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Community Development Block Grant – Disaster Recovery ELIGIBILITY REQUIREMENTS

September 2021

1 OVERVIEW

The State of Nebraska has funds available through the Community Development Block Grant – Disaster Recovery (CDBG-DR) program, which is managed by the U.S. Department of Housing and Urban Development (HUD). The State of Nebraska’s CDBG-DR program is administered under the supervision of the State of Nebraska’s Department of Economic Development (DED).

Potential subrecipients can apply to the program by submitting the joint application that is available for Low Income Housing Tax Credits, HOME Funds, CDBG-DR and National Housing Trust Funds. The purpose of this document is to describe specific requirements that applicants must meet **in addition** to those set forth by the Nebraska Investment Finance Authority (NIFA) for other funding sources made available through this application. Any requirements not directly addressed under sections 2 of this document will be managed pursuant to the program requirements set forth for the HOME program.

2 CDBG-DR SPECIFIC REQUIREMENTS

Applicants are expected to meet the following requirements in order to be eligible to receive CDBG-DR funds. The full list of additional requirements for the CDBG-DR program is outlined in *Table 1*.

Note that some of the below requirements will be met by completing activities pursuant to federal laws and regulations (e.g., reporting, meeting labor standards). **Failure to comply with these requirements may result in recapture of funds.**

Table 1: Additional CDBG-DR Requirements

	Source of Applicable Federal Requirements	Description
Affordability Period	<ul style="list-style-type: none"> 83 FR 40320 	CDBG-DR has a minimum 5-year affordability period for homeowners, 20-year period for new construction multi-family projects with five or more units, and a 15-year period for multi-family rehabilitation projects with eight or more units. If CDBG-DR is used for rehabilitation of project having other funding sources, affordability periods may run concurrently.

	Source of Applicable Federal Requirements	Description
<p>Duplication of Benefits</p>	<ul style="list-style-type: none"> • Stafford Act – Section 312 • (42 USC §5155) • 83 FR 5844 • 84 FR 28836 	<p>CDBG-DR requires duplication of benefits verification for all program applicants to verify that assistance from multiple sources has not resulted in a duplicative benefit.</p> <p>Subrecipients will also be required to sign the following CDBG-DR forms: Consent and Release of Personal Information, Duplication of Benefits Affidavit, Duplication of Benefits Certification, and Subrogation Agreement.</p>
<p>Eligible Activities</p>	<ul style="list-style-type: none"> • Housing and Community Development Act of 1974 (HCD Act) • (42 USC §5305) • 83 FR 5861-5865 • 85 FR 4684 • State of Nebraska Disaster Recovery Action Plan 	<p>CDBG-DR Affordable Housing Construction Program is limited to the following eligible activities:</p> <ul style="list-style-type: none"> • Construction and reconstruction of rental housing, including public housing; • Construction of owner-occupied housing; • New construction of homes for sale to low- to moderate-income homeowners; and • Land acquisition for eligible housing activities.
<p>Environmental Review</p>	<ul style="list-style-type: none"> • National Environmental Policy Act • (42 USC 4321 et seq.) • 83 FR 5844 • 24 CFR 58 	<p>Subrecipients are responsible for conducting an Environmental Review to ensure projects meet federal, state, and local environmental standards. Activities are ineligible if they could have an adverse environmental impact or limit the choice of reasonable alternatives.</p>
<p>Fair Housing</p>	<ul style="list-style-type: none"> • HCD Act • (42 USC 5304(b)(2)) • 83 FR 5844 • 85 FR 4685 • 24 CFR 91 • 24 CFR 570.487(b) 	<p>Projects must indicate a clear methodology for prioritizing vulnerable populations in their application, which will be validated using the HUD Affirmative Fair Housing Marketing Plan. The Plan must be accompanied by actions from the subrecipient to meet fair housing requirements, including:</p> <ul style="list-style-type: none"> • Certifying that they will affirmatively further fair housing in the community,

	Source of Applicable Federal Requirements	Description
		<p>including some form of action to be taken, not just passive compliance;</p> <ul style="list-style-type: none"> Identifying a local contact as the community Fair Housing representative; and Proposing a specific action to Affirmatively Further Fair Housing.
<p>Green Building Standards</p>	<ul style="list-style-type: none"> 83 FR 5850, 5861 84 FR 4844 	<p>New construction and replacement activities must be conducted in compliance with CDBG-DR Green Building Standard provisions and HUD’s Community Planning and Development Green Building Retrofit Checklist.</p>
<p>Labor Standards and Section 3</p>	<ul style="list-style-type: none"> Davis-Bacon Act (40 U.S.C. 3141 et, seq.) HCD Act (42 USC 5310) 24 CFR 570.487(a) 83 FR 5844 Section 3 of HUD Act (12 USC 1701u) 83 FR 5844 24 CFR 75 	<p>Subrecipients must maintain compliance with labor standards required by the CDBG-DR program, by:</p> <ul style="list-style-type: none"> Complying with Davis-Bacon requirements by paying prevailing wages, participating in on-site interviews, posting Davis-Bacon construction posters, addressing any labor standards discrepancies, maintaining full documentation as required by the DED, and submitting enforcement reports, as needed. Implementing efforts to provide economic opportunities to low and very low-income persons (i.e., Section 3 Certification).
<p>Limited English Proficiency</p>	<ul style="list-style-type: none"> 42 U.S.C. 2000 83 FR 5853 72 FR 2732 	<p>Subrecipients are required to provide Limited English Proficiency (LEP) individuals with meaningful access to program resources funded through CDBG-DR. All program materials made available to the public regarding properties must be provided in English and Spanish.</p>

	Source of Applicable Federal Requirements	Description
Most Impacted and Distressed	<ul style="list-style-type: none"> • 83 FR 5844 • 85 FR 4683 	The majority of program funds allocated through the CDBG-DR program will be directed to the HUD-defined most-impacted and distressed (MID) areas, which include Douglas, Dodge, and Sarpy counties.
National Objective (Targeting LMI Populations)	<ul style="list-style-type: none"> • HCD Act • (42 U.S.C. 5301(c)) • 24 CFR 570.483(b)(3) • State of Nebraska Disaster Recovery Action Plan 	All projects funded through the Affordable Housing Construction Program must directly benefit low- to moderate-income persons, which is defined as at or below 80% of Area Median Income, as reported by HUD.
Procurement	<ul style="list-style-type: none"> • 83 FR 5844 • 24 CFR 570 • 2 CFR 200.317-326, as applicable 	The CDBG-DR Federal Register Notice does not waive the regulatory requirements related to procurement or competitive bidding. All subrecipients must follow applicable regulatory requirements.
Reporting	<ul style="list-style-type: none"> • HCD Act • (42 USC 5304) • 24 CFR 570.490 • 83 FR 5844 • 85 FR 4681 • 2 CFR 200.327-329 	DED will conduct on-site and desktop monitoring to review and validate compliance of program activities with CDBG-DR requirements. Applicants will be required to comply with regular monitoring, including submission of quarterly reports to support desktop monitoring. If identified, all deficiencies must be addressed within a timeline set forth by DED.
Tie to Disaster	<ul style="list-style-type: none"> • Public Law 116-20 • 83 FR 4844 • 85 FR 4681 • State of Nebraska Disaster Recovery Action Plan 	All projects selected must have a tie back to DR-4420 (i.e., Winter Storm Ulmer). Applicants must be located in one of the disaster declared counties to be eligible for assistance.