



LA SAFE

Program Guidelines v 9.0

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1.0 INTRODUCTION

1.1 National Disaster Resilience Competition (NDRC) Overview

The U.S. Department of Housing and Urban Development (HUD), in collaboration with the Rockefeller Foundation, conducted a two-phase National Disaster Resilience Competition (NDRC) to distribute \$1 billion in funding to state and local governments to help communities recover from natural disasters and advance resilience-building initiatives.

At the competition's conclusion, HUD awarded Community Development Block Grant National Disaster Resilience (CDBG-NDR) funds to thirteen (13) state and local governments. The State of Louisiana was awarded \$92,629,249 of CDBG-NDR funds for the following projects, to be administered by the Office of Community Development – Disaster Recovery Unit (OCD-DRU):

- **Louisiana's Strategic Adaptations for Future Environments (LA SAFE)** – \$39,750,000 for the planning and capitalization of a State-administered fund to provide gap assistance for public, privately-owned and/or nonprofit projects and programs for Resilient Housing, Resilient Transportation, Resilient Energy, Resilient Infrastructure, Economic Development, Public Services, Community Nonstructural Mitigation/Flood Risk Reduction, and/or Planning/Education. These concept proposals will be presented as project, program, and policy recommendations emanating from a multi-phase, community-driven planning effort, which will be codified in parish-wide Strategic Adaptation Plans. Using information and projects identified in the Strategic Adaptation Plans, the State will work with eligible communities to select CDBG-NDR projects to be funded through the LA SAFE Program. In addition to the HUD award, the State of Louisiana has committed an additional sum of \$250,000 in supporting leverage, bringing the total value of the initiative to \$40,000,000.
- **Isle de Jean Charles Resettlement** – \$48,379,249 for the Resettlement of Isle de Jean Charles, a coastal island community in coastal Terrebonne Parish currently experiencing severe land loss and extreme flood risks, to a resilient and historically contextual community. The Resettlement of Isle de Jean Charles is broken down into three phases: (1) Data Gathering and Engagement, (2) Site Selection, Acquisition, and Master Planning and (3) Construction and Development.

In addition to the funds for these two (2) projects, HUD awarded the State \$4,500,000 for administrative costs.

Projects and programs funded with CDBG-NDR assistance must address an unmet recovery need as a result of Hurricane Isaac while also mitigating the effects of future vulnerabilities, notably coastal land loss, sea-level rise, and subsidence.

1.2 LA SAFE Overview

LA SAFE is a statewide resilience policy framework focused on helping communities plan for – and implement – safer, stronger, and smarter development strategies within three basic typological scenarios. These scenarios are (1) **Low Risk Areas**, or those with favorable future flood risk projections (0'-3' in a 100-year flood event projected in 2067) and which have current development opportunities to receive

populations and economic activity from more flood-prone environments; (2) **Moderate Risk Areas**, or those with future flood risk projections (3'-6' in a 100-year flood event projected in 2067 or currently located within the FEMA 100-year floodplain) conducive to maintaining current population levels and economic trends provided such communities orient future development and mitigation activities in alignment with future flood risk projections; (3) **High Risk Areas**, or those with less favorable future flood risk projections (6'+ in a 100-year flood event projected in 2067) and those who would expect to experience population and economic losses, up to and including full community-scale resettlement, as environmental conditions deteriorate and repetitive severe flood events take place. To support this process, OCD-DRU is utilizing the Coastal Protection and Restoration Authority of Louisiana's (CPRA) analytical model, the Coastal Louisiana Risk Assessment (CLARA), to estimate flood depths and damages that may potentially occur as a result of major storms projected over the next 50 years.

LA SAFE will be implemented as a planning and capital investment program in an initial six-parish target area. These parishes are Jefferson, Lafourche, Plaquemines, St. John the Baptist, St. Tammany, and Terrebonne. While these guidelines are envisioned to govern planning and program implementation for the initial \$40,000,000 CDBG-NDR awarded program, they may also provide a model for future awards and investment decisions financed through other local sources, federal assistance programs and/or other statewide efforts to mitigate future community flood risk.

The program's initial goals are as follows:

- 1) To generate parish-wide, community-driven plans focusing on opportunities for residents and stakeholders to proactively adapt and prepare for anticipated environmental changes in the next 10, 25 and 50 years; and
- 2) To provide gap funding for critical projects that will make Louisiana's at-risk communities more resilient. Furthermore, LA SAFE is intended to identify and develop scalable and transferrable resilience-building models within the initial six-parish target area.

Awards made through LA SAFE are intended to fill a potential void between capital outlay, conventional financing, grants, and other non-traditional funding sources. LA SAFE's capitalization through this initial CDBG-NDR investment is a first step toward cementing Louisiana's place as the national laboratory for resilience-building techniques and technologies.

The State of Louisiana will remain compliant with all CDBG-NDR requirements until all allocated funds and associated program income are expended on eligible activities. As LA SAFE matures, it may seek additional capital from financial institutions, philanthropic organizations, private equity, and other external sources.

1.3 LA SAFE Framework

The program has three responsibilities: planning; award-making (investments); and fund-development (investment-capitalization). LA SAFE will provide gap financing for planning, design, and new construction or rehabilitation projects based on priority program areas set through the LA SAFE framework. As such, LA SAFE currently recognizes eight program areas: Resilient Housing; Resilient Transportation; Resilient

Energy; Resilient Infrastructure; Economic Development; Community Nonstructural Mitigation/Flood Risk Reduction; Planning; and Public Services/Education.

To be included in the Strategic Adaptation Plan and ultimately eligible for an award a project must fall within at least one current priority program area as described below:

1.3.1 Resilient Housing

As communities contemplate future land loss, subsidence, and flood risk conditions, the availability, affordability, and condition of housing stock within a particular locale is a vital consideration in anticipation of future population movements and economic activities. For **Low Risk Areas**, this contemplates highest and best uses of available lands with minimal future flood risks and high population growth potential, with an emphasis placed on multi-family, mixed-use developments and affordable homeownership opportunities. Within **Moderate Risk Areas** and **High Risk Areas**, this contemplates the needed quantity of housing units to serve a population projected to either remain at current levels or decline over time and appropriately sized for economic or other vital assets within close proximity. Additionally, such units should be envisioned to be constructed or rehabilitated with an appropriate style, density, and quality contextually in alignment with a 50-year projection of future flood risk.

- Eligible projects may include the planning, design, and implementation of housing rehabilitation or new unit construction projects.
- Eligible projects may facilitate the rehabilitation or new construction of rental or owner-occupied unit types.
- New construction and/or rehabilitation of rental housing should provide a minimum of 25 new units within a housing-only or mixed-use development.
 - At least 51 percent of all newly-constructed rental units must be affordable for low to moderate income (LMI) families. Affordable rents are defined as the total monthly housing cost of rent and utilities for an eligible LMI family which is not more than one-twelfth of 30% of the applicable AMI limitation for the area, adjusted for family and bedroom size. The unit and bedroom size is based on an imputed occupancy of 1.5 persons per bedroom and 1 person for efficiency units. All newly-constructed affordable rental units will be subject to a reasonable period by which such units must remain affordable. The reasonable period of affordability will be determined through project underwriting and the amount of funding awarded for a project.
 - Selection criteria will provide additional consideration to projects leveraging other funding sources, such as HOME or Low-Income Housing Tax Credits (LIHTC).
- New construction and/or rehabilitation of owner-occupied housing should provide a minimum of 25 new units within a housing-only or mixed-use development.
 - The structure of the homeownership assistance for all newly-developed owner-occupied housing units should be targeted primarily to populations earning less than 120 percent of AMI, with additional preference and/or program benefit given to families earning 80 percent or less of AMI.

- Gap financing through the offering of “soft-second” mortgages to homeowners may be eligible for this program.
- All newly-constructed or rehabilitated units must be constructed to withstand a projected 100-year flood event as envisioned in a particular locale over the 50-year CLARA modeling period.
- Preference will be given to projects maximizing housing unit density within areas projected to experience minimal future flood risk.
- Preference will be given to projects located near critical economic assets, employment centers, schools, and transit routes/hubs.

Eligible Activities: Clearance, Rehabilitation, Reconstruction, and Construction of Buildings – 105(a)(4); Relocation – 105(a)(11); Activities Carried Out through Nonprofit Development Organizations – 105(a)(14); Assistance to Neighborhood Based Non-Profit Organizations- 105(a)15; Housing Services – 105(a)(20); Homeownership Assistance – 105(a)(24)

1.3.2 Resilient Transportation

As part of holistic, strategic planning around future projections of land loss, subsidence, flood risk and population and economic changes anticipated in conjunction with changing environmental conditions and anticipated disaster impacts, transportation connectivity in support of vital economic assets and supply chains must be considered at a systems-level and designed to withstand acute disaster impacts with minimal interruptions interfering with the movement of people and goods.

- Eligible projects will include the planning, design and implementation of activities that either decrease physical vulnerabilities of current transportation networks and/or create new transit nodes or networks that increase safety and social and economic connectivity.
- Eligible projects must consider, and even emphasize, multimodal transportation options (i.e. car, ride-share, biking, rail, bus, and walking).
- Preference will be given to projects facilitating multiple benefits, including those providing transportation-oriented development opportunities enhancing economic activity or population growth in locales projected to have minimal future flood risks.
- Alternative modes of transportation that can take advantage of the natural systems and provide new, innovative ways to mobilize people such as gondolas and water taxis are encouraged.
- All transportation projects should be accessible by, and provide benefit to, a wide range of users.

Eligible Activities: Acquisition of Real Property – 105(a)(1); Public Facilities and Improvements and Privately-Owned Utilities – 105(a)(2); Clearance, Rehabilitation, Reconstruction, and Construction of Buildings – 105(a)(4); Public Services – 105(a)(8); Payment of the Non-Federal Share – 105(a)(9)

1.3.3 Resilient Infrastructure

Low Risk Areas must contemplate infrastructure needs associated with potentially rapidly growing populations and economic activities as migrations take place in response to ongoing environmental degradation and acute disaster impacts. Meanwhile, **High Risk** and **Moderate Risk Areas** must anticipate infrastructure that can support static or declining populations while withstanding potential future disaster

impacts. In **High Risk Areas**, especially, consideration must be given to the removal or adaptive reuse of orphaned infrastructure no longer needed to service a smaller or non-existent future population.

- Eligible projects will include the planning, design, and/or construction of new or adapted infrastructure that quantitatively reduces future flood risk.
- Eligible projects will include those that demonstrably increase the potential for population and economic growth within corridors anticipated to experience minimal future flood risks.
- Eligible projects will include traditional built infrastructure only if proposed projects integrate EPA standard green infrastructure practices. Uses of downspout disconnection, rainwater harvesting, rain gardens, planter boxes, bioswales, permeable pavement, green streets, green roofs, tree planting, and land conservation will be preferred.
- Planning and implementation of an infrastructure rollback program will be eligible for funding under this program. An infrastructure rollback program must explain how infrastructure is removed, where the waste will be brought, and how the land will be returned to the best possible natural state.

Eligible Activities: Acquisition of Real Property – 105(a)(1); Public Facilities and Improvements and Privately-Owned Utilities – 105(a)(2); Public Services – 105(a)(8); Payment of the Non-Federal Share – 105(a)(9)

1.3.4 Resilient Energy

Adaptive communities must contemplate future energy uses in anticipation of potential population gains and losses, as well as future economic activities in environments with both favorable and unfavorable future flood risk profiles. Specifically, in **Low Risk Areas**, considerations should be made to design new energy systems or expand the capacity of existing energy systems to emphasize a minimal carbon footprint, and where applicable, should incorporate smart grid technologies and net-zero concepts. Additionally, alternative energy sources, such as geothermal and wind/water power technologies should be incorporated, especially in **Moderate Risk** and **High Risk Areas**, which may become isolated from more traditional power distribution systems over time.

- Eligible projects will include the planning, design, and/or installation of new systems and technologies that decrease future risk through protections or enhancements of a community's energy supply and/or grid.
- Eligible projects may include, but are not limited to, renewable electric and thermal generation, high-efficiency Combined Heat and Power (CHP) (65 percent efficient) and fuel cells (50 percent efficient), energy storage (electric or thermal), energy management systems (controls, switches, software), islanding technology, and microgrids. Conventional technologies, such as diesel generators, will not be eligible.
- Private utilities are ineligible for assistance.
- Projects will be required to be able to operate in island mode continuously for at least 3 days, with longer duration projects receiving priority.
- New or retrofitted existing systems will be eligible.

Eligible Activities: Public Facilities and Improvements and Privately-Owned Utilities – 105(a)(2); Public Services – 105(a)(8); Payment of the Non-Federal Share – 105(a)(9)

1.3.5 Economic Development

Adaptive communities must contemplate future economics and economic development opportunities in anticipation of potential population gains and losses. **Low Risk Areas** should consider what moves may be necessary to enhance current economic opportunity in anticipation of increased population growth. Additionally, **Low Risk Areas** should consider how diversification of economy could take place as the labor force increases. **Moderate Risk** and **High Risk Areas**, which may become isolated from more traditional power distribution systems and supply chains over time, should contemplate economic development opportunities taking advantage of current and future environmental conditions, including but not limited to those related to the water economy, or those taking advantage of recreational opportunities native to local access to water bodies and undeveloped natural areas/wetlands. **Moderate Risk Areas** must be able to meet their economic needs so as to maintain viability to service key economic hubs. **High Risk Areas** must contemplate industries supported by primarily commuter populations and must be able to withstand frequent, severe flooding events.

- Eligible projects may include the planning, design and/or implementation of activities primarily creating job opportunities for vulnerable and low-to-moderate income individuals.
- Projects may include assistance to businesses and infrastructure in community employment centers located on high ground, with a goal of buying down risk for commercial development.
- Economic development projects must create value for the communities in which they are located. Preference will be given to those economic development strategies that can show how their industry(ies) will enhance the lives of low-to-moderate individuals both directly and indirectly.
- Preference may be given to those economic development strategies and industries that contribute to the development of the state’s resilience sector. Applicants will be responsible for demonstrating how their economic development strategies positively impact and tie to the resilience efforts described within this program document.
- Consideration may be given to the number of jobs created and/or retained per dollar of CDBG-NDR investment. Each economic development project will undergo a full underwriting and assessment of feasibility and sustainability.

Eligible Activities: Acquisition of Real Property – 105(a)(1); Clearance, Rehabilitation, Reconstruction, and Construction of Buildings – 105(a)(4); Assistance to Neighborhood Based Non-Profit Organizations-105(a)15; Economic Development Assistance to For-Profit Business – 105(a)(17); Microenterprise Assistance – 105(a)(22)

1.3.6 Community Nonstructural Mitigation/Flood Risk Reduction

Cognizant of the flood-prone nature of Louisiana in general and specifically within its Coastal Zone, current and future development patterns cannot be realistically located exclusively within areas exhibiting minimal flood risk. Moreover, with large-scale flood events taking place with increasing intensity and frequency outside of the 100-year floodplain, measures must be adopted to reduce risk even within those

areas that have not traditionally been subject to severe flood events in the past. Therefore, in **Low Risk Areas**, community scale protective measures are appropriate both in anticipation of growing future populations and economic activities and flooding events that may exceed those currently projected through the 50-year modeling data. Moreover, in **Moderate Risk** and **High Risk Areas**, strategic mitigation measures must be taken to protect vital assets – and the community development buildouts supporting those assets – to ensure minimal adverse impacts from the flood events that can be anticipated over a 50-year timespan.

- Eligible mitigation projects must:
 - Identify cost effective and tested actions for risk reduction that are agreed upon by stakeholders and the public;
 - Focus resources on the greatest risks and vulnerabilities to the greatest many people;
 - Build partnerships by involving people, organizations, and businesses;
 - Increase education and awareness of hazards and risks; and
 - Align risk reduction with other community objectives.
- Structural mitigations should be limited in scale and provide a demonstrable, quantifiable benefit for an industry or community. Additionally, priority will be given to projects that incorporate green/blue building practices that mimic natural environmental processes.
- Strategies should utilize existing best practices in land use planning, building code adaptations and education efforts to plan for current and future risk.
- Strategies should utilize green infrastructure and innovative, community-level techniques to incrementally reduce risk, or at least maintain a current risk profile. Downspout Disconnection, Rainwater Harvesting, Rain Gardens, Planter Boxes, Bioswales, Permeable Pavements, Green Streets and Alleys, Green Parking, Green Roofs, Urban Tree Canopy, and Land Conservation. A helpful resource for green building practices can be found through the EPA at <https://www.epa.gov/smartgrowth/green-building-standards>, but projects are not limited to EPA recommendations.
- Retrofitting may consider the needs of particular niche industries to preserve their ability to operate in emergent, recovery and normal conditions.
- Activities should focus on strategic, targeted nonstructural mitigations supporting vital economic interests. Such interventions may include limited development of workforce housing and elevations of existing property supporting a nearby economic asset.
- Strategies and projects at the household scale are encouraged but priority will be given to those strategies and projects that take a holistic approach to incorporating mitigation and flood risk reduction practices at a community or neighborhood scale.

Eligible Activities: Acquisition of Real Property – 105(a)(1); Public Facilities and Improvements and Privately-Owned Utilities – 105(a)(2); Code Enforcement – 105(a)(3); Clearance, Rehabilitation, Reconstruction, and Construction of Buildings – 105(a)(4); Public Services – 105(a)(8); Payment of the Non-Federal Share – 105(a)(9)

1.3.7 Planning

Through the development of Strategic Adaptation Plans, LA SAFE places emphasis on using the state's best understanding of future land loss and flood risk conditions to orient future community development patterns. While the program's initial planning effort has been designed to take a high-level, regional approach to further define how development decisions may occur in accordance with future environmental conditions, it is not a comprehensive, granular plan. As such, further planning initiatives may be appropriate to detail specific community and/or systems-scale approaches to development around future risk, vulnerability, and opportunity.

- Resilience Planning projects may focus resilience strategies across multiple fields, and will be judged on a case-by-case basis. These may include general education initiatives, projects designed to create quantifiable benefits such as those intended to improve Community Rating System (CRS) scores, or they may target vulnerable populations including substance abuse disorders and other mental health conditions exacerbated by disaster events.
- In **Low Risk Areas**, planning efforts may contemplate, but are not exclusive to, future infrastructure or transportation needs to facilitate population and/or economic growth, or in anticipation of growth currently underway or expected to occur over the next 50 years.
- In **Moderate Risk Areas**, planning efforts may focus on strategic mitigation of community-scale risk, geared toward maintaining current population levels and currently occurring economic activities.
- In **High Risk Areas**, planning efforts may contemplate future community-scale resettlements, where appropriate. Additionally, planning efforts may focus on specific essential and immovable assets as well as a minimal community development footprint required to service those assets.

Eligible Activities: Planning and Capacity Building – 105(a)(12); Technical Assistance – 105(a)(19)

1.3.8 Public Services/Education

In order for Louisiana to orient its current and future community development footprint around land loss, flood risk, and general propensity to experience disaster events, it is essential the public be well educated relative to the best information the state has at its disposal outlining those current and future disaster risks. Moreover, as disadvantaged populations are more likely to experience adverse disaster impacts, initiatives to account for and mitigate such impacts may be appropriate.

- Eligible projects will provide a new or a quantifiable increase in resilience-enhancing public services to a community.
- Project types may include, but are not limited to, employment services, public safety, health services, substance abuse services, energy conservation services, services for senior citizens, education curriculum development and training programs and services for in-classroom use and/or specifically targeted toward disabled or homeless persons.

Eligible Activities: Public Services – 105(a)(8); Planning and Capacity Building – 105(a)(12); Technical Assistance – 105(a)(19); Assistance to Institutions of Higher Education – 105(a)(21)

2.0 LA SAFE PROGRAM

Introduction

The LA SAFE program is composed of two phases – Investment Phase (Planning) and Investment Capitalization Phase (Implementation).

LA SAFE targets projects in Plaquemines, St. John the Baptist, Jefferson and St. Tammany parishes as well as selected census tracts in Terrebonne and Lafourche parishes. These projects must address an unmet recovery need as a result of Hurricane Isaac while also mitigating the effects of future vulnerabilities, notably coastal land loss, sea-level rise and subsidence.

During the Investment (Planning) Phase, potential projects will be identified through a year-long, community-driven, collaborative and multi-phased planning process involving OCD-DRU, local foundations, units of general local government (UGLGs), for-profit businesses, community-based non-profit organizations, community development financial institutions, community-based economic development organizations, local boards or other subunits of government, community-based affordable housing organizations, business owners and the public at large. The Investment Phase involves the development of an adaptation strategy plan for each of the six (6) parish target areas that includes a list of potential projects, programs, and policy recommendations that contribute to community resilience and sustainability. The adaptation strategy plans will be developed by the State, using baseline data from the CPRA and information gathered through a series of five community engagement events in which the state, its partner organizations and communities discuss area-specific risks and opportunities related to the parishes and communities within those parishes. The adaptation strategies will also explore community-originated opportunities for innovative solutions, ensure sustainable investments, identify potential funding sources to leverage of CDBG-NDR dollars and examine CDBG-NDR eligibility. Each project identified in the adaptation strategy will include a project profile that includes a conceptual scope, cost estimate and time schedule.

Through the Investment Capitalization (Implementation) Phase, OCD-DRU will award certain projects identified in the Strategic Adaptation Plans. OCD-DRU may implement the projects directly, and/or through grantees and subrecipients. OCD-DRU will analyze the list of potential projects that originate out of the series of community meetings and select a limited number of projects to invest in and advance to the Investment Capitalization Phase. Projects will be selected for funding based on OCD-DRU's assessment of the project's quantifiable resilience building impact as well as such factors as CDBG-NDR eligibility, project feasibility and sustainability, public benefit, community preference, project readiness and leverage. Projects that involve the construction of public facilities or other permanent improvements may require a unit of local government or other organization to execute a binding agreement to accept responsibility for the long term operation and maintenance of the improvements in conformance with NDRC requirements prior to a project advancing to the Investment Capitalization Phase.

Additional preference may be given to projects that involve organizations with offices in Louisiana. The LA SAFE Program seeks to create a home-based industry specializing in adaptation.



LA SAFE Fund Target Area

In order to be eligible for funding, projects must be located within the six-parish LA SAFE Fund target area and address an unmet recovery need as a result of Hurricane Isaac while also mitigating the effects of future vulnerabilities, notably coastal land loss, sea-level rise and subsidence. The LA SAFE Fund target area includes all of Plaquemines, St. John the Baptist, Jefferson and St. Tammany parishes as well as Census Tracts 11, 12.02, 13 and 14 in Terrebonne Parish and Census Tracts 209, 210, 211, 212, 213 in Lafourche Parish. The funds for this project must be used in the eligible target areas; however, the state sees this as an opportunity to pilot out projects that can be replicated and expanded to other parishes in other parishes throughout the state in the future.



Figure 1 - LA SAFE Fund Target Area

Further, each project must be classified as a High Risk Area, Moderate Risk Area or Low Risk Area project and geographically identified as such based on CPRA's future projections developed with the CLARA modeling system. This data can be found here: <http://cims.coastal.louisiana.gov/floodrisk/>.

2.1 Engagement & Planning

In its initial planning effort culminating with the creation of Strategic Adaptation Plans, LA SAFE has integrated a robust grassroots engagement and outreach effort to drive the goals and objectives of its plan-making process, while also working to educate citizens and stakeholders about the state's best information outlining current and future environmental conditions.

2.1.1 Engagement

During the year-long planning process in the development of parish and regional adaptation strategies, the LA SAFE team conducted extensive public outreach and engagement efforts. As a result of 5 rounds of planned community engagement events across the six-parish target area, 71 meetings with 3,079 individual participants have occurred. Events have targeted and included parish residents, elected officials, representatives of local nonprofits and foundations, representatives of nongovernmental and economic stakeholder groups, and other community stakeholders.

2.1.1.1 Round 1 of Meetings

The first round of LA SAFE meetings kicked off the planning process, coordinating meetings at the parish-level. At these six parish-wide meetings, including 509 individual participants, the project team – comprised of state staff, consultant and expert partners and philanthropic non-profit organizations – presented all of the data collected on the community's particular parish, focusing on land loss, flood risk, population movements, and economic change. This information laid the groundwork for a "community conversation" honing in on goals and values that LA SAFE should pursue going forward. The majority of the meeting centered on two small group activities, both of which were organized around three general aspects of the project: Community and Culture; Environment and Sustainability; and Economy and Jobs.

The first activity included a map depicting current and future land loss and population shifts between 2000 and 2010. The second activity asked citizen participants what aspects of their home communities are important to protect and preserve, and how they can be strengthened, improved or expanded. The feedback from this meeting was then organized into groups of similar ideas within overarching categories of Strengths, Opportunities, and Challenges. Each table group had a table host who was responsible for facilitating the conversation and ensuring ideas were captured. A table scribe from UNO-CHART documented the meeting.

2.1.1.2 Round 2 of Meetings

The second round of LA SAFE meetings focused on citizen engagement on a smaller community scale. The team held 21 meetings in 19 separate towns and cities, including 551 participants, across the six parish target area. Meetings were held in areas recommended to the team by participants of the first round of engagement events, and two were specifically designed for speakers of Khmer (native language of Cambodia) or Vietnamese. Meetings held at this level allowed the team to present a more in-depth view of the trends in each community and to gather input at the community level.

In this series of community meetings, residents pinpointed challenges, proposed solutions, and collectively described a future across different types of environments and different levels of flood risk. The project team combined their ideas and mapped proposed strategies. These community recommendations will form the basis for the projects, programs, and policies that LA SAFE includes in the strategic adaptation plans and pursues through the Investment Capitalization Phase. The program team reviewed these ideas, taking into consideration current and future environmental risks, as well as best practices in planning. The round two activity was structured around a large table map of the area showing the 2067 flood risk map and a set of subject-area question cards. The subjects were oriented around three high-level categories – Community & Culture, Economy & Jobs, and Environment & Sustainability – and question cards prompted group discussions around concepts of economic development, infrastructure, transportation, social opportunities and community development needs and opportunities particular to the community, given 10, 25 and 50-year flood risk projections. Residents chose one card from each color category and discussed a set of questions displayed on the back of that card. Each card prompted residents to write and draw on their maps to show areas in need or those with potential growth. Residents were encouraged to write, draw, and point out where potential projects and programs would be most successful. A table scribe from UNO-CHART documented the meeting.

2.1.1.3 Round 3 of Meetings

At the third round of meetings, LA SAFE pivoted from the big picture to the specific projects, programs, and policy options supporting a vision in alignment with the 2067 projection of flood risk. These series of eight meetings occurred at the parish level and brought in 387 participants from a wide array of stakeholder groups. As with the second round, two events were specifically planned for Khmer and Vietnamese-speaking populations. The meetings centered around three core interactive components. The first was a snap-polling exercise in which the program team asked the room multiple choice questions as a primer to the activity that would occur at the second half of the meeting. The results were sent in via clicker devices allowing for the data to be collected and reviewed instantly. The second component of the meeting was the presentation of a future community vision in alignment with low, moderate, and high future flood risks. After presenting a visual representation of future communities designed in accordance with a future understanding of flood risk, residents were polled on their level of agreement with that future communal vision using the same clicker technology seen prior to this activity. The third component of the meeting drilled down on the individual projects, programs, and policies that could support a future community vision at various levels of flood risk. On large table sheets, residents evaluated ideas organized according to planning category and risk level. Residents placed green dots on the ideas they supported and red dots on ideas that they did not support. They also added new ideas and commented on the strategies shown as part of a facilitated conversation. A table scribe from UNO-CHART documented the meeting.

2.1.1.4 Round 4 of Meetings

The fourth round of engagement events occurred at the end of October and beginning of November 2017. This round of engagement events took the ideas gathered during the first three rounds of community meetings and presented new versions of those concepts in the form of project and program types. These example projects, as the LA SAFE team called them in Round 4, were more specific than what had been

presented and discussed in previous meetings, but still broad overall. The fourth round of meetings allowed the project team an opportunity to collaborate with the community and relevant stakeholders to clarify and pin down the projects, programs and policies that made most sense for them.

The LA SAFE team conducted two different meeting formats for Round 4 that engaged over 340 individual participants over the course of 30 separate assignments. The first type of engagement in each parish was formatted as a focus-group meeting, in which the LA SAFE team engaged government officials and stakeholder groups to help drill down on the feasibility, community impact and alignment with existing efforts for potential projects and programs. The LA SAFE team opened each focus-group with a short presentation about the process to date, then facilitated discussion of the proposed projects. The second type of meeting in each parish was a community open-house, in which residents were invited to drop in at their convenience to view and comment on the progress of project development in an informal, conversational setting. The information gathered during the fourth round of meetings, and subsequent conversations that came from those meetings, influenced the final projects brought to the fifth round of meetings.

At the conclusion of Round 4, the State began working with its project team to develop candidate project and program proposals to a level at which their costs and benefits can be accurately estimated. This information will be used to inform descriptions included in the final Strategic Adaptation Plans.

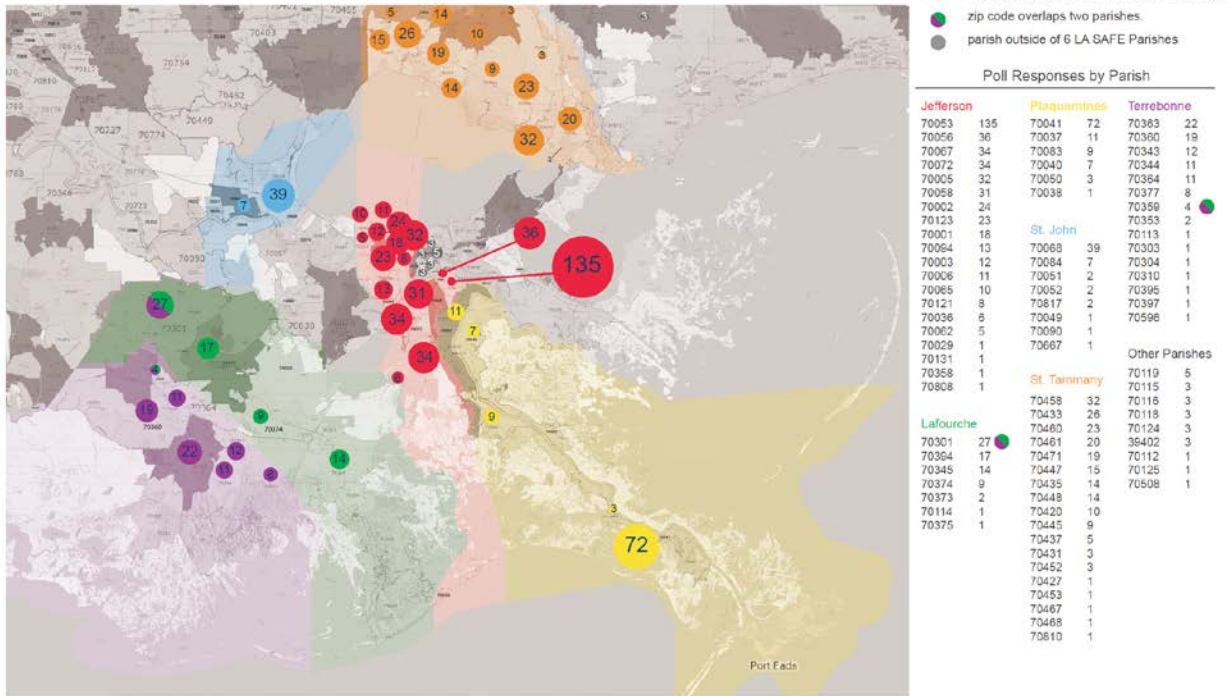
2.1.1.5 Round 5 of Meetings

Round 5 community engagement events were structured as expositions highlighting the proposed projects, programs and policy recommendations that have risen to the top as a result of the year-long LA SAFE planning effort. The LA SAFE team invited community members and interested stakeholder groups in each parish to rank in order of their preference each of the six projects or programs proposed for investment. The LA SAFE team presented each proposal on a project board that detailed the benefits, costs and initial conceptual designs for the proposed projects and programs. To indicate their preference, residents were each given six tokens, two gold tokens worth two points each (the most favorable), two green tokens worth one point each and two tokens worth zero points each (the least favorable). The meetings were set up in a way that both new and returning participants could feel comfortable and welcome. To help orient guests, welcome tables and stations provided an overview of LA SAFE, the planning process and information about delta history as well as current and future conditions. The meetings featured arts and crafts, local music and food provided by local caterers thanks to OCD's foundation partner, the Foundation for Louisiana. 531 individual stakeholders participated in-person during the fifth round of LA SAFE meetings. Another 517 individuals participated in Round 5 through the online public participation tool.

In addition to the public preference activity that occurred in person the project team also set up an online survey. The online survey was set up for a variety of reasons. The first reason for setting up an online survey was in order for the team to take into account the preferences of residents who could not be at the meeting due to inclement weather, holiday activities or other conflicts of schedule. The second reason for setting up an online survey was to account for the geographical predicament that arises when hosting a single public meeting that may be many miles away from interested parties who would like for

their voice to be heard. The online surveys were unveiled at midday the following day of each meeting. Each of the surveys were left open for three weeks.

LA SAFE ROUND 5 POLL RESPONSES BY ZIP



After the fifth round, the LA SAFE team will score each demonstration project proposal according to the scoring criteria outlined in section 2.2 *Investment Selection*. The LA SAFE team will convene a selection committee at the beginning of the first quarter of 2018 and selection of LA SAFE-funded demonstration projects will occur in the first quarter of 2018. The Strategic Adaptation Plans are currently being compiled and are expected to be published by the end of the first quarter of 2018, after which the LA SAFE team will begin demonstration project implementation in each parish. Although only a handful of demonstration projects will be funded through this process, all proposed projects, programs and policies developed in partnership with the community throughout the year-long LA SAFE planning process will be included in the Strategic Adaptation Plans, which will frame the long-term vision, goals and objectives for each parish and for the state of Louisiana.



2.1.2 Plan Development

In collaboration with local government, community leaders, and community organizations, OCD-DRU will develop an adaptation plan based on recovery, revitalization, sustainability, and resilience for each of the six (6) parish target areas. The main goal of the planning process is twofold: (1) to develop a forward-looking comprehensive plan that incorporates potential climate change impacts and (2) to co-design the future vision of the community with members of the community. Each plan will identify potential projects that will address risk and vulnerabilities and other community development opportunities in the targeted geographic areas. As described above in the Engagement Rounds, program and project proposals will come from a collaborative planning process that includes residents, elected officials, and other key stakeholders.

The adaptation plan will include an analysis of community assets, identification of current and future risks and incorporation of community development needs, objectives and opportunities. The plans incorporate best practices, scientific inputs and the community's experience and profiles of potential projects will be included in the adaptation plan document. Project profiles will include descriptive details and information on project location, resilience strategies the project will promote, the project's costs, implementation time schedule and how the project addresses recovery or resilience needs resulting from the covered disaster. The project profiles will be a direct result of the program team taking in the innumerable data points from the years long planning process and turning the future visions of the residents into hard projects.

For more information, please visit <http://www.lasafe.la.gov>.

2.2 Investment Selection

2.2.1 Investment Selection Requirements and Weighted Criteria

The final project selection will be based on 1) whether a project meets specific eligibility and baseline criteria, 2) additional weighted selection criteria and 3) considerations applicable to funding an array of programs and projects across multiple priority program areas and with the intent to build a funding portfolio maximizing available resources. A panel comprising of OCD-DRU program, policy, legal, and compliance staff will select the final project and program proposals to be funded using CDBG-NDR funds; the State may decide to add additional internal or external subject-matter experts to the panel as either voting or non-voting members.

2.2.1.1 Baseline Eligibility Requirements

In order to be selected for CDBG-NDR capital investment, a project must be able to meet the following baseline requirements:

- Project must be a CDBG-NDR eligible activity;
- Project must be able to meet a national objective within CDBG-NDR timelines;
- Project must have a clear tie to the storm (Hurricane Isaac, for CDBG-NDR);
- Project must have an eligible unmet need after accounting for all duplication of benefits;

- Project must meet specific project area requirements (e.g. economic development underwriting, infrastructure limitations, housing composition, see section 1.3 LA SAFE Framework);
- Project must be feasible and sustainable; all funding sources must be firmly committed and the local, responsible entity must have the resources committed to ensure on-going maintenance and operations;
- Project must be compatible with the CPRA’s Coastal Master Plan.

Additional preference may be given to projects that are able to be replicated or scaled in other locales with similar attributes and/or current and/or future risk profiles. Furthermore, it is the intention of the State to equitably distribute CDBG-NDR funds across the program’s target areas and across Low, Moderate, and High Risk levels. Finally, preference may be given to equitably award proposals across different proposal types as outlined in section 1.3 LA SAFE Framework.

2.2.1.2 Additional Weighted Criteria

In addition to meeting the baseline requirements listed above, the panel will review projects included in the strategic adaptation plans and will rank and score projects based on the following criteria:

Scoring Criteria

Type	Description	Maximum Points
<i>Leverage</i>	Points will be awarded based on funding sources identified in addition to CDBG funds. 4 points will be awarded to proposals with a ratio of 1:3 (other sources/CDBG); 6 points awarded to proposals with a ratio of 1:2; 8 points awarded to proposals with a ratio of 1:1; 10 points will be awarded to proposals with a ratio in excess of 1:1. Cash or contributions, such as land donations, will be recognized as acceptable leverage. Volunteer labor or other "sweat equity" contributions will not be recognized.	10
<i>LMI Benefit</i>	Points will be awarded based on whether a proposal predominantly (51 percent) benefits a low-to-moderate-income (LMI) population. Points will be awarded on an all-or-nothing basis.	20
<i>Public Preference</i>	Points will be awarded based on public polling of proposals as gathered at the fifth and final round of parish-scale public engagement events. Maximum points will be awarded to proposals receiving highest levels of recorded preference. Points will be subsequently awarded to proposals at cascading intervals based on a proportional level of public support.	20
<i>Public Benefit (Quantitative)</i>	Points will be awarded based on a proposal's ability to quantify public benefit. For example, this would account for the number of units created or rehabilitated in a housing proposal, the number of jobs created in an economic development proposal, etc... These quantifiable measures will vary by project type and are subject to their recognition by the scoring committee.	20

<i>Public Benefit (Qualitative)</i>	Points will be awarded based on a proposal's novel or unique approach to address a specific consideration relative to future flood risk and environmental conditions. This may include a proposal's ability to be scaled or replicated in other locales, or a proposal's value on a research or proof-of-concept basis. These qualitative benefits will be judged by the scoring committee relative to other proposals considered on a parish-by-parish basis.	20
<i>CRS Score</i>	Points will be awarded based on a proposal's applicability relative to the Community Rating System (CRS). Points will be awarded on an all-or-nothing basis.	10
Total		100

2.2.2 Investment Types/Use of Funds

OCD-DRU in collaboration with other state agencies, local governments and eligible for-profit and non-profit entities intends to directly implement the selected projects; however, in the event that OCD-DRU can clearly identify capacity to implement a project the OCD-DRU may choose to push implementation down to parish partners. Emphasis will be placed on implementing each project in a timely manner to meet NDR program deadlines as established by HUD.

In order to be an effective instrument in making Louisiana more resilient, while ensuring sustainability, The Fund will exercise as much flexibility as possible when making investments in resilience projects. Therefore, The Fund may employ a variety of investment “products”, including:

- Grants;
- Loans – interest rates to be individually determined based on investment necessary from The Fund; or
- Equity Investments.

2.2.3 Overall Benefit to Low- and Moderate- Income Persons

Fifty (50) percent of the CDBG-NDR funds must benefit low- and moderate-income persons. This allows up to fifty (50) percent of the CDBG-NDR funds to be used to assist activities under the urgent need or prevention or elimination of slums or blight national objectives. During the project selection process OCD-DRU will forecast the overall percentage of CDBG-NDR funds to be expended on activities meeting the low and moderate income national objective. Additional consideration will be given to projects that meet the national objective of benefiting low and moderate income persons if required to meet the overall benefit goal.

2.2.4 National Objectives

Each project or activity funded with CDBG-NDR funds, except for program administration and planning activities, must meet one of three national objectives. The three national objectives are:

- Benefit to low- and moderate- income (LMI) persons;
- Aid in the prevention or elimination of slums or blight; and

- Meet a need having a particular urgency (referred to as urgent need).

2.2.4.1 Low and Moderate Income Persons

A project will be considered to address the objective of benefiting low and moderate income persons if it meets one of the criteria shown below. At least 50% of the CDBG-NDR funds must be expended on activities meeting the low and moderate income national objective.

Area benefit activities - An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate income persons (24 CFR 570.483(b)(1)).

Limited clientele activities - An activity which benefits a limited clientele, at least 51 percent of whom are low and moderate income persons (24 CFR 570.483(b)(2)).

Housing activities - An activity carried out for the purpose of providing or improving permanent residential structures that, upon completion, will be occupied by low and moderate income households (24 CFR 570.483(b)(3)).

Job creation or retention activities - An activity designed to create permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, will be held by, or will be made available to low and moderate income persons (24 CFR 570.483(b)(4)).

2.2.4.2 Slums or Blight

Activities considered to aid in the prevention or elimination of slums or blight on either an area basis or spot basis (24 CFR 570.483(c)).

2.2.4.3 Urgent Need

Activities designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the unit of general local government is unable to finance the activity on its own, and that other sources of funding are not available. In the context of the CDBG-NDR program, HUD has awarded funds only to programs and/or activities that documented how they respond to a disaster-related impact. As such, OCD-DRU need not issue formal certification statements to qualify an activity as meeting the urgent need national objective.

2.2.5 Tieback to Qualifying Disaster

All projects implemented must in some way respond directly or indirectly to the impact of Hurricane Isaac. Each project's tie to the storm will be evaluated and documented during the Investment Phase. A project's tie to the storm can be demonstrated in a number of ways including documentation of physical damage, assessment of the impact of the disaster on the community or analysis of how the project will help economically revitalize the community.

2.2.6 Duplication of Benefits

Disaster recovery activities may be funded from a variety of both public and private sources. The Stafford Act's prohibition on duplication of benefits (DOB) in section 312 (42 U.S.C. 5155) is applicable to all CDBG

disaster recovery grants. DOB occurs when financial assistance received from one source is provided for the same purpose as CDBG-NDR funds provided, in accordance with HUD DOB guidance, found at 76 FR 71060, November 16, 2011. All projects will be reviewed for potential duplication of benefits.

2.3 Implementation

As permitted in the NDR waivers and alternative requirements, OCD-DRU intends to directly carry out LA SAFE program activities rather than distribute funds to local governments or other subrecipients. OCD-DRU, in cooperation with local governments and other community organizations, will carry out program activities including but not limited to the procurement activities, environmental reviews, labor standards enforcement, construction management, construction activities, grants management, relocation activities, and property acquisition. As necessary, OCD-DRU will enter into a binding agreement with a local government or other eligible entity that authorizes OCD-DRU to act on behalf of the entity as needed to implement a funded project.



2.3.1 Subrecipients and Grantees

While OCD-DRU intends to directly implement projects, OCD-DRU at its discretion may utilize subrecipients and/or grantees for some projects. For purposes of the LA SAFE program a subrecipient and/or a grantee may be a unit of local government, a public or private nonprofit agency, authority or organization, or a community-based development organization receiving CDBG-DR funds to undertake CDBG-NDR eligible activities (see CDBG regulations 24 CFR 570.500(c)). All selected projects will be identified through the planning process described in section 2.1 and through the Investment Selection Committee. If required, OCD-DRU will select a suitable subrecipient or grantee for a project by either direct discretionary selection or through a method of competitive selection. Prior to entering into a binding agreement with a subrecipient or grantee OCD-DRU will undertake an analysis of the capacity of the potential subrecipient to carry out CDBG-NDR activities.

A binding agreement between OCD-DRU and the subrecipient or grantee will be executed that requires the subrecipient to comply with all federal, state and local applicable requirements, as well as the roles and responsibilities as described in 24 CFR 570.503. OCD-DRU will provide oversight of subrecipient and grantee activities and technical assistance to ensure they are performing in accordance with the terms of the agreement.

2.3.2 Timely Expenditure of Funds

As per the Appropriations Act (Public Law 113-2), CDBG-NDR funds must be obligated no later than September 30, 2017. To ensure timely expenditure of funds all CDBG-NDR funds must be expended within two (2) years of the date HUD obligates funds to OCD-DRU. HUD may grant an extension to the twenty-

four (24) month expenditure deadline based on information furnished by OCD-DRU regarding the operational challenges necessitating an extension.

Although HUD has authority to grant extensions of the twenty-four (24) month expenditure deadline, 31 U.S.C. 1552(a) continues to apply to funds appropriated under the Appropriations Act. Specifically, CDBG–DR funds are to remain available for expenditure for 5 years following the period of availability for obligation. All funds under the Appropriations Act, including those subject to an extension of the expenditure deadline, must be expended by September 30, 2022. Any grant funds that have not been disbursed by September 30, 2022, will be canceled and will no longer be available for disbursement or for obligation or expenditure for any purpose. Projects are unable to meet this deadline will be ineligible for funding.

2.3.3 Program Income

For purposes of the LA SAFE program, program income means gross income received by a state, a local government or a subrecipient that was generated from the use of CDBG-NDR funds (24 CFR 570.500(a) and 570.489), except that program income does not include the total amount of funds which is less than \$35,000 received in a single year, per contract with the State, that is retained by a state, local government or subrecipient. Program income also does not include amounts generated by activities both eligible and carried out by an entity under the authority of section 105(a)(15) of the Housing and Community Development Act. Generally, any program income received by a grantee or subrecipient must be returned to the OCD-DRU; however, OCD-DRU may make exceptions on a case-by-case basis.

If program income is generated by the activities carried out by a subrecipient or a grantee, then OCD-DRU will determine on a case-by-case basis whether the program income will remain with the subrecipient/grantee, subject to the terms decided upon by OCD-DRU or whether it must be returned to OCD-DRU. All program income generated through this program must be re-invested in other CDBG-NDR eligible activities, as reviewed and approved by OCD-DRU.

If program income is returned to OCD-DRU or generated by the State through its direct activities, then the program income will be re-invested in CDBG-NDR eligible activities.

3.0 DOCUMENTATION AND REGULATORY COMPLIANCE

For comprehensive and additional information on the compliance requirements associated with projects funded through CDBG-NDR funds, please see the OCD-DRU Grantee Administrative Manual:

<http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>

3.1 Project Record

Upon selection for investment a comprehensive project record will be compiled for each project. The project record will provide essential information on the project that includes, but is not limited to:

- Project description;
- Eligible Activity and National Objective;
- Budget including sources and uses of funds;

- Project objectives;
- Area(s), industry(s), and/or populations served by project;
- Tieback to Qualifying Disaster;
- Duplication of benefits analysis;
- Detailed description of and proposed metrics tracking project's expected benefits;
- Timetable of project start, to completion;
- Project sustainability including responsibility for operation and maintenance;
- If required, personal and/or business competences and capabilities necessary to achieve project success and completion;
- If required, current relevant financial information, such as financial statements, and project proforma; and
- Documentation of commitment of all sources of funding (equity/other sources of financing).
- Other as applicable to particular project

3.2 Trigger of Procurement, Environmental Review and Acquisition

After a project has been selected for funding, OCD-DRU will trigger the initiation of procurement, environmental review and if required, property acquisition.

3.2.1 Procurement

In most instances OCD-DRU will directly procure consultants and professional services. At its sole discretion, OCD-DRU may elect to utilize a subrecipient to implement a project. In those instances, the subrecipient will undertake procurement actions.

Professional services are procured utilizing the competitive proposals method of procurement. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids.

Request for Proposals (RFPs) will be used to procure professional services except for A/E professional (design) services when the competitive proposals method is used. Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

Request for Qualifications (RFQs) are used to procure the professional (design) services of an engineering firm or architectural firm when using the competitive negotiation method. Qualification statements cannot be used to procure any other service. A selection is made based on the competitors' qualifications, subject to negotiation of fair and reasonable compensation.

For additional information on procurement, please see Section 6 of OCD-DRU's Grantee Administrative Manual. <http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>

3.2.2 Environmental Review

OCD-DRU will conduct the environmental review for all projects. Every project undertaken with CDBG-NDR funds, and all activities related to that project, is subject to the provisions of the National

Environmental Policy Act of 1969 (NEPA), as well as to the HUD environmental review regulations at 24 CFR Part 58. The HUD environmental review process must be completed before any funds may be committed for program-eligible activities. No work may start on a proposed project before the environmental review process is completed, even if that work is being done using non-HUD funds.

Project activities will fall into one of the following levels of environmental review:

- Exempt activities 24 CFR 58.34;
- Categorically Excluded activities not subject to 24 CFR 58.5 (24 CFR 58.35(b));
- Categorically Excluded activities subject to 24 CFR 58.5 (24 CFR 58.35(a));
- Environmental Assessment (EA) activities (24 CFR 58.36) ; or
- Activities requiring an Environmental Impact Statement (24 CFR 58.37).

For purposes of environmental review, the term “activity” means an action that a grantee takes on as part of an assisted project, regardless of whether its costs are borne by CDBG-NDR assistance or are eligible expenses under the program. A recipient must group together and evaluate as a single project all individual activities which are related either geographically or functionally, or are logical parts of a composite of contemplated actions. For example, the aggregation of several activities carried out in one distinct neighborhood, such as housing rehabilitation, demolition, street, paving and construction of a water line would be grouped together as one project.

Since OCD-DRU is directly carrying out CDBG-NDR activities, OCD-DRU will act as the responsible entity for LA SAFE Fund activities. It will be the responsibility of OCD-DRU to prepare an Environmental Review Record (ERR), in accordance with 24 CFR Part 58. In accordance with 24 CFR 58.4 OCD-DRU will submit the environmental certification and request for release of funds to HUD for approval for each project.

3.2.2.1 Choice Limiting Actions

There can be no choice-limiting actions until environmental clearance is received. The concept of prohibiting “choice-limiting” actions is to prevent investing in a project before all necessary environmental clearances are obtained. Market studies, environmental studies, plan development, engineering or design costs, inspections and tests are not considered “choice-limiting” actions.

“Choice-limiting actions” are defined as any activity that would have an adverse environmental impact or limit the choice of reasonable alternatives, such as acquisition, construction, demolition of buildings, or rehabilitation or reconstruction of buildings.

A purchase option agreement on a proposed site or property prior to the completion of the environmental review is allowed if the option agreement is subject to a determination on the desirability of the property for the project after the environmental review is completed and the cost of the option is a nominal portion of the purchase price.

Per 24 CFR Part 58.22, failure to comply with the prohibition against committing funds or taking physical action (using either HUD funds or non-HUD funds) before the completion of the environmental review

process could result in loss of HUD assistance, cancellation of the project, reimbursement to HUD for the amount expended, or suspension of the disbursement of funds for the affected activity.

3.2.2.2 Adoption of Another's Agency's Environmental Review

In accordance with the Appropriations Act, recipients of Federal funds that use such funds to supplement Federal assistance provided under sections 402, 403, 404, 406, 407, or 502 of the Stafford Act may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, and such adoption shall satisfy the responsibilities of the recipient with respect to such environmental review, approval, or permit that is required by the HCD Act. If OCD-DRU adopts another agency's environmental review, OCD-DRU will notify HUD in writing of its decision and will retain a copy of the review in the activities environmental record.

In accordance with the Appropriations Act, and notwithstanding 42 U.S.C. 5304(g)(2), HUD may, upon receipt of a request for release of funds and certification, immediately approve the release of funds for an activity or Project assisted with CDBG-NDR funds if OCD-DRU has adopted an environmental review, approval or permit as described, above, or the activity or Project is categorically excluded from review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

For additional information on environmental review, please see Section 9 of OCD-DRU's Grantee Administrative Manual. <http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>

3.2.3 Acquisition and Relocation

If the project involves the acquisition of real property, including easements, leases and donations, OCD-DRU will initiate the acquisition process including the procurement of appraisers and legal services. Depending on the end use of the property OCD-DRU may execute a binding agreement with a local entity that permits OCD-DRU to acquire property on behalf of the local entity. At its sole discretion OCD-DRU may elect to utilize a subrecipient for the acquisition of property.

Prior to acquiring real property or attempting to undertake a relocation project, a determination must be made as to whether or not the requirements of the Uniform Relocation Assistance (URA) and Real Property Acquisition Act of 1970 (as amended in 1986) apply. Requirements for acquisition and relocation activities are described in the Department of Housing and Urban Development's Handbook 1378: Real Estate Acquisition and Relocation Policy and Guidance.

Regardless of the source of funds and timing of the acquisition, any acquisition of property made in anticipation of using CDBG-NDR funds is subject to the URA.

For additional information on acquisition and relocation, please see Section 10 of OCD-DRU's Grantee Administrative Manual. <http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>

3.3 Project Development

Depending on the nature of the project, OCD-DRU will directly oversee the activities of architects, engineers, planners, consultants and other specialists. These activities will include but not be limited to:

- Preparation of studies and reports;
- Development of project plans and specifications for construction;
- Development and implementation of public services;
- Development and implementation of housing activities; and
- Development and implementation of economic development and revitalization activities.

If a subrecipient has been selected by OCD-DRU to implement the project, the subrecipient will be responsible for direct oversight of the consultants. In those instances, OCD-DRU will establish deliverables and time schedules that the subrecipient must achieve to demonstrate continued capacity to carryout program activities in a timely manner.

3.4 Closeout

The project closeout is the process by which OCD-DRU determines that the project has been successfully completed. A project is deemed complete upon final review and/or inspection by OCD-DRU and, when applicable, the submission of proof that all appropriate code and permit approvals have been secured, including Certificates of Occupancy.

If a subrecipient was utilized, OCD-DRU must ensure that the requirements of the subrecipient agreement have been completed in accordance with the terms and conditions of the subrecipient agreement.

Project closeout begins when:

All project expenses to be paid with CDBG-NDR funds (except for closeout costs) have been completed and payment requested;

- Approved work has been finished;
- If applicable, any other responsibilities detailed in a subrecipient agreement or other binding agreement have been fulfilled; and
- All monitoring or audit findings have been cleared.

Conditional close-out is given when OCD-DRU receives and accepts the entire Final Project Performance Report. To receive "conditional" close-out, any outstanding audit/monitoring findings must be resolved and OCD-DRU must approve the Final Project Performance Report. OCD-DRU will issue a Final Close-Out letter upon receipt and approval of the final audit conducted in accordance with the Single Audit procedures or other financial report if OCD-DRU determines that a Single Audit is not required.

For additional information on Closeout, please see Section 13 of OCD-DRU's Grantee Administrative Manual. <http://www.doa.la.gov/Pages/ocd-dru/DRadminManual.aspx>

3.5 Labor Standards

OCD-DRU will be responsible for ensuring compliance with CDBG labor standards unless a subrecipient is selected to implement the project. Projects involving construction contracts in excess of \$2,000 must comply with the following laws and regulations:

- Federal Fair Labor Standards Act;
- Davis-Bacon and Related Acts;
- Copeland Anti-Kickback Act; and
- Contract Work Hours and Safety Standards Acts (CWHSSA)

Various exceptions exist to the Davis-Bacon and Related Acts and the Copeland Anti-Kickback Act. These exemptions include but are not limited to the following:

- Construction contracts at or below \$2,000. Note that arbitrarily separating a project into Individual contracts below \$2,000 in order to circumvent the Davis-Bacon and Copeland Act requirements is not permitted;
- Rehabilitation or construction of residential structures containing less than eight units; or
- Contracts solely for demolition, when no Federally-funded construction is anticipated on the site.

The following steps should be taken to ensure compliance with required labor standards:

- Designate an appropriate person to act as labor compliance officer to insure compliance and to be the primary point of contact for labor standards issues;
- Determine the appropriate wage decision based on the type of construction (Building, Residential, Heavy or Highway) activities to be undertaken;
- Incorporate wage decision in bidding documents;
- Verify wage decision is still current ten (10) days prior to bid opening;
- Verify eligibility of successful bidder;
- Provide information on labor standards and payroll reporting at preconstruction conference;
- Conduct employee interviews;
- Review weekly payroll reports and resolve compliance issues;
- If required obtain additional worker classifications; and
- Complete Final Wage Compliance Report.

For additional information on labor standards, please see Section 7 of OCD-DRU's Grantee Administrative Manual. <http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>

3.6 Property Management

If CDBG-NDR funds are used to acquire real property or personal property, OCD-DRU is responsible for ensuring that:

- The property continues to be used for its intended (and approved) purpose;
- Records are maintained regarding the location and condition of the property; and
- In general, if the property is sold or otherwise disposed of OCD-DRU is reimbursed for the CDBG-NDR share of the property's value.

For additional information on property management, please see Section 11 of OCD-DRU's Grantee Administrative Manual. <http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>

3.7 Lead Based Paint, Asbestos and Mold

Projects involving housing must comply with Federal and State regulations regarding lead based paint, asbestos and mold. The Lead Safe Housing Rule requires different approaches to addressing lead hazards in different types of housing. The requirements include communication with residents, lead hazard evaluation and assessment, and lead hazard reduction. All housing projects must comply with the Lead Safe Housing Rule.

HUD does not have a specific regulation related to asbestos or mold as it does for lead in the HUD Lead Safe Housing Rule. However, HUD does have a mission of decent safe and sanitary structures. Project activities must comply with Federal, State and local laws related to asbestos or mold.

3.8 Conflict of Interests

Conflicts of interest between subrecipients, contractors, consultants, OCD-DRU program staff and other parties are strictly prohibited by Federal law. Generally, no person who exercises or has exercised any functions or responsibilities with respect to CDBG-NDR activities and who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

A conflict of interest means that, because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. Conflicts of interest in the award and/or administration of contracts must be avoided. "No employee...of the grantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent (perceived), would be involved. Such a conflict would arise when...the employee, any member of his (her) immediate family, his or her partner...has a financial or other interest in the firm selected for award" (2 CFR 200.318). Other Federal regulations governing conflict of interest requirements are found 24 CFR 489(h). Conflicts of interest may be governed also by state law or local law or ordinance.

For additional information on conflict of interest, please see Section 6 of OCD-DRU's Grantee Administrative Manual. <http://www.doa.la.gov/Pages/ocd-dru/DRadminManual.aspx>

3.9 Subrecipient Recapture Policy

If a subrecipient is utilized, a subrecipient agreement will be executed stipulating the subrecipient's responsibilities and the potential penalties if the subrecipient is found not to have fulfilled their obligations. Specifically, if the funds are not used for eligible activities or are otherwise disbursed in violation of laws or regulations, the money can be recaptured.

3.10 Substantial Amendments to the Action Plan

The following modifications constitute a substantial amendment to the Action Plan requiring HUD approval:

- Any change to the funded portions of the Phase 1 or Phase 2 application that would result in a change of more than five (5) points in the score for Capacity or Soundness of Approach factors;
- Any change to the Most Impacted and Distressed target area(s);
- Any changes in program benefit, beneficiaries or eligibility criteria;
- The allocation or reallocation of more than \$1 million; or
- The addition or deletion of an eligible activity.

Those amendments which meet the definition of a Substantial Amendment are subject to public notification, public hearings and public comment procedures. Citizens and units of local government and other interested parties will be provided with reasonable notice and an opportunity to comment on proposed Substantial Amendments to the Action Plan. At least one (1) public hearing will be held to solicit public comments before finalizing each Substantial Amendment submission. A notice and copy of the proposed Substantial Amendment will be posted on the agency's official website. Citizens will be provided with no less than fifteen (15) days to review and comment on the proposed.

4.0 MONITORING REQUIREMENTS

OCD-DRU must ensure compliance with HUD regulations, which include but are not limited to: record keeping, administrative and financial management, environmental compliance, citizen participation, conflict of interest, procurement, labor standards, Section 3, Fair Housing, Title VI, Section 504, duplication of benefits, property management and property acquisition and relocation.

OCD-DRU has established a monitoring program administered by the Compliance, Monitoring and Audits division to ensure that all programs and projects comply with applicable Federal, State, and local regulations and effectively fulfill the goals set forth in the Action Plan and Action Plan Amendments. The monitoring program serves to identify risks, deficiencies and remedies related to programs, projects and subrecipients. The objectives of the monitoring program include:

- Determine if activities are being carried out as described in the Action Plan and Action Plan Amendments for the CDBG-NDR program and assistance;
- Determine if activities are being carried out in a timely manner;
- Determine if costs charged to the program and projects are eligible under applicable laws and CDBG-NDR regulations and reasonable in light of the services or products delivered;
- Determine if activities are being conducted with adequate control over program and financial performance, and in a way that minimizes opportunities for waste, mismanagement, fraud and abuse;
- If subrecipients are utilized, determine if the activities are being carried out in conformance with the subrecipient agreement;
- If subrecipients are utilized assess if the subrecipient has the continuing capacity to carry out the approved project;
- Identify potential problem areas and assist OCD-DRU and subrecipients in complying with applicable laws and regulations;

- Assist in resolving compliance problems through discussion, negotiation, technical assistance and training;
- Provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected and not repeated;
- Comply with the monitoring requirements of 24 CFR 570.501(b) and 2 CFR 200.328, if applicable;
- Determine if any conflicts of interest exist in the operation of the CDBG-DR program per 24 CFR 570.611; and
- Ensure that required records are maintained to demonstrate compliance with applicable regulations.

For additional information on monitoring, please see Section 12 of OCD-DRU's Grantee Administrative Manual. <http://www.doa.la.gov/Pages/oed-dru/DRAdminManual.aspx>

4.1 Project Monitoring

Each project will be monitored during the project's implementation period or within 1 year of closing by the monitoring division. If a subrecipient is utilized the monitoring division will conduct an on-site monitoring visit of the subrecipient to review project records and documentation.

4.2 Monitoring Findings

If monitoring findings are issued, OCD-DRU, or the subrecipient if applicable, must take corrective action to resolve the findings or provide additional information to the monitoring division. All monitoring findings must be cleared prior to project close-out.

4.3 Audit Requirements

If a subrecipient is utilized by OCD-DRU, the subrecipient must comply with the following audit requirements.

In accordance with 2 CFR 200.500, a non-Federal entity expending \$750,000 or more in Federal funds must have a single or program specific audit conducted in accordance with the requirements of 2 CFR 200.501. Therefore, if a subrecipient expends more than \$750,000 in total Federal funds in a fiscal year must have an audit prepare in compliance with these requirements. The audit report should be submitted to OCD-DRU upon completion.

If a subrecipient expends less than \$750,000 in total Federal funds in a fiscal year, the subrecipient must submit one of the following types of reports:

- An annual sworn financial statement if revenue received was \$75,000 or less.
- An annual compilation of its financial statements, with or without footnotes, if revenue received was more than \$75,000 but less than \$200,000.
- An annual review of its financial statements to be accompanied by an attestation report, if revenue received was \$200,000 but less than \$750,000.
- An annual audit, if revenue received was \$750,000 or more.

Subrecipients subject to the State Audit Law (RS 24:513) must also comply with State law. In all cases, a copy of the completed statement, report or audit must be submitted to OCD-DRU.

4.4 Audit Findings

Subrecipients must respond in writing to OCD-DRU regarding any findings of noncompliance, control structure comments or recommendations cited by the independent CPA in his or her reports or in a report issued by the Legislative Auditor. Such response should identify each finding or comment and the action(s) that has been taken or is planned to be taken. If an action has not been taken, provide the approximate date the action will be completed, or explain why no action is believed to be required. The OCD-DRU monitoring division will review the response to determine if additional action is warranted.

5.0 DEFINITIONS

National Disaster Resilience Competition (NDRC) – A competition for approximately \$1 billion in CDBG-DR funds remaining from P.L. 113-2 to solicit cutting-edge projects addressing unmet needs from past disasters while addressing vulnerabilities putting populations in harm’s way during future disasters. The LA SAFE Fund was originally capitalized with funds awarded through the NDRC.

100-Year Floodplain – This term, adopted by the NFIP as the basis for mapping, insurance rating, and regulating new construction, is the floodplain that would be inundated in the event of a 100-year flood. The 100 year flood has a one percent chance of being equaled or exceeded during any given year.

CDBG, CDBG-DR, CDBG-NDR – CDBG means the annual Community Development Block Grant program as authorized by the Housing and Community Development Act of 1974, as amended, and its regulations as codified in 24 CFR part 570. CDBG-DR refers to grants previously made pursuant to one of several emergency supplemental CDBG appropriations, as administered by HUD under requirements published in a series of Federal Register Notices. In the abbreviation, “DR” refers to “disaster recovery.” CDBG-NDR refers to funds awarded to the State of Louisiana following the NDRC. In the abbreviation, “NDR” refers to “national disaster resilience”.

CDBG Funds – CDBG funds is a defined term at 24 CFR 570.3, and includes any CDBG-DR funds and CDBG-NDR funds. The terms CDBG-DR funds and CDBG-NDR funds are terms referring grant funds made available by CDBG-DR or CDBG-NDR awards, respectively.

Coastal Louisiana Risk Assessment (CLARA) – A flood modeling tool developed by the Coastal Protection and Restoration Authority (CPRA), CLARA is used to evaluate potential coastal flooding damage, represented as physical property damage, aggregating flood damage results from a wide range of potential storm events to calculate the chance of flooding or damage at any given level.

Developers – Private individuals and entities, including profit making and nonprofit organizations, typically formed for the purpose of undertaking projects involving the development of rental or homebuyer housing developments.

Duplication of Benefits¹ – The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he has already received financial assistance under any other program or from insurance or any other source.

Grantee – An Applicant that receives an NDRC award directly from HUD to carry out an activity to address an Unmet Recovery Need. The term Grantee does not include subrecipients. The Grantee is the sole entity that will have access to HUD’s Line of Credit Control System (LOCCS) through the Disaster Recovery Grant Reporting (DRGR) system to draw down CDBG-NDR funding. Under P.L. 113-2, although NDRC Partners may assist in carrying out CDBG-NDR projects, the Grantee remains legally and financially accountable for the use of all funds and may not delegate or contract to any other party any inherently governmental responsibilities related to management of the funds, such as oversight, policy development, and financial management.

Household – A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two (2) or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the low to moderate income objective is based on the LMI of households.

Low to Moderate Income (LMI) National Objective – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Family Income (AMFI), adjusted for household size. Income eligibility will be determined and verified in accordance with 24 CFR Part 5 requirements using procedures as stated in the Technical Guide for Determining Income and Allowances, 3rd Edition (HUD-1780-CPD). The most current income limits, published annually by HUD, shall be used to verify the income eligibility of each household applying for assistance at the time assistance is provided.

- *Very low:* Household’s annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size.
- *Low:* Household’s annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size.
- *Moderate:* Household’s annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size.

The following four tests are used for determining whether a project primarily benefits low and moderate income persons and qualifies under the LMI national objective:

- **Area benefit activities test:** The project benefits all residents of a primarily residential area where at least 51% of the residents are persons of low and moderate income (24 CFR 570.483(b)(1)).
- **Limited clientele activities test:** The project is limited to benefiting a specific group of persons, at least 51% of whom are low and moderate income, or is limited to serving low and moderate income person only. Some activities, such as services for elderly people, are presumed to benefit

¹ Guidance provided by HUD on Duplication of Benefits may be found at: <http://www.gpo.gov/fdsys/pkg/FR-2011-11-16/pdf/2011-29634.pdf>

lower income people though the presumption can be challenged based on the facts and circumstances of the project (24 CFR 570.483(b)(2).

- **Housing activities test:** CDBG-DR assisted housing is occupied upon completion by low and moderate income households (24 CFR 570.483(b)(3).
- **Jobs creation or retention activities test:** At least 51% of the jobs created or retained with CDBG-DR assistance are held by or are available to low and moderate income people (“available to” means no special education or training is necessary) (24 CFR 570.483(b)(4).

LA SAFE Fund Target Area – For the purposes of the State of Louisiana’s NDRC application, it defined a target area for funding eligibility to include all of Plaquemines, St. John the Baptist, Jefferson, and St. Tammany parishes as well as Census Tracts 11, 12.02, 13 and 14 in Terrebonne Parish and Census Tracts 209, 210, 211, 212, and 213 in Lafourche Parish All projects funded with CDBG-NDR awards must come from one of the above-listed target areas.

NDRC Partner – NDRC Partner means a unit of local government, a nonprofit entity, a private developer, a financial institution, or other entity chosen by the OCD-DRU to assist OCD-DRU in applying for funding or in carrying out a funding award or project under the NDRC NOFA, and which was referenced by OCD-DRU in its NDRC application for purposes of demonstrating additional capacity for planning, design, financing, or implementation.

Planning Only Activities – For purposes of CDBG-NDR activities HUD has issued a waiver permitting States to comply with the Entitlement program regulations found at 24 CFR 570.208(d)(4) when funding disaster recovery assisted planning only activities or directly administering planning activities that guide recovery. 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. These planning activities consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, including, but not limited to comprehensive plans, functional plans related to open space, floodplain management, economic development, transportation, or utilities, capital improvements programs, and the development of codes, ordinances, and regulations. Planning costs do not include engineering and design costs related to a specific activity which are eligible as part of the cost of such activity.

Qualified Disaster – For this funding source, a “qualified disaster” is a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013. Hurricane Isaac in 2012 is the State of Louisiana’s qualified disaster for CDBG-NDR funds.

High Risk Areas – Areas projected to experience in excess of 6 feet of flood inundation in a 100-year storm event 50 years from present day (2067), or the latest projection provided through CPRA’s CLARA modeling tool.

Moderate Risk Areas – Areas projected to experience between 3 feet and 6 feet of flood inundation in a 100-year storm event 50 years from present day (2067), or the latest projection provided through CPRA’s CLARA modeling tool.

Low Risk Areas – Areas projected to experience between 0 and 3 feet of flood inundation in a 100-year storm event 50 years from present day (2067), or the latest projection provided through CPRA’s CLARA modeling tool.

Resilience – The ability to anticipate, prepare for, and adapt to changing conditions and withstand, respond to, and recover rapidly from disruptions. Such disruptions may include, for example, a flooding event, a precipitous economic change, effects of long-term environmental degradation, short-term or intermittent failure or under-performance of infrastructure such as the electrical grid. Resilience describes an area’s capacity to prepare for, withstand, and recover from unpredictable shocks -minimizing impacts on people, infrastructure, environments, and economies. In practice, resilience provides a framework for guiding planning, investment, and actions in order to reduce vulnerabilities.

Slum and Blight National Objective – Activities which aid in the prevention or elimination of slums or blights (24 CFR 570.483(c)). Use of this National Objective is limited due to its inability to contribute towards the overall requirement for 50% of funding to benefit low to moderate- income beneficiaries. It must be justified in the application for funding and the restrictions of its use will be expressly detailed in the contract between OCD-DRU and the subrecipient. Slum and Blight activities must meet the criteria of one of the three following categories:

- Prevent or eliminate slums and blight on an area basis;
- Prevent or eliminate slum and blight on a spot basis; or
- Be in an urban renewal area

Subrecipient – Cities, Counties, Indian Tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of subrecipient does not include procured contractors providing supplies, equipment, construction, or services, and may be further restricted by Program Rules or other guidance including applications.

Tieback – 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 project. 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.

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) – A Federal law that establishes minimum standards for Federally funded programs and projects that require the acquisition of real property (real estate) or that displace persons from their homes, businesses, or farms.

Unmet Recovery Need – An unmet recovery need arises from damage or another harm or negative effect directly or indirectly caused by a Qualified Disaster, that has not been met and for which no other funds are available, and that the grantee, in reviewing the information provided by the applicant, determines to be a need related to long-term recovery.

Urgent Need National Objective – Activities designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the unit of general local government is unable to finance the activity on its own, and that other sources of funding are not available. A condition will generally be considered to be of recent origin if it developed or became urgent within 18 months preceding the certification by the unit of general local government. (24 CFR 570.483(d)).

In the context of the CDBG-NDR program, HUD has awarded funds only to programs and/or activities that documented how they respond to a disaster-related impact. As such, OCD-DRU need not issue formal certification statements to qualify an activity as meeting the urgent need national objective. Action Plans must be amended, as necessary, to ensure that documentation is include for each Project, Program or CDBG-eligible activity undertaken with CDBG-NDR funds.