



LOCAL AND REGIONAL WATERSHED PROJECTS AND PROGRAMS

DESIGN SUPPORT PROGRAM

PROGRAM POLICIES AND PROCEDURES

PROGRAM ADMINISTERED BY:
Office of Community Development
Division of Administration
State of Louisiana

watershed.la.gov



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I. VERSION HISTORY

Version 1. 8/21/2022	Initial set of policies and procedures related to Design Support Program of the Local and Regional Watershed Projects and Programs Grant.
Version 1.1. 8/23/2022	Updated Section VIII.1 Goals and Objectives: clarification of eligible award and design support process, pg. 16 Updated Section VIII.3 Design Support Funding Distribution Method: clarification of award funds and technical assistance, pg.17



II. DEFINITIONS & ACRONYMS

Action Plan or AP: After HUD publishes the Federal Register Notice (FRN) for a congressional appropriation, the grantee (eligible government) must develop and submit an Action Plan describing the needs, strategies and projected uses of the CDBG-MIT funds. HUD must approve the Action Plan before funds are available.

Acquisition: Acquisition of property appropriate for the eligible activities listed in 42 U.S.C. 5305(a)(1), including, but not limited to provision of flood risk reduction public works projects or improvements.

Buyout: Strategic acquisition of properties in a floodway floodplain, or disaster risk reduction area that is at risk of flooding to reduce future flood risk.

CDBG-DR: Community Development Block Grant-Disaster Recovery funds. Assistance from the U.S. Department of Housing and Urban Development (HUD) to help the state recover from presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations.

CDBG-MIT: Community Development Block Grant-Mitigation assistance allocated by HUD to eligible disaster recovery entities via congressional appropriations. HUD provided CDBG-MIT funds to grantees impacted by qualifying disasters in 2015, 2016 and 2017.

Covered Project: As per FR-6109-N-02, includes infrastructure projects having a total project cost of \$100 million or more, with at least \$50 million of CDBG funds regardless of source (CDBG-DR, CDBG-NDR, CDBG-MIT, or CDBG).

Cross-Cutting Regulations: Regulations outside of CDBG-MIT regulations that apply to CDBG-MIT programs. These include regulations pertaining to financial management, procurement, environmental, labor, acquisition, relocation, fair housing and non-discrimination.

Current Fair Market Value: Value of a home, as determined by an appraisal conducted by an appraiser licensed in the state of Louisiana and acceptable to OCD.

Davis Bacon and Related Acts (DBRA): Federal law requiring payment of local prevailing wages as determined by the Department of Labor on public works projects. It applies to contractors and subcontractors performing work on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration or repair of public buildings, certain privately owned buildings, and public works.

Duplex: A residential structure consisting of two (2) separate dwelling units with separate entrances, under one (1) roof, and located either side by side or one above the other.

Duplication of Benefits (DOB): A duplication of benefit is the receipt of funding from multiple sources for the same purpose. 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-DR funding with respect to any part of the loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other sources. It is an amount determined by the program that may result in the reduction of an award value.

Environmental Review Record (ERR): The document resulting from required environmental review, which includes a description of activities, evaluation of environmental impact, documentation of compliance with applicable environmental regulations and an environmental determination.



Fee Simple Title: Legal term describing the most common and absolute type of property ownership. When selling fee simple title, the seller will forego any rights, title or interest in the property.

Federal Register or FR: The Federal Register is the official journal of the federal government of the United States that contains government agency rules, proposed rules, and public notices. It is published daily, except on federal holidays.

Federal Register Notice or FRN: For each congressional appropriation, HUD publishes a Federal Register Notice that outlines the rules and regulations for the CDBG disaster and mitigation funding. Any use of FRN in this document will refer specifically to FR-6109-N-02, unless otherwise noted.

Federal Emergency Management Agency or FEMA: The Federal Emergency Management Agency's mission is to support the citizens and first responders to build, sustain, and improve capability to prepare for, protect against, respond to, recover from and mitigate all hazards. FEMA is under the U.S. Department of Homeland Security.

FEMA Public Assistance or PA: Federal Emergency Management Agency Public Assistance, which the president can make available to local, state, and tribal governments, and certain types of private nonprofit organizations to remove debris, provides emergency protective measures, and restores equipment, buildings, and other infrastructure damaged by the disaster.

FEMA Hazard Mitigation Grant Program or HMGP: The FEMA Hazard Mitigation Grant Program helps communities implement hazard mitigation measures following a Presidential Major Disaster Declaration in the areas of the state, tribe, or territory requested by the Governor or Tribal Executive. The key purpose of this grant program is to enact mitigation measures that reduce the risk of loss of life and property from future disasters. HMGP is authorized under Section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Floodplain: Any area of land within a watershed that is susceptible to inundation by floodwaters from any source.

Floodplain management: A decision-making process that aims to achieve the wise use of the nation's floodplains. It encompasses the choices made by owners of homes and businesses in the floodplain, decisions made by officials at all levels of government, plans made by land developers and contractors, and the judgment of the general public regarding future decisions to be made with regard to land use. 44CFR 59.1 defines flood plain management as "the operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works and flood plain management regulations."

Floodplain Servitude, also referred to as Floodplain Easement: A reserved interest servitude, which is an interest in land, defined and delineated in a deed whereby the landowner conveys all rights and interest in the property to the state, its sub-recipient or designee, but the landowner retains those rights, title, and interest in the property which are specifically reserved to the landowner in the servitude deed. Floodplain servitudes will allow property owners to own and maintain their land, but will limit its uses to those that restore, protect, maintain, and enhance the functions of floodplains while conserving their natural values such as serving as fish and wildlife habitat, improving water quality, retaining flood water and recharging groundwater.

Grantee: The awardee of a grant from the State of Louisiana, Office of Community Development.

Grantor: State of Louisiana, Office of Community Development



Levee: An earthen embankment, floodwall, or structure along a water course whose purpose is flood risk reduction or water conveyance¹.

Louisiana Watershed Initiative or LWI: Gov. John Bel Edwards established the Council on Watershed Management, which serves as the coordinated, interagency structure at the state level for watershed-based flood risk reduction. In August 2018, the Council launched the LWI to serve as the programmatic arm under which all related efforts operate.

Low to Moderate Income or LMI: Those having incomes not more than 80% of the area median Income, set by the federal government. The LMI standard is confirmed or changed by HUD annually and varies by household size, county and the metropolitan statistical area.

Major Disaster Declaration: The president can declare a Major Disaster Declaration for any event that the president believes has caused damage of such severity that it is beyond the combined capabilities of state and local governments to respond. Louisiana's major disaster declarations for the March and August flooding events include:

- Severe Flooding (Disaster 4277) declared Aug. 14, 2016
- Severe Flooding (Disaster 4263) declared March 13, 2016

Manufactured Home: Single family residential structure built in a factory and installed on the home site, which meet HUD construction requirements. If built before the 1976 HUD Code, these structures are commonly called mobile homes.

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

Notice of Funding Availability or NOFA: A Notice of Funding Availability is a notice published describing the type of funding available on a competitive basis and provides a contact where an application may be submitted, typically defining a number of days from the date of NOFA publication. Selection will then be made based upon specific factors and criteria identified within the NOFA.

Public Entity: For the purposes of this Program, a Public Entity means a state agency, board or commission, political subdivision, or a federally recognized Indian tribe ("tribe"). For a tribe to apply for or receive a grant, it must agree to a waiver of its sovereign immunity and submit to the jurisdiction of the 19th judicial district court for the Parish of East Baton Rouge, State of Louisiana with regard to any legal action associated with the application or grant, or for enforcement of security rights on real estate, if any, the state judicial district court for the parish in which such property is located.

Watershed regions: The LWI has established watershed regions throughout the state. These regions aggregate HUC8-level watersheds into eight watershed regions for LWI management purposes. See **Figure 1**.

Recreational Vehicle (RV): The term includes conventional motor homes and towable travel trailers. These are vehicles primarily used for camping or other recreational vehicles.

Second home: a home that is not the primary residence of the owner, a tenant, or any occupant at the

¹ Definition from the US Army Corps of Engineers



time of the storm or at the time of application for assistance.

Section 3: A provision of the Housing and Urban Development (HUD) Act of 1968 that requires that recipients of certain HUD financial assistance, to the greatest extent feasible, provide job training, employment and contracting opportunities for low- or very low-income residents in connection with projects and activities in their neighborhoods.

Section 504: A provision of the Rehabilitation Act of 1973, which provides that no qualified individual with a disability should, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Technical Review Panel: A panel comprised of members that at minimum represent the OCD, CPRA, GOHSEP, DOTD, and LDWF.

U.S. Department of Housing and Urban Development or HUD: HUD is the agency that administers the Community Development Block Grant-Disaster Recovery and Mitigation funds made available to Louisiana from congressional appropriations.

Watershed: A watershed is a geographic area within the boundary of a drainage divide. The USGS defines a watershed as follows: “A watershed is an area of land that drains all the streams and rainfall to a common outlet such as the outflow of a reservoir, mouth of a bay, or any point along a stream channel.”



III. PURPOSE OF THIS DOCUMENT

The Design Support Program (DSP) is funded through **the Local and Regional Projects and Programs Grant**. The Policies and Procedures related to **Design Support and Implementation**, are addressed in this document. DSP Policies and Procedures are available at watershed.la.gov/local-regional-projects-programs. The state will post policies and procedures for future rounds of funding as developed, including eligible activities and methods of distribution to provide applicants and grantees with the most accurate and concise guidance related to ongoing program activities. Applicants or grantees are strongly encouraged to verify online at watershed.la.gov use of the most current version of this document, which is reflected in the version history.

The Office of Community Development has a Disaster Recovery CDBG Grantee Administrative Manual located at: <http://www.doa.la.gov/Pages/ocd-dru/DRAdminManual.aspx>. In the event of a conflict between these Policies and Procedures and the Administrative Manual, the Administrative Manual will take precedence in the administration of awarded grants unless specifically noted otherwise in these Policies or as required due to requirements specified within Federal Register Notice Docket No. FR-6109-N-02.

IV. FUNDING AUTHORITY

HUD announced a first-time allocation of nearly \$16 billion in **Community Development Block Grant-Mitigation (CDBG-MIT)** funds, as directed by the 2018 Congressional Supplemental Appropriation (Pub. L 115-123, Feb. 9, 2018) to be used for mitigation activities for qualifying disasters in 2015, 2016 and 2017. While HUD acknowledges that it is impossible to eliminate all risks, it will distribute CDBG-MIT funds with the intention of enabling grantees to mitigate against disaster risks, while at the same time allowing grantees the opportunity to transform state and local planning. The allocation specifically designated \$1,213,917,000 of CDBG-MIT funds to the State of Louisiana for the specific purpose of **mitigation activities**, with requirements and procedures as specified in the FRN.

V. CONSISTENCY WITH THE ACTION PLAN AND APPLICABLE LAWS AND REGULATIONS

As required by the FRN, the State of Louisiana, through the Office of Community Development (OCD) as the CDBG-MIT grantee, has developed a **CDBG-MIT Action Plan**, incorporating extensive public outreach and the latest data and science available, which has been approved by HUD. The state also identified and analyzed all significant current and future disaster risks and found that—whether by flash flooding, inland rivers, storm water or coastal storm surge—Louisiana is facing increased risk, in both magnitude and frequency, of flood events.



The AP provides a concise summary of the proposed programs and activities for use of the CDBG-MIT funds in order to meet the unmet mitigation needs identified through the extended risk assessment process. This includes identifying the resources necessary, including aligning, and leveraging across other federally funded programs and private sources, to maximize efficiencies and address the State of Louisiana's priority mitigation needs and goals. These policies, and any grants or sub-recipient agreements made in this Program, cannot be inconsistent or beyond the scope of activities authorized in the action plan. Similarly, these Policies cannot be interpreted to amend or override any applicable federal or state law, regulation, or directive applicable to the expenditure of CDBG MIT funds.

VII. LOCAL AND REGIONAL PROJECTS AND PROGRAMS OVERVIEW

1. PROGRAM PURPOSE

As local, regional and state governments and organizations work through the LWI toward regional, watershed-based coordination and as [the datasets and modeling tools](#) are developed to inform watershed management policy and project mitigation activities, the state has developed the CDBG-MIT-funded **Local and Regional Projects and Programs Grant** to provide grant assistance to local and regional entities to implement identified projects and programs with demonstrable and quantifiable mitigation outcomes.

This Program presents a unique opportunity to further this mission by supporting transparent and objective decision-making, regional watershed management, maximizing natural functions of the floodplain and improving project development capacity building statewide.

2. METHOD OF DISTRIBUTION

2.1 Rounds of funding

This Program is implemented in three distinct "rounds". Awards for Rounds 1, 2 and 3 are designed to encourage regional discussion and prioritization of projects, allow full consideration of a broad array of impactful mitigation activities, and ultimately to focus the detailed level of project formulation only to the most qualified projects that have the highest likelihood of success.

Round 1 provided an initial allocation of approximately \$100 million for resilience projects and programs within a watershed area. Round 1 awards support implementation ready, low-risk programs and projects known not to negatively impact flood risk or the natural and beneficial function of the floodplain either up or downstream, and that consider flood risks through a watershed-based approach and to incentivize units of local government to organize collectively as regional coalitions. Round 1 resulted in more eligible applications than available funding thus the state created the Design Support Program which extends a portion of funds in the **Local and Regional Projects and Programs Grant** to support eligible but incomplete Round 1 applications/pre-applications of interest.

The **Design Support Program (DSP)** supports eligible, unfunded, and/or incomplete Round 1 applications/pre-applications of interest and prioritizes awards across the following program priorities:



- Potential for re-scoping and redesign supported by technical assistance to address the underlying flood risk challenges described in the application.
- Potential feasibility to incorporate nature-based solutions as part of the re-scoping and redesign process.
- Benefit Low- and Moderate-income persons as defined in Section 3.1, below.
- Benefit to HUD most impacted and distressed parishes as defined in Section 4.1, below.
- Prioritization of regions that did not receive considerable funding in Round 1
- Prioritization of small urban areas (fewer than 5000 people for a municipality or a parish fewer than 50,000 people) where existing services are either insufficient or unavailable

Eligible DSP projects will be reviewed by a technical review panel to determine which projects are most likely to meet the DSP prioritized criteria.

Round 2 is intended to award program funding to implement flood-risk reduction projects justified by data that benefit low-moderate income populations (per HUD national objective), and HUD-identified most impacted and distressed areas.

Round 3 is intended to award remaining program funding to implement flood-risk reduction projects justified by fully completed program watershed models and will also incentivize the adoption of resilient policies on a regional basis.

Solicitations for Rounds 2 and 3 will be released as available.

3. NATIONAL OBJECTIVE

Each project funded with CDBG-MIT must meet a national objective in accordance with the general CDBG framework. Under the CDBG regulations, a project is not considered as meeting a national objective until it is complete. Therefore, applicants must be aware of the national objective category prior to embarking on a project or program and document compliance appropriately. Projects or programs in this Program must meet either the LMI or Urgent Need Mitigation national objectives. The Alternative Requirements in meeting these two national objectives, as prescribed by HUD, are further detailed in Sections 3.1 and 3.2 below.

Additionally, HUD established Alternative Requirements in the FRN that impose additional criteria for all mitigation activities funded with CDBG-MIT funds. To meet a national objective, all CDBG-MIT activities must:

- (1) Demonstrate the ability of infrastructure and public facility projects to operate for the useful life of the project – have a plan for funding for long-term operation and maintenance.
- (2) Be consistent with other mitigation activities in MID areas².

3.1 Low to Moderate Income (LMI)

In order to qualify as addressing the national objective of benefit to LMI persons, an activity must benefit LMI persons directly or indirectly based on an area (LMI area benefit). To qualify as an LMI area

² Page 71 of the FRN: FR-6109-N-02



benefit an activity must provide a benefit that is considered available to all residents in a particular area, where at least 51% of residents are LMI persons.

HUD alternatively allows certain activities, including buyouts (LMB) and housing activities (LMHI), to qualify as meeting an LMI national objective if one of the following requirements are met:

- **LMI:** An LMI national objective is met for buyouts when the seller is LMI and the total buyout (including relocation) is greater than the post-disaster Fair Market Value (FMV)
- **LMHI:** An LMHI national objective is met for housing incentives when an LMI household gets an incentive to move outside of the floodplain or to a lower-risk area; and providing or improving residential structures that, upon completion, will be occupied by an LMI household (e.g., use to purchase replacement mobile homes to move to lower risk area).

3.2 Urgent Need Mitigation (UNM)

HUD has waived and established an Alternative Requirement to the urgent need national objective which is applicable to CDBG-MIT funds only, called the Urgent Need Mitigation (“UNM”) national objective. In order to meet a UNM, the project must document:

- Activity addresses current and future risks in the Mitigation Needs Assessment of MID areas as described in the [CDBG-MIT Action Plan](#) starting on page six; and,
- Activity will result in measurable and verifiable reductions in risk of loss of life and property from future disasters and yield community development benefits.

4. ELIGIBILITY

4.1 Geographic Eligibility

Under the guidelines of FRN³, the state must spend money to benefit areas determined to be Most Impacted and Distressed (MID) as a result of the major disaster identified in the allocation – 2016 floods: DR-4263 and DR-4277 for mitigation activities that address identified risks within those areas. HUD requires that at least 50 percent of all CDBG-MIT funds be used for mitigation activities that benefit the HUD-identified MID areas. HUD identified 10 parishes as MIDs in the FRN.

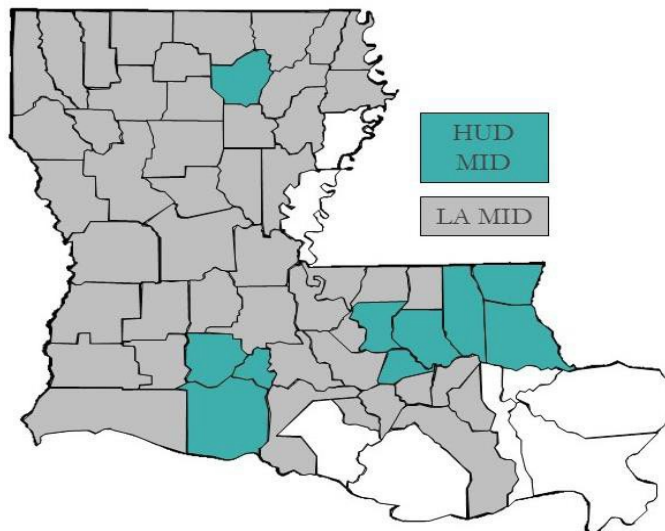
HUD allows the state to use quantifiable and verifiable data to designate additional MID areas where it can use the remaining 50 percent of the CDBG-MIT funds for mitigation activities that address identified risks resulting from the identified major disasters. The state has identified an additional 46 parishes as LA-identified MIDs. All 46 parishes received federal disaster declarations (Individual Assistance or Public Assistance) as a result of either the March or August 2016 floods (See **Figure 2**).

Projects for eligible mitigation activities outside of the HUD or LA- MID areas may be submitted, but they must specifically demonstrate how the expenditure of CDBG-MIT funds in their area will measurably benefit/mitigate risks within the HUD or LA- MID area (e.g., upstream water retention projects to reduce downstream flooding in the MID areas).

³ FR-6109-N-02, Section IIC; Pages 14-15



Figure 2. Parish MIDs Impacted by 2016 Flood.



HUD MIDs: *East Baton Rouge, Livingston, Ascension, Tangipahoa, Ouachita, Lafayette, Vermilion, Acadia, Washington, and St. Tammany parishes*

LA MIDs: *Allen, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, De Soto, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson Davis, LaSalle, Lafourche, Lincoln, Madison, Morehouse, Natchitoches, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, Union, Vernon, Webster, West Baton Rouge, West Carroll, West Feliciana and Winn parishes*

4.2 Eligible Activities

For CDBG-MIT funds, HUD requires that funding be used for *mitigation activities* –activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering or hardship, by lessening the impact of future disasters⁴. While the AP defines that all activities in HCDA 105(a) 1-25 are eligible, the Round 1 projects were selected based on **implementation-ready**, low risk, high benefit activities in public infrastructure and improvements, elevations, voluntary buyouts and housing activities related to resettlement, economic development and/or other public facilities projects that increase resilience to floods on a watershed level.

The same eligible activities permitted in Round 1 are permitted in the Design Support Program.

An eligible project may include more than one similar or related mitigation activity. For selected

⁴ Page 10 of the FRN: FR-6109-N-02



projects, application preparation and pre-award costs related to the application process are eligible for reimbursement, as are administration and activity delivery costs (provided such costs are consistent with other applicable regulations of this Program). These costs must be incurred after September 16, 2020, which is the approval of the CDBG-MIT grant agreement between HUD and the State of Louisiana, to be eligible for reimbursement.

The following activity types will categorize eligible project funds:

Floodplain Restoration and Preservation: Enhancement of critical areas and ecological restoration activities to promote flood resilience that would enhance the storage capacity and other ecosystem services of existing floodplains, floodways and waterways (e.g., floodplain reforestation, floodplain expansion/benching, stream restoration, wetlands/marshland restoration/ creation, conservation easements/ land acquisitions, and riparian buffers).

Flood Storage: Activities that improve resilience to flooding, provide significant stormwater detention, or are flood protection in nature (e.g., regional detention basin and retention basins, including bundled smaller upstream projects).

Critical Facilities and Infrastructure Flood Mitigation: Flood mitigation measures for critical and essential facilities or infrastructure. For example, activities may include water and sanitary sewer protective measures, other public utility protective measures including roads and bridges, and key infrastructure protective measures (ASCE 7 and 24 risk category III or IV facilities, evacuation routes).

Physical non-structural mitigation (Residential/Commercial/Agricultural/ Industrial): Elevations that meet CDBG-MIT requirements, voluntary acquisition, reconstruction, relocation, and wet or dry-floodproofing of flood-prone non-residential structures (excluding activities primarily utilizing fill). Proposals for non-structural protection must be for community or neighborhood scale activities (i.e., not only for single structures).

Stormwater Management - Gray Infrastructure: Necessary gray stormwater infrastructure measures including storm drain and culvert improvements and/or redesign, hardened channels and floodgates/flap gates. Increasing the flow of waterways with upgrades or modification to river crossings, roadways and removal of other impediments/ constrictions such as spoil-banks, old railroad spurs, old bridge pilings, weirs. These activities must demonstrate they will not increase flooding downstream (through analysis of drainage impacts on a HUC-12, 10 or 8 level watershed impact analysis) and are ideally paired with green stormwater infrastructure measures.

Stormwater Management- Green Infrastructure (GI): Green infrastructure activities that improve existing stormwater management infrastructure (e.g., stream daylighting, permeable pavement, green roofs, bioswales/stormwater parks, green streets/urban tree canopy, rain gardens/bioretention, cisterns and rainfall harvesting devices, subsurface infiltration, etc.). Proposals for green infrastructure protection should be incorporated into community or neighborhood scale projects.

Other innovative and/or replicable flood control activities: For example, groundwater storage, levee removal to improve floodplain capacity and storage, and recovery or community transformation activities that integrate flood risk mitigation with economic, social, and recreational benefits not otherwise captured in the activity list above.



Ineligible Activities:

- Per the FRN, HUD prohibits the use of CDBG-MIT funds to enlarge a dam or levee beyond the original footprint of the structure that existed before the disaster event. Special requirements exist for the use of CDBG-MIT funds for levees and dams⁵. OCD approval should be obtained for submittal of any project involving the proposed construction or demolition of a dam, levee or other flood control structure. Please see Section 8.1-8.3 of this document for further information on application requirements for projects impacting an existing dam or levee.
- CDBG-MIT funds made available in this program cannot be used to assist privately-owned utilities.
- CDBG-MIT funds cannot be used for ongoing maintenance or deferred maintenance projects.
- CDBG-MIT funds cannot be used for programs and projects to provide emergency response services⁶. However, CDBG-MIT funds may be used for mitigation activities to enhance the resilience of facilities used to provide emergency response services, provided that such assistance is not used for buildings for the general conduct of government as defined at 24 CFR 570.3.
- CDBG-MIT funds cannot be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use⁷.
- CDBG-MIT funds cannot be used for reimbursement for mitigation activities undertaken before approval of a grant agreement between HUD and the State of Louisiana.

5. PROJECT DELIVERY COSTS

Project delivery costs are expenses incurred by grantees while implementing and carrying out eligible CDBG activities. Project delivery is capped at 15% of the overall project budget within this program. Examples of project delivery costs include costs to supplement a grantee's single audit, costs associated with environmental clearance, newspaper advertisements, and grant management services. OCD may pay for Project Delivery costs in excess of the caps specified herein upon review of justification submitted by the grantee. OCD may reimburse for PDCs in excess of the caps specified herein upon review of documentation submitted by the grantee.

GRANT MANAGEMENT COSTS

Grant Management costs should be estimated according to the total grant request for the application and included in the application budget. The maximum allowable grant management cost per project shall be less than or equal to the caps as outlined in the table of Figure 3. The grant management cap is inclusive of all grant management services including but not limited to administrative oversight, preparation of the environmental review record, program reporting, scheduling, document management, review, technical assistance, and consultation as required to continue accomplishing the objectives of the project development through program closeout phases as described in the current CDBG Grantee Administrative Manual. The applicant must demonstrate the reasonableness of the costs. Justification based solely on the fact that the fees are within the amount allowed by OCD is not adequate.

⁵ Section V.C.2, Page 113-114 of the FRN: FR-6109-N-02

⁶ Emergency Response Services are defined in Section V.C.5, page 115 of FR-6109-N-02

⁷ Must be in accordance with the public use definition in Section V.D.7, page 117 of FR-6109-N-02.



Figure 3. Grant management cap amounts.

Total CDBG-MIT Project Award	Grant Management Cap Amount
\$500,000 - \$749,999.99	\$50,000.00
\$750,000 - \$1,499,999.99	\$60,000.00
\$1.5 million - \$2,499,999.00	\$80,000.00
\$2.5 million - \$5,999,999.99	\$100,000.00
\$6 million - \$10 million	\$120,000.00

Applicants may choose to use their own staff to conduct grant management activities, procure a third-party grant administrator, or a combination of the two.

6. PROFESSIONAL DESIGN AND CONSTRUCTION CASE MANAGEMENT COSTS

Professional design costs for Basic Services or Additional Services may be eligible for reimbursement up to the established fee schedule by State of Louisiana Office of Facility Planning and Control included as Appendix C. All design and case management costs would be included under project costs and not be allocated as activity delivery costs. Architectural/ Engineering fees, even those provided under either a fixed price contract or cost reimbursement contract, must be reasonable and justifiable. Sole justification that the fees are within the amount allowed by OCD is not adequate, and design contracts priced on the basis of a percentage of project cost are prohibited

Basic Services

Basic Services under a contract for professional design services may include costs for design services and related costs determined by OCD to be included within Basic Services.

Additional Services

Additional Services included in a contract for professional design include laboratory testing services, recordation fees, advertisement for bids, environmental assessments, hydrologic and hydraulic studies, traffic studies, wetlands permitting, surveys, geotechnical investigations, construction observation, builders risk insurance, and similar costs determined by OCD to be allowable. OCD reimbursement for Additional Services cannot exceed 5% of the construction cost. OCD may reimburse for Additional Services in excess of the 5% cap upon review of justification submitted by the project architect/engineer.

7. COORDINATION WITH OTHER FEDERAL SOURCES/FEMA

HUD notes in the FRN that the guiding structure and objectives established for CDBG-MIT funds bear similarities to other federal programs that address hazard mitigation, particularly FEMA's Hazard Mitigation Grant Program (HMGP). To that end, the state has established programs in the AP and activities of the LWI that seek to complement HMGP policies and processes where possible. Additionally, where program funds are available for similar activities, the state will provide applicants with technical assistance and briefings to understand how to apply for additional resilience and mitigation funding opportunities or leverage existing resources.



Projects submitted in Round 1 and therefore Round 2, can be the same as submitted for concurrent open application programs funded by FEMA. The state will coordinate to ensure projects are selected without duplication of funding source. Note, this Program is NOT intended to cover the non-federal match share of an existing project. OCD has an additional program in its AP with that objective.

VIII. LOCAL AND REGIONAL PROJECTS AND PROGRAMS - DESIGN SUPPORT PROGRAM

1. GOALS AND OBJECTIVES

The **Local and Regional Projects and Programs – Design Support Program (DSP)** funds engineering and design costs and project implementation to potentially eligible but unfunded projects submitted during Round 1. To be considered for DSP, projects must meet the Round 1 threshold requirements and have a complete or nearly complete Round 1 applications and/or pre-applications of interest. Projects determined to be ineligible for Round 1 will not be considered for this program. Project selection will be based on new priority criteria as described in later sections of this document. All awards in DSP are anticipated to include some level of design and engineering. These soft costs are a total of 15% added on to the total funding request of the grantee's original application for the grantee to procure professional services for any required study and/or data needs.

In addition to the goals and objectives outlined for Round 1, DSP aims to:

1. Re-scope and redesign project elements supported by technical assistance to better address the underlying flood risk challenges described in the application.
2. Incorporate nature-based solutions as part of the re-scoping and redesign process, where feasible and applicable.
3. Benefit Low- and Moderate-income persons as defined in Section 3.1, above.
4. Benefit HUD Most Impacted and Distressed areas (MIDs) as defined in Section 4.1, above.
5. Build local capacity for project design and implementation through the funding provided through the Design Support Program.

Consistent with Round 1, DSP continues to place a high importance on projects that can demonstrate that they pose no adverse impacts to the watershed and include nature-based solutions in project design, where feasible. DSP funding goals also continue to include reducing flood risk, enhancing transparency, and encouraging cooperation.

2. ELIGIBLE APPLICANTS/PROJECTS

To be considered for a DSP award, the project must have been submitted and reviewed in Round 1 but not selected for an award. The same eligibility requirements in Round 1 apply to DSP. Applicants from Round 1 that did not meet the Round 1 threshold requirements, are also not eligible for DSP. As was the case in Round 1, OCD will evaluate the capacity of applicants to serve as a grantee for CDBG-MIT funds,



and to ensure procedures exist to detect and prevent fraud, waste and abuse⁸. Planning projects are not eligible for a DSP award nor are projects that have been awarded or have an award decision pending under another state funding program.

3. DESIGN SUPPORT PROGRAM FUNDING DISTRIBUTION METHOD

In order to mobilize up to \$100,000,000 through DSP, OCD will provide funds for the grantee to procure professional services for any required study and/or data needs. This conditional award is to rescope and refine changes to the project that will improve the projected performance and outcomes. Upon approval of the DSP application, awards for project implementation will be issued (Figure 4). Projects for DSP do not require a local match or additional funding from CDBG-MIT funding.

Figure 4. Design Support Program

PHASE	DETAILS
Design Support and Implementation	Award up to \$100,000,000 by end of 2022 to fund project scoping and design support and implementation of the same projects, as feasible.

OCD will make technical assistance (TA) available to all applicants selected to participate in DSP who also demonstrate a commitment to finish the project. Design Support Program projects are selected based on the prioritized criteria outlined in Section 3.1.2. Technical assistance, including professional engineering expertise, support in including nature-based solutions, CDBG-MIT eligibility review , CDBG-MIT compliance and/or procurement support for project design and implementation, will be provided by a contractor already procured by the state and assigned directly to eligible DSP participants.

⁸ FR-6109-N-02, Section (6); Page 26.



Figure 5. DSP Timeline.

EVENT	DATE
Review panel reviews and recommends applications from Round 1 for inclusion in DSP	Jan-May 2022
OCD notifies DSP applicants of project scoping opportunity.	August 19, 2022
Interested applicants respond with Notice of Interest.	Within 10 days of notification
Project scoping and design support begins. Contractors are assigned to applicants/projects.	Sep 2022
Project scoping work is completed. OCD reviews projects for project implementation award as they are completed.	Oct-Dec 2022
Project Implementation awards announced, completion of TA (dates will vary)	Early 2023

3.1 Project selection and award process

Step 1: Application Review

OCD and its designees review applications for feasibility against program priorities, described below, to identify strong candidates for the Design Support Program.

The technical review panel will evaluate all applications against the prioritization criteria. Projects will be prioritized for technical assistance based on how well they collectively meet these criteria:

- Strong potential to deliver flood risk reduction benefits and minimal risk of negative impacts
- Located in or benefits a HUD-MID area
- Greatest impacts on LMI beneficiaries (either directly or through area benefit)
- Demonstrate potential to incorporate nature-based solutions
- Demonstrated need for capacity building and technical assistance
- Prioritization of regions that did not receive considerable funding in Round 1
- Prioritization of small urban areas (fewer than 5000 people for a municipality or a parish fewer than 50,000 people) where existing services are either insufficient or unavailable

Step 2: Notice of Interest (NOI)

- OCD notifies applicants of their opportunity to participate in the DSP program
- Interested applicants confirm their interest in participating in the program and agree to any terms and conditions of the program in the Cooperative Endeavor Agreement with OCD.

Step 3: Coordination of Technical Assistance

- OCD, its designees, the applicant, and the assigned technical assistance provider will develop and finalize the Design Support Scope of Work (DS-SOW).
- Regional Watershed Coordinators may be involved in the Design Support Scope of Work



development and/or outreach and engagement involved in the re-scoping process.

- The DS-SOW is meant to identify scope modifications, contingent requirements, and analysis needs, among other elements, which will result in potential design or approach changes to each project that will improve the projected performance and outcomes.
- The DS-SOW includes a conditionally awarded budget that the applicant may need to procure professional services for any required study and data needs
- Once the DS-SOW is finalized, the technical assistance provider will begin working directly with the applicant to rescope and refine the project, reporting to OCD and its designees as needed or as required in the delivery schedule.

Step 4: Project Implementation Review and Approvals

- Once the DS-SOW is completed, the revised project application and elements are submitted by the applicant to OCD for review and award consideration.
- OCD reviews the project for completeness as defined in the related DS-SOW to ensure priority criteria are addressed as expected. OCD also reviews for cost increases and implementation scope changes.
- At this point, OCD may request or require additional scope elements or technical assistance or determine, at its sole discretion, to issue a project implementation award.
- At any point during this process, OCD and/or the applicant may decide to terminate the technical assistance process or seek project implementation funding in future rounds of LWI project funding or from other funding sources.

The final application will be submitted and approved for funding. The final award amount may be adjusted based on the final cost estimate.

Implementation of these projects must follow the requirements of Section IX of this document, and all CDBG-MIT and federal cross-cutting requirements apply. See Section IX of this document as well as the [Disaster Recovery CDBG Grantee Administrative Manual](#) for more details.

IX. CDBG-MIT AND FEDERAL CROSS-CUTTING REQUIREMENTS

The following is a summary of key cross-cutting requirements and their application to the Watershed Projects Grant Program: Local and Regional. HUD has approved basic waivers common to CDBG-DR that are allowed in CDBG-MIT, otherwise CDBG-DR rules are presiding. HUD has determined certain Alternative Requirements applicable only to the CDBG-MIT funds, as detailed in the authorizing FRN. The Alternative Requirements provide flexibility in program implementation while ensuring HUD CDBG requirements are met.

For a comprehensive understanding of the CDBG-DR and federal cross-cutting requirements, please refer to the Disaster Recovery CDBG Grantee Administrative Manual: <http://www.doa.la.gov/Pages/ocd-dru/DRadminManual.aspx>.

Grantees are expected to comply with all compliance provisions and policies. Based on OCDs past



experience, program participants should pay particular attention to the following compliance subject areas as they have often proven the most challenging to address:

- Labor Compliance Requirements (Davis Bacon and Related Acts)
- Uniform Relocation and Real Property Acquisition Act (URA)
- Section 3 Compliance
- Procurement Methods
- Environmental Review
- Duplication of Benefits

OCD will provide technical assistance to inform and assist with compliance. Failure to comply fully with the CDBG-MIT and federal cross-cutting requirements may result in the project being ineligible and/or a recapture of funds.

1. LABOR STANDARDS

In general, Davis-Bacon and Related Acts (DBRA) requires payment of prevailing wages to laborers and mechanics on contracts, financed in whole or in part with CDBG-DR funds that involve construction work valued in excess of \$2,000. Also, all employees must be paid at least time and a half for any time they work more than 40 hours per week. The Federal Labor Standards Provisions and the applicable federal wage decision(s) must be included in bid packages and contract documents as well as referenced in all bid advertisements. Prevailing wage rates are higher than regular wages in many rural areas and may affect the project budget.

Eligible applicants must comply with and will be responsible for insuring compliance of all of its construction contracts with the following labor requirements and any other regulations issued to implement such requirements:

- 1) Section 110 of the Housing and Community Development Act of 1974, as amended and as set forth in 24 CFR§570.603.
- 2) Davis-Bacon Act, as amended (40 U.S.C. §3141 et seq.) as supplemented by Department of Labor regulations (29 CFR Parts 1, 3, 5, 6 and 7).
- 3) Contract Work Hours and Safety Standards Act (40 U.S.C. §3701 et seq.).
- 4) Federal Fair Labor Standards Act (29 U.S.C. §201 et seq.).
- 5) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. §874) as supplemented in Department of Labor regulations (29 CFR Part 3).

For further guidance, please see Section 7: Labor Regulations of the Disaster Recovery CDBG Grantee Administrative Manual, available at: <https://www.doa.la.gov/Pages/ocd-dru/DRadminManual.aspx>.

2. UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT (URA)

In executing projects, grantees may need to acquire real property to complete specific activities. Before 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. The applicant must follow the procedures of the Uniform Relocation and Real Property Acquisition Act before the site acquisition. ANY acquisition of real property made by a Grantee, even when financed with non-federal funds (i.e., general funds), can be subject to URA if the project's end result is a federally assisted project. Acquisition and relocation can be very time consuming, please develop your program time schedule accordingly.

There are three major regulations that cover relocation and acquisition activities in CDBG programs:

- a) URA regulations, effective February 2005, implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended (49 CFR Part 24)
- b) (b) Section 104(d) of the Housing and Community Development Act of 1974 (HCDA) and the implementing regulations at 24 CFR Part 42
- c) 24 CFR 570.606 of the CDBG Regulations which requires compliance with the regulations listed above.

For further guidance, please see Section 10 Acquisition and Relocation of the Disaster Recovery CDBG Grantee Administrative Manual:

<https://www.doa.la.gov/Pages/ocd-dru/DRadminManual.aspx>.

3. SECTION 3 COMPLIANCE IN THE PROVISION OF TRAINING, EMPLOYMENT AND BUSINESS OPPORTUNITIES

To the greatest extent feasible, employment and other economic opportunities should be directed to (1) low and very low-income persons, and (2) business concerns which provide economic opportunities to low and very low-income persons. Requirements are triggered when a recipient of CDBG-MIT assistance invests \$200,000 or more into projects/activities involving housing construction, rehabilitation or other public construction. If Section 3 of the HUD Act of 1968 is triggered for the applicant, then contractors/subcontractors whose contracts exceed \$100,000 must also comply. The applicant will have to report to the OCD information on Section 3 new hires and contracts awarded to Section 3 business concerns.

Applicants must ensure they comply with:

- a) Section 3 of the Housing and Urban Development Act of 1968, as amended
- b) 12 U.S.C. 1701u
- c) 24 CFR Part 75

For further guidance, please see Section 8 Civil Rights of the Disaster Recovery CDBG Grantee Administrative Manual, available at: <https://www.doa.la.gov/Pages/ocd-dru/DRadminManual.aspx>.

4. ELEVATION STANDARDS

Elevation standards apply to new construction, repair of substantial damage, or substantial improvement. The following elevation standards apply to new construction, repair of substantial damage, or substantial improvement of structures to mitigate risks identified in a grantee's Mitigation Needs Assessment, when those structures are located in an area delineated as a flood hazard area or



equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1)⁹.

All structures, defined at 44 CFR 59.1, designed principally for residential use and located in the 100-year (or 1 percent annual chance) floodplain that receive assistance for new construction, repair of substantial damage or substantial improvement as defined at 24 CFR 55.2(b)(10), must be elevated with the lowest floor, including the basement at least 2 feet above the base flood elevation. Alternatively, grantees may choose to adopt the design flood elevation standards of ASCE-24 if it results in an elevation higher than 2 feet above base flood elevation. Mixed-use structures with no dwelling units and no residents below 2 feet above base flood elevation must be elevated or floodproofed, in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least 2 feet above base flood elevation.

Nonresidential structures must be elevated to the standards in the FRN (Page 112-113) or floodproofed in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least 2 feet above the 100-year (or 1 percent annual chance) floodplain and may include using structural or nonstructural methods to reduce or prevent damage; or, designing it to adapt to, withstand and rapidly recover from a flood event.

All Critical Actions, as defined at 24 CFR 55.2(b)(3), within the 500-year (0.2 percent annual chance) floodplain must be elevated or floodproofed (in accordance with the FEMA standards) to the higher of the 500-year floodplain elevation or 3 feet above the 100-year floodplain elevation. If the 500-year floodplain is unavailable, and the Critical Action is in the 100-year floodplain, then the structure must be elevated or floodproofed at least 3 feet above the 100-year floodplain elevation. Critical Actions are defined as an "activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons or damage to property." For example, Critical Actions include hospitals, nursing homes, police stations, fire stations and principal utility lines.

Non-structural infrastructure must be resilient to flooding. The vertical flood elevation establishes the level to which a facility must be resilient. This may include using structural or nonstructural methods to reduce or prevent damage; or, designing it to withstand and rapidly recover from a flood event.¹⁰

For elevation activities, grantees are reminded that the elevation of structures must comply with all applicable federal accessibility standards outlined in section V.A.31. Applicable State, local, and tribal codes and standards for floodplain management that exceed these requirements, including elevation, setbacks and cumulative substantial damage requirements, must be followed.

Projects funded with CDBG-MIT which include elevation (including elevation programs unrelated to new construction, repair of substantial damage, or substantial improvement) should not utilize fill as a method of elevation or elevate slab foundations. Exceptions for individual structures can be considered for approval by OCD if other elevation methods are an impossibility, the impact of the method on the environment can be mitigated, and the cost of the elevation does not outweigh the benefit.

5. PROCUREMENT

Applicants must follow federal procurement rules (or State when more stringent) when purchasing services, supplies, materials or equipment. The federal procurement rules establish standards and

⁹ FR-6109-N-02, Section V.B.1.d, Pages 98-99.

¹⁰ FRN: FR-6109-N-02, Pages 112-113.



guidelines for the procurement of supplies, equipment, construction, engineering, architectural, consulting, and other professional services for CDBG-MIT programs. These standards are furnished to ensure that such materials and services are obtained efficiently and economically and in compliance with the provisions of applicable Federal and State laws and executive orders.

Applicants can refer to 2 CFR Part 200 for full details of requirements. Grantees are required to adopt written procurement procedures as required in 2 CFR 200.318-326. All procurement transactions funded in whole or in part with CDBG-MIT funds, regardless of dollar amount, must be conducted to provide “maximum open and free competition.” 2 CFR 200.318(i) requires that applicants maintain records sufficient to detail the significant history of a procurement. These records must include, but are not limited to, the following:

- 1) Rationale for the method of procurement;
- 2) Selection of contract type;
- 3) Contractor selection or rejection; and,
- 4) The basis for the contract price.

Two critical areas of compliance under 2 CFR Part 200 to which grantees should adhere:

- 1) Per 2 CFR Part 200.323, the Grantee must make independent estimates before receiving bids or proposals.
- 2) The contract provisions for non-federal entity contracts listed in Appendix II to 2 CFR Part 200 must be incorporated into all CDBG-MIT funded contracts. These provisions are included in the Grantee Administrative Manual as Exhibit 6-2 and Exhibit 6-16.

Applicants shall maintain a contract administration system to monitor contractor’s performance against the terms, conditions, and specifications of their contracts or purchase orders.

For additional information and more details, please see Section 6 – Procurement Methods and Contractual Requirements in the OCD-DRU Grantee Administrative Manual at:

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

6. ENVIRONMENTAL REVIEW

All activities funded by CDBG-MIT are 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](#). Applicants cannot make any choice limiting actions prior the completion of the HUD environmental review process. **No contracts can be entered committing the applicant. This includes but is not limited contracting for property rights or acquisition or construction contracts. Work may not commence on a project before the environmental review process is completed. These requirements apply if even such contracts or work is funded with non-federal dollars. Breach of this requirement results in the entire project being ineligible even for costs incurred after the environmental review.**

For additional information and more details, please see Section 9 – Environmental Review in the OCD-DRU Grantee Administrative Manual at: <http://www.doa.la.gov/Pages/oed-dru/DRAdminManual.aspx>.

The primary objectives of the HUD environmental review are to identify specific environmental factors that may be encountered at potential project sites and to develop procedures to ensure compliance with regulations pertaining to these factors. All CDBG-MIT funded projects and activities must have



documentation that they follow NEPA and all other environmental requirements.

Laws and regulations which contain environmental provisions that must be complied with include:

- Noise
- Historic Properties
- Coastal Zones
- Environmental Justice
- Floodplains
- Wetlands
- Man-made Hazards
- Water Quality
- Air Quality
- Endangered Species
- Farmland Protection

The timeline for an Environmental Assessment (“EA”) level (i.e., requiring a Phase I Report for new construction or reconstruction) environmental process is 90-120 days from the receipt of a comprehensive environmental review record (“ERR”). However, the amount of information collected and required in the environmental review process are also impacted by the type of work being completed. For example, a project that only consists of rehabilitation of an existing home may only require a site-specific checklist and could be completed much quicker than a project that includes new construction and/or reconstruction. The stated condition of the property and recognized environmental conditions (“REC”) in vicinity of the project also dictate follow-up necessities (i.e., 404 wetlands permits or Phase 2 reports) which further prolong the review process. The range of time required to completely review an ERR for a given property varies and is largely dependent upon how well the ERR submission is compiled. There is no official HUD timeline for all of the steps of the environmental review process.

After the environmental review process is completed, there are some additional associated time constraints with the FONSI/NOI public notice period before submitting the RROF (15-18 days) and the HUD review/comment period before the authorization to use grant funds (“AUGF”) which (15-18 days but more often than not) gets extended. Those two steps can take anywhere from 30-40 days if not longer.

For additional information and more details, please see Section 9 – Environmental Review in the OCD-DRU Grantee Administrative Manual at: <http://www.doa.la.gov/Pages/o cd-dru/DRadminManual.aspx>.

7. DUPLICATION OF BENEFITS

Applicants must be aware that the Supplemental Appropriations Act authorizing CDBG funding or the Stafford Act itself may include restrictions on using those program funds to provide assistance when insurance providers or other federal or state agencies have already funded all or a portion of the activity. Supplemental Appropriations Acts also include restrictions against certain types of matching requirements, share or contribution for any other federal program.

If receiving funds, an applicant (subrecipient or grantee) must have adequate procedures to prevent the duplication of benefits. This includes: (a) verifying all sources of assistance received, as applicable, before the award of CDBG-MIT funds; (b) determining remaining funding need(s) for CDBG-MIT assistance before committing funds or awarding assistance; and (c) requiring beneficiaries to enter into



a signed agreement to repay any duplicative assistance if they later receive additional assistance for the same purpose for which the CDBG-MIT award was provided.

It is required to use the best, most recent available data from FEMA, the Small Business Administration (SBA), as applicable, insurers, and any other sources of information on local, state and federal funding to prevent the duplication of benefits. Policies and procedures related to DOB should take note of FRN published on June 20, 2019 entitled, “Updates to Duplication of Benefits Requirements Under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees” (2019 DOB Notice) (84 FR 28836). The policies and procedures must reflect the treatment of loans that is consistent with the requirements of the Declined Loans Provision and the Disaster Recovery Reform Act¹¹ and requirements of HUD associated with duplication of benefits. Additional reference should be made to the State of Louisiana Substantial Action Plan Amendment No. 12 for the Utilization of Community Development Block Grant Funds in Response to the Great Floods of 2016 (submitted to HUD on Aug. 14, 2019).

8. FLOOD INSURANCE

The Stafford Act also contains eligibility requirements for recipients who have received prior disaster funding based upon whether or not they are in compliance with requirements associated with receipt of those funds. Where applicable, recipients must be in compliance with these restrictions or individual funding will be denied. Through this FRN, HUD instituted an Alternative Requirement to 42 U.S.C. 5305(a)(4) for CDBG-MIT funds, as follows: There is a prohibition to providing CDBG-MIT assistance for the rehabilitation/reconstruction of a house, if (a) the combined household income is greater than 120 percent AMI or the national median, (b) the property was located in a floodplain at the time of the disaster, and (c) the property owner did not maintain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.

Section 582 also imposes a responsibility on an applicant that receives CDBG-MIT. That responsibility is to inform property owners receiving assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance in writing and to maintain such written notification in the documents evidencing the transfer of the property, and that the transferring owner may be liable if he or she fails to do so.

Public entities applying for CDBG-MIT funding must be in good standing with the National Flood Insurance Program (NFIP). Applicants are advised to include consultation with local and regional floodplain administrators and managers.

9. OTHER RESOURCES AND INFORMATION

Resources, reference documents and links to guidance documents and regulations related to this program and the LWI will be posted on the LWI website at www.watershed.la.gov.

¹¹ P.L. 115-254, Division D, “DRRA” section V.A.24. of FRN FR-6109-N-02 and the 2019 DOB Notice (Pages 24-25)