 Updates

Q: 74: We are considering a multi-state NDRC application. Is a multi-state application possible? How?

A: Yes, a multi-state application is possible. The response to your question “how?” is that each eligible applicant would submit its own application. Each eligible applicant would also sign on as a Partner in the applications submitted by the others. Each Eligible Applicant would presumably administer any awarded funds to meet unmet recovery needs in most impacted and distressed areas within its own borders.

State applicants who partner with other states would be considered “for purposes of demonstrating additional capacity for planning, design, financing, or implementation for funding under this NOFA.”

Under the CDBG regular States program, the Housing and Community Development Act permits a “State” to be an instrumentality of the state approved by the Governor (section 102(a)(2)); however, the NOFA does not expressly permit an instrumentality of more than one state to submit one application for multiple states. An entity that is an instrumentality of more than one state could, however, be a Partner on any applications, or in this case, all related applications.

Q75: Originally we were thinking that Unmet Recovery Need only related to damage from the qualifying disaster that is not yet fixed, however we see “damage or another harm or negative effect directly or indirectly caused by a Qualified Disaster”. We are wondering if you could provide some examples so we are on track with what exactly is meant by “...or another harm or negative affect”.

A: Appendix G describes how to demonstrate “most impacted”, “distressed”, and “unmet recovery needs.” The Appendix includes affordable housing , environmental, infrastructure, and economic considerations, not all of which relate to direct event damage. One example we have given in the webinars is of a disaster that damaged a major highway. Businesses a mile away were not affected directly by the disaster, but were driven almost to bankruptcy because they could not get deliveries of needed lumber as a result of the road closure. The loss of those businesses to the local economy might be an unmet recovery need.

Q76: Is it correct that the CDBG-NDR funding can only pay for the Unmet Need due to the qualifying disaster and that any co-benefits must be funded by a different source, or can this funding pay for the entire project as defined in Phase 2?

A: It is correct that the CDBG-NDR funding may only assist a project with tie-back as defined in the NOFA. That tied-back project may be designed to have co-benefits, such as a berm that is designed to also be a park and wildlife habitat. In such a case, the co-benefits probably meet a community development objective, are an integral part of a tied-back activity, and are likely to

be eligible. In this case, by co-benefits, we mean additional benefits provided by a project that has demonstrated tie-back.

If by co-benefits you mean more than an incidental portion of the benefits of the project will be to an area or a portion of a multi-activity project that does not have tie-back, then such co-benefits must be funded by a different source of funding. That is why the leverage factor is so important in the NOFA.

This kind of guidance is more applicable to projects in Phase 2 than to framing in Phase 1, but it does apply to planning activities. If an applicant did not have all of its counties declared in 2011, 2012, and 2013, and the applicant is carrying out statewide planning that includes significant benefit for areas for which tie-back cannot be demonstrated, then, generally, HUD would expect another source of funds to pay for a share of the planning costs.

Q77: If we submit for threshold review based on one category, use housing as an example, and our final application also contains infrastructure and environmental degradation, I presume there is no problem with that approach? What if after we submit for the 45 day threshold review, we determine we no longer want to proceed under the reviewed category? So long as we provide the necessary documentation showing unmet need for the categories we do include in our final application, I presume that is acceptable?

A: You may make whatever changes you wish between the 45 day review submission and the Phase 1 submission. You will have another chance for updates if you are invited to Phase 2. HUD is not scoring the 45 day review submission. It is an optional, courtesy review to help Eligible Applicants determine whether it is possible to demonstrate “most impacted”, “distressed”, and “unmet recovery needs” for at least one geography. If the Phase 1 threshold submission is completely different from the 45 day submission, that is up to you. HUD will always score the Phase 1 submission independently from any other submission. You are correct that so long as you demonstrate meeting the thresholds in your Phase 1 application, that is acceptable and not necessarily related to your 45 day submission.

Q78: Within Appendix G its states for Infrastructure, under Most Impacted:

Damage to permanent infrastructure (i.e. FEMA Category C to G) in a sub-county area estimated at \$2 million or greater.

Under Unmet Needs it states:

There must be a minimum of \$400,000 in unfunded permanent infrastructure repair needs to meet this requirement, this “unfunded” amount can include the local match requirement for FEMA Public Assistance or Department of Transportation permanent infrastructure projects.

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Can you explain the difference? It seems by default the \$2M is the minimum

A: The Most Impacted is looking for total damage. The Unmet Needs is looking for the unfunded repair needs. You may be looking at an instance in which these two figures are the same, but they are frequently different.

Q79: We have a question regarding LMI percentages.

Appendix G – Section B

2. Distressed Characteristics considers stress or deficit factors prior to the Qualified Disaster that research and experience indicate result in greater disaster impact or more costly and difficult recovery and revitalization (choose one or more):
 - (a) Disaster impacted low- and moderate-income households. **More than 50 percent** of the people in the target area are at less than 80 percent of median income (grantees may use CDBG low-and moderate-income summary data areas to demonstrate this characteristic- see www.HUDUSER.org/CDBGRDR/AppendixD.)

Our question is: Normally, LMI is considered 51% of the population. This says “more than 50 percent”. Would anything between 50% and 51% be acceptable (i.e. 50.8%)? For example, can we round up?

A: Any percentage that is greater than 50.0% is acceptable for meeting this threshold. You are correct that the threshold criterion is not the same as the criterion for meeting the national objective.

Q80: Will the HUD staff answering the Resilient Recovery mailbox please give advice on how to respond to the NOFA? Will a HUD staffer call me to discuss my questions?

A: The HUD Reform Act places strict limitations on advice HUD staff may provide during a HUD-run competition. Essentially, we may not provide any advice that would advantage one proposal over another. To ensure conformance with the Reform Act, we are taking questions on the competition through the resilientrecovery@hud.gov email box and limiting phone conversations.

You may also wish to contact the Rockefeller Foundation’s parallel (but separate) effort at <http://www.rockefellerfoundation.org/our-work/current-work/resilience> .

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Q81: Is federal land eligible for this funding? Meaning, can a project proposed under this competition be sited on federal land?

A: There have been instances in which CDBG-DR was used to assist activities on federal land or to improve a federally owned property, such as a historic landmark. The determinations are usually case-specific, so we cannot give a blanket answer for all cases and agencies.

Q82: Are boats people live on in a harbor considered part of the housing stock? If so, what documentation would be needed to prove residency?

A: Normally, HUD defers to local or state governments regarding what is real estate and what is personal property. Does the state or local government consider boats on which households reside to be part of the housing stock (real estate) or are they personal property?

Q83: Will the exception criteria be allowed under this program for those cities that are currently classified as an exception community?

A: For national objective purposes, yes. For purposes of meeting the threshold requirements outlined in Appendix G, no.

Q84: If an organization or citizen wants to participate in stakeholder meetings about a Phase 1 proposal, whom should they contact to get involved? How do they find out who is coordinating the effort in their state or eligible city?

A: Right now we are advising them to look up the regular CDBG contact for that jurisdiction over at hudexchange.info under the grantee tab.

Q85: Can you advise if Request for Response to "Most Impacted and Distressed" and "Unmet Needs" Thresholds letters will be accepted and receive a response if submitted after today, November 3, 2014?

A: The HUD Reform Act requires that HUD treat all eligible applicants the same. To change a deadline, HUD would have to publically adjust it sufficiently in advance of the deadline to be fair to all applicants. No such deadline extension has been provided for. In addition, the 45-day submission is optional. After today, HUD will accept submissions and review the thresholds again only in response to full Phase 1 submissions.

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Q86: Can more than one state agency submit an application, or does the state have to designate one agency as its applicant?

A: The state, as Eligible Applicant, may only submit one application. If HUD receives more than one application from a state, HUD will contact the governor's office to ask which application to consider. HUD will not consider two applications from an Eligible Applicant.

Q87: Given the timeline of events for this grant, I wanted to gain some clarity as to whether or not there would be leniency on the procurement process for consultants to conduct research on behalf of this grant?

A: To be clear, there is no funding under the National Disaster Resilience Competition until after Phase 2. HUD granted a partial pre-award waiver in the NOFA. Here is what the NOFA says:

“You may not use CDBG-NDR grant funds to pay for any activities carried out on or before the date of the letter announcing the award of the grant except that you may use grant funds, should you receive an award, to reimburse CDBG-NDR eligible costs of grant application preparation, including planning and citizen outreach activities. Note that general administration costs may not exceed more than 5 percent of any grant. This is not waivable. For detailed guidance on what costs are included in general administration, see Notice CPD 2013-07, available from www.hud.gov.”

An Eligible Applicant may partner with other organizations to demonstrate necessary capacity. See FAQ 44 regarding procurement requirements.

Q88: Due to the size of the projects and the demographic area it will cover, overlapping many counties in the State, will LMI requirements need to be met or will HUD be issuing waivers in this instance?

A: For Phase 1, an applicant can propose an idea or concept for resilient recovery that is unlikely to be at the project or activity level, so the question of the LMI national objective or overall benefit requirements will not be as pertinent, although considering the needs, priorities, and risks to vulnerable populations is required in this phase.

For Phase 2, an applicant will propose projects based on the Phase 1 framing and each project or activity must meet a national objective or receive a waiver. All three CDBG national objectives are available: benefit to low- and moderate-income persons, prevention or elimination of slums and blight, and urgent need. Also for Phase 2, at least 50 percent of the CDBG-NDR funding (minus expenses for planning or general administration) must meet the overall benefit test, which requires that at least 50 percent of the amount of any grant must be used to assist activities that meet the LMI national objective. Again, HUD has some authority to grant a waiver

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for overall benefit as well, in cases of compelling need. The requirements are described in Appendix A and the waiver descriptions and instructions are in Appendix E of the NOFA.

Q89: Currently the Division of Historical Resources (the State Historic Preservation Office) does not have the ability to create and share geo-referenced information with state and federal agencies, local government officials, disaster response organizations, and property owners in the event of any future natural or man-made disasters. Our inability to accurately relay the location of historical properties and archaeological sites, both during disaster planning and after a disaster occurs is of great concern. We currently have funding to create a GIS for 6 of our 10 counties through a grant from the National Park Service through the Disaster Relief Appropriations Act as those 6 counties had disaster declarations during Hurricane Sandy. However, the other 4 counties also had Presidentially declared major disasters in 2011-2013 with other severe storms and weather events.

Would the creation of a GIS for these remaining 4 counties within our state fit with the National Disaster Resilience Competition?

A: Creation of an information system is potentially eligible as a planning or general administration activity (more likely the former, as a way to increase the grantee's capacity to implement environmental reviews), provided you can establish tie-back to recovery from the Qualified Disaster and meet other CDBG-NDR program requirements for the planning activity. One of the other program requirements is a percentage limitation on the amount of any grant that can be used for planning or general administration. Up to five percent of a grant for general administration and up to 20 percent for the two categories together. See 24 CFR 570.205 of the CDBG entitlement regulations for more information on the range of eligible planning activities.

Q90: What census data will be used to determine LMA? Will the previous data be used or the new data that became effective July 1, 2014? Our county received a waiver lowering the 50% low/moderate income threshold as part of the 2012 and 2013 CDBG-DR allocations; does the waiver apply to this competition?

A: For national objective purposes we will expect you to use the most current available data in accordance with normal CDBG rules, not the recent exceptions made to avoid disrupting activities underway when data changes occur. HUD will not be making Phase 2 grants under the NDRC until about a year from now, at the earliest. However, for purposes of answering Phase 1 prompts, you may find a use for the older data to express disaster effects at the time of the event or events.

Waivers made for previous grants are specific to those grants. The NDRC Appendix A requirements will apply to Phase 2 CDBG-NDR grants. If you are invited to Phase 2, you may

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request a waiver under the instructions provided in Appendix E, and HUD will take into account the previously provided waiver in considering the request.

Q91: What technical assistance can HUD give me (Eligible Applicant) as we complete the NDRC Application?

A: We have two types of webinars hosted by HUD and two topic streams. The two webinar types are live and pre-recorded. The two topic streams are NOFA Technical and General Resilience. Some of the HUD webinars will be presented live, with opportunity for questions and answers. We are scheduling those now and adding them to the HUDEXchange calendar. Other webinars are being pre-recorded and will be posted on the HUDEXchange site for visitors to view on their own schedule. We plan to post or hold at least one HUD-hosted webinar per week and are accelerating our schedule to get as many as possible completed and posted by the end of the year. We also update the FAQs at the HUDEXchange page for the NOFA to reflect any new questions or answers. (In the interests of fairness, we are using the same presentation and talking points for all such outside webinars.)

We will also send messages to the HUDEXchange CDBG and CDBG-DR mailing lists.

Because of the HUD Reform Act, no HUD employee may provide any assistance to any eligible applicant in completing its application, other than providing information that is already public.

The Rockefeller Foundation will be providing technical assistance separately, on a parallel track. They can't give NOFA guidance, but they are experts in resilience. The link is here:

<http://www.rockefellerfoundation.org/our-work/current-work/resilience/national-disaster-resilience-competition> .

Q92: Are experts or consultants hired for the application preparation excluded from bidding on work after the award of funds?

A: That may depend on local procurement rules, at least in part, and what the scope of work is in the procurement or contract for the work on the application.

The NOFA allows for Partners. An Eligible Applicant may partner with other organizations to demonstrate necessary capacity. You may choose Partners to add capacity to your team, depth to your application (Soundness of Approach), and aid in implementation (Leverage and Outcomes). After award, a Partner will help implement Phase 2 and may become a subrecipient, developer, contractor, co-funder, consultant . . .

The NOFA also speaks to procurement requirements post-award. See FAQ 44.

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Q93: My partners and I have been discussing our project ideas and wanted to know if Planning System and Resilience Program development were eligible project types. Reading the application there seems to be a heavy push for Infrastructure Projects and "Covered Projects".

A: Appendix A to the NOFA (Section I.A) states:

"The Appropriations Act made funds available 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 Appropriations Act requires funds to be used only for these specific disaster-related purposes."

Further, the NOFA does provide a limited pre-award waiver so that, if awarded a Phase 2 grant, a CDBG-NDR grantee may reimburse planning and general administrative costs related to applying for CDBG-NDR funds, subject to the statutory 5% limitation on general administrative expenditures and the regulatory 20% limitation on the total of planning and general administrative expenditures. HUD granted a partial pre-award waiver in the NOFA. Here is what the NOFA says:

"You may not use CDBG-NDR grant funds to pay for any activities carried out on or before the date of the letter announcing the award of the grant except that you may use grant funds, should you receive an award, to reimburse CDBG-NDR eligible costs of grant application preparation, including planning and citizen outreach activities. Note that general administration costs may not exceed more than 5 percent of any grant. This is not waivable. For detailed guidance on what costs are included in general administration, see Notice CPD 2013-07, available from www.hud.gov."

Aside from this, Section III.C.3.3 defines Eligible Activity as follows:

"Eligible Activity. You must demonstrate that each CDBG-NDR activity proposed is an eligible activity (see Appendix A) or request an eligibility waiver for the activity with your application (see Appendix E). HUD does not guarantee that such waivers will be granted, but any request will be evaluated prior to determination regarding disposition of your application. See the CDBG Disaster Recovery information on hud.gov for information regarding past eligibility waivers."

Q94: I understand the November 3rd submittal date for courtesy review of the NDRC Phase 1 applications has passed. However, if an eligible State is still interested, have we missed the opportunity entirely? Will phase 1 applications still be accepted prior to March 16th without the courtesy review? Or is that not recommended?

A: An Eligible Applicant that chose not to make the optional 45 day submission has not missed the opportunity to apply for Phase 1. After completion of review of the 45-day submissions, HUD will not review any submission made prior to the March 16 deadline until after the deadline has passed regardless of when the Phase 1 submission is made.

Q95: Regarding some of the activities in Phase I, our County has done a large amount of outreach in the past few years to develop our Sustainability Plan, River Basin Flood preparedness workshop, Together Sustainability Communities (HUD) program, and others. Can we use some of the feedback we have gained from these activities in order to reduce the burden of going back out to all of the communities in the county to seek feedback?

A: HUD is aware that potential applicants for this competition will be at varying points in resilience-related planning and will respond to some of the Phase 1 questions accordingly in present, future, or past tense. The NOFA characterizes Phase 1 as a framing phase and summarizes this way: “The applicant’s responses in Phase 1 will describe this framing process and its results, identify the partners and other resources, and describe the resulting resilient recovery concept or idea.”

HUD does expect robust consultation to occur after the date of the Qualified Disaster and after the date of the NOFA, as Appendix I – Consultation Summary states, “The following lists of stakeholders are provided to ensure CDBG-NDR applicants conduct thorough consultation during development of Phase 1 and Phase 2 applications. This does not mean that your application may not also include feedback from prior consultation with stakeholders on resilience and recovery.

Q96: The NOFA states all for-profit entities cannot bill for a profit (or at cost). Does that rate apply to both Phase 1 and Phase 2 work? If awarded the Phase 2 work, can a partner for-profit then bill at its normal rate (including profit)?

A: We think you are referring to the section of the NOFA that says:

“HUD does not award grants to individuals nor will HUD evaluate an application from an ineligible applicant. Additionally, if for-profit firms are eligible they are not allowed to earn a fee (i.e., make a profit from the project).”

This is boilerplate language that does not apply in your case because no for-profit firm is an eligible applicant for the NDRC. All of the Eligible Applicants are States or units of general local government. A for-profit firm working with or for an Eligible Applicant may bill as reasonable and customary. If a CDBG, CDBG-DR, or CDBG-NDR grantee chooses to pay your bills from grant funds, they must document that the costs are necessary and reasonable in accordance with

federal financial regulations at 24 CFR part 85, and in compliance with all applicable (normal) grant requirements.

Q97: We are trying to confirm how HUD would set the at cost rate for for-profit partners. Based on our past experiences working with HUD on other projects, HUD would consider 80% of our billing rate is the at-cost rate. Is there a set rate or formula to determine the at cost rate?

A: HUD does not set a cost rate for for-profit partners. After Phase 2, HUD will have a contractual relationship (a grant agreement) only with the Eligible Applicant turned Grantee. The grantee is responsible for determining what costs to pay from the grant as summarized in FAQ96 and detailed in Appendix A and the requirements it incorporates.

Q98: If we partner and contract with an Applicant to conduct the work necessary for Phase 1 and 2 of the Competition, and complete a “Resilience Action Plan” at our regular billing rate, can the City apply for a reimbursement of that planning work from HUD based on the “at-cost” rate (see 80% example above)?

A: HUD will only be making grants after Phase 2. The NOFA does provide a limited pre-award waiver so that, if awarded a Phase 2 grant, a CDBG-NDR grantee may reimburse planning and general administrative costs related to applying for CDBG-NDR funds, subject to the statutory 5% limitation on general administrative expenditures and the regulatory 20% limitation on the total of planning and general administrative expenditures. HUD granted a partial pre-award waiver in the NOFA. Here is what the NOFA says:

“You may not use CDBG-NDR grant funds to pay for any activities carried out on or before the date of the letter announcing the award of the grant except that you may use grant funds, should you receive an award, to reimburse CDBG-NDR eligible costs of grant application preparation, including planning and citizen outreach activities. Note that general administration costs may not exceed more than 5 percent of any grant. This is not waivable. For detailed guidance on what costs are included in general administration, see Notice CPD 2013-07, available from www.hud.gov.”

Please also refer to FAQ 34.

Q99: During the webinars, “planning” has been discussed. I am wondering – for a State application - if the NDRC will be using entitlement regs. for planning (planning doesn’t have to meet a national objective) or non-entitlement regs where planning does have to meet a national objective?

A: Appendix A grants a waiver and alternative requirement. Here is what Appendix A says:

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 CDBG-NDR NOFA, 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 activities, 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.

Q100: It's not clear to me (state Eligible Applicant) if the state can use planning dollars for purposes of preparing our NDRC application or whether we must rely solely on Administrative dollars. Would you clarify for me?

A: For CDBG-DR funds from P.L. 113-2, the state has a waiver allowing it to act directly and waiving the national objective for planning activities, so the state can carry out recovery planning on an areawide basis directly (provided planning is in the approved Action Plan, and subject to the cap, etc.).

For the regular CDBG program, the state does not have the waivers allowing direct action and removing the requirement that planning activities meet a national objective. Again, if planning grants are included in the CDBG method of distribution, the state could make planning subgrants to UGLGs, subject to the cap.

Q101: The state has received two new Presidential disaster declarations for July and September flooding this year (2014). The communities and tribes that are included in these two new disaster declarations are already included in the list of 38 qualified entities (there are no new communities or tribes to add to the 'qualified list'). Can we include the damage figures from these two new disaster declarations in the data we report for each community and tribe?

A: For purposes of meeting the most impacted and distressed area with Unmet Recovery Needs (MID-URN) thresholds described in detail in Appendix G, HUD will only consider recovery needs from disasters that occurred during 2011, 2012, and 2013 (details included in Appendix B of the NOFA). Also, the NDRC projects and activities you will propose to assist with grant funds must tie back to recovery from the Qualified Disaster(s). However, as you respond to the Phase 1 factors, you may include other community development objectives and for context may provide information about subsequent events to support your responses and proposed idea or concept. The NOFA does permit the costs of meeting other community development objectives, such as resilience, to be eligible for assistance as part of a tied-back activity.

Q102: Our disaster declarations name specific counties. However, there are cities, villages, 'acequia associations' (irrigation ditch associations), flood control authorities and other quasi-public entities that have requested/received FEMA Public Assistance funding. Are the non-county entities eligible for project funding under the NDRC? OR Do the non-county entities have to go through the County to access project funding? Should we collapse the damage figures, housing data, economic statistics and needs assessment information so that the smaller jurisdictions/quasi-public entities are included in a county-wide total? OR Should we separate out each entity so that the analysis is at the city, village or quasi-public entity level?

A: The list of Qualified Counties in Appendix B of the NOFA simply describes geography within which the Eligible Applicant's analysis may demonstrate a most impacted and distressed area with unmet recovery needs (MID-URN area). It does not indicate who you as an Eligible Applicant may assist or take as a Partner or give instructions for how the Eligible Applicant may implement a project. Note that Appendix A grants a waiver to allow a state to act directly (in the same way a CDBG entitlement may act directly, including through contractors, subrecipients, developers or other means), without being required to make grants to localities for all activities.

Your jurisdiction does not already have a CDBG-DR grant, so you must separate out each sub-county MID-URN area that you want to qualify for threshold or assist should you receive a Phase 2 grant. Note that Appendix G requires Eligible Applicants that have not already received a CDBG-DR grant from P.L. 113-2 (nicknamed the Sandy appropriation) to demonstrate meeting MID-URN for one or more specific "sub-county" areas.

Q103: In some cases, if the damage threshold was met, our tribes have been named in a specific Presidential disaster declaration. In other instances, when the damage threshold was not met, the tribe was eligible for FEMA Public Assistance funding through the County's declaration. We also have two Presidential disaster declarations where a Tribe got a direct disaster declaration from the President. Should we collapse the damage figures, housing data, economic statistics and needs assessment information for all disasters for each tribe, even though the specific tribe wasn't named in all of the disaster declarations? OR Should we separate out the damage figures, housing data, economic statistics and needs assessment for each tribe individually?

A: Tribal areas are included in the Appendix G description of "sub-county" area for purposes of meeting the MID-URN threshold, regardless of whether the area was named in a separate tribal declaration by FEMA. It is not necessary to break out sub-county data for areas that are not

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MID-URN but will be contributing to an Eligible Applicant's resilience in a larger area, as described, for example, in the leverage and long-term commitment factors.

Q104: To what extent will HUD be utilizing the Unified Federal Review for this grant opportunity?

A: Since the UFR guidance has not been completed (it is out for public comment) respondents should plan to use HUD guidelines for the environmental review.

Q105: Has any consideration been made to consider FEMA the lead Federal Agency as these projects are the direct result of one or more disaster declarations?

A: HUD's responsibility in disaster response is long-term recovery efforts. The NDRC is intended for continuing unmet needs and an improved posture to weather future events. The NDRC is a recovery action not an emergency response. HUD is the lead agency.

Q106: What is the maximum age that HUD would consider a previously completed Section 106 Consultation to be relevant?

A: No components of an environmental review older than 5 years should be considered valid. Second, Phase I Environmental Site Assessments conducted to the ANSI E1527-13 standard are valid for 6 months and from 6-12 months old can be updated. A Phase I older than 1 year must be redone. HUD expects some NDRC projects to be very large in scale, both geographic and with regard to the public outreach. Competitors may be adding sites and changing scopes from anything they've likely done before. Applicants with such projects will be doing 106 consultation anyway. By aggregating projects and combining outreach efforts under the NDRC, the 106 consultation process can include previous projects and build on those successful outcomes.

Q107: There was mention of an expedited 106 Review in a webinar. Are there details of this process available?

A: HUD has very limited ability to make any changes to environmental review requirements. Timelines in the regulation are not changing. In the presentation, we talked about expediting the environmental review by combining public involvement requirements of various analyses. For example, NEPA scoping, NHPA consultation, and Environmental Justice outreach can all be done in the same meeting.

Q108: I understand that up to \$500,000 is available for reimbursement of planning admin dollars after Phase I if we do not move on to Phase II. If we are fortunate enough to move on to Phase II and we are awarded an amount for our proposal submission. Will the award be 100% for project implementation or will it include an amount for planning reimbursement? If it does include an amount for planning reimbursement? Is that amount still \$500,000?

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A: The NOFA does not indicate that HUD will make any grants solely for the purpose of reimbursing planning costs. Grants from the \$30 million reserve pool will be governed by a separate notice in the Federal Register and allocated based on best available data regarding unmet recovery needs. Grants from the reserve pool will be considered CDBG-DR grants. The CDBG 20 percent limitation on expenditures for planning and general administration will apply to reserve pool and Phase 2 grants, as will the additional requirement from P.L. 113-2 that expenditures for general administration not exceed 5% of any grant from that appropriation.

For Phase 2 grants, HUD granted a partial pre-award waiver in the NOFA. Here is what the NOFA says:

“You may not use CDBG-NDR grant funds to pay for any activities carried out on or before the date of the letter announcing the award of the grant except that you may use grant funds, should you receive an award, to reimburse CDBG-NDR eligible costs of grant application preparation, including planning and citizen outreach activities. Note that general administration costs may not exceed more than 5 percent of any grant. This is not waivable. For detailed guidance on what costs are included in general administration, see Notice CPD 2013-07, available from www.hud.gov .”

New through November 24, 2014

Q109 (was Q35): For purposes of meeting the three interlinked thresholds (most impacted and distressed (MID) area with unmet recovery needs (URN)), will you please clarify what you mean by a “sub-county area”? Do you mean a SINGLE “census designated place, tribal area or census tract” or can we combine contiguous census tracts and tribal areas to create a sub-county area?

A: In general, for terms the NOFA did not define, we are allowing applicants to define, within reason and based on valid data. We used the term “sub-county area” because HUD has access to county-level damage data for housing units and businesses from FEMA and SBA, but not to data or information on disaster effects at a sub-county level. HUD has already used the nationally available data to qualify county areas and is now turning to Eligible Applicants to identify the most impacted and distressed sub-county areas using more locally available sources.

For threshold submission purposes, you may provide county level data IF your county is identified in Appendix B of the NDRC NOFA as a HUD-designated “most impacted and distressed” area. (Appendix B of the NOFA is the spreadsheet file available on grants.gov within the larger NOFA zip file. It is not the data available on HUDUser.)

To demonstrate meeting the MID-URN thresholds for any other qualified declared county listed in Appendix B, you must identify each specific sub-county area (which may be a combination of contiguous sub-county places, block groups, or tracts, for example) and describe how you have followed the instructions in Appendix G to determine that each such sub-county area meets thresholds. If your overall target area for CDBG-NDR funding is a combination of HUD-designated Most-Impacted counties, and sub-county areas, your submission for the threshold must identify each HUD-designated county and sub-county area separately and break out the data separately for each area.

For the Distressed characteristics in Appendix II.B.2.a, b, and c, HUD expected that each sub-county area would be addressed separately. However, alert data specialists have pointed out that, for these particular characteristics, all of which involve percentage calculations, such separation can result in “bad math”, as in incorrect identification of the functional percentages in a service area – when the identified sub-county areas are contiguous. It is for this reason, for example, the entitlement CDBG program specifically requires grouping all census block groups in the service area for an activity before calculating percentages of LMI persons. It is a policy goal of the competition to enable applicant planning from the beginning to support Phase 2 compliance with national objectives.

Therefore, to respond to the threshold, HUD advises applicants responding to the cited paragraphs to **either** group *contiguous* HUD-designated counties or sub-county areas into a single target area for purposes of calculating the percentages in the cited paragraphs, **or** provide HUD the percentages for each sub-county area together with the base data used for calculation of the percentages.

As the webinars have pointed out, each successful application will demonstrate at least one MID-URN grant target area. The grantee may use awarded Phase 2 funds to assist a winning project(s) serving this area.

However, to earn the points throughout the NOFA for improving resilience in a larger geography, you may also identify a proposal target area that is regional or state-wide and goes beyond the MID-URN grant target area. To respond to the factor prompts, you will need to provide data on the larger area, but you will not need to demonstrate MID-URN for the larger area.

Q110: Where is HUD's response to my 45-day submission?

A: HUD is very encouraged by the strong interest in participating in the NDRC. The responses from all applicants included many, many more target areas than HUD projected and reviews and quality assurance are taking longer to complete. The HUD responses to all applicants are being delayed five business days.

Q111: If it takes HUD staff more time beyond the 15 days specified in the NOFA supporting documents, would HUD consider rolling the Phase 1 application date, consistent with the delay?

A: As the NOFA indicates, HUD is aware that the March 16 deadline for Phase 1 is challenging, but is not considering shifting the deadline date. Instead, the Department is trying to be specific about missing elements in responses to the 45 day submissions and will provide additional webinar opportunities on the data support required for the most impacted and distressed areas with unmet recovery needs thresholds.

Q112: Q: Is a broadly scoped sustainable funding program for resilience projects an eligible activity?

Context: The funding solution that would be most cost-effective and have the greatest impact state-wide would be to capitalize a sustainable resilience funding program, whether structured like a Green Bank or Revolving Fund, other public-private funding mechanism or as a program including a mix of mechanisms. Such a program would serve to provide much needed, long term funding for resilience/adaptation projects around the State, including ones that do not meet the specific threshold requirements of this competition (but are considered priorities under the State's climate change action plan). The grant funding would enable the State to leverage state, local and private sector funding. If necessary, the State could make a "set-aside" commitment that at least an amount equal to the portion of the grant used to capitalize the fund will be invested in projects that do meet the threshold and other eligibility requirements of this competition.

A: On the statewide issue, although a number of the State's counties received major disaster declarations during the right time period, only one of the counties was identified as most impacted and distressed (MID) by HUD. To use funds from the National Disaster Resilience Competition (NDRC) statewide for any activity, the state would have to demonstrate in its application that sub-county areas in each of the declared counties not identified by HUD as MID

also qualified as described in Appendix G of the NDRC NOFA. Those qualified areas would be the target areas that could benefit from the use of NDRC grant funds.

In CDBG, the financing mechanism is not the eligible activity. It is a way of providing assistance to an eligible activity or program of activities, such as rehabilitation of homes. Many assistance mechanisms are available to CDBG grantees, including (for most activities) grants, loans, loan guarantees, payment of non-Federal share, interest rate subsidy, interim financing or take-out financing, purchase of mortgage guarantees for individual homeowners, revolving loan funds, and other means. One caution, refinancing existing indebtedness is only available in a specific, limited context.

The financing mechanism the questions envision is fairly common in regular CDBG and the Neighborhood Stabilization Program. Guidance that may be useful is available here: https://www.hudexchange.info/resources/documents/NSPPolicyAlert_NSPPRevolvingLoanFunds.pdf and in 24 CFR 570.500(b) of the CDBG entitlement program regulations. As you will note in the guidance, the fund must have a separate set of accounts and may not be capitalized using a drawdown from the grant's line of credit. The initial loans are made from the grant and the proceeds (payments) are placed in the revolving fund and may be used only for additional grant-eligible activities. If the state is going to use the grant funds from a Phase 2 award to assist a project in any way, that project must be eligible under the grant. The financial rules governing these grants preclude the fungibility across sources that the question envisions, but this type of fund is still possible with a different structure, usually dual – with grant funds accounted for separately from non-grant funds and payments related to each source separated. Repayments to this fund would be grant program income in perpetuity, covered by all CDBG program requirements, until such time as the grantee no longer had any open CDBG grant of any kind. This dual structure is one way to ensure that the rules for the grant funds do not “taint” the non-grant funds. Our experience indicates that a firm pledge of grant funds, without actually drawing the funds from the U.S. Treasury and putting them into an account to idle as other funding sources are accumulated, is more than sufficient to serve as leverage.

There is a possible eligible mechanism in Title I of the Housing and Community Development Act of 1974, as amended, under which, after the first use of funds, the revenues from the initial round of loans would not be considered program income, which would cut the tie to the grant rules for any subsequent use of the repaid funds. Section 105(a) of the Act allows the provision of assistance to neighborhood-based nonprofit organizations, local development corporations, and nonprofit organizations serving the development needs of communities in non-entitlement areas to carry out neighborhood revitalization, community economic development, or energy conservation projects. When such an entity carries out an activity using CDBG funds, the payments are not program income and not subject to CDBG requirements. Again, guidance is available on use of this provision on the HUDExchange website. A good search term to use is “CBDO”, which stands for “community based development organization”. This mechanism was used by the CDBG-DR grantee, Empire State Development

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Corporation (ESDC), in 2002 and 2003 to implement a revolving loan fund through a number of CBDOs.

Q113: Can the definition of “unmet need” be interpreted to include the need to go beyond repair to preexisting conditions, where preexisting conditions are determined not to provide adequate protection for future storms? I.e. include making upgrades to the extent necessary to prevent the same or worse damage from occurring in future events and to protect critical infrastructure, public health and safety, etc., for example, a public drinking water supply, or a larger storm water system likely to fail in more locations than the one(s) where damage occurred in the last disaster; provided such conditions and risks can be documented.

A: The NOFA is clear that every project assisted with NDRC grant funds must have a tie-back to the effects of the qualified disaster. Once tie-back is established for the project, the grantee is encouraged to go beyond simply repairing a structure to meet pre-existing conditions and to make the project more resilient and able to address other community development objectives. See also FAQ 159.

Q114: Our state is not included in the listings of housing damages (Appendix B, tabs 6 and 7). We have not been granted FEMA’s Individual Assistance Program for any of our several qualifying disasters. However, we did collect data on damages; we just didn’t meet the threshold to qualify for Individual Assistance. Is it still suggested that we tally the amount of damages to housing stock as part of the threshold analysis? If so, please let me know what is considered “significant damage”. Is it a specific percentage of fair market value? I couldn’t find a definition in the paperwork.

A: HUD’s approach to calculating serious damage is described at this link: <http://www.huduser.org/portal/CDBGDR/Disaster-AppendixC-Methodology.pdf> . If the damage data collected by the applicant were not collected with “dollar damage”, HUD will consider alternative approaches, such as percent of fair market value or windshield assessments grading level of damage (such as minor, major, severe, destroyed) provided the criteria for categorization and method of data collection are included.

Q115: If an eligible state applied and received an award, could the state allow individual communities rights to DRGR?

A: Yes, but only for purposes of entering report data. The state would still be responsible for making all drawdowns, submitting all action plans, and submitting a single quarterly report for all grant activities. An alternative would be to give the local government, or any subrecipient, the applicable DRGR Excel template spreadsheet to complete and submit to the state for upload into DRGR. That way the state could check all information before putting it into the system and the upload takes seconds.

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Q116: May an applicant make a MID (most impacted and distressed) showing for EVERY subcounty area within a county or county equivalent that separately addresses the data for each and every subcounty area (such as census tract, census place) within the county?

A: Yes. Although an Applicant may not aggregate data to make a single MID showing for just one aggregated group of all subcounty areas, an applicant may separately make a threshold demonstration for each census tract (or group of contiguous census tracts and places that makes up a logical, contiguous sub-county area) in an entire county.

Q117: Why won't HUD accept a MID-URN threshold submission including every declared county/census tract in an Eligible Applicant's jurisdiction as most impacted and distressed?

A: Because P.L. 113-2 directs HUD to allocate funds to the "most" impacted and distressed major disaster areas, based on the best available data. For the NDRC, HUD has shifted the decision on which areas are "most" impacted and distressed to the Eligible Applicants. This opens the door to using local data and information that HUD cannot use to make an allocation from a national perspective.

HUD encourages overall NDRC *proposal target areas* to include declared counties that are not most impacted and distressed, but CDBG-NDR grant funds may only be used to address demonstrated unmet recovery needs in most impacted and distressed *target areas for grant expenditure*.

New through January 29, 2015 (Post publication of Technical Correction).

Q118: We are a current CDBG-DR grantee, so we did not think we would have any issues in demonstrating an unmet recovery need from the disaster(s). We were surprised, however, to see so many deficiencies noted with regard to our data sources documenting unmet need in HUD's response to our 45-Day Review submission. We thought that we clearly and carefully followed the instructions in Appendix G. For example, we submitted a detailed engineering report on infrastructure yet your letter indicates that it was not submitted. Also, we submitted information from the Chief Revenue Director of the City regarding economic revitalization which was, per the NOFA, an accepted data source yet the letter indicates that we did not use acceptable data. What did we do wrong?

A: Applicants with a previous allocation of CDBG-DR funds in response to major disasters in 2011, 2012, or 2013 are under a special obligation to demonstrate how existing funding, including CDBG-DR funding, is insufficient to address unmet need directly tied to the disaster.

Therefore, regarding unmet infrastructure needs, an engineering report or FEMA Project Work Sheet(s) showing estimated repair amounts must include (or be accompanied by) a sources and uses statement showing the funding shortfall (the gross amount of the dollar shortfall noted in the narrative does not suffice) and an explanation of why existing CDBG-DR resources, together with other funding sources, are inadequate to meet this repair need. HUD recognizes that such an assessment goes beyond the information typically presented in a civil engineer's damage report so it is cautioning applicants to not simply attach the most recent assessment, but to be sure that the data presented answers all parts of the question as fully, completely, and concisely, as possible.

With regard to demonstrating continuing unmet economic revitalization recovery needs, an analysis of decreased business revenue presented by the Chief Revenue Director of a jurisdiction is an acceptable and reputable public source. Such analysis, however, has to answer all parts of the question and cannot be limited to a simple assertion of decreased or loss business revenues. If the Chief Revenue Director were to sign such a statement that also listed the total gross revenues in the most recent year and in the year prior to the disaster for one or more modest sized employers or three smaller businesses, as set forth in Appendix G, or the businesses themselves submitted banking or other financial statements documenting loss then this would meet this subfactor.

Q119: We have a question about the acceptable data sources required to demonstrate unmet need with regard to environmental degradation. We have an existing report (from 2013) that describes the damage in detail for each of our sub-county target areas. What is the significance of the required certification date after March 2014 (as detailed in Appendix G)? Is this related to the Phase 1 application date?

A: After discussion with other federal agencies, HUD decided to set as a standard in the NOFA that an engineering report or some other detailed report from a reputable public or private organization documenting environmental damage created or certified as still applicable no more than one year prior to the Phase 1 submission date would be reasonable to accept as representing the information the NOFA seeks. Please note, as set forth in Appendix G, that

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applicants without a previous allocation of CDBG-DR funds in response to major disasters in 2011, 2012 or 2013 proposing a sub-county most impacted and distressed target area, OR Applicants with a previous allocation proposing a subcounty target area that lies outside of a HUD-determined most impacted county (MIC) have a slightly different threshold to meet in that an original report has to have been completed since June 2013.

Q120: Okay. So we have a report documenting environmental damage that was prepared before April 1, 2014. What constitutes a CERTIFIED report after March 2014? What needs to happen for a report to be "certified"? The engineer who prepared the original report is no longer available. Can we just state that in our submission or do you still need the post-March 2014 certification?

A: With regard to submission of an acceptable data source for documenting environmental damage, HUD will accept what is described in Appendix G. HUD requires a detailed report from a reputable public or private organization with a certification after March 2014 indicating that there is remaining damage of \$400,000 or more. HUD does not state who has to provide the certification of a previously-prepared report, for instance, only that the certification meets the terms of Appendix G. For example, workload issues in the aftermath of a disaster may have resulted in the County Engineer, Environmental Conservation Office, Public Works Department, or other reputable public office or official not being available to prepare a detailed report, or for it being expedient to have some other reputable public or private organization prepare a detailed report of environmental damage. Any reputable public or private organization may provide a certification of such a report. While a certification typically means a signed and dated statement or letter by a qualified person, HUD does not stipulate the specific wording of a certification. The qualifications of the person making the statement, however, should be clear and the statement itself needs to verify that the information presented is accurate and correct.

Q121: Many of our proposed MID-URN sub-county target areas are located within a unit of general local government that participates in the regular entitlement CDBG Program as part of an urban county. This particular county is an exception grantee and is thereby authorized to undertake eligible activities having a low- and moderate-income (LMI) area benefit in areas with less than 51% low- and moderate-income residents. In this competition, can we use our CDBG exception percentage to demonstrate in a particular sub-county area that the disaster impacted low- and moderate-income households and therefore meet a distressed characteristic?

A: No, you cannot use your exception percentage to meet the Distressed characteristic because we selected the distressed value based on research and experience showing that areas that have a particularly large percentage of LMI persons prior to a disaster are more distressed after a disaster. The national objective figure (of 51% LMI or a lower exception for an activity) is based on a statutory direction.

Q122: We have a question about the required non-federal match for federal programs, such as FEMA Public Assistance (PA) funding. It is our current understanding that unmet need can include the required non-federal share for federal projects. As an example, we have a tribal partner that cannot supply the required 12.5% non-federal share to repair a damaged roadway (damage is from eligible disaster declarations). Based on our current understanding, we plan to include the 12.5% non-federal share in

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the unmet need tally. Can we also consider this 12.5% non-federal share as one of the “projects” in Phase 2 that we will implement with the NDRC funding (assuming that the tribe meets all three threshold criteria)? If so, can we also include the other federal funding as committed leverage for this project?

A: Demonstrated unmet recovery need may include local match or cost share for other Federal programs that has not yet been paid.

Your question, however, confuses projects with source of funds. The project would be the entire project assisted, not just the share of the budget covered by CDBG-NDR funds. Putting any CDBG funds into an activity triggers all of the CDBG requirements for that activity.

Please understand that the use of CDBG funds for cost share or match and the use of those same matched funds as leverage is mutually exclusive in this competition. The regular CDBG program allows CDBG funds to be used for cost share or match for other federal programs, provided the other federal program allows this and the activity is also CDBG-eligible and meets a national objective.

For CDBG-DR, this provision carries through, amplified by the waiver authority that allows HUD to expand CDBG-eligibility on request.

When we added the CDBG-NDR leverage factor, we set up a situation in which FEMA (for example) could be counting CDBG-NDR funds as local cost share for a FEMA PA project at the same time as HUD was counting the same FEMA PA funding as leverage for a CDBG-NDR proposal. On discussion, we decided to rule out that possibility. You may either count the CDBG-NDR funds as FEMA PA cost share, or you may propose the FEMA PA funding as leverage for your NDRC proposal, but not both. From a federal perspective, we were eliminating double-counting.

HUD advises applicants to confirm with other federal programs that are part of their application whether the use of CDBG as matching funds is eligible. For instance, not all FEMA Hazard Mitigation Grant Program (HMGP) projects are CDBG-NDR fundable owing to eligibility, tie-back, or national objective issues.

Q123: So should applicants appropriately consider FEMA funding (PA, IA, HMGP, PDM, or FMA) as a source of leverage, committed leverage or a Partner for CDBG-DR efforts – one, some, none or all? Please advise. We want to make sure that we identify FEMA funding appropriately in our Phase 1 application.

A: To the extent you have commitments at the time of a Phase 1 submission to support planning and future implementation activities, Phase 1 of the NOFA directs that you must demonstrate supporting commitments in accordance with the guidance provided under Factor 4: Phase 2 Leverage. Under this guidance, HUD will consider other federal funds as leverage provided the other federal source allows such a use and provided that the CDBG-DR or CDBG-NDR funds are not considered to be match or cost share by the source of those funds.

To count any funds as leverage, you must demonstrate that the funds are firmly committed. If you cannot demonstrate that the funds are firmly committed in accordance with NOFA directions, you may discuss the possibility of using the funds in your responses to prompts, as appropriate.

Q124: Much of what we are considering to fund as this stage will require many years of maintenance and upkeep to remain as viable improvements. Can long-term maintenance and upkeep, inspections, and quality control be considered in funding determinations/proposals?

A: Maintenance is not an eligible CDBG activity, but it is important for resilience. The NOFA indicates that HUD will consider funding for maintenance as leverage in Phase 2.

Funding for maintenance is a requirement, however, for any proposed levee project. Any levee project proposed under this NOFA must meet FEMA accreditation standards upon completion and the Sources and Uses statement must identify and the Leverage response commit to providing a source of funding for operations and maintenance of the levee in perpetuity.

Q125: The state is an eligible applicant due to flooding events and we feel more than capable of designing a recovery plan for those events, but this grant competition has got us thinking about a whole range of resilience measures that we would like to pursue. Given the criteria that we are reading in the NOFA, we are not sure there is a significant enough “tie-back” to specific, localized flooding events that would allow the state to also propose a resilience plan for a major coastal tsunami, for instance. Are we correct in that assumption or are we being too literal about the language?

A: You are probably not being too literal, but we do not want the state to limit its thinking at this stage as to the possibilities this funding brings to its overall hazard mitigation and resilience planning efforts. The grant funds we have are seed money, in a way. It’s true that CDBG-NDR funds may only be used to assist areas that the best available data establishes are the most impacted and distressed areas with unmet recovery needs. But the NOFA has about 20 points (out of 100) in each round that will be awarded to submissions that will use leverage or long-term commitments (like code changes or legislative actions) to increase long-term resilience in a larger area.

Q126: I am trying to understand what has to be published. I am not sure what is meant by “Schedule responses” as stated in the citizen participation requirements section of the NOFA. Also, what is meant by “the opportunity for public comment” and “substantial amendment criteria?”

A: Schedule probably matters less in Phase 1, but there is a schedule for your long-term commitment(s) that should be published.

The “opportunity for public comment” and “substantial amendment criteria” are about the period during which you will accept comments on your application and those modifications that would constitute a substantial amendment to it, respectively. There is more information in Appendix A. There are also general rules about post-award amendments for competitive funds that will be the subject of a FAQ closer to Phase 2.

Q127: Factor 4: Phase 1 Leverage and Outcomes describes Leverage and Committed Leverage Resources. Regarding Committed Leverage Resources, to what project or purpose does a Partner commit direct financial assistance? For example, if a State agency were to commit \$50,000 of direct financial assistance in support of a CDBG-NDR application, does this mean contingent upon a Phase 2 award for a project? for application development? \$50,000 worth of personal services (planning, design & engineering, etc.)?

Also, what is the time period for which resources can be considered leverage resources? For example, is the \$50,000 commitment for the time period from the NOFA through potential period of performance of an award; from Phase 1 application deadline forward? Phase 2 deadline forward?

Can committed federally funded grants and associated plans and projects be considered committed leverage resources?

A: For Phase 1, the NOFA does not state exactly what activity the committed leverage funds must be used for, but HUD set the dollar amount anticipating that the only activities an Eligible Applicant would plausibly connect to the NDRC effort at this stage would be planning, general administration, and possibly some initial soft costs, including architecture and engineering costs.

To be plausibly related to the competition, the use of leveraged funds must begin after the date of NOFA publication. The NOFA states in the Leverage Factor instructions: "They must also indicate that the funding is available to you for the activities directly related to undertaking your CDBG-NDR proposal." This statement assumes that the use of funds may be made contingent on funding award, but HUD did not require such a contingency because a NDRC goal is to help eligible applicants advance resilience even if the proposal does not win.

The time period for the use of the leveraged funds is from the publication date of the NOFA through the period of performance of any award.

Q128: Our city, which is eligible to apply for the NDRC independently from the state, is considering resilience activities that would occur in the surrounding county, which is not eligible to apply on its own. These activities would provide resilience benefits to both the city and the county. If the city applies for funding and is successful, could it pay for activities outside of the corporate limits? Would the location of the activity have to be in a most impacted and distressed sub-county area? What if we would like to restore housing damaged in our 2011 disaster in a location outside of a most impacted and distressed sub-county area?

A: As a reminder, your Phase 1 submission will not be about a project or projects, it will be about the effects of the disaster you suffered, unmet recovery needs, your analysis of future threats and hazards, consultation efforts, and your idea or concept for a resilient recovery. Talking about eligibility at this phase is premature.

To get through the thresholds in Phase 1, the city needs to demonstrate unmet recovery needs within its boundaries that it cannot address with available funding. If it is invited to Phase 2, if the city can make a logical argument that the best way to address the identified unmet recovery

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needs in a resilient way is to undertake an activity outside the city, whether in a most impacted and distressed sub-county area or not, that could be eligible, at least in part.

Q129: We are looking at supporting an eligible unmet need in an area of the state that meets all of the thresholds. The State was a previous recipient of the CDBG-DR funding, but we did not distribute any of it to this community/area, to address this need. In order to prove the unmet need threshold requirements, which set of questions would we use? A or B?

A: The A group of questions applies to counties that HUD identified as most impacted and distressed nationally. The list is on the MIC tab of Appendix B to the NOFA.

The B group of questions applies to all other declared counties. And if you are a CDBG-DR grantee already and the county is one of your 20% counties, then you need to tell us whether existing CDBG-DR funds are available for the recovery need or not.

Please see the Technical Correction issued on 12/17/14 for additional detail.

Q130: Can we aggregate data across sub-county areas to meet the most impacted and distressed thresholds? What about Unmet Recovery Need? Once we have determined our most impacted and distressed areas, is it acceptable to have an aggregation of unmet recovery needs across those areas in separate categories? If we meet the infrastructure threshold in one sub-county area does that mean we can address this recovery need in all most impacted and distressed areas?

Same with housing... if we demonstrate it in one area, can we deal with it in all most impacted and distressed areas?

A: For the Most Impacted and Most Distressed thresholds (MID), the numbers apply to each sub-county area and may not be aggregated. For URN, the numbers apply across all areas in the application and may be aggregated. For example, if you have three sub-county areas that each demonstrate Most Impacted with 100 units of damaged housing, and Most Distressed because each area has a brownfield, then the Eligible Applicant (the state) could meet the URN threshold by showing that insufficient funding existed for recovery of at least 20 housing units total (summed from all three areas).

The law directs most impacted and most distressed area with unmet recovery needs. If you have a most impacted and distressed area that does not have a particular unmet recovery need, such as infrastructure, you probably cannot use funds for that purpose. (We said "probably" because there are occasionally circumstances in which HUD has allowed a project in one area to serve the recovery needs of another area. One example is construction of a new neighborhood outside a floodplain. Still, the project must serve a documented unmet recovery need connected to the most impacted and distressed area served by the project.

Q131: In examining unmet need in our state, a question has arisen: flooding associated with a hurricane damaged a central element of a county's economy to the degree that future floods will result in

significant relocation of businesses out of the area. The flooding could have been prevented by levees which have not been constructed. Would HUD consider the levees as an unmet recovery need?

A: For purposes of the “most impacted and distressed areas with unmet recovery needs” thresholds, you are first identifying the types and scope of negative disaster effects (impact), and then, for unmet recovery need, identifying how much of this impact is not yet addressed because you have no funding. What you are describing is the next step: a potential project to address the unmet recovery need in a resilient manner.

As a side note, please review the specific requirements in the NOFA and in Appendix A regarding levees.

Q132: Does an insect or pest outbreak constitute “prior environmental distress” (e.g., a Pine Beetle infestation creating a wildfire hazard)? Can this also be considered under environmental degradation?

A: Under Most Impacted, the NOFA is looking for environmental degradation from the disaster event. Under Most Distressed, the NOFA is looking for existing or pre-existing environmental distress severe enough to make recovery more difficult. Under Unmet recovery need, the NOFA is looking for environmental damage from the disaster that has not yet been addressed and cannot be addressed with existing resources. Assuming you are talking about Most Distressed characteristics, HUD is not aware of research showing that an insect infestation could make disaster recovery more difficult. If you have such information from a reputable source, then make the case.

Outside of meeting threshold, such an insect infestation may be a long-term stress to consider in framing community resilience going forward.

Q133: How do I get a waiver to compete in the NDRC, although my county did not have a declared disaster in 2011-2013?

A: The National Disaster Resilience Competition (NDRC) funding comes from an appropriation, Public Law 113-2, that specifies that funds are 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.”

With the Notice of Fund Availability (NOFA) for the competition, HUD published a list of all the counties and tribal areas that received a declaration of a major disaster during the time period. Appendix B lists the counties with 2011, 2012, and 2013 major declarations. Use of P.L. 113-2 must tie back logically to what the NOFA calls the “Qualified Disaster.” This is a statutory provision that HUD cannot waive. HUD also published a list of Eligible Applicants, mostly states, who may apply for assistance to address unmet recovery needs in the listed declared counties and areas.

However, even if an area does not qualify to be assisted by NDRC funding, it may still participate in the competition and its participation can strengthen a proposal's competitiveness. Several Phase 1 and Phase 2 rating factors provide a significant number of additional points for extending the reach of a resilience proposal beyond the Qualified Area or activities for which can demonstrate tie-back and for providing funding from other sources to achieve this extension.

If in your State, the *only* eligible applicant is the State, then *only* the State may apply to HUD for the NDRC. The official recommendation is that interested parties contact the State as an applicant.

Q134: A regional planning organization will help develop a joint proposal to the National Disaster Resilience Competition on behalf of several eligible applicants from the same metropolitan area.

In a multijurisdictional proposal, will one eligible applicant need to serve as the lead applicant and the fiscal agent for the proposal, with sub-recipient agreements with the other eligible applicants? Or can the proposal be submitted by multiple applicants, who would each receive funding directly from HUD if the application is successful?

A: Yes, a multi-jurisdictional application is possible. A single application for CDBG-NDR funding submitted by an Eligible Applicant may include one or more other Eligible Applicants serving as Partners. Each Eligible Applicant would submit its own application. Each would also sign on as a Partner in the applications submitted by the others. Each application would be rated and ranked separately during the NDRC selection process. Any Eligible Applicant selected for a CDBG-NDR award on the basis of its individual application would administer any awarded funds to meet unmet recovery needs in most impacted and distressed areas within its own jurisdictional borders.

Eligible applicants who are serving as Partners in an application may be referenced by the applicant submitting the application "for purposes of demonstrating additional capacity for planning, design, financing, or implementation in applying for funding under this NOFA."

Q135: Additionally, if two Eligible Applicants apply separately in Phase 1 and are successful, may they apply together in Phase 2?

A: Yes. See the responses to the FAQs regarding multi-jurisdiction applications to determine how to do this.

Q136: For multi-jurisdictional applicants, does each one have to submit a different set of most impacted and most distressed areas and unmet needs? We assume that some elements of each application will be identical (e.g., regional coordination and long-term commitment), but other elements would need to be specific to that jurisdiction.

A: Correct.

The most impacted and distressed threshold target area(s) (Exhibit B) for each Eligible Applicant's CDBG-NDR funding would be those within its own jurisdiction, but each application would show the whole region and the other target areas in response to the Factor prompts.

Note that there is a situation in which a single application could be submitted covering multiple eligible applicants. NOTE: IF A SINGLE APPLICATION IS SUBMITTED COVERING A STATE AND OTHER ELIGIBLE APPLICANTS WITHIN THE STATE, THE STATE MUST BE THE APPLICANT AND GRANTEE:

The question asked whether the State can submit an application that includes eligible local jurisdictions as Partners, in which the State's target areas for CDBG-NDR funds include areas inside the geographic boundaries of these partners. In short, yes, so long as the State, if funded, does not duplicate benefits provided by other sources, as discussed below.

An eligible state-Applicant can include as Partners any local governments within the State, even if those local governments are also eligible Applicants. The State may also propose to use CDBG-NDR funds to address Unmet Recovery Needs in any of the most impacted and distressed areas within the State, including those areas within the boundaries of local governments that are eligible Applicants.

This type of application is consistent with past formula allocations under Public Law 113-2.

Under the terms of the NOFA, the same is true. CDBG-NDR funds must be spent towards addressing the State-Applicant's Unmet Recovery Needs (see for example Factor 3: Phase 2 Soundness of Approach, which requires Applicants to propose projects that respond to and address the Applicant's Unmet Recovery Need). So long as the State proposed eligible activities that address its own Unmet Recovery Needs within the state, nothing in the NDRC NOFA prohibits it from applying CDBG-NDR funds to address Unmet Recovery Needs in in-state counties and cities that have also been identified by HUD as Eligible Applicants.

As noted above, if in Phase 2 HUD selects and funds multiple applications to address Unmet Recovery Needs in the same most impacted and distressed areas, HUD and applicants will have to guard against duplication of benefits in award selection and during implementation. Applicants and HUD are both subject to Section 312 of the Stafford Act. Therefore, HUD cannot make awards to multiple Applicants that together exceed the combined Unmet Recovery Need from both Applicants for the same purpose or activities.

Q137: Can the funding be used for a resiliency project that could be funded under another federal agency program if sufficient funding isn't available? For example, a county would like to implement wildfire thinning, mulching and aquifer recharge techniques on property owned and managed by local government. Since there isn't sufficient FEMA funding to treat all of the acreage, can NDRC funding be used to implement the project? We are trying to differentiate between projects that have no other funding source and projects that qualify for another federal program with insufficient funding.

A: The answer to the first question is yes, with the following cautions: Using one Federal grant program for costs allocable to another is against federal financial management requirements. This assumes, of course, that funds from **both** programs are available, so it may not apply in this

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case. Also, using one federal disaster recovery program in a way that duplicates benefits provided by another program is not allowed by the Stafford Act. In this area, CDBG disaster recovery (CDBG-DR) guidance on prevention of duplication of benefits (available here: <https://www.hudexchange.info/resource/2083/duplication-benefits-requirements-stafford-act-cdbg-dr/>) applies.

Q138: From Question #35 in the FAQs, HUD states: "In general, terms the NOFA did not define, we are allowing applicants to define, within reason." However, in your response to our threshold letter HUD said: "a sub-county area, meaning a census designated place, tribal area, or census tract... HUD would also accept an area as a sub-county area if the area consists of contiguous census tracts and is commonly referred to by using a single place name that is unique to that area."

A: HUD is re-working Q35 and some additional guidance because we realized that the response caused more than one applicant to gloss over the parenthetical in Appendix G that did define "sub-county area," and some related issues.

Q139: We are a State Applicant and are anticipating multiple proposals from area local governments and sub-grantees. We want to compile multiple proposals into a format that complies with the submission requirements of the CDBG-NDR competition at grants.gov. Given the specific formatting requirements of the electronic submission, how should multiple proposals be organized within the Narrative Exhibits (A-G) and Attachments (A-H)? Should each proposed project/project area be detailed within each one of the Exhibits and attachments, or should each proposed project/project area have its own unique set of Exhibits and attachments? Given that each proposed project/project area will respond independently for each of the threshold requirements and factors, and each will have its own set of maps and drawings, what is the preferred method for aggregating this data into the application that will meet the 40 page maximum (with 3 additional pages per project area) yet still be responsive and detailed enough to represent the need and impact of the project?

A: Each Eligible Applicant has one unified proposal and must figure out how to fit its responses into the page limits allowed. HUD does not expect to receive a bundled set of separate, disparate proposals. The NOFA notes in a few places where information should break out for different target areas, and allows some additional pages for certain responses, such as the thresholds in Appendix G.

Q140: May we define a "target area" by combining census tracts and census designated places? The language in the HUD NOFA seems to be singular: a census designated place, a census tract or a tribal area, which seems to exclude combinations/multiples. We are requesting clarification.

A: Provided that the place and tracts are contiguous and the combination creates a sub-county area in a single county, you may combine to create the target area.

Q141: Can a watershed be a sub-county area?

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A: A portion of a watershed could be in a sub-county area, or in multiple sub-county areas. The Eligible Applicant has to document MID-URN for each sub-county area it wanted to assist with CDBG-NDR grant funds (but only one sub-county area for threshold).

Q142: Can impact be aggregated in a sub-county area?

A: For MID, an Eligible Applicant may group census tracts within a single county, provided the group of tracts is still a sub-county area and the tracts are contiguous. If the tracts are not contiguous, they may not be grouped for MID. Once a sub-county tract or contiguous group of tracts is selected, the Eligible Applicant may present MID data for that target area.

Q143: As you know, many electric and gas utilities are owned by the private sector, but regulated by the public sector. A private company had a failure of supply of heat that cut off heat to many counties that led to a presidential disaster declaration. That declaration was for emergency work under the public assistance program for cities and counties affected. The private sector utility had millions of dollars in damage that it had to eat, as it was not recoverable in rates to the consumer, and FEMA's programs don't aid the private sector.

I understand that this HUD resiliency program is to mitigate future disasters where past federal programs didn't/couldn't sufficiently mitigate the next disaster. This private sector company is working on a solution to mitigate this sequence of events from happening again.

Would a private sector project that supported those declared counties be eligible on its own for a project if supported by the state? or

Could a mitigation measure be proposed by the state that would support the utility and the affected counties?

A: The only Eligible Applicants for the National Disaster Resilience Competition are the 67 states and local governments listed in the Notice of Fund Availability. HUD will not consider an application from any other entity.

The question discusses mitigation, but this is not a pure mitigation program. Every project assisted with grant funds must have a tie-back to recovery from the effects of the declared qualified disaster. Further, grant funds may only be used in most impacted and distressed areas (as a direct or indirect result of the declared disaster from 2011, 2012, or 2013) that have unmet recovery needs. (See Appendix G of the NOFA for detail.) Instead of thinking of this as a mitigation program, it is more accurate to say that HUD wants to fund recovery activities that make communities more resilient at the same time. The competition also asks communities to bring leverage from other sources to implement resilience activities beyond those eligible for funding from these grants.

Finally, although assistance to private utilities is eligible under the regular CDBG program, Appendix A to the NOFA does not allow NDRC grant funds to be used for assistance to a private utility unless it can qualify as a small business. Upgrading the resilience of a private utility network could potentially be considered as part of the response under the leverage or long-term commitment factors in an NDRC application if accomplished with non-grant resources.

Q144: If a state chose to establish a revolving loan program with CDBG-NDR funding, could the state issue loans for new small businesses in communities that saw dramatic business loss due to the disasters?

A: Yes, your proposal to assist a MID-URN area may include assisting start-up businesses in that area. The mechanism, grant or loan, is not relevant in determining CDBG-NDR eligibility.

Q145: Would agricultural concerns (e.g., farming, winemakers, fishing) be considered a small business?

A: It is HUD's understanding that SBA provides thresholds for small businesses by sector of NAICS code. CDBG, by law, uses the SBA definitions for small business, no matter the economic sector.

Q146: Do the consultation meetings have to be face-to-face meetings?

A: HUD did not specify that consultation meetings had to be face-to-face.

Q147: If an area has an unmet need in one of the four categories, is the area tied to designing programs for that one category? For example, if they have an unmet need for infrastructure, can they design a plan for economic revitalization?

A: If the area can demonstrate how the economic revitalization project ties back to the demonstrated unmet recovery need, they can address an infrastructure need that way. For example, say an eligible applicant demonstrates that a water-sewer system was badly damaged and there is no funding to complete repairs. However, during community consultation, the applicant discovers that the community does not want to repair the system. Instead, it wants to address the unmet recovery need by moving from a floodplain (served by the damaged system) to an adjacent area on higher ground. The relocation would tie back (be logically connected to) the effects of the disaster and unmet recovery needs, but not involve repair of the system whose damage demonstrated URN threshold.

Q148: Can "Green" infrastructure be considered as "Critical" infrastructure? Is the only infrastructure being considered in the NDRC physical BUILT infrastructure, or can proposals consider critical resources/infrastructure, like watershed mitigation, regional green protections or preserves?

A: We searched the NOFA and did not find the term "critical infrastructure." Appendix G does ask for information about critical natural resources and CDBG funds may be used for recovery projects that include green infrastructure elements in various ways.

Q149: Since we have not determined projects in Phase 1, we do not have the costs for completing specific activities or a request amount. Is there any place in Phase 1 where we need to identify the

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amount requested and estimated funding, other than on the SF-424 Application for Federal Assistance form? How do you recommend we complete the SF-424 form if we don't have a final budget total?

A: On the SF 424, you may fill in the amount requested with \$1 as a placeholder unless you have an estimated or possible total request amount included in your application narrative exhibits. If you have such a ballpark estimate, include that on the SF424, also as a placeholder. HUD does not expect Eligible Applicants to have a budget estimate until Phase 2.

Q150: If a state applies and is successful in Phase 1, and a city within the state applies and is unsuccessful in Phase 1, may the state add the city as a Partner in Phase 2 and apply with it for grant funding in the state and city?

A: If at least one most impacted and distressed target area with unmet recovery needs is demonstrated in the city (in either Phase), the state may apply for grant funds to be used to assist the city. The city may Partner with the state's application in any case, but CDBG-NDR grant funds may only assist a qualified MID-URN area.

Q151: We have a quick technical question regarding our NDRC Phase I application. Per the NOFA, each "application for Phase 1 must contain no more than 40 pages, with three additional pages allowed for each project area after the first, if the application includes multiple, separate areas." We are interpreting this to mean additional page allotments tied to additional target areas are without qualification. In other words, discussion of a second target area would not be limited to three pages in addition to the allotted 40; rather, the applicant would simply be allotted up to 43 pages for the full application. Applications with three target areas would be allotted up to 46, four target areas allotted 49, etc... Is this a correct interpretation of the page limit requirement?

A: Yes, you are doing the math correctly. Three (3) additional pages are permitted to the page limit with each additional target area. Add one target area and get 43 pages. Add two and get 46 total pages. Further, the NOFA does not specify that the additional pages may only be used for the additional target area(s) because HUD recognizes that adding additional geography may add complexity to the overall idea or concept.

Q152: May a CDBG-DR grantee with a grant from a supplemental appropriation earlier than P.L. 113-2 use funds from that grant to cover NDRC application costs?

A: Yes. A CDBG-DR grantee may use funds from a 2008 CDBG-DR grant to support preparation of an application for a federal grant, including the costs of preparing an NDRC application, as an eligible general administrative cost.

Q153: Is there a specific format required for the submission of the NDRC data (which I will store on a Dropbox account)?

A: Assuming that you are talking about data supporting your Exhibit B narrative response, the NOFA does not specify a data format, other than the directions in the NOFA Appendix G,

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paragraph I.A.1. Note that you must include the Applicant's name in the Subject line of the email providing the data link to HUD. Include the Applicant's name, a contact person's name and telephone number, and a list of the relevant filenames in the body of the email.

Q154: The dates of March 15 and March 16 both appear in the NOFA. Could you please clarify which date is the correct date?

A: March 16, 2015, is the correct deadline. The system automatically provides a grace day when a deadline falls on a weekend.

Q155: We understand that we don't have to meet national objective in the Phase 1, however, in what we have to publish for comment in Phase 1, the NOFA and Appendix A state that National Objective and Overall Benefit must be part of what is published. What are we to include in terms of both of those items? Is it just stating the certification text that "if we are awarded, all money spent must meet a national objective and at least 50% of our funding must benefit LMI" or are we to discuss how we intend to meet national objective?

A: In Exhibit B, the directions say to provide a narrative response to each of the threshold requirements. For Phase 1, your narrative may essentially restate the requirements and indicate briefly that you plan to comply. If you already know that you are likely to seek a waiver, you may wish to state that at this time, but that is not required yet.

Q156: Could you please clarify whether funding originating from P.L. 113-2 from federal agencies other than HUD can be used as "leverage" or as a "supporting commitment"? Could you please clarify whether funding originating from P.L. 113-2 from HUD can be used as a "supporting commitment"? Could you please clarify whether funds being used to support the preparation of the application, which includes a vulnerability analysis and planning for an idea/concept, can be counted as "leverage"?

A: The easiest way to express the difference between a direct leverage and supporting commitment is that direct leverage is cash committed by an Applicant or a Partner to the eligible CDBG-DR activity or project itself, and as the NOFA states, the "funding is available to you for the activities directly related to undertaking your CDBG-NDR proposal." These cash leveraged funds would be included in a sources and uses statement for the project right along with the CDBG-NDR assistance. A supporting commitment is provided by a Partner and "is funding that your Partners have available for their use to carry out activities that directly support the proposal." It supports the same goals and strengthens the CDBG-NDR project, but loss of the supporting commitment would not keep the CDBG-NDR-assisted activity from going forward. The NOFA cites the example of a university professor who received grant funding to conduct a healthy environment study for the target area.

So, funds arising from P.L. 113-2 from other federal programs may not be considered either as leverage or supporting commitments, although funds from other sources may be considered for either leverage or supporting commitments. (See Phase 2 Factor 4 paragraph 8(g).) The NOFA does say that no funds may be counted towards the leverage factor to the extent that CDBG-DR or CDBG-NDR funds are considered match or cost share by the source of those funds.

CDBG-DR is not included as leverage, but regular CDBG is.

Funds used by an Eligible Applicant for application preparation costs may be considered leverage. If the funds are considered as leverage in the proposal and the Eligible Applicant receives a Phase 2 award, the costs for which leverage points were awarded may not be reimbursed from the grant award.

Q157: NOFA (P. 23) 13. "Summary of citizen comments by topic with a list of commenters by name and organization (if any) and Applicant responses." Should number 13 listed in the NOFA be submitted as a separate attachment to the applicant proposal or integrated into the Factor 3 narrative. Or should this summary of citizen comment be submitted as part of Appendix I, Consultation Summary?

A: The NOFA does not specify where the summary of the content of citizen comments belongs. HUD prefers that Eligible Applicants submit the required summary of citizen comment as part of Attachment D – Consultation Summary, which is not subject to the page limits. It is your choice how you integrate discussion of any citizen comment into your factor narratives, which are covered by the page limits.

Q158: While reviewing slides from previous webinars, I found a slide saying that the Exhibit B narrative response will not count against the page limit in Phase 1. We have not been able to gain 100% clarification on this in the NOFA, so can you please clarify whether the Exhibit B narrative response will not count against the page limit?

A: We apologize for any errors in the webinars. The NOFA always prevails, and it says that the Exhibit B narrative response counts against the page limits. Appendix G also says this, but goes on to say: "Although your narrative submission must be included within the page limit for the Phase 1 submission, your narrative submission may summarize required support data rather than including the data in its entirety. If you choose to summarize the data, your narrative must provide HUD a link to publicly available data from a reputable source, or you may provide a password-protected link to access other data. . ."

Q159: **NOTE THAT THIS RESPONSE IS A CHANGE TO A PRIOR RESPONSE. READ IT CAREFULLY.** If a disaster repair project is complete and only addressed repair to pre-disaster condition, but did not address a resilience-enhancing action such as elevation of damaged facility due to funding or other issues, can that resilience action (elevation for example) be considered a "funding shortfall" and thus an unmet recovery need?

We note that such costs are eligible costs of rebuilding according to the NOFA. Appendix A states:

"Resilience measures that are not incorporated into rebuilding activities must tie back to the Qualified Disaster and be a necessary expense related to disaster relief, long-term recovery, and restoration of infrastructure, housing, or economic revitalization. HUD has determined that generally, designing a project that improves resilience to negative effects of climate change while meeting an Unmet Recovery Need is a necessary and reasonable cost of recovery."

As a secondary question, does this mean that the costs of resilience projects that do not involve repair or rebuilding disaster damages may be used toward meeting the Unmet Recovery Need threshold?

A: The previous FAQs 55 and 56 are removed and this is the updated response. On the primary question, the new response is yes, if you completed repairs of a structure (or stabilized natural infrastructure such as a streambed) damaged by a Qualified Disaster to a basic functional, stable, or pre-disaster condition, but are able to demonstrate that resilient measures were not implemented and demonstrate the nature and cost of such resilient measures that could have been incorporated into the repairs in accordance with the Appendix G guidance for the category, HUD will consider the demonstrated cost of the resilient measures related to the damage to be unmet needs for purposes of meeting the Unmet Recovery Need threshold.

For example, if houses in a floodplain were damaged, then repaired to a pre-disaster condition, but not elevated, then the costs of elevation may be considered for threshold. Also for example, if a damaged sewage treatment system was repaired, but resilience measures were not taken in the rebuilding project to mitigate risk, then those costs may be considered for purposes of meeting the Unmet Recovery Need threshold.

The response to the secondary question is not affected by this reconsideration. Although it is true that in Phase 2, an successful proposal may include a CDBG-NDR-eligible project that does not include a rebuilding component, this project must still be the response that meets or addresses an Unmet Recovery Need. Such a project is not itself the Unmet Recovery Need, in the sense of the NDRC.

For example, if houses in a floodplain were damaged by a Qualified Disaster and this damage was demonstrated as sufficient to meet the MID-URN threshold, the applicant could then elect not to address the identified need through repair (resilient or not) of the housing itself. A Phase 2 proposal responsive to the example's housing damage could involve building new housing in a safer location, constructing a sea wall, or providing relocation services/payments and job training to help the affected households move successfully to a less risky location. The costs of the proposed Phase II project in such a case would not be the same as the costs of the identified Unmet Recovery Need that helped the application meet the MID-URN threshold.

Q160: Can Local Area Unemployment Statistics (LAUS) from the Bureau of Labor Statistics (<http://www.bls.gov/lau/>) be used to meet the most impacted economic revitalization criteria for change in unemployment? What about for meeting the distressed criteria for unemployment rate 125 percent of the national average?

A: Yes, on both counts, if the sub-county area is at the Place level. The LAUS provides unemployment data for places over 25,000 population (and some places under 25,000 in New England). If the sub-county area is a Place covered by the LAUS it may be used to show a percentage point change in unemployment. The applicant must also describe how the employment loss or harm stems from the Qualified Disaster.

With regard to the unemployment rate distressed criteria, another data source for geographies not supported by the LAUS data is the American Community Survey. For the distressed

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threshold only (not most impacted), the most recent 5-year average data from the American Community Survey data can be used to show the area has a higher unemployment rate than the national rate.

Q161: Can the “Separations” data from Quarterly Workforce Indicators (QWI) data from the Census Bureau be used to show specific information regarding change in employment for an impacted area?

A: To the best of our knowledge, the publicly available QWI data from the Census Bureau is not available at a sub-county level geography so it is not geographically targeted enough to be used for demonstration of loss of employment of 50 or more persons due to the disaster in a subcounty area. If local data (such as Unemployment Insurance records data maintained by the state) are available for showing separations for a sub-county area, those data may be used provided that the applicant can describe how the employment loss or harm stems from the Qualified Disaster.

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Q162: For Most Impacted category C-Economic Revitalization, can the % employment loss 6 to 12 months after the disaster of one percentage point or greater higher local unemployment rate in the impacted area come from county-level data (the only monthly unemployment data that is available) and be distributed to each census tract across the county?

A: No. The data must be "subcounty". For example, Local Area Unemployment Statistics (LAUS) from the Bureau of Labor Statistics (<http://www.bls.gov/lau/>) can be used to meet the most impacted economic revitalization criteria for change in unemployment when it is for a place that is also a target area.

The relevant section of the NOFA (Appendix G) provides: "Economic Revitalization. A disaster in a sub-county area causing significant employment loss or extended harm to the local economy. Applicants must briefly demonstrate employment loss (a one percentage point or greater higher local unemployment rate in the impacted area six to 12 months after a disaster compared to the same month in the year prior to the disaster in that area; or specific information that 50 or more people were no longer employed in or near the most impacted area for six months or longer due to the disaster); or other harm to the economy; and describe how the employment loss or harm stems from the Qualified Disaster (applicant may support a short description with local data or surveys)."

If the applicant is demonstrating most impacted by using the local unemployment rate option, the language requires that rate to apply "in the impacted area." It is permissible to use any data that accurately describes the unemployment rate in the impacted area.

Also, in addition to the option of using LAUS, there may be the specific information about 50 or more people being no longer employed that can be "in or near" the impacted area, or that the applicant may be able to show "other harm to the economy" with local data or surveys.

Q163: We are unsure what HUD is expecting as a threshold narrative in Exhibit B with regard to the General Section requirements. Much of the General Section is simply application rules (i.e., HUD will check the Do Not Pay website). What is expected in our Exhibit B narrative regarding the General Section items the NOFA states are applicable?

A: As Appendix J, the Crosswalk Checklist, indicates, Exhibit B is your narrative explanation of how your application meets the threshold requirements of this NOFA. This includes the incorporated requirements of Section III.C.2 of the General Section. Essentially, this is your opportunity as an applicant to address your compliance status with the threshold requirements as outlined in the General Section. In cases of noncompliance, applicants should set forth within the narrative the actions they took to

achieve threshold compliance with these requirements by the application deadline. Applicants should also see the NOFA section on Additional Overview Information for a list of incorporated General Section requirements.

Q164: How much flexibility do jurisdictions have to update their applications at the conclusion of the public comment period? Do changes have to directly respond to public comments or can the approach expand or change in different ways?

For instance, , could an applicant propose, as a substantial change, to qualify an additional target area for threshold?

A: The policy objective behind CDBG citizen participation is to give citizens, especially low- and moderate-income persons, who may be affected by a proposal a chance for review and comment. As set forth in the NOFA, HUD expects to receive a summary of the public comments and the applicant's response to those comments, which may include changes to its proposal.

Any changes made to a proposal prior to the submission deadline do not qualify as a "substantial amendment," as that term is used in the NOFA's citizen participation requirements. Nevertheless, significant changes made at this stage should only be in response to public comment and applicants should use the appropriate means and discretion in making such changes known and allowing further comment on them prior to the submission deadline. A good rule of thumb is that if a pre-submission change were to meet the criteria for a post-submission substantial amendment, using the jurisdiction's definition (in response to the NOFA's Appendix A requirement), then the change needs more public comment. In general, it is not acceptable to add a whole new target area without giving potentially affected citizens a chance to comment.

Q165: When the Eligible Applicant posts the grant application for public comment, do we need to post the entire grant and all the relevant documentation or just a narrative of the grant? Please advise.

A: An Eligible Applicant needs to publish, at a minimum, the following portions of their application:

- Executive Summary,
- Factor Narratives,
- Eligibility,
- National Objective,
- Overall Benefit,
- Schedule responses,

- Opportunity for public comment, and
- Substantial amendment criteria.

The link to the application, typically found in the notice which is the opportunity for public comment, must be found in a prominent position on the Applicant's official website, as set forth in the NOFA.

HUD has discovered a discrepancy in the citizen participation publication requirement as set forth in the NOFA versus Appendix A. Appendix A requires publication of the Threshold documentation and the NOFA does not. The error is HUD's so you may follow either direction without penalty.

The NOFA says this:

a. Publication of the Application's Executive Summary, Factor Narratives, Eligibility, National Objective, Overall Benefit, and Schedule responses, opportunity for public comment, and substantial amendment criteria. Before the Applicant submits the Phase 1 and Phase 2 Application submissions for this NOFA, the Applicant will publish the specified portions of the proposed submission. The manner of publication must include prominent posting on the Applicant'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 Applicant's homepage.

Appendix A says this:

The streamlined citizen participation requirements for CDBG-NDR grants are:

a. Publication of the Action Plan portions required by the NOFA and this Appendix: Only the following portions of the Action Plan must be published for public comment: 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 for public comment), opportunity for public comment, hearing, and substantial amendment criteria. Before the Applicant submits the Phase 1 and Phase 2 Application submissions for this NOFA, or a substantial amendment, the Applicant will publish the proposed submission. Applicants are not required to comply with citizen participation requirements before submitting a written request, consistent with the NOFA, for a threshold determination during the first 45 days after publication of this NOFA.

Q166: We plan to use FEMA Project Worksheets for some of our target areas to meet the Most Impacted Threshold and the Unmet Recovery Need Threshold. Do we need to submit the full Project Worksheet as back-up or can we simply print the list of Project Worksheets from the FEMA tracking software (EMMIE)? The listing will include the project worksheet number, the applicant's name and the project cost.

A: At this time, HUD will need to see the full Project Worksheet. Applicants may provide access to the worksheets via services such as Dropbox, as described in the NOFA. Please note that HUD does not have independent, direct access to this part of FEMA's data and applicants will need to provide the required documentation to HUD.

Q167: We are currently working through our partner letters and are wondering if we can submit letters we gather from federal government agencies? For example, the USDA Natural Resources Conservation Service (NRCS).

A: After review, HUD does not believe that based on the law, the NDRC NOFA, and the General Section, that there is support for a determination that "Partners" may include federal agencies. Although a federal agency may provide an Eligible Applicant some assistance in applying for the NDRC, that agency is not an extension of the applicant's capacity in the sense the NOFA describes for Partners.

Your application may describe assistance you received or will receive from a federal agency, but you should not submit Partner letters or agreements for such agencies.

Q168: We have some sub-county areas that have been affected by multiple qualified disasters. Can the unmet recovery needs for these disasters be aggregated to meet the Unmet Recovery Need threshold? For example, there is \$200,000 in unmet Infrastructure need from Disaster 1 and \$200,000 thousand in unmet infrastructure need from Disaster 2 for a total of \$400,000 in unmet recovery needs. In this scenario, would the Unmet Recovery Need threshold be met?

A: Yes, you may a) aggregate impact from multiple qualified disasters within the same sub-county target area and b) aggregate unmet recovery needs for different disasters within one or more MID sub-county target areas to meet the threshold. Consider your data sources carefully to make sure you are not double-counting impact. Our documentation requirements for unmet recovery needs should limit the chances for duplication in URN estimates.

Q169: In FAQ Question 130 it is stated that Unmet Recovery Need can be aggregated across sub-county areas. Can these Unmet Recovery Needs be aggregated across county lines? Once the Unmet Recovery Need Threshold is met does that mean that every Impacted and Distressed area also meets threshold?

A: Yes, you may aggregate Unmet Recovery Needs across all your target areas to meet threshold. However, each sub-county target area or HUD-designated Most Impacted County must meet the most impacted and distressed thresholds individually, and **each sub-county area must contribute some unmet recovery need** towards the aggregate amount of URN you use to meet the URN threshold.

Q170: To ensure we meet the NOFA requirements for the public hearing mandated as part of the streamlined citizen participation requirements, we have the following questions.

- How far in advance must the public hearing be advertised?
- In what manner must it be advertised (e.g. newspaper, website)?
- Can we follow our own state's Department of Housing and Community Development's public hearing process?
 - Is there any written guidance for holding a virtual, online public hearing?
 - The NOFA is not clear on whether only **publication** is required before the Phase 1 submission or if the public hearing must also take place before the Phase 1 application submission in order for our application to be deemed eligible.

A: We expect reasonable notification, but have not specified a certain number of days. All of the Eligible Applicants, being grantees in the regular CDBG or CDBG-DR programs, have citizen participation plans. You may choose to follow the public hearing notification process and timetable set forth in that plan.

HUD is not aware of any written guidance for providing a virtual online public hearing. You may wish to bring the question to the Rockefeller Foundation. States with remote rural populations, such as Alaska and Montana, may have some experience in this regard. HUD has used webinars and conference calls for meeting purposes successfully. Be sure to consider the ability of all citizens, especially vulnerable populations, to attend as you select your hearing method(s).

We require a hearing during each Phase and consider the Phase to end at the application deadline.

Q171: Could you please tell me which Exhibit should contain the "opportunity for public comment" section and the "substantial amendment criteria" section? I do not see them listed under any Exhibit or on the Crosswalk Checklist, but they are both listed as required to be posted for public comment under the streamlined citizen participation requirements.

A: The opportunity for public comment is not a section of your application, per se, but rather is the Applicant's actual notice, in accordance with the streamlined citizen

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participation requirements, of the availability of the applicable sections of their Phase 1 and Phase 2 applications for public comment. Applicants may follow the general format of prior notices such as submitted with prior CDBG or CDBG-DR Action Plans, but are reminded to include all required elements as set forth in the NOFA and Appendix A.

A copy of this notice may be inserted after the Consultation Summary in your Phase 1 and Phase 2 submissions.

The criteria which constitute a substantial amendment to the plan, as set forth in Appendix A, are published as an un-lettered attachment in the order provided in Appendix A following Attachment F and any public hearing notices. There is no need to include a copy of these criteria, which are common to all Applicants, with your Phase 1 submission to HUD.

Q172: We have several questions about the formatting of our application submission. The NOFA is clear that "All pages should be numbered" and that certain documents do not count toward the page limit. We are unclear, however, whether these pages should still be numbered and how they should be accounted for on the Crosswalk.

For example, each Exhibit has a title page; should the Exhibit A title page be numbered page 1 or should only the actual pages of the Exhibit be numbered, i.e. pages 1-4? When moving on to Exhibit B, does numbering begin with page 5, for example, on the title page or on the first page of Exhibit B?

Regarding the Crosswalk, the last column is titled, "Page." Does this mean the total number of pages in that exhibit, i.e. 5, or does this mean the page range for that exhibit, i.e. 1-5?

Our last question concerns the formatting of Exhibit Title Pages. The NOFA provides instruction on what should be included, but seemed to be asking for the electronic file name of the Exhibit twice. Can you identify which of the following is the correct format for which HUD is looking?

Exhibit B - Threshold Requirements

Name of Applicant

ExhibitBThresholdRequirements.pdf

OR

ExhibitBThresholdRequirements

Name of Applicant

ExhibitBThresholdRequirements.pdf

A: As noted in Item No. 11 of the Application Layout section, all pages should be numbered and HUD recommends that applicants consecutively number the pages of the Attachments section to ensure proper assembly of their application if printed. Therefore, applicants should number all title pages.

Regarding the Crosswalk Checklist, only the Exhibit or Attachment title page number should be referenced in the "Page" column.

Regarding the actual formatting of the Title Pages, HUD wants Applicants to use the first example listed above.

Q173: With regard to the application layout, the NOFA states, "Each CDBG-NDR application for Phase 1 must contain no more than 40 pages, with three additional pages allowed for each project area after the first, if the application includes multiple, separate areas." Is the 6 page grants.gov application included in the 40 page count?

A: You are probably referring to the SF-424, the Application for Federal Assistance, which is found at grants.gov. As indicated in the section below the one you refer to above, the standard forms are not counted in the page limits.

Q174: In regard to Demonstrating Unmet Recovery Needs Threshold Requirement for Economic Revitalization, must the City's narrative (with data sources) provide (a) unmet repair needs for businesses **AND** (b) decreased revenues for businesses? Or may we provide an answer in regard to (a) **OR** (b)?

A: An applicant's narrative and data sources for unmet recovery needs for economic revitalization must demonstrate either unmet repair needs for businesses **OR** decreased revenues for business(es). Please refer to the Technical Correction of Appendix G issued on December 17, 2014 wherein this distinction was emphasized.

Q175: In the NOFA, under Citizen Participation waiver and alternative requirement, the applicant is required to publish the NDRC application's executive summary, factor narratives, eligibility, national objective, overall benefit, schedule responses, opportunity for public comment, and substantial amendment criteria. How is the applicant supposed to determine the eligibility and national objective if we are not to define projects in Phase 1? Also, what is meant by overall benefit and schedule responses? Finally, do we need to address the substantial amendment criteria that we will use, and, if so, where should this be included in the application?

A: Regarding potentially inapplicable items within your publication of your Phase 1 application, remember that these dollars to be awarded are still CDBG dollars and that reasonable assurances need to be provided within your Phase 1 response that you will meet all of these criteria should you be invited to submit a Phase 2 proposal. So, for instance, with regard to overall benefit (referred to in Appendix A), the applicant may demonstrate that the target area(s) identified in Phase 1 is such that the applicant can meet the overall benefit criteria with their eventual Phase 2 submission. Potential projects being contemplated or discussed with tie-back to the disaster, also need to be CDBG-eligible activities, incorporate resilience, and meet a national objective, with allowances for waivers requested or approved, as applicable to the situation.

Please refer to Question 126 in the FAQs with regard to Schedule responses.

The criteria which constitute a substantial amendment to the plan, as set forth in Appendix A, are published as an un-lettered attachment in the order provided in Appendix A following Attachment F and any public hearing notices. There is no need to include a copy of these criteria, which are common to all Applicants, with your Phase 1 submission to HUD.

Q176: I have a question about the format of the application. Where should our narrative response to the most impacted/distressed/unmet need for each target area really be located, in Exhibit B or Exhibit D? Do we establish our target areas and their eligibility in Exhibit B and then expand upon that in Exhibit D?

A: The NOFA instructs applicants in Section IV., for their Phase 1 submission, that within any Exhibit, "you must address the required elements, and you may do this by providing a specific cross-reference to another Exhibit, including the page number, rather than repeating information." The review criteria for each exhibit, set forth in Section V. of the NOFA, also specifically refers to applicants, within their Exhibit D response, providing a narrative summary cross-referencing the applicable sections of their Exhibit B response.

Q177: We have several Crosswalk Checklist (Attachment J) questions.

Attachment J Crosswalk Checklist includes Exhibit B: Threshold Narrative after the Executive Summary and then also lists Factor 2 following Factor 1. There seems to be repetition of the most impacted and distressed criteria in the cross-walk as it appears in both the Threshold Requirements section and Factor 2 – Need/Extent of Problem. Can you explain how HUD wants the application organized and what is supposed to be different between these 2 sections?

In Attachment J Crosswalk Checklist, there are a number of items under Exhibit B: Threshold Narratives that do not seem to apply for Phase 1 including:

- a. Eligible Activity
- b. Proposal Incorporates Resilience
- c. National Objective
- d. Overall Benefit

What does HUD want us to include for these sections in the Phase 1 application?

Finally, In Attachment J Crosswalk Checklist what does "Certifications" refer to under Threshold Narrative?

A: Crosswalk Checklist Questions. With regard to your first question as to the potential differences, if any, between particular sections of Exhibit B, the Threshold Narrative, and other Exhibits, particularly the subfactors within Exhibit D, there may be very little difference. The NOFA instructs applicants in Section IV., for their Phase 1 submission, that within any Exhibit, "you must address the required elements, and you may do this by providing a specific cross-reference to another Exhibit, including the page number, rather than repeating information." The review criteria for each exhibit, set forth in Section V. of the NOFA, also specifically refers to applicants, within their Exhibit D response, providing a narrative summary cross-referencing the applicable sections of their Exhibit B response.

Regarding potentially inapplicable items within the Phase 1 Exhibit B response, remember that these dollars to be awarded are still CDBG dollars and that reasonable assurances need to be provided within your Phase 1 response that you will meet all of these criteria should you be invited to submit a Phase 2 proposal. So, for instance, with regard to overall benefit, an applicant should demonstrate that the target areas identified in Phase 1 are such that they can meet the overall benefit criteria with their eventual Phase 2 submission or that a waiver will be sought from HUD. Potential projects being contemplated will need tie-back to the disaster, also need to be CDBG-eligible activities, incorporate resilience, and meet a national objective, with allowances for waivers requested or approved, as applicable to the situation.

The Applicant Certifications are to be submitted in Attachment C. The Crosswalk reference for Certifications is essentially a checkbox for your use to insure inclusion in your submission.

Q178: Appendix F: Phase 1 and 2 Certifications includes a list of certifications that must be made and included in the Phase 1 application. In the General NOFA on page 23 it states:

"Application Certifications and Standard forms (see Appendix F for the certifications). Standard forms are available at <http://portal.hud.gov/hudportal/HUD?src=/programoffices/administration/hudclips/forms/> Remember to sign the certifications and forms."

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However when we visited this site none of the forms listed correspond to the certifications that must be made. Should we simply include the language from Appendix F and insert a signature line for the grantee to sign?

A: The Applicant Certifications found on the three pages of Appendix F are not formatted like typical CDBG Con Plan Certifications and do not have a signature block. By checking the "I AGREE" box in Item No. 21 of the SF424, however, the applicant is formally certifying to the list of certifications found in Appendix F. The certification process is incomplete, however, if the list of certifications is not attached to your application as Attachment C and the SF424 is unsigned. Be sure to include Attachment C with your application and make sure that the Authorized Representative signs the SF424 where indicated.

Q179: The NOFA seems to indicate that the Standard Forms (SF-424; SF-LLL; HUD-2880; HUD-96011) are part of the 40 page count (or 43 page count in our case since we are planning to submit two sub-county areas). Can you confirm?

A: In Section IV. of the NOFA, the standard forms are specifically excluded from the 40-page count limit (or 43-page in your case). That being said, HUD does recommend consecutively numbering all pages, including exhibit title pages, standard forms, and all attachments to ensure proper assembly of your application if printed. HUD will do the math and only count those pages that are applicable toward the page limits.

Q180: We have a question about a sentence fragment that we found within the body of the NOFA. On Page 3 of the 9-17-14 NOFA it states:

"Additional Overview Information:

1. On February 19, 2014, HUD published a General Section to the Department's fiscal year 2014 NOFAs for Discretionary Programs. The General Section contains requirements for applicants to HUD's competitive grant programs. However, many of these requirements are duplicative of regulations governing the Community Development Block Grant program, which apply to the use of CDBG-NDR grants unless modified by a waiver or alternative requirement. For ease of administration, HUD has expressly incorporated only those portions of the General Section relevant to the competitive award of funds. Applicants must meet all of the applicable requirements of the General Section in addition to the requirements of this NOFA to be considered and to receive funding. HUD hereby incorporates and makes applicable only those requirements of the General Section and the Technical Correction to the General Section expressly listed and made applicable in paragraph"

At that point the paragraph ends and nowhere in the NOFA can we find the applicable requirements of the General Section that are expressly listed.

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A: If you read further down on that same page of the NOFA, “2. Applicable Requirements of the General Section (as modified by the Technical Correction to the General Section), you will find references to the applicable requirements. Please also refer to Q163 in these FAQs.

Q181: We see in the NOFA where you can add documents in support of the narrative in Exhibits B and D and other threshold requirements within Attachment E using Dropbox or other cloud storage service

Are you allowed to put supporting documents in a Dropbox for Exhibit A, C, , E, F, and G? What about for Attachments A, B, C, etc?

Or are maps, drawings, renderings, other graphical representations and data in support of Exhibits B and D and other threshold requirements the only items allowed in Attachment E?

A: Yes, you may use Dropbox or another cloud storage service to provide data access to supporting information for your narrative in response to Appendix G. Just make sure to summarize that data within your narrative response and provide the links in the Checklist A or B required for each target area. You may also include the link in the text.

While HUD at this time does not envision it to be necessary, insofar that any of your narrative responses in the other Exhibits require supporting “data” then the cloud storage service referenced at Attachment E may be used for that purpose, as well. Remember, as set forth in the page limit exceptions in the NOFA, that any information presented here will not count against the page limits provided it includes no narrative text or data tables. Also, HUD will not look at anything that is not labeled and linked in accordance with the NOFA directions.

Use of a cloud storage device is not necessary to meet the submission requirements of the other Attachments as those requirements are specific to each Attachment, clearly explained in the NOFA, and do not count against the page limits. All required information should be contained within the file for a particular Attachment.

Q182: The NOFA under “Threshold Requirements” indicates several thresholds (outside of the items identified in the MID-URN Checklist and Appendix G) that must be met in the application. In the Crosswalk Checklist it would appear that those items need to be a part of Exhibit B.

Are you expecting those thresholds (outside of the items identified in the MID-URN Checklist and Appendix G) to be a part of Exhibit B or just items that should be addressed throughout the application as appropriate?

A: Please refer to the section of the NOFA titled, "Application Layout." Threshold requirements are supposed to be addressed in Exhibit B. Attachment E and other attachments will respond to threshold and mandatory documentation requirements, as appropriate. As the NOFA states, within any Exhibit, you must address the required elements, and you may do this by providing a specific cross-reference to another Exhibit, including the page number, rather than repeating information. In addition, regardless of how your narrative is presented, it should be clear from the page references on your Crosswalk Checklist where the threshold requirements have been addressed.

Q183: We understand that an applicant must submit a summary of citizen comments by topic with a list of commenters by name and organization and applicant responses. We have two questions about this:

1. Is there a required format for submitting this information?
2. Is the applicant responsible for responding to the individual citizens who comment or is it sufficient to provide applicant responses with the application submission?

A: There is no required format for submitting this information. Please refer to Q157 in the FAQs for further information. HUD leaves it to the discretion of the applicant as to how to respond to public comment outside the confines of the application.

Q184: We have developed a preliminary template for our NDRC application that adheres to the formatting rules in the NOFA— margins, font type, font size, line spacing, etc. —while allowing us to present additional content such as photos and 'pull quotes' in the document itself. The NOFA, as we have read it, does not specifically prohibit applicants from placing photos or pull quotes into the body of the application itself.

We believe that this format meets both the letter and the spirit of the formatting rules set forth in the NOFA. Can you confirm that this is the case?

A: HUD cannot offer comment on application templates without violating provisions of the HUD Reform Act. What we can do is restate the application layout requirements of the NOFA. As set forth in the Application Layout section, the NOFA provides the following:

- "1. Double-space your narrative exhibit pages. Single-spaced pages will be counted as two pages;
2. Use 8-1/2 x 11-inch paper;
3. All margins should be approximately one inch. If any margin is smaller than 1/2 inch, the page will be counted as two pages;
4. Use 12-point, Times New Roman font;

5. Any pages marked as sub-pages (e.g., with numbers and letters such as 25A, 25B, 25C), will be treated as separate pages;
6. If a section is not applicable, indicate "N/A" so that there is a clear indication to HUD (do not just leave the section blank);
7. Mark each Exhibit and Attachment with the appropriate tab/title page, as listed below. No material on the tab/title page will be considered for review purposes;
8. No more than one page of text may be placed on one sheet of paper; i.e., you may not shrink pages to get two or more on a page. Shrunken pages, or pages where a minimized/reduced font are used, will be counted as multiple pages;
9. *Do not format your narrative exhibits in columns. Pages with text in columns will be counted as two pages;*
10. Any tables included in the narrative exhibits of the application must also be double spaced or they will be counted twice.
11. All pages should be numbered. HUD recommends that applicants consecutively number the pages of the Attachments section to ensure proper assembly of their application if printed."

Q185: In the subsection within **Section B. Content and Form of Application Submission**, of the NOFA on electronic submission requirements, does the word "file" in (1)c. and (2)(c) refer to a "file folder"?

A: Within the specific CDBG-NDR Electronic Submission Requirements, all references to files are to electronic files. Each Exhibit should be contained in its own, separate electronic file with its own filename.

Q186: The instructions speak to continuous numbering of all pages in Attachments. But it seems to be silent about numbering of all pages in Exhibits. Is there a requirement there? Should the continuous number run through everything or may we make a clear paging system through the Exhibits?

A: Please refer to Q172 in these FAQs for guidance on page numbering of your application.

Q187: The instructions don't indicate whether or not to number the cover pages for each Exhibit/Attachment. It is clear the title pages don't count toward total pages and won't be reviewed, but is silent in regard to numbering in terms of printing assembly.

A: Again, please refer to Q172 in these FAQs for guidance on page numbering of your application.

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Q188: We have several questions about completing the SF-424, the Application for Federal Assistance, and the HUD Facsimile Transmittal. First, we were confused about the inclusion of a facsimile transmittal sheet. Are we also faxing our submission?

Second, on Line 16 in the SF-424: Since this is a State application, do we include all congressional districts or just the congressional district(s) related to the proposed project?

Finally, on Line 18 in the SF-424: Estimated funding is a required field, but we should not be entering any dollar amounts yet, correct?

A: At the end of the submission requirements in the NOFA, the Form HUD-96011, Facsimile Transmittal, is listed, "if applicable." This form is applicable in the following situations:

- An applicant has been granted a waiver of the electronic submission requirements and is submitting a paper application,
- An applicant has been requested by HUD to submit supporting documents and elects to send them by fax, or
- An applicant is making a correction to a deficient application and is therefore required to submit all technical deficiency cure items by fax.

Please only include the congressional districts of the sub-county target areas included with your application. With regard to dollar amounts, please refer to our response to Q149 in the FAQs.

New through March 19, 2015

Q189: We have some questions on how the application package will be submitted in grants.gov. Are the standard forms populated and signed in grants.gov or can they be added as attachments (SF-424, SF-LLL, HUD-2880)? In other words, are these standard forms able to be scanned and attached or must they be completed within the portal?

A: Every application package standard forms are pre-populated with data from the original posting, i.e., agency, CFDA number, and program name all appear on the SF 424.

Once the applicant has completed the application and hits submit, it goes through validation with SAM.gov and grants.gov to ensure registration on both is current and valid. The system automatically populates the identified Authorized Organization Representative (AOR) name within the signature section (the AOR is the person who can legally bind the organization to the application submitted). This must be completed in the portal.

Everything can be completed online. There is no need to complete, print, sign and scan back to the application. That defeats the purpose of electronic submission and adds an additional burden on you, the applicant.

The application package has Mandatory and Optional forms. Within the Optional forms there is a form "Attachments" that gives the applicant space to upload additional information, narratives, budgets, maps, etc. as required by the NOFA. The Attachment form allows the applicant to upload as many as 15 files.

Q190: We would like some clarification on Partner documentation. We've received letters from our intended Phase 2 partners to include in our Phase 1 application. In one place in the NOFA, however, it mentions needing the signature of the executor of the applicant, as well. Does that signature need to be on the letter during Phase 1

A: HUD cannot comment on the format and content of Partner letters prior to the application deadline without being in violation of certain provisions of the HUD Reform Act.

You are only required to submit letters of intent from Partners in Phase 1. See Appendix C for a Partner letter template.

Nevertheless, insofar that you are relying on Partner(s) in Phase 1 to implement CDBG-NDR activities in addition to planning and design, then a Partnership Agreement, following the agreement template found in Appendix D, must be included as well. For example, you might need a Partner Agreement in Phase 1 if a governmental partner was going to implement your long-term commitment referenced in Exhibit G in response to

Phase 1 Rating Factor 5. As shown in Appendix D, the Partnership Agreement is executed by both the Applicant and the Partner.

Please do not submit any Partner documentation that is strictly related to your potential Phase 2 application.

Q191: A tribe in our state is currently not participating in the National Flood Insurance Program (NFIP). They do not have Base Flood Elevation Mapping to support the decision to participate. They have applied to FEMA for funding, but are not a prioritized community at this point.

In the section on ineligible activities, the NOFA states that projects located in a Special Flood Hazard Area (SFHA) would not be eligible if the community is not participating in the NFIP. Does this also apply to unmapped communities or tribal areas?

A: The Sandy Allocation notice states:

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.

This language is a restatement of HUD’s overall flood insurance requirements at 24 CFR 58.6(a). If a community has not been mapped by FEMA, HUD considers it not to have Special Flood Hazard Areas for purposes of the Flood Disaster Protection Act. In short, if a community has not been mapped by FEMA, then a lack of participation in the National Flood Insurance Program will not prevent a community from receiving HUD assistance.

Q192: In our Exhibit B Threshold narrative, we have attachments supporting our most impacted and distressed criteria and our unmet recovery needs linked to a cloud storage service. Should we also include those attachments as hard copies (i.e., as part of our Exhibit B narrative) to be included in the numbered pages even though they will not be counted toward the page limit? Or will the active link to the cloud storage service in the Exhibit B narrative suffice?

A: The purpose of making the cloud storage service available is to be able to provide supporting data that you are referencing or summarizing within your narrative. While the data provides evidence that you have met the threshold criteria, it has the potential,

if included in your narrative, to make your Exhibit B unwieldy. In addition, any data, maps, photos, and other items reserved for placement in Attachment E that instead appear in the exhibits will count against your page limit for your Phase 1 submission.

Applicants should be judicious in using the narrative to present data or graphical representations of threshold criteria that may otherwise be linked to files in a cloud storage service or be linked to publicly available data from a reputable source.

Please also keep in mind Q118 and other FAQ responses in presenting your data.

Q193: If we want to submit threshold data for two counties, what happens if HUD decides one county missed the threshold and the other does not? Does this disqualify the whole application? Or will it mean that our Phase 2 application can only be for one county?

A: It does not disqualify your application or impact a potential Phase 2 application. If you submit threshold data for two target areas and we only accept the threshold data for one, we will review the second area as if it was your greater area and not your target area for grant expenditure. You only need to get one target area to meet threshold to get us to review the Phase 1 application. Any target area that we do not accept for threshold, we will consider as your leverage to a larger area. And if you get invited to Phase 2 and you want to adjust or update your data and try to add areas, you can do that too. This is very iterative process as the NOFA discusses this in several places. So, do not fear, you are really trying to get at least one target area to meet the threshold requirements in Phase 1.

Q194: This is a follow-up question to Q159. Appendix G does not state a dollar amount for unmet needs for housing. What is the threshold for resilient repairs for housing, either elevation or acquisition?

A: The NOFA states for applicants that do not yet have a designation for their county for most impacted and distressed, 20 homes. It is not a dollar threshold. It is the number of units that you can show have unmet needs. So it is a unit count, not a dollar count. If this is for an applicant who is already a grantee under CDBG-DR, the NOFA simply states that it must exceed the existing CDBG-DR funds available.

See also Q33 in the FAQs for a related response.

Q195: Are there any page limits besides the two for Executive Summary and the five for Exhibit B?

A: There is a suggested two pages maximum for the Executive Summary; it is not a hard two page limit. But please try to hold it to two pages. HUD may use the Executive Summaries to help make assignments of the applications to the appropriate reviewers. Please be brief and tell your story. Of course, for the Phase 1 application as a whole, there may be no more than 40 pages with three additional pages allowed for each target area after the first, if the application includes multiple target areas.

Q196: Is there a minimum number of brownfields that must be in a target area for it to be considered having had prior environmental distress?

A: Yes, it is one. As the technical correction to Appendix G noted, having an area with a brownfield is only one of several ways to document prior environmental distress.

Q197: Will a chart depicting partners or stakeholders be an acceptable attachment?

A: This is acceptable for inclusion in Attachment E, provided they are like maps and drawings, showing us the interrelationships in a graphical format. We have said that we would not count this against page limits provided there is no narrative text or data tables. But you are allowed to include labels and legends. If you made not a data table of your stakeholders, but showed us some kind of graphical representation of their relationship to you, then that is acceptable. But remember that you also have the Citizen Participation and Consultation Summary Chart where you are going to be giving us a lot of information. It is up to you if you found a graphical way that you think shows us better or shows us something that would help us understand your idea or concept.

Q198: If we are looking at the geographic perspective larger than the minimum required geography, please define minimum required geography.

A: There are two kinds of geography really in place throughout the competition. One is the target area for grant expenditure, which is the area with unmet recovery needs wherein you are going to be addressing that unmet recovery need in Phase 2. Of course, due to the nature of disasters, there are a few situations where you may not actually be spending money within the affected target area. For example, if you have to go upstream from the target area to deal with flooding problems. For the most part, however, the target area for grant expenditure is going to be the geography with unmet recovery needs for the benefit of which you are going to expend your grant funds. If you want to call this the minimum required geography, then that is basic target area for grant expenditure.

On the other hand, your total proposal target area is going to include the entire area, the entire geography that is positively affected by your leverage and long-term

commitment beyond what is eligible to assist with the funds coming from this appropriation.

We tried to say it as clearly as we could in the NOFA and narrow down Appendix G for clarification purposes. There are two target areas: (1) target area for grant expenditure and (2) the overall proposal target area for resilience.

Q199: This is another follow-up to Q159. Do we have to survey the houses for unmet recovery need if we are documenting that they have unmet resilience need and can document that they were damaged in the disaster?

A: No, but you still need to document that they did not have enough money to elevate or to perform the resilience measures that need to be done for those properties.

Stated another way, you still need to go see that the properties exist (through the windshield survey). Additionally, you still need to document that there is not enough money to do the elevation or contemplated resilience measure— the instructions in Appendix G still apply. This is unmet need because there were not enough resources, not just because you chose not to do it.

Q200: Can we add partners in Phase 2 and also drop a partner who was part of Phase 1 but decided not to participate as long as we did not drop all partners?

A: You could actually drop all partners altogether, though such an action would likely impact your capacity score. This score is a slightly higher percentage of the total possible points in Phase 1 than in Phase 2. It is certainly possible to restructure going to Phase 2. You need to pay special attention, however, to making sure we understand that you still have capacity. Adding partners is not a problem in Phase 2.

Q201: Do insufficient disaster funds from FEMA qualify to demonstrate unmet need for such things as not fully funding elevation costs?

A: FEMA is one of many sources for funding recovery. For example, if this is a housing related question, you need to conduct a survey wherein property owners would state that he or she did not get enough from the insurance company, from FEMA, or from another source and he or she did not have enough money to elevate the house. In this example, this is the process to show unmet needs for elevation.

Q202: Since FEMA project worksheets are permitted to demonstrate unmet infrastructure needs, do we need to provide the complete worksheets? We have 258 in total and are using three as examples. These are large worksheets and probably 70 plus pages each.

A: This question was addressed in part by Q166 in the FAQs. As stated there, HUD does not have independent access to FEMA project worksheets, but we did review several of them as part of the 45-day reviews. HUD does not know enough about the structure of FEMA project worksheets to say if there are any particular pages that you can leave out. If there is a concern that grants.gov cannot handle a file size, place it in a cloud storage service for us to examine. There are no page limits on data backup in a cloud storage service that you may link to in your application.

Q203: Beyond the partner letters, would submissions of letter of support be helpful for the Phase 1 application?

A: If you submit letters of support, they will be counted against your page limit. Please do not submit letters of support. The NOFA explicitly states this in your Factor 4 Leverage response.

Q204: We are not going to include the questions in our application because of the page number limit. We are just going to label our provider answers with the numbers of the questions provided as a reference. Is it okay to leave the questions out?

A: Yes.

Q205: If a county took out a loan for infrastructure repair, can the loan amount be an unmet need?

A: No. Loans and grants are both ways of getting the money you need to do things. We do not differentiate between the two as directed by the Stafford Act. So, for example, if you got an SBA loan to repair, then you no longer have an unmet need. The SBA loan met your repair needs.

Q206: Does damage to a public building count as damage to permanent infrastructure?

A: Yes, and HUD has also granted a waiver, on occasion, to allow the funding of buildings used for the general conduct of government under CDBG-DR. This question also goes to an earlier FAQ that asked whether everything that you put in for damage in infrastructure had to be CDBG-eligible. And the answer is no. We are simply looking for straight up numbers on damage. For example, if you are talking about the threshold, damage to a public building does count as damage to permanent infrastructure. If you want to go on in Phase 2 and fund it, you would ask for the waiver on expending CDBG

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funding on buildings used for the general conduct of government and make a good case for the expenditure.

Q207: We thought requests for all anticipated waivers had to be done within the Phase 1 application. Is this correct?

A: No. There is no way that an applicant can be doing eligibility, national objective, and overall benefit waiver requests within the context of its Phase 1 application since there is no project or activities yet. If you know in Phase 1 that you will need a waiver, you can make a request. HUD included that provision in Phase 1 in case somebody got really creative and we had not thought of everything. We are expecting the bulk of waiver requests, however, for Phase 2.

Q208: Just to confirm, work listed in threshold does not have to be CDBG-eligible. It would only need to be CDBG-eligible if we, in Phase 2, want to fund the work, correct?

A: Yes, correct. When it comes to describing threshold criteria, the distress shown or the repair contemplated does not actually have to be CDBG eligible. If you got selected and went on to Phase 2, you would have to devise a CDBG-eligible way to address the unmet recovery need or submit waiver requests and show good cause.

Q209: Do both public hearing and public comment require 15 days advance notice or can it be less for a public hearing if that is our jurisdiction's or state's rule? We want to hold the hearing a few days early to leave time for more comments afterwards and still leave time to finish the proposal.

A: Section III. C. 1. of the NOFA describes the streamlined citizen participation requirements that apply to your application. These are the minimum requirements. Within those requirements, there is no provision requiring 15 days advance notice of a public hearing. You are going to be covered by your own CDBG Citizen Participation Plan, however, because these are still CDBG funds. The streamlined requirements did waive 24 CFR 91.115(b), wherein HUD suggests that two weeks is adequate notice of a public hearing, so we leave it to your judgment as to what you think is reasonable advanced notice of a hearing. There is a 15-day public comment period and we do not require advanced notice for a public comment period.

Q210: We have a question about the SF-LLL. For the disclosure of lobbying activities, what is meant by lobbying registrant and individual performing services?

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A: Unfortunately, the instructions for the SF-LLL do not appear with the application package in grants.gov. Please refer to the instructions for Standard Form – LLL which may be found at the HUD Exchange (www.hudexchange.info/resources/documents/HUD-Form-Sflll.pdf). If, after reading the instructions, this form does not apply, indicate that (e.g., writing “N/A”) on the form and submit it with your application.

Q211: We have a question about the Form HUD-2880. For the Applicant/Recipient Disclosure Report, for Part 1 Threshold Determinations it asks if we expect to receive funding in excess of \$200,000 from HUD in the fiscal year (Oct.1 – Sept. 30). If awarded NDRC funding that will not take place until Dec 2015/Jan 2016 so I assume we check no? If so, please clarify that there is no need to proceed with the form to name agencies benefitting etc.

A: You are correct. For Phase 1, you are to check “No” for both questions 1 and 2 in Part I and there is, therefore, no need to complete the remainder of the form.

Q212: I have two questions regarding demonstration of unmet recovery needs threshold requirement, as related to existing CDBG-DR programs.

a) Housing: The unmet recovery need delineates between those currently running a CDBG-DR housing program and those that are not. If an entity has set aside CDBG-DR funds for a housing recovery program in an approved Action Plan but has not initiated the program and thus does not have a program waiting list, what data source and documentation should be used to demonstrate unmet need?

A: Because the housing program has not been initiated, this is a program that is not running currently and therefore you would provide the explanation and data sources under A. 1. (b) of Appendix G. You essentially need to explain why the allocations you have made to the housing program are inadequate to address your unmet housing needs.

b) If an entity has submitted budgets and action plans for 2 of 3 CDBG-DR allocations to HUD and the third has not been finalized, how should the entity account for (if at all) this third allocation in considering the calculation of unmet recovery need?

A: Regarding your second question, if the third allocation of CDBG-DR is a known amount that is not likely to change once finalized, then this anticipated amount should be used in calculating unmet recovery need. You need to make a strong case in your narrative that based on the anticipated or planned use of this funding there will still be unmet recovery needs.

Q213: What is HUD's threshold for "narrative text" on the graphics? For example, would a sentence-long caption be considered 'narrative text' on our label? Also, we'll likely have some Exhibits that will end midway through the page, resulting in half of a blank page. In such cases, will that whole page count towards our page count or just the portion of the page with text?

A: A sentence long caption on a graphic will be considered narrative text and will count against the page limits. Any page with any amount of narrative text in your Exhibits will count towards the page count.

Q214: In the narrative, we are supplying links to supporting documentation for impact, distress, and unmet recovery needs. All information associated with those links is summarized. As I understand the NOFA, it is okay to provide links to supporting documentation as long as it is summarized. So my understanding is that these summaries will not count toward the page limit for threshold review. Is this correct?

A: The purpose of using a cloud storage service is to provide data in support of your narrative that otherwise would overwhelm the narrative and not provide you with enough room for you to present your argument according to the NOFA requirements. To that end, the NOFA, in Section I.A.1. of Appendix G, specifically states that "your narrative submission may summarize required support data rather than including the data in its entirety." The NOFA itself, notes in Section IV.B.c.14. that this data is excluded from your page limits, but that, "Data must be summarized and described in the narrative, but may be provided separately in accordance with instructions in Appendix G." Any and all language in your Exhibit narrative, including summaries of linked data, counts towards the page limits. The supporting data in the cloud storage service does not. (HUD will **not** use such linked information for scoring purposes, but will review to ensure it says what the submission says it does and that the source is reputable. Do not expect HUD to mine the data and form conclusions to use in scoring your application.)

Q215: In regard to the SF-424, Application for Federal Assistance, I am trying to find info in the application documents about whether the Program is covered/subject to Executive Order 12372 or not. I'm assuming since this is passed through HUD that it is, but I would like confirmation if possible.

A: The NOFA says:

"D. Intergovernmental Review.

This program is subject to Executive Order 12372, Intergovernmental Review of Federal Programs. Executive Order 12372 allows each state to designate an entity to perform a state review function. To determine if your state has designated a State Point of Contact

(SPOC), please go to http://www.whitehouse.gov/omb/grants_spoc/ . States not listed on the website have chosen not to participate in the intergovernmental review process and, therefore, do not have a SPOC. If your state has a SPOC, you should contact the SPOC to see if that person/office is interested in reviewing your application before you submit it to HUD.”

Q216: On the first page of the Grant Application Package that we downloaded from grants.gov, it shows that the SF-LLL, Disclosure of Lobbying Activities,” and the HUD Form 2880“HUD Applicant Recipient Disclosure Report (HUD Form 2880)” are listed as “Optional.” Because they are listed here as optional, do we have to complete them and submit them with our application?

A: You are correct in noting that the cover page of the Application Package notes that the SF-LLL and the Form HUD-2880 are “optional.” Nevertheless, it also notes that the Attachments are optional. Clearly, an application submitted without the Attachments would contain serious deficiencies and would not be reviewed. Applicants are cautioned, therefore, that in any instance where information provided on a form does not conform with the NOFA, the NOFA governs. The NOFA clearly states in IV. B., Content and Form of Application Submission, the following regarding the Standard Forms (*emphasis added*):

“**Standard Forms.** The last part of your application will be comprised of standard forms common to many HUD programs. For the CDBG-NDR application, the *required* standard forms are: Application for Federal Assistance (SF-424), Disclosure of Lobbying Activities (SF-LLL), Applicant/Recipient Disclosure/Update Report (HUD-2880); and Third Party Documentation Transmittal (HUD-96011).”

Q217: For the Committed Leverage Resources, can those funds come from state or federal government partners?

A: In general, leverage may come from state and federal programs. After review, we do not believe that based on the law, the NDRC NOFA, the General Section, and Technical Amendments to both that there is support for a determination that “Partners” include federal agencies. Although a federal agency may provide an Eligible Applicant some assistance in applying for the NDRC, that agency is not an extension of the applicant’s capacity in the sense the NOFA describes for Partners. Your application may describe assistance you received or will receive from a federal agency, but you will not submit Partner letters or agreements for such agencies.

There are two types of leverage in the NOFA. The easiest way to express the difference between a direct leverage and supporting commitment is that direct leverage is cash committed by an Applicant or a Partner to the eligible CDBG-DR activity or project itself,

and as the NOFA states, the “funding is available to you for the activities directly related to undertaking your CDBG-NDR proposal.” These cash leveraged funds would be included in a sources and uses statement for the project right along with the CDBG-NDR assistance. A supporting commitment is provided by a Partner and “is funding that your Partners have available for their use to carry out activities that directly support the proposal.” It supports the same goals and strengthens the CDBG-NDR project, but loss of the supporting commitment would not keep the CDBG-NDR-assisted activity from going forward. The NOFA cites the example of a university professor who received grant funding to conduct a healthy environment study for the target area.

Funds arising from P.L. 113-2 from other federal programs may not be considered either as leverage or supporting commitments, although funds from other sources may be considered for either leverage or supporting commitments. (See Phase 2 Factor 4 paragraph 8(g).) The NOFA does say that no funds may be counted towards the leverage factor to the extent that CDBG-DR or CDBG-NDR funds are considered match or cost share by the source of those funds.

CDBG-DR is not included as leverage, but regular CDBG is.

Also reference Q122-123 in the FAQs.

Q218: We have a follow-up to the above question. It seems that the first sentence of Phase 2 Factor 4 paragraph 8(g), that you reference in your answer, would permit us to use US Forest Service funding as leverage, for instance, since their funds can be used for the purposes we are proposing in our application. Am I reading it incorrectly?

A: Insofar as U.S. Forest Service funding, whether received directly or as a pass-through from another state agency, is not from funds appropriated and authorized by P.L. 113-2, you may use this funding as leverage. Phase 2 Factor 4 paragraph 8(g) specifically prohibits the use of funds awarded under P.L. 113-2 as leverage.

Q219: Are footnotes acceptable within the narratives? And if yes, are they required to be 12 point Times New Roman font and double spaced?

We are citing resources, such as a Climate Assessment Report, but how do we reference them?

A: We do expect the directions in the NOFA regarding font type and size, and line spacing, to be followed for all narrative text, including references.

Other than general direction in Appendix G, we did not give directions on how to cite resources within narrative Exhibits, so you may decide.

Q220: There is space for 15 attachments to be uploaded in grants.gov. Given the NOFA instructions regarding how documents should be saved/named, we may have more than 15 documents to upload. Are we permitted to combine certain documents for upload or is there another desired approach?

A: With regard to your attachments, please follow the NOFA instructions for application assembly and submission as much as possible. If you have to combine documents, make sure that Attachment H, the Crosswalk Checklist, tells us where to find everything, including which filename to look in for all required items with page numbers referenced. Be careful not to exceed the capacity of grants.gov (total application must not exceed 200 MB in size) and utilize a cloud storage service for data in support of your Exhibits or for maps, drawings, and other graphical representations in Attachment E that may otherwise cause you to exceed the capacity of grants.gov.

HUD's recommendation, as set forth in the NOFA, is that applicants submit their applications early and allow sufficient time to upload their application as it may take several hours.

Q221: We have a total of 13 application attachments in grants.gov. Attachment E is too large and will be located in a cloud storage service. We are placing the instructions with a password-protected link in the executive summary. Do we have to upload a cover page into grants.gov? We are also not submitting Attachments F & G at this time. Do we need to have cover pages or a reference as to why they are not there?

A: The Application Package in grants.gov already has its own cover page. If your question is whether a title page needs to be submitted as an attachment in grants.gov for a file that is not there, then the answer is no. Insofar as your Attachment E information is submitted in the cloud storage service, there should be one title page submitted as set forth in Section IV.B.second c.(2) of the NOFA. Title pages are required only for actual Exhibits and Attachments. Please use Attachment H, your Crosswalk Checklist, to note the location of all Exhibits and Attachments. For any optional Attachments that you are not submitting, simply note, "N/A" in your Crosswalk Checklist.

Q222: We have some final formatting and submission questions. We are considering combining all seven (7) Exhibits (A-G) into ONE composite file. Does HUD have a preference or restriction against this approach? To that end, our entire application is less than 200 MB in size, so we see no need for cloud storage. Can we submit the entire application in grants.gov?

A: Section IV.B.second c. of the NOFA states that for each Exhibit and Attachment, it "should be contained in its own separate file in the application." That is HUD's preference. Insofar that you are **not** doing that, you may include any number of

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documents in more than one file. Please reference the answer to Q220 above for how to do that. No more than 15 files may be attached in grants.gov.

Q223: The Application Layout section of the NOFA states that all pages should be numbered and recommends consecutively numbering pages of the Attachments section to ensure proper assembly of an application if printed. Our approach for numbering links the type of file (Exhibits, Exhibit B Support Files and Attachments) with a corresponding page number. Pages are organized as follows:

- EXHIBITS A-G (e.g., ExA Pg. 1-2; ExB Pg. 1-5; ExC pg 1-9, etc.)
- EXHIBIT B Support Documentation (e.g., ExB File 1, Pgs. 1-XX; ExB File 2)
- ATTACHMENTS (e.g., A-H as follows AttA - pgs. 1 to 5; AttB - pgs. 1-4; AttC - pg. 1; etc.)

Since Exhibits and Attachments are organized sequentially, the page numbers then organize the pages within each document or map file.

Is this an acceptable approach to satisfy the page numbering requirement?

A: This is acceptable, as HUD did not dictate page number format.

Q224: When assembling attachments for the NDRC application, the NOFA provides guidance on file names. It states that attachments should be named, "e.g., '**Att1PartnerDocumentation**'", etc. The list of attachments then provided by the NOFA are alphabetically defined; Attachment A – Partner Documentation.

Does HUD have a preference for whether attachments are listed and named numerically (1,2,3, etc.) or alphabetically (A,B,C,etc.)?

A: HUD prefers that you match the filenames to the letters used in the names in the attachment list in the NOFA and that these Attachments be submitted sequentially (A, B, C, etc.).