Description of Information Collection	Number of respondents	Responses per year	Total annual responses	Hours per response	Total hours
HUD 96011—Facsimile Transmittal (OMB No. 2535–0118)	350	1	350	0.50	175
HUD–2991—Certification of Consistency with the Consolidated Plan					
(OMB No. 2506–0112)	350	1	350	0.50	175
Sample Budget/Matching Form	350	1	350	1	350
Jobs Plus Pilot Application—Narrative(Strategy, Approach, Capacity)	350	1	350	24	8400
HUD 96010—Logic Model (OMB No. 2535–0114)	350	1	350	3	1050
Subtotal (Application)				31	10,850
Partnership Agreement (American Job Center)	12	1	12	1	12
Budget Worksheet	12	1	12	1	12
HUD–1044—Grant Agreement*	12	1	12	1	12
Annual Performance Report (Narrative and Data)—Quarterly	12	4	48	1	192
HUD–50058—Family Report (OMB No. 2577–0083)	12	1	12	1	12
Subtotal (Program Reporting/Recordkeeping)				5	240
Total				36	11,090

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond; including through the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

HUD encourages interested parties to submit comment in response to these questions.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35.

Dated: May 27, 2014.

Merrie Nichols-Dixon,

Deputy Director, Office of Policy, Programs and Legislative Initiatives.

[FR Doc. 2014–12729 Filed 6–2–14; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5696–N–09]

Second Allocation, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Disasters Occurring in 2013

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

ACTION: Notice.

SUMMARY: This Notice advises the public of a second allocation for the purpose of assisting recovery in the most impacted and distressed areas identified in major disaster declarations in calendar year 2013. This is the fifth allocation of Community Development Block Grant disaster recovery (CDBG–DR) funds under the Disaster Relief Appropriations Act, 2013 (Pub. L. 113–2). In addition to an initial allocation for disasters occurring in 2013, prior allocations addressed the areas most impacted by Hurricane Sandy, as well as the areas most impacted by disasters occurring in 2011 or 2012. In prior **Federal Register** Notices, the Department described the allocations, relevant statutory provisions, the grant award process, criteria for Action Plan approval, eligible disaster recovery activities, and applicable waivers and alternative requirements. This Notice builds upon the requirements of those notices.

DATES: *Effective Date:* June 9, 2014.

FOR FURTHER INFORMATION CONTACT: Stan Gimont, Director, Office of Block Grant Assistance, Department of Housing and Urban Development, 451 7th Street, SW., Room 7286, Washington, DC 20410, telephone number 202–708–3587. Persons with hearing or speech impairments may access this number via TTY by calling the Federal Relay Service at 800–877–8339. Facsimile inquiries may be sent to Mr. Gimont at 202–401–2044. (Except for the "800" number, these telephone numbers are not toll-free.) Email inquiries may be sent to *disaster_recovery@hud.gov.*

SUPPLEMENTARY INFORMATION:

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I. Allocation

The Disaster Relief Appropriations Act, 2013 (Pub. L. 113–2, approved January 29, 2013) (Appropriations Act) made available $16 billion in Community Development Block Grant (CDBG) funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) (Stafford Act), due to Hurricane Sandy and other eligible events in calendar years 2011, 2012, and 2013.

On March 1, 2013, the President issued a sequestration order pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (2 U.S.C. 901a), and reduced funding for CDBG–DR grants under the Appropriations Act to $15.18 billion. To date, a total of $11.2 billion has been allocated— $10.5 billion in response to Hurricane Sandy, $514 million in response to disasters occurring in 2011 or 2012, and $128.5 million in response to 2013 disasters. This Notice advises the public of a second allocation for 2013 disasters— $436.6 million is provided for the purpose of assisting recovery in the most impacted and distressed areas in Colorado, Illinois and Oklahoma. As the Appropriations Act requires funds to be awarded directly to a State or unit of general local government (hereinafter, local government), the term ''grantee'' refers to any jurisdiction receiving a direct award from HUD under this Notice.

To comply with statutory direction that funds be used for disaster-related expenses in the most impacted and distressed areas, HUD computes allocations based on the best available data that cover all the eligible affected areas. Based on further review of the impacts from Presidentially-declared disasters that occurred in 2013, and estimates of remaining unmet need, this Notice provides the following awards:

TABLE 1—ALLOCATIONS FOR DISASTERS OCCURRING IN 2013

Grantee	Second allocation	First allocation	Total
State of Colorado	$199,300,000	$62,800,000	$262,100,000
State of Illinois	6,800,000	3,600,000	10,400,000
City of Chicago, IL	47,700,000	4,300,000	52,000,000
Cook County, IL	54,900,000	13,900,000	68,800,000
Du Page County, IL	18,900,000	7,000,000	25,900,000
State of Oklahoma	83,100,000	10,600,000	93,700,000
City of Moore, OK	25,900,000	26,300,000	52,200,000
Total	436,600,000	128,500,000	565,100,000

As outlined in Table 2, to ensure funds provided under this Notice address unmet needs within the ''most impacted and distressed'' counties, each local government receiving a direct award under this Notice must expend its entire CDBG–DR award within its jurisdiction (e.g., Cook County must expend all funds within Cook County, excluding the city of Chicago; the city of Chicago must expend all funds in the city of Chicago, including the portions of Cook and Du Page counties located within the city's jurisdiction). The State of Oklahoma may expend funds (from both the first and/or second allocations) in areas it identifies as most impacted within any county that was declared a major disaster in 2011, 2012 or 2013, but must spend at least $41.2 million within Cleveland, and Creek Counties. The State of Illinois may expend funds in areas it identifies as most impacted within any county that was declared a major disaster in 2011, 2012 or 2013. The State of Colorado must expend at least 80 percent of its funds in the most impacted counties of Boulder, Weld and Larimer but may expend up to $52.4 million (combined first and second allocations) in other counties having a declared major disaster in 2011, 2012 or 2013. The following link provides access to maps showing declared disasters in each state, by year: *http://www.fema.gov/disasters/grid/state-tribal-government.* The opportunity for certain grantees to expend a portion of their allocations outside the most impacted and distressed counties identified by HUD enables those grantees to respond to highly localized distress identified via their own data. A detailed explanation of HUD's allocation methodology is provided at Appendix A.

TABLE 2—MOST IMPACTED AND DISTRESSED COUNTIES WITHIN WHICH FUNDS MAY BE EXPENDED

Grantee	Most impacted and distressed counties	Minimum percentage that must be expended in most impacted and distressed counties
State of Colorado	Boulder, Weld and Larimer	80
State of Illinois	Cook and Du Page	0
City of Chicago	City of Chicago; portions of the city in Cook and Du Page	100
Cook County	Cook	100
Du Page County	Du Page	100
State of Oklahoma	Cleveland , Creek	44
City of Moore	City of Moore; portions of the city in Cleveland	100

II. Use of Funds

This Notice builds upon the requirements of the **Federal Register** Notices published by the Department on March 5, 2013 (78 FR 14329), April 19, 2013 (78 FR 23578), and December 16, 2013 (76 FR 76154), referred to collectively in this Notice as the ''Prior Notices''. The Prior Notices can be accessed through the OneCPD Web site at *https://www.onecpd.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/.* In addition, the following links provide direct access to the Prior Notices: *http://www.gpo.gov/fdsys/pkg/FR-2013-03-05/pdf/2013-05170.pdf, http://www.gpo.gov/fdsys/pkg/FR-2013-04-19/pdf/2013-09228.pdf,* and *http://www.gpo.gov/fdsys/pkg/FR-2013-12-16/pdf/2013-29834.pdf.* The requirements of this Notice parallel those established for other grantees receiving funds under the Appropriations Act in a **Federal Register** Notice published by the Department on November 18, 2013 (78 FR 69104) and located at: *http://www.gpo.gov/fdsys/pkg/FR-2013-11-18/pdf/2013-27506.pdf*

As a reminder, the Appropriations Act requires funds to be used only for specific disaster-recovery related purposes. This allocation provides additional funds to areas impacted by disasters in 2011, 2012 or 2013 for recovery, including mitigation and resilience as part of the recovery effort and directs grantees to undertake comprehensive planning to promote resilience as part of that effort. The law also requires that prior to the obligation of CDBG–DR funds, a grantee shall submit a plan detailing the proposed use of funds, including criteria for eligibility and how the use of these funds will address disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas. To access funds provide by the initial allocation, HUD has approved an Action Plan for each of the grantees identified as receiving funds in this Notice. Grantees are now directed to submit a substantial Action Plan Amendment in order to access funds provided in this Notice. For more guidance on requirements for substantial Action Plan Amendments, please see sections IV and V of this Notice.

Note that, as provided by the HCD Act, funds may be used as a matching requirement, share, or contribution for any other federal program when used to carry out an eligible CDBG–DR activity. However, pursuant to the requirements of the Appropriations Act, CDBG–DR funds may not be used for expenses reimbursable by, or for which funds are made available by FEMA or the United States Army Corps of Engineers (USACE).

In addition, sections V and VI of this Notice incorporate information developed in response to Hurricane Sandy that are also being applied to these disasters. Executive Order 13632 (published in the **Federal Register** at 77 FR 74341) established the Hurricane Sandy Rebuilding Task Force (Task Force) to: (1) ensure government-wide and region-wide coordination was available to assist communities in making decisions about long-term rebuilding;-, and (2) develop a comprehensive rebuilding strategy. The Task Force released the Hurricane Sandy Rebuilding Strategy (the Rebuilding Strategy) on August 19, 2013. The Rebuilding Strategy can be found at *http://portal.hud.gov/hudportal/documents/huddoc?id=HSRebuildingStrategy.pdf.* In recognition of the increased risk the nation faces from extreme weather events, the Rebuilding Strategy provides recommendations for both rebuilding more resiliently in the Sandy-affected region and improving the ability of communities to withstand and recover effectively from disasters across the country.

Section 5(b) of the executive order requires HUD, ''as appropriate and to the extent permitted by law, [to] align [the Department's] relevant programs and authorities'' with the Rebuilding Strategy. Thus, this Notice applies elements of the Rebuilding Strategy so that grantees may build back stronger and more resilient through comprehensive planning and investing in mitigation efforts.

III. Timely Expenditure of Funds

The Appropriations Act requires that funds be expended within two years of the date HUD obligates funds to a grantee; and funds are obligated to a grantee upon HUD's signing of a grantee's CDBG–DR grant agreement. In its Action Plan, a grantee must demonstrate how funds will be fully expended within two years of obligation and HUD must obligate all funds not later than September 30, 2017. For any funds that the grantee believes will not be expended by the deadline and that it desires to retain, the grantee must submit a letter to HUD not less than 30 days in advance justifying why it is necessary to extend the deadline for a specific portion of funds. The letter must detail the compelling legal, policy, or operational challenges for any such waiver, and must also identify the date by when the specified portion of funds will be expended. The Office of Management and Budget (OMB) has provided HUD with authority to act on grantee waiver requests but grantees are cautioned that such waivers may not be approved. Approved waivers will be published in the **Federal Register**. Funds remaining in the grantee's line of credit at the time of its expenditure deadline will be returned to the U.S. Treasury, or if before September 30, 2017, will be recaptured by HUD.

IV. Grant Amendment Process

To access funds allocated by this Notice grantees must submit a substantial Action Plan Amendment to their approved Action Plan. Any substantial Action Plan Amendment submitted after the effective date of this Notice is subject to the following requirements:

- Grantee consults with affected citizens, stakeholders, local governments and public housing authorities to determine updates to its needs assessment; in addition, grantee prepares a comprehensive risk analysis (see section V.3.d. of this Notice);
- Grantee amends its citizen participation plan to reflect the requirements of this Notice (e.g., new requirement for a public hearing);
- Grantee publishes a substantial amendment to its previously approved Action Plan for Disaster Recovery on the grantee's official Web site for no less than 30 calendar days and holds at least one public hearing to solicit public comment;
- Grantee responds to public comment and submits its substantial Action Plan Amendment to HUD (with any additional certifications required by this Notice) no later than 120 days after the effective date of this Notice;
- HUD reviews the substantial Action Plan Amendment within 60 days from date of receipt and approves the Amendment according to criteria identified in the Prior Notices and this Notice;
- HUD sends an Action Plan Amendment approval letter, revised grant conditions (may not be applicable to all grantees), and an amended unsigned grant agreement to the grantee. If the substantial Amendment is not approved, a letter will be sent identifying its deficiencies; the grantee must then re-submit the Amendment within 45 days of the notification letter;
- Grantee ensures that the HUD-approved substantial Action Plan Amendment (and updated Action Plan) is posted on its official Web site;
- Grantee signs and returns the grant agreement;
- HUD signs the grant agreement and revises the grantee's line of credit amount;
- If it has not already done so, grantee enters the activities from its published Action Plan Amendment into the Disaster Recovery Grant Reporting (DRGR) system and submits it to HUD within the system;
- The grantee may draw down funds from the line of credit after the Responsible Entity completes applicable environmental review(s) pursuant to *24 CFR part 58* (or paragraph A.20 under section VI of the March 5, 2013 Notice) and, as applicable, receives from HUD or the state an approved Request for Release of Funds and certification;
- Grantee amends its published Action Plan to include its projection of expenditures and outcomes within 90

days of the Action Plan Amendment approval as provided for in paragraph 4.g. of section V of this Notice; and

- Grantee updates its full consolidated plan to reflect disaster-related needs no later than its Fiscal Year 2015 consolidated plan update.

V. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The Appropriations Act authorizes the Secretary to waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with HUD's obligation or use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements are based upon a determination by the Secretary that good cause exists and that the waiver or alternative requirement is not inconsistent with the overall purposes of title I of the HCD Act. Regulatory waiver authority is also provided by *24 CFR 5.110, 91.600,* and *570.5.*

This section of the Notice describes requirements imposed by the Appropriations Act, as well as applicable waivers and alternative requirements. For each waiver and alternative requirement described in this Notice, the Secretary has determined that good cause exists and the action is not inconsistent with the overall purpose of the HCD Act. The following requirements apply only to the CDBG–DR funds allocated in this Notice. Grantees may request additional waivers and alternative requirements to address specific needs related to their recovery activities. Except where noted, waivers and alternative requirements described below apply to all grantees under this Notice. Under the requirements of the Appropriations Act, regulatory waivers are effective five days after publication in the **Federal Register**.

1. *Incorporation of general requirements, waivers, alternative requirements, and statutory changes previously described.* Grantees are advised that general requirements, waivers and alternative requirements provided for and subsequently clarified or modified in the Prior Notices (published March 5, 2013, April 19, 2013, and December 16, 2013) apply to all funds under this Notice, except as modified herein. However, waivers and alternative requirements specific to one or more grantees only apply to those grantees. These waivers and alternative requirements described in the Prior Notices and this Notice provide additional flexibility in program design and implementation to support resilient recovery following the 2013 disasters, while also ensuring that statutory requirements unique to the Appropriations Act are met.

2. *Eligible activities and uses of funds.* Each grantee's Action Plan Amendment must describe uses and activities that: (1) Are authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) (HCD Act) or allowed by a waiver or alternative requirement published in this Notice or the Prior Notices; (2) meet a national objective; and (3) respond to a disaster-related impact in a county eligible for assistance. As described in the Prior Notices, eligible activities and uses typically fall under one of the following categories—housing, infrastructure, or economic revitalization.

3. *Action Plan for Disaster Recovery waiver and alternative requirement—Infrastructure Programs and Projects.* Grantees are advised that HUD will assess the adequacy of a grantee's response to each of the elements outlined in this subsection as a basis for the approval of a substantial Action Plan Amendment that *includes* infrastructure programs and projects. Going forward, and with the submission of additional Action Plan Amendments that include an infrastructure program or project, grantees need not resubmit responses to elements approved by HUD unless warranted by changing conditions or if project-specific analysis is required. Section VI(A)(1) of the March 5, 2013 Notice (''Action Plan for Disaster Recovery waiver and alternative requirement''), as amended by the April 19, 2013 Notice, is modified to require:

a. *Applicability.* The following guidance and criteria are applicable to all infrastructure programs and projects in an Action Plan Amendment submitted to HUD after the effective date of this Notice. Infrastructure programs and projects funded pursuant to the Prior Notices and submitted in an Action Plan Amendment after the effective date of this Notice are also subject to these requirements. However, projects scheduled to receive funding through FEMA's Public Assistance Grant Program, and for which funds have been obligated by FEMA on or before the effective date of this Notice, are not subject to these requirements.

b. *Definition of an Infrastructure Project and Related Infrastructure Projects.*

(1) Infrastructure Project: For purposes of this Notice, an infrastructure project is defined as an activity, or a group of related activities, designed by the grantee to accomplish, in whole or in part, a specific objective related to critical infrastructure sectors such as energy, communications, water and wastewater systems, and transportation, as well as other support measures such as flood control. This definition is rooted in the implementing regulations of the National Environmental Policy Act (NEPA) at 40 CFR part 1508 and 24 CFR Part 58. Further, consistent with HUD's NEPA implementing requirements at 24 CFR 58.32(a), in responding to the requirements of this Notice, a grantee must group together and evaluate as a single infrastructure project all individual activities which are related to one another, either on a geographical or functional basis, or are logical parts of a composite of contemplated infrastructure-related actions. Grantees should also ensure that each infrastructure project is eligible pursuant to section 105(a)(2) of the Housing and Community Development Act.

(2) Related Infrastructure Project: Consistent with 40 CFR part 1508, *infrastructure projects* are ''related'' if they automatically trigger other projects or actions, cannot or will not proceed unless other projects or actions are taken previously or simultaneously, or are interdependent parts of a larger action and depend on the larger action for their justification.

c. *Impact and Unmet Needs Assessment.* In Prior Notices, grantees were required to consult with affected citizens, stakeholders, local governments and public housing authorities to determine the impact of the 2013 disasters and any unmet disaster recovery needs. Grantees are required to update their impact and unmet needs assessments to address infrastructure projects, or any other projects or activities not previously considered, but for which an unmet need has become apparent.

d. *Comprehensive Risk Analysis.* Each grantee must describe the science-based risk analysis it has or will employ to select, prioritize, implement, and maintain infrastructure projects or activities. At a minimum, the grantee's analysis must consider a broad range of information and best available data, including forward-looking analyses of risks to infrastructure sectors from climate change and other hazards, such as the Midwest, Great Plains and Southwest United States Regional Climate Trends and Scenarios from the U.S. National Climate Assessment or comparable peer-reviewed information. The grantee should also consider costs and benefits of alternative investment strategies, including green infrastructure options. In addition, the grantee should include, to the extent feasible and appropriate, public health and safety impacts; direct and indirect economic impacts; social impacts; environmental impacts; cascading impacts and interdependencies within and across communities and infrastructure sectors; changes to climate and development patterns that could affect the project or surrounding communities; and impacts on and from other infrastructure systems. The analyses should, wherever possible, include both quantitative and qualitative measures and recognize the inherent uncertainty in predictive analysis. Grantees should work with other states and units of general local government to undertake regional risk baseline analyses, to improve consistency and cost-effectiveness.

The description of the comprehensive risk analysis must be sufficient for HUD to determine if the analysis meets the requirements of this Notice. Where a grantee provides a local match (using CDBG–DR funds) for an infrastructure project that is covered by a comprehensive planning process required by another Federal agency (e.g., FEMA, the Department of Transportation, U.S. Army Corps of Engineers, Environmental Protection Agency, etc.) HUD does not require the grantee to repeat the analysis completed during that planning process as part of its comprehensive risk analysis. Rather, that process may be referenced and/or adopted to assist the grantee in meeting its responsibility to conduct the comprehensive risk analysis required by this Notice.

e. *Resilience Performance Standards.* Grantees are required to identify and implement resilience performance standards that can be applied to each infrastructure project. The grantee must describe its plans for the development and application of resilience performance standards in any Action Plan Amendment submitted pursuant to this Notice.

f. *Green Infrastructure Projects or Activities.* In any Action Plan Amendment submitted pursuant to this Notice, each grantee must describe its process for the selection and design of green infrastructure projects or activities, and/or how selected projects or activities will incorporate green infrastructure components. For the purposes of this Notice, green infrastructure is defined as the integration of natural systems and processes, or engineered systems that mimic natural systems and processes, into investments in resilient infrastructure. Green infrastructure takes advantage of the services and natural defenses provided by land and water systems such as wetlands, natural areas, vegetation, sand dunes, floodplains and forests, while contributing to the health and quality of life of those in recovering communities.

In addition, the HCD Act authorizes public facilities activities that may include green infrastructure approaches that restore degraded or lost natural systems (e.g., wetlands and floodplain ecosystems) and other shoreline and riparian areas to enhance storm protection and reap the many benefits that are provided by these systems. This includes activities that provide greater floodplain space for floodwaters and recharge groundwater. Protecting, retaining, and enhancing natural defenses should be considered as part of any climate resilience strategy.

g. *Additional Requirements for Major Infrastructure Projects.* Action Plan Amendments that propose a major infrastructure project will not be approved unless the project meets the criteria of this Notice. HUD approval is required for each major infrastructure project with such projects defined as having a total cost of $50 million or more (including at least $10 million of CDBG–DR funds), or physically located in more than one county. Additionally, two or more *related infrastructure projects* that have a combined total cost of $50 million or more (including at least $10 million of CDBG–DR funds) must be designated as major infrastructure projects. Projects encompassed by this paragraph are herein referred to as ''Covered Projects.'' Prior to funding a Covered Project, the grantee must incorporate each of the following elements into its Action Plan (i.e., via a substantial Action Plan Amendment):

(1) *Identification/Description.* A description of the Covered Project, including: total project cost (illustrating both the CDBG–DR award as well as other federal resources for the project, such as funding provided by the Department of Transportation or FEMA), CDBG eligibility (i.e., a citation to the HCD Act, applicable **Federal Register** notice, or a CDBG regulation), how it will meet a national objective, and the project's connection to a disaster covered by this Notice.

(2) *Use of Impact and Unmet Needs Assessment and the Comprehensive Risk Analysis.* A description of how the Covered Project is supported by the grantee's updated impact and unmet needs assessment, as well as the grantee's comprehensive risk analysis. The grantee must also describe how Covered Projects address the risks, gaps, and vulnerabilities in the region as identified by the comprehensive risk analysis.

(3) *Transparent and Inclusive Decision Processes.* A description of the transparent and inclusive processes that have been or will be used in the selection of a Covered Project(s), including accessible public hearings and other processes to advance the engagement of vulnerable populations. Grantees should demonstrate the sharing of decision criteria, the method of evaluating a project(s), and how all project stakeholders and interested parties were or are to be included to ensure transparency including, as appropriate, stakeholders and parties with an interest in environmental justice or accessibility.

(4) *Long-Term Efficacy and Fiscal Sustainability.* A description of how the grantee plans to monitor and evaluate the efficacy and sustainability of Covered Projects, including how it will reflect changing environmental conditions (such as development patterns) with risk management tools, and/or alter funding sources, if necessary.

(5) *Environmentally Sustainable and Innovative Investments.* A description of how the Covered Project(s) will align with the commitment expressed in the President's Climate Action Plan to ''identify and evaluate additional approaches to improve our natural defenses against extreme weather, protect biodiversity, and conserve natural resources in the face of a changing climate . . .''

h. *HUD Review of Covered Projects.* HUD may disapprove any Action Plan Amendment that proposes a Covered Project that does not meet the above criteria. In the course of reviewing an Action Plan Amendment, HUD will advise grantees of the deficiency of a Covered Project, and grantees must revise their plans accordingly to secure HUD approval. In making its decision, HUD will seek input from other relevant federal agencies. Grantees are strongly encouraged to consult with federal agencies as proposals are developed for major infrastructure projects. The goal of this coordination effort is to promote a regional and cross-jurisdictional approach to resilience in which neighboring communities come together to: identify interdependencies among and across geography and infrastructure systems; compound individual investments towards shared goals; foster leadership; build capacity; and share information and best practices on infrastructure resilience.

4. *Action Plan for Disaster Recovery waiver and alternative requirement—Housing, Business Assistance, and General Requirements.* The Prior Notices are modified as follows:

a. *Public and assisted multifamily housing.* In the December 16, 2013 Notice, grantees were required to describe how they would identify and address (if needed) the rehabilitation (as defined at 24 CFR 570.202), reconstruction, and replacement of the following types of housing affected by the disaster: Public housing (including administrative offices), HUD-assisted housing (defined at subparagraph (1) of the March 5, 2013, Notice, at 78 FR 14332), McKinney-Vento-funded shelters and housing for the homeless—including emergency shelters and transitional and permanent housing for the homeless, and private market units receiving project-based assistance or with tenants that participate in the Section 8 Housing Choice Voucher Program. As part of this requirement, each grantee was required to work with any impacted Public Housing Authority (PHA) located within its jurisdiction, to identify the unmet needs of damaged public housing. If unmet needs existed once funding became available to the grantee, the grantee was required to work with the impacted PHA(s) to identify necessary costs, and ensure adequate funding was dedicated to the recovery of the damaged public housing.

In addition to the above, grantees under this Notice must now describe how they will address the rehabilitation, mitigation and new construction needs of other assisted multifamily housing developments impacted by the disaster, including HUD-assisted multifamily housing, low income housing tax credit (LIHTC)—financed developments and other subsidized and tax credit-assisted affordable housing. For CDBG–DR purposes, HUD-assisted multifamily housing continues to be defined by paragraph VI.A.1.a. (1) of the March 5, 2013 Notice at 78 FR 14332. Grantees should focus on protecting vulnerable residents and should consider measures to protect vital infrastructure (e.g., HVAC and electrical equipment) from flooding. Grantees are strongly encouraged to provide assistance to PHAs and other assisted and subsidized multifamily housing to help them elevate critical infrastructure and rebuild to model resilient building standards. Examples of such standards include the I-Codes developed by the International Code Council (ICC), the Insurance Institute for Business and Home Safety (IBHS) FORTIFIED home programs, and standards under development by the American National Standards Institute (ANSI) and the American Society of Civil Engineers (ASCE).

b. *Certification of proficient controls, processes and procedures.* The Appropriations Act requires the Secretary to certify, in advance of signing a grant agreement, that the grantee has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, ensure timely expenditure of funds, maintain comprehensive Web sites regarding all disaster recovery activities assisted with these funds, and detect and prevent waste, fraud, and abuse of funds. Grantees submitted this certification pursuant to the Prior Notices. In any Action Plan Amendment submitted after the effective date of this Notice, grantees are required to identify any material changes in its processes or procedures that could potentially impact the Secretary's or the grantee's prior certification. Grantees are advised that HUD may revisit any prior certification based on a review of an Action Plan Amendment submitted for this allocation of funds, as well as monitoring reports, audits by HUD's Office of the Inspector General, citizen complaints or other sources of information. As a result of HUD's review, the grantee may be required to submit additional documentation or take appropriate actions to sustain the certification.

c. *Certification of Resilience Standards.* The Prior Notices are amended to additionally require the grantee to certify that it will apply the resilience standards required in section V.3.e of this Notice.

d. *Amending the Action Plan.* The Prior Notices are amended, as necessary, to require each grantee to submit a substantial Action Plan Amendment to HUD within 120 days of the effective date of this Notice. All Action Plan Amendments submitted after the effective date of this Notice must be prepared in accordance with the Prior Notices, as modified by this Notice. In addition, they must budget all, or a portion, of the funds allocated under this Notice. Grantees are reminded that an Action Plan may be amended one or more times until it describes uses for 100 percent of the grantee's CDBG–DR award. The last date that grantees may submit an Action Plan Amendment is June 1, 2017 given that HUD must obligate all CDBG–DR funds not later than September 30, 2017. The requirement to expend funds within two years of the date of obligation will be enforced relative to the activities funded under each obligation, as applicable.

e. *HUD Review/Approval.* Consistent with the requirements of section 105(c) of the Cranston-Gonzalez National Affordable Housing Act, HUD will review each grantee's substantial Action Plan Amendment within 60 days from the date of receipt. The Secretary may disapprove an Amendment if it is determined that it does not meet the requirements of the Prior Notices, as amended by this Notice. Once an Amendment is approved, HUD will issue a revised grant agreement to the grantee.

f. *Projection of expenditures and outcomes.* The Prior Notices are amended, as necessary, to require each grantee to amend its Action Plan to update its projection of expenditures and outcomes within 90 days of its Action Plan Amendment approval. The projections must be based on each quarter's expected performance—beginning the quarter funds are available to the grantee and continuing each quarter until all funds are expended. Projections should include the entire amount allocated by this Notice. Amending the Action Plan to accommodate these changes is not considered a substantial amendment. Guidance on preparing the projections is available on HUD's OneCPD Web site at: *https://www.onecpd.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/*.

5. *Citizen participation waiver and alternative requirement.* The Prior Notices are modified to require grantees to publish substantial Action Plan Amendments for comment for 30 days prior to submission to HUD. Grantees are reminded of both the citizen participation requirements of those Notices and that HUD will monitor grantee compliance with those requirements and the alternative requirements of this Notice. In addition, this Notice establishes the requirement that at least one public hearing must be held regarding any substantial Action Plan Amendment submitted after the effective date of this Notice, including any subsequent substantial amendment proposing or amending a Covered Project. Citizens and other stakeholders must have reasonable and timely access to these public hearings. Grantees are encouraged to conduct outreach to community groups, including those that serve minority populations, persons with limited English proficiency, and persons with disabilities, to encourage public attendance at the hearings and the submission of written comments concerning the Action Plan Amendment.

The grantee must continue to make the Action Plan, any amendments, and all performance reports available to the public on its Web site and on request and the grantee must make these documents available in a form accessible to persons with disabilities and persons of limited English proficiency, in accordance with the requirements of the Prior Notices. Grantees are also encouraged to outreach to local nonprofit and civic organizations to disseminate substantial Action Plan Amendments submitted after the effective date of this Notice. During the term of the grant, the grantee must provide citizens, affected local governments, and other interested parties with reasonable and timely access to information and records relating to the Action Plan and to the grantee's use of grant funds. This objective should be achieved through effective use of the grantee's comprehensive Web site mandated by the Appropriations Act.

6. *Reimbursement of disaster recovery expenses.* In addition to pre-award requirements described in the Prior Notices, grantees are subject to HUD's guidance issued July 30, 2013—''Guidance for Charging Pre-Award Costs of Homeowners, Businesses, and Other Qualifying Entities to CDBG Disaster Recovery Grants'' (CPD Notice 2013–05)—as well as any subsequent updates to this guidance that HUD may issue. The CPD Notice is available on HUD's OneCPD Web site at: *https://www.onecpd.info/resource/3138/notice-cpd-13-05-guidance-for-charging-pre-award-costs-to-cdbg-dr-grants/.*

7. *Duplication of benefits.* In addition to the requirements described in the Prior Notices and the **Federal Register** Notice published November 16, 2011 (76 FR 71060), grantees receiving an allocation under this Notice are subject to HUD's guidance issued July 25, 2013—''Guidance on Duplication of Benefit Requirements and Provision of CDBG–DR Assistance''. This guidance is available on HUD's OneCPD Web site at: *https://www.onecpd.info/resource/3137/cdbg-dr-duplication-of-benefit-requirements-and-provision-of-assistance-with-sba-funds/.*

8. *Eligibility of needs assessment and comprehensive risk analysis costs.* Grantees may use CDBG–DR funds to update their impact and unmet needs assessments and to develop the comprehensive risk analysis for infrastructure projects required by this Notice, consistent with the overall 20 percent limitation on the use of funds for planning, management and administrative costs.

9. *Eligibility of mold remediation costs.* Mold remediation is an eligible CDBG–DR rehabilitation activity (see the HCD Act, e.g., 42 U.S.C. 5305(a)(4)). Like other eligible activities, however, the activity encompassing mold remediation must address a direct or indirect impact caused by the disaster.

10. *Eligibility of public services and assistance to impacted households.* Grantees are reminded that households impacted by 2013 disasters may be assisted as part of an eligible public service activity, subject to applicable CDBG regulations. Public service activities often address needs such as employment and training, infant and child care and supportive services, counseling, education, healthcare, etc. Income payments, defined as a series of subsistence-type grant payments are made to an individual or family for items such as food, clothing, housing, or utilities, are generally ineligible for CDBG–DR assistance. However, per the CDBG regulations, grantees may make emergency grant payments for up to three consecutive months, to the provider of such items or services on behalf of an individual or family.

Additionally, as provided by the HCD Act, funds for public services activities may be used as a matching requirement, share, or contribution for any other federal program when used to carry out an eligible CDBG–DR activity. However, the activity must still meet a national objective and address all applicable CDBG cross-cutting requirements.

11. *Small business assistance—Modification of the alternative requirement to allow use of the Employer Identification Number (EIN).* In the March 5, 2013 Notice, the Department instituted an alternative requirement to the provisions at 42 U.S.C. 5305(a) prohibiting grantees from assisting businesses, including privately owned utilities, that do not meet the definition of a small business as defined by Small Business Administration (SBA) at 13 CFR part 121 in order to target assistance to the businesses most responsible for driving local and regional economies. To determine whether an entity is a small business under the SBA definition, the grantee must take into account all of its affiliations. Typically, companies that have common ownership or management are considered affiliated. Per the SBA regulations, if businesses are affiliated, the number of jobs and revenue for those businesses must be aggregated. However, this could preclude a number of small businesses from receiving assistance—particularly in cases where one or more persons have control (i.e., ownership or management) of multiple small businesses that each have separate employer identification numbers (EIN), file separate tax returns, or even operate in different industries. Thus, HUD is modifying its definition of a small business: Businesses must continue to meet the SBA requirements at 13 CFR part 121 to be eligible for CDBG–DR assistance, except that the size standards will only apply to each EIN. Businesses that share common ownership or management may be eligible for CDBG–DR assistance, as long as each business with a unique EIN meets the applicable SBA size standards.

12. *Eligibility of Local Disaster Recovery Manager costs.* Consistent with the recommendation of the Rebuilding Strategy, grantees may use CDBG–DR funds to fill Local Disaster Recovery Manager (LDRM) positions, which are recommended by the National Disaster Recovery Framework. Additional information about the National Disaster Recovery Framework can be found at *http://www.fema.gov/long-term-recovery.* A LDRM may coordinate and manage the overall long-term recovery and redevelopment of a community, which includes the local administration and leveraging of multiple federally-funded projects and programs. A LDRM may also ensure that federal funds are used properly, and can help local governments address the need for long-term recovery coordination. For additional guidance, grantees should consult the CPD Notice ''Allocating Staff Costs between Program Administration Costs vs. Activity Delivery Costs in the Community Development Block Grant (CDBG) Program for Entitlement Grantees, Insular Areas, Non-Entitlement Counties in Hawaii, and Disaster Recovery Grants,'' at: *http://portal.hud.gov/huddoc/13-07cpdn.pdf.*

13. *Waiver to permit some activities in support of the tourism industry (State of Colorado only).* The State of Colorado has requested a waiver to allow the State to use up to $500,000 in CDBG–DR funds to support its tourism industry and promote travel to communities in the flood-impacted areas. Tourism is the primary economic contributor to the State of Colorado economy and provides a valuable source of business revenue, taxes and employment. Preliminary Needs Assessment data indicate that after the floods, of the $19.7 million in Small Business Administration Loans given to date, 16.25 percent were awarded to businesses with NAICS codes within the lodging and restaurant industries. These range from hotel, lodges, motels, full-service restaurants,

limited-service restaurants, and specialty food shops. The lodging and restaurant industries are heavily dependent on tourism dollars, and serve as early indicators of a larger, long-term tourism-related impact that the State is already witnessing unfold. In addition, the tourism industry in the impacted areas employs many individuals who are of low- and moderate-income; some of these jobs have been lost as a result of the devastating floods. According to estimates, the Estes Park Local Marketing District (consisting of Estes Park, Drake, Glen Haven and rural areas) has 1,338 direct tourism jobs with an average income per job of $23,650. In addition, there are another 409 indirect and induced jobs with an average income of $36,978 per job. Major visitor draws, like the Rocky Mountain National Park (RMNP) and the community of Estes Park have already seen a significant negative impact to their tourism dollars. In just September and October of 2013, RMNP experienced a loss of 427,376 visitors. The estimated financial impact of this loss is more than $118 million.

The Estes Park community serves as a gateway to the RMNP. Tourism to the region is promoted by a quasi-governmental entity, funded in part through tax dollars, known as *Visit Estes Park.* However, its reliance on tax dollars to fund their efforts has severely minimized its ability to promote tourism to the area. The area now finds itself in a worsening economic cycle, from which it could take decades to recover, if ever, without the injection of much-needed cash into the regional economy brought in by tourism.

Tourism industry support, such as a national consumer awareness advertising campaign for an area in general, is ineligible for CDBG assistance. However, HUD understands that such support can be a useful recovery tool in a damaged regional economy that depends on tourism for many of its jobs and tax revenues and has granted similar waivers for several CDBG–DR disaster recovery efforts. As the State of Colorado is proposing advertising and marketing activities for this specific program, rather than direct assistance to tourism-dependent businesses, and because the measures of long-term benefit from the proposed activities must be derived using indirect means, 42 U.S.C. 5305(a) is waived only to the extent necessary to make eligible use of no more than $500,000 for assistance for the tourism industry. CDBG–DR funds may be used to promote a community or communities in general, provided the assisted activities are designed to support tourism to the most impacted and distressed areas related to the 2013 floods. This waiver will expire two years after it first draws CDBG–DR funds under this allocation.

VII. Mitigation and Resilience Methods, Policies, and Procedures

Executive Order 13632 established the Hurricane Sandy Rebuilding Task Force. The Task Force was charged with identifying and working to remove obstacles to resilient rebuilding while taking into account existing and future risks and promoting the long-term sustainability of communities and ecosystems in the Sandy-affected region. The Task Force was further tasked with the development of a rebuilding strategy, which was released on August 19, 2013. The Executive Order directs HUD and other federal agencies, to the extent permitted by law, to align its relevant programs and authorities with the Rebuilding Strategy. The requirements set forth elsewhere in this Notice related to the selection of infrastructure projects and assistance to public and assisted multifamily housing reflect recommendations in the Rebuilding Strategy. To further address these recommendations, each grantee is strongly encouraged to incorporate the following components into its long-term strategy for recovery from eligible disasters under this Notice, and to reflect the incorporation of these components, to the extent appropriate, in Action Plan Amendments.

1. *Small business assistance.* To support small business recovery, grantees are encouraged to work with, and/or fund, small business assistance organizations that provide direct and consistent communication about disaster recovery resources to affected businesses. Selected organizations should have close relationships with local businesses and knowledge of their communities' needs and assets. In addition, grantees may support outreach efforts by a Community Development Finance Institution (CDFI) to small businesses in vulnerable communities.

2. *Energy Infrastructure.* Where necessary for recovery, CDBG–DR funds may be used to support programs, projects and activities to enhance the resilience of energy infrastructure. Energy infrastructure includes electricity transmission and distribution systems, including customer-owned generation where a significant portion of the generation is provided to the grid; and liquid and gaseous fuel distribution systems, both fixed and mobile. CDBG–DR recipients may use funds from this allocation for recovery investments that enhance the resilience of energy infrastructure so as to limit potential damages and future disturbance and thus reduce the need for any future federal assistance under such an event. CDBG–DR funds may be used to support public-private partnerships to enhance the resiliency of privately-owned energy infrastructure, if the CDBG–DR assisted activities meet a national objective and can be demonstrated to relate to recovery from the direct or indirect effects of eligible disasters under this Notice. Such projects may include microgrids or energy banks that may provide funds to entities consistent with all applicable requirements. Grantees should review DOE's report, ''U.S. Energy Sector Vulnerabilities to Climate Change and Extreme Weather,'' available at: *http://energy.gov/sites/prod/files/2013/07/f2/20130716-Energy%20Sector%20Vulnerabilities%20Report.pdf.* This report assesses vulnerabilities and provides guidance on developing a new approach for electric grid operations. In developing this component of their long-term recovery plans, grantees are reminded that pursuant to the March 5, 2013 Notice, grantees are prohibited from assisting businesses that do not meet the definition of a small business as defined by SBA at 13 CFR part 121 and as further modified by this Notice. The March 5, 2013 Notice also prohibits assistance to private utilities.

3. *Providing jobs to local workforce.* Grantees are reminded that they are required to comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135, and to certify to such compliance. In addition to complying with Section 3, grantees are encouraged to undertake specialized skills, training programs and other initiatives to: (a) Employ very-low and low-income individuals; and (b) award contracts to local businesses for rebuilding from eligible disasters under this Notice and mitigate against future risk (e.g., mold remediation and construction (including elevation), ecosystem and habitat restoration, water conservation efforts and green infrastructure) and for professional services related to Section 3 covered projects (e.g., architecture, site preparation, engineering, accounting, etc.).

4. *Project labor agreements.* Executive Order 13502 (Use of Project Labor Agreements for Federal Construction Projects) governs the use of project labor agreements for large-scale construction projects procured by the federal government. Similarly, grantees are encouraged to make use of Project Labor Agreements (PLAs) on large-scale

construction projects in areas responding to disasters. Executive Order 13502 can be found at: *http://www.whitehouse.gov/the-press-office/executive-order-use-project-labor-agreements-federal-construction-projects.*

5. *Mitigating future risk.* Grantees should include programs to implement voluntary buyout programs or elevate or otherwise flood-proof all structures that were impacted by the disaster (whether they are homes, businesses or utilities) to mitigate flood risk as indicated by relevant data sources. Reducing risk is essential to the economic well-being of communities and business and is therefore an essential part of any disaster recovery, including elevating at least one foot higher than the latest FEMA-issued base flood elevation or best available data as required by the April 19, 2013 Notice. The relevant data source and best available data under Executive Order 11988 is the latest FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps. Thus, in addition to the elevation requirements of the April 19, 2013 Notice, the Department strongly encourages grantees to elevate, relocate or remove all structures impacted by the disaster (including housing), even those requiring repairs of low or moderate damage, in addition to those requiring substantial improvements. FEMA maps are available here: *https://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1.*

In addition, all rehabilitation projects should apply appropriate construction standards to mitigate risk, which may include: (a) Raising utilities or other mechanical devices above expected flood level; (b) wet flood proofing in a basement or other areas below the Advisory Base Flood Elevation/best available data plus one foot; (c) using water resistant paints or other materials; or (d) dry flood proofing non-residential structures by strengthening walls, sealing openings, or using waterproof compounds or plastic sheeting on walls to keep water out.

Grantees are reminded of the mandatory mitigation requirements described in the April 19, 2013 Notice. That is, reconstruction and substantial improvement projects located in a floodplain, according to the best available data as defined above, must be designed using the base flood elevation plus one foot as the baseline standard for lowest floor elevation (or alternatively, for non-critical non-residential structures, for floodproofing). If higher elevations are required by locally adopted code or standards, those higher standards apply.

In addition to the mandatory requirements of the April 19, 2013 Notice, grantees may also engage in voluntary risk mitigation measures. For example, grantees may assist in floodproofing non-residential structures that are not critical actions (as defined at 24 CFR 55.2(b)(3)) in accordance with the floodproofing standards of the April 19, 2013 Notice, where the structures were impacted by the disaster but the needed repairs do not constitute a substantial improvement. Flood proofing requires structures to be water tight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic loads, hydrodynamic loads, the effects of buoyancy, or higher standards required by the FEMA National Flood Insurance Program as well as state and locally adopted codes.

6. *Leveraging funds and evidence-based strategies.* Grantees are encouraged, where appropriate, to leverage grant funds with public and private funding sources—including through infrastructure banks, Community Development Finance Institutions, and other intermediaries—and to make use of evidence-based strategies, including social impact bonds and other pay-for-success strategies.

VIII. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number for the disaster recovery grants under this Notice is as follows: 14.269.

Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at *24 CFR part 50,* which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available for public inspection between 8 a.m. and 5 p.m. weekdays in the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street SW., Room 10276, Washington, DC 20410–0500. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202–708–3055 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Relay Service at 800–877–8339.

Dated: May 27, 2014.

Clifford Taffett,

Assistant Secretary for Community Planning and Development (Acting).

Appendix A—Allocation Methodology

The first allocation for Disaster Recovery needs associated with 2013 disasters was based on preliminary data. The second allocation reflects updated housing and business unmet needs that have more complete information on insurance coverage and updated infrastructure repair costs from FEMA. This allocation is calculated based on relative share of needs HUD has estimated are required to rebuild to a higher standard consistent with CDBG program requirements and the goals set forth in the Hurricane Sandy Rebuilding Strategy. The methodology used to allocate these funds was designed to provide funding to cover a level of estimated unmet severe repair and resiliency recovery needs at the same proportional level as has been provided through the two allocations for Sandy recovery.

HUD calculates the cost to rebuild the most impacted and distressed homes, businesses, and infrastructure back to pre-disaster conditions. From this base calculation, HUD calculates both the amount not covered by insurance and other federal sources to rebuild back to pre-disaster conditions as well as a ''resiliency'' amount which is calculated at 30 percent of the total basic cost to rebuild back the most distressed homes, businesses, and infrastructure to pre-disaster conditions. The estimated cost to repair unmet needs are combined with the resiliency needs to calculate the total severe unmet needs estimated to achieve long-term recovery. The formula allocation is made proportional to those calculated severe unmet needs.

Available Data

The ''best available'' data HUD staff have identified as being available to calculate unmet needs at this time for all disasters in 2011, 2012, and 2013 in each state meeting HUD's Most Impacted threshold comes from the following data sources:

- FEMA Individual Assistance program data on housing unit damage;
- SBA for management of its disaster assistance loan program for housing repair and replacement;
- SBA for management of its disaster assistance loan program for business real estate repair and replacement as well as content loss; and
- FEMA data on infrastructure.

These funds are only allocated to states where the aggregate of their severe housing and business unmet needs (excluding resiliency) associated with disasters in 2011, 2012, and 2013 exceed $25 million from counties with $10 million or more in severe housing and business unmet needs.

Calculating Unmet Housing Needs

The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for FEMA's Individual Assistance program. For unmet housing needs, the FEMA data are supplemented by Small Business Administration data from its Disaster Loan Program. HUD calculates ''unmet housing needs'' as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA, where:

- Each of the FEMA inspected owner units are categorized by HUD into one of five categories:
  - Minor-Low: Less than $3,000 of FEMA inspected real property damage.
  - Minor-High: $3,000 to $7,999 of FEMA inspected real property damage.
  - Major-Low: $8,000 to $14,999 of FEMA inspected real property damage (if basement flooding only, damage categorization is capped at major-low).
  - Major-High: $15,000 to $28,800 of FEMA inspected real property damage and/or 4 to 6 feet of flooding on the first floor.
  - Severe: Greater than $28,800 of FEMA inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

To meet the statutory requirement of ''most impacted'' in this legislative language, homes are determined to have a high level of damage if they have damage of ''major-low'' or higher. That is, they have a real property FEMA inspected damage of $8,000 or flooding over 4 foot. Furthermore, a homeowner is determined to have unmet needs if they have received a FEMA grant to make home repairs. For homeowners with a FEMA grant and insurance for the covered event, HUD assumes that the unmet need ''gap'' is 20 percent of the difference between total damage and the FEMA grant.

- FEMA does not inspect rental units for real property damage so personal property damage is used as a proxy for unit damage. Each of the FEMA inspected renter units are categorized by HUD into one of five categories:
  - Minor-Low: Less than $1,000 of FEMA inspected personal property damage.
  - Minor-High: $1,000 to $1,999 of FEMA inspected personal property damage.
  - Major-Low: $2,000 to $3,499 of FEMA inspected personal property damage (if basement flooding only, damage categorization is capped at major-low).
  - Major-High: $3,500 to $7,499 of FEMA inspected personal property damage or 4 to 6 feet of flooding on the first floor.
  - Severe: Greater than $7,500 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

For rental properties, to meet the statutory requirement of ''most impacted'' in this legislative language, homes are determined to have a high level of damage if they have damage of ''major-low'' or higher. That is, they have a FEMA personal property damage assessment of $2,000 or greater or flooding over 4 foot. Furthermore, landlords are presumed to have adequate insurance coverage unless the unit is occupied by a renter with income of $30,000 or less. Units are occupied by a tenant with income less than $30,000 are used to calculate likely unmet needs for affordable rental housing. For those units occupied by tenants with incomes under $30,000, HUD estimates unmet needs as 75 percent of the estimated repair cost.

- The median cost to fully repair a home for a specific disaster to code within each of the damage categories noted above is calculated using the average real property damage repair costs determined by the Small Business Administration for its disaster loan program for the subset of homes inspected by both SBA and FEMA. Because SBA is inspecting for full repair costs, it is presumed to reflect the full cost to repair the home, which is generally more than the FEMA estimates on the cost to make the home habitable. If fewer than 100 SBA inspections are made for homes within a FEMA damage category, the estimated damage amount in the category for that disaster has a cap applied at the 75th percentile of all damaged units for that category for all disasters and has a floor applied at the 25th percentile.

Calculating Unmet Infrastructure Needs

- To proxy unmet infrastructure needs, HUD uses data from FEMA's Public Assistance program on the state match requirement. This allocation uses only a subset of the Public Assistance damage estimates reflecting the categories of activities most likely to require CDBG funding above the Public Assistance and state match requirement. Those activities are categories: C-Roads and Bridges; D-Water Control Facilities; E-Public Buildings; F-Public Utilities; and G-Recreational-Other. Categories A (Debris Removal) and B (Protective Measures) are largely expended immediately after a disaster and reflect interim recovery measures rather than the long-term recovery measures for which CDBG funds are generally used. Because Public Assistance damage estimates are available only statewide (and not county), CDBG funding allocated by the estimate of unmet infrastructure needs are sub-allocated to non-state grantees based on the share of housing and business unmet needs in each of the local jurisdictions.

Calculating Economic Revitalization Needs

- Based on SBA disaster loans to businesses, HUD used the sum of real property and real content loss of small businesses not receiving an SBA disaster loan. This is adjusted upward by the proportion of applications that were received for a disaster that content and real property loss were not calculated because the applicant had inadequate credit or income. For example, if a state had 160 applications for assistance, 150 had calculated needs and 10 were denied in the pre-processing stage for not enough income or poor credit, the estimated unmet need calculation would be increased as (1 + 10/160) * calculated unmet real content loss.
- Because applications denied for poor credit or income are the most likely measure of needs requiring the type of assistance available with CDBG–DR funds, the calculated unmet business needs for each state are adjusted upwards by the proportion of total applications that were denied at the pre-process stage because of poor credit or inability to show repayment ability. Similar to housing, estimated damage is used to determine what unmet needs will be counted as severe unmet needs. Only properties with total real estate and content loss in excess of $30,000 are considered severe damage for purposes of identifying the most impacted areas.
  - Category 1: real estate + content loss = below $12,000.
  - Category 2: real estate + content loss = $12,000 to $30,000.
  - Category 3: real estate + content loss = $30,000 to $65,000.
  - Category 4: real estate + content loss = $65,000 to $150,000.
  - Category 5: real estate + content loss = above $150,000.

To obtain unmet business needs, the amount for approved SBA loans is subtracted out of the total estimated damage.

Resiliency Needs

CDBG Disaster Recovery Funds are often used to not only support rebuilding to pre-storm conditions, but also to build back much stronger. For the disasters covered by this Notice, HUD has required that grantees use their funds in a way that results in rebuilding back stronger so that future disasters do less damage and recovery can happen faster. To calculate these resiliency costs, HUD multiplied it estimates of total repair costs for seriously damaged homes, small businesses, and infrastructure by 30 percent. Total repair costs are the repair costs including costs covered by insurance, SBA, FEMA, and other federal agencies. The resiliency estimate at 30 percent of damage is intended to reflect some of the unmet needs associated with building to higher standards such as elevating homes, voluntary buyouts, hardening, and other costs in excess of normal repair costs.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR–5750–N–21]

Federal Property Suitable as Facilities To Assist the Homeless

Correction

In Notice document 2014–11695, appearing on pages 29789–29791 in the Issue of Friday, May 23, 2014, make the following correction:

On page 29791, in the first column, after the seventeenth line and prior to the word ''California'', the following headings were inadvertently omitted:

''**Unsuitable Properties**

Building''

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