



Action Plan Amendments

MAY 12, 2022

PRESENTERS



COLORADO
Department of Local Affairs



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DRGR Action Plan

Dates

- Action Plan must be submitted with 120 days of the applicability date of the Allocation Announcement Notice. Other documents include:
 - The Certifications are due within 60 days of the applicability date of the Allocation Announcement Notice or when the Action Plan is submitted, which ever is earlier.
 - A signed form SF-424 (Application for Federal Assistance)
- HUD has 60 days from the date of receipt to review the AP.
 - During the first 45 days, HUD will typically provide grantees with comments regarding the AP to avoid the need to disapprove the AP and offers a grantee the opportunity to make updates to the AP.



Substantial Amendment

At a minimum, the following modifications will constitute a Substantial Amendment:

- A change in program benefit or eligibility criteria
- The addition or deletion of an activity
- A proposed reduction in the overall benefit requirement;
- The allocation or reallocation of a monetary threshold specified by the grantee in their action plan

Other requirements

- Substantial Amendment requires a public comment period (usually 30 days)
- Approval by HUD normally takes 30 days.



Non-substantial Amendment

- Allowed if none of the “Substantial” thresholds are met
- No public comment period required
- Assumed approved by HUD 5 days after submittal to HUD



Lessons Learned and Best Practices

- Never do a Substantial Amendment if a Non-Substantial will do
- Review and modify your Public Participation Plan
- Combine like programs / activities in your Action Plan (Less is More)
- Establish a “Below the Line” List



Reducing Substantial Amendments

Problem

- Too many Substantial Amendments

Solution

- Modify the Substantial Amendment Thresholds in your Action Plan

Implementation

- Make the change in your next Amendment



Reducing Substantial Amendments

Original language

The State will require public notification and comment procedures as indicated above if any of the following Substantial Amendments are proposed:

- *A change in program benefit, eligibility criteria, or planned beneficiaries;*
- *The allocation or re-allocation of more than \$1 million; or*
- *The addition or deletion of any allowable activity described in the approved application.*

Revised language

The State will require public notification and comment procedures as indicated above if any of the following Substantial Amendments are proposed:

- *A change in program benefit, eligibility criteria, or planned beneficiaries;*
- *The allocation or re-allocation of more than **\$3 million** from one major program area to another (the four major program areas are Housing, Infrastructure, Economic Development and Planning); or*
- *The addition or deletion of any allowable activity described in the approved application.*





Reducing the Amendment Time

Problem

- Implementing new amendments became a lengthy process with little value added

Solution

- Modify your Public Participation Plan accordingly

Implementation

- Through the amendment process, reduced the public comment period from 30 days to 7 days

***Note:** Use your judgment – early in the process and for major changes, a longer public participation period might be warranted. Colorado made this change after a few years into the process.*



Simplify Your Action Plan



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Problem

- Too many projects and activities lead to more amendments

Solution

- Minimize the number of projects and activities in your Action Plan

Implementation

- Combine activities in your original Action Plan or combine later through an amendment

***Example:** A single project for multiple types of housing activities*

***Colorado example:** Combined our Watershed Program with our Ditch Repair Program.*

Notes:

If the eligible activity and responsible org are the same, you can usually combine them.

Consider reporting requirements before combining activities.



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Manage the Amendment Process



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Problem

- Multiple shifts in funding needs, including de-obligations, and unexpected demand or costs can lead to random additional amendments.

Solution

- Establish a “below the line” list of eligible projects, track de-obligations, establish a rhythm of review and amend (6 month intervals)

Implementation

- Colorado held regular meetings with our partners (initially monthly and then quarterly) and established an amendment schedule.

***Examples:** A major housing project falls through and leaves additional dollars to be reallocated. Delays in construction, cost overruns or ineligible FEMA costs put a major construction project at risk.*

***Notes:** Coordination is especially important if multiple agencies are running CDBG-DR programs. The “below the line” list allows you to prioritize unfunded projects early in the process.*



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HUD Specific Condition Added To Grant Agreements

Based on the risk posed by the complexity of the grant and the use of a method of distribution and competition to award funds to subrecipients, the grantee must:

Submit a substantial action plan amendment upon the award of CDBG-MIT funds through its method of distribution and/or competition process, that identifies the entities that have received funds and the amount of each award. The substantial amendment shall also include data to identify protected classes, racially and ethnically concentrated areas, and concentrated areas of poverty, within the HUD identified and grantee-identified most impacted and distressed areas (MIDs) that were eligible for consideration under the MOD or competition and provide a meaningful analysis that describes how those identified populations and areas may be impacted by those newly funded activities.



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Timeline: Amendment Approval

- Feb. 9, 2018: Public Law 115-123
- Aug. 30, 2019: Federal Register Notice (84 FR 45838)
- March 31, 2020: HUD approves CDBG-MIT Action Plan
- June 6, 2019: Public Law 116–20
- Jan. 6, 2021: Federal Register Notice (86 FR 561)
- Nov. 8, 2021: GLO submits CDBG-MIT Amendment 1
- Jan. 7, 2022: HUD disapproves CDBG-MIT Amendment 1 (45 days to resubmit)
- Feb. 18, 2022: GLO resubmits CDBG-MIT Amendment 1
- March 18, 2022: HUD approves CDBG-MIT Amendment 1





Public Action Plan Overview

Public Action Plan

- HUD has replaced the requirements for the “Published Action Plan” developed outside of DRGR with new “Public Action Plan” requirements developed within DRGR.
- New CDBG-DR grantees must now use the DRGR system to develop a single Action Plan that will include *BOTH* the Public Action Plan *AND* the DRGR Action Plan
- The new Public Action Plan will act similarly to the existing Published Action Plan and serve as an umbrella for the DRGR Action Plan (Projects and Activities), but now fully integrated within the DRGR system.





Public Action Plan Overview

Public Action Plan

- Similar to the exiting Published Plan that has always been required, but with a standardized template to expedite local preparation and HUD review.
 - Modeled after the eCon Planning Suite for State/Entitlement grantees in IDIS.
- New requirements apply prospectively, with no affect on previously executed CDBG-DR grant agreements.
- Just like the Published Plan, the Public Action Plan is a public facing document subject to public participation requirements so there will be no loss of transparency.
- Includes all amendments
 - Substantial
 - Non-Substantial





Public Action Plan Overview

DRGR Action Plan

- Same as the Action Plan that existing grantees are familiar with in DRGR.
- Builds out details of specific disaster recovery activities within the overall structure of the Public Action Plan using HUD-required criteria to demonstrate compliance and enable disbursement of CDBG-DR funds.

Resources

- HUD DRGR Fact Sheet – PL 117-43 Grantees:
<https://files.hudexchange.info/resources/documents/DRGR-Fact-Sheet-PL117-43-Appropriation-Grantees.pdf> [files.hudexchange.info]
- HUD Exchange DRGR Grantee Public Action Plan Training:
https://www.hud.gov/sites/dfiles/CPD/documents/DRGR_Grantee_Public_Action_Plan_Training.pdf [hud.gov]





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QUESTIONS



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