

**METROPOLITAN NASHVILLE-
DAVIDSON COUNTY**

***ACTION PLAN FOR DISASTER
RECOVERY
Amendment Two***

Utilizing Supplemental CDBG Disaster Recovery Funding
Authorized by the
Supplemental Appropriations Act, 2010
(Public Law 111-212)

Through the U.S. Department of Housing and Urban Development
Docket No. FR-5452-N-01
[Federal Register: November 10, 2010 (Volume 75, Number 217)]
Docket No. FR-5452-N-02
[Federal Register: April 14, 2011 (Volume 76, Number 72)]

**METROPOLITAN DEVELOPMENT AND HOUSING
AGENCY
November 2011**

INTRODUCTION

In July 2010, Congress passed the Supplemental Appropriations Act, 2010 (Public Law 111-212), which provides Community Development Block Grant (CDBG) funding for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in areas affected by severe storms and flooding that occurred from March 2010 through May 2010, for which the President declared a Disaster Area. The U.S. Department of Housing and Urban Development (HUD) published a Notice of allocations, waivers, and alternative requirements for the CDBG disaster recovery funds in the *Federal Register*, Volume 75, Number 217, Docket Number FR-5452-N-01, effective November 15, 2010.

The Metropolitan Government of Nashville-Davidson County received an initial allocation of \$10,731,831 of CDBG disaster recovery funds. As required by HUD, the City submitted an Action Plan describing the proposed use of funds for the initial allocation. HUD approved the Action Plan for Disaster Recovery in February 2011.

HUD issued Notice of a second allocation for CDBG disaster recovery grant funds of \$22,357,982 for Nashville-Davidson County, as published in the *Federal Register*, Volume 76, Number 72, Docket Number FR-5452-N-02, April 14, 2011. This Notice required the City to submit an Amendment to Nashville-Davidson County's initial Action Plan for Disaster Recovery to provide details for the distribution of funds and the eligible program activities for the second allocation. Amendment One described the proposed use of funds for addressing unmet housing, infrastructure, recovery and economic revitalization needs in Metro Nashville as a result of the May flood. HUD approved Amendment One in August 2011.

This Amendment Two provides further clarification of the proposed activities described Amendment One, includes budget revisions for activities, and renames "Code Enforcement" to "Neighborhood Cleanup."

The Metropolitan Development and Housing Agency (MDHA) has been designated to act as the lead agency responsible for the development and administration of Metro Nashville's Consolidated Plan and its related block grant programs (CDBG, HOME, HOPWA, and ESG) and will serve as the lead agency with respect to the Disaster Recovery Action Plan and related Amendments.

PROJECTED USE OF FUNDS

Methodology for Allocating Grant Resources and Relative Importance of the Project

Nashville-Davidson County received an initial allocation of \$10,731,831 and will receive a second allocation of \$22,357,982. The allocations are designated as follows:

Activities	Initial Allocation	Second Allocation	Total Allocation	Percent
Housing	\$ 9,400,000.00	\$ 13,000,000.00	\$ 22,400,000.00	68%
Infrastructure		\$ 5,025,000.00	\$ 5,025,000.00	15%
Recovery		\$ 1,875,000.00	\$ 1,875,000.00	6%
Planning	\$ 831,831.00	\$ 1,357,982.00	\$ 2,189,813.00	7%
Administration	\$ 500,000.00	\$ 1,100,000.00	\$ 1,600,000.00	5%
Total All Activities	\$ 10,731,831.00	\$ 22,357,982.00	\$ 33,089,813.00	100%

Amendments One and Two are intended to provide details on the program areas for the second allocation. These program areas were selected for the immediacy of need. The geographic area for these activities is Nashville-Davidson County, which the President has declared a Federal Disaster Area (FEMA Declaration Number: FEMA-1909-DR). If a specific area within Nashville-Davidson County is targeted, it will be indicated in the description of the activity.

Program income that is generated from any activity may be used for additional disaster-related activities until grant-closeout. At grant close-out, any program income on hand or received subsequently will become program income to the annual CDBG program.

Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5155), as amended, prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster as to which that person has received financial assistance under any other program or from insurance or from any other source. CDBG disaster recovery funds will not be used for activities for which funds have been received (or will be received) from FEMA; the SBA; other local, state, or federal programs; insurance; or recovery support from private charity organizations. However, CDBG funds may be used to provide assistance to the extent that a disaster recovery need has not been met by other sources. Applicants for assistance will be required to disclose all sources of assistance received or to be received.

I. Housing Activities

Over 9,000 residential properties were damaged by the May flood. Approximately 5,800 affected properties are located outside of the 100-year flood plain. A total of 305 damaged homes located in vulnerable areas are currently included in the Hazard Mitigation (“buyout”) program, which has an estimated cost of \$60 million.

Damage to residential properties was wide-spread throughout the county, impacting all income groups and housing types – single-family, multi-family, rental, and owner-occupied. To assist homeowners in returning to their homes as soon as possible to preserve Metro Nashville’s housing stock, the initial allocation provided \$9.4 million for the repair/rehabilitation of owner-occupied homes. In addition, Metro Nashville reprogrammed \$2.5 million in CDBG funds and \$2.5 million in HOME Investment Partnership funds to “jump-start” the recovery effect. To date, award letters totaling \$13 million have been sent to 608 eligible homeowners. Of that, \$9.2 million is committed to assist over 500 homeowners repair their flood-damaged homes.

Although the City has been able to begin addressing housing issues resulting from the May flood, needs remain for rental property assistance, new construction, downpayment assistance, and buyout assistance. Needs also exist for those homeowners who were not served through MDHA’s emergency rehabilitation program during the 2010 program due to the reallocation of annual CDBG funds to disaster recovery. Addressing these needs is vital to the long-term recovery of Nashville’s affected neighborhoods and their economic vitality.

Nashville-Davidson County received a waiver to allow homeownership assistance for households with incomes up to 120% of area median income, downpayment assistance for up to 100% of the down payment, and new construction. Nashville-Davidson County also received a waiver to allow up to 50% of the allocation to assist activities under the slum and blight or urgent need national objectives, rather than the 30% allowed under the regular CDBG rules. Low and moderate benefit for the remaining 50% of the allocation is defined as homeownership assistance for households with incomes up to 80% of AMI and rental properties that serve tenants with an income up to 80% of AMI. Low and moderate income area benefit is defined as an area that has at least 51% of the population with a household income of less than 80% AMI.

The housing activity established in the Disaster Recovery Action Plan (updated February 2011) and funded through the initial allocation focused on repair/rehabilitation of owner-occupied homes. Additional housing activities proposed to be funded under this second allocation are as follows:

Rental Property Assistance

- *National Objective:* LMI Benefit; Urgent Need
- *Allocation:* \$1,000,000
- *Eligible Applicants:* Landlords of flood-damaged properties with four units or fewer, including owners of a single rental property in which the unit is occupied by immediate family members
- *Threshold Criteria:* Properties located within the 100-year floodplain must meet all HUD environmental requirements, all applicable flood mitigation standards, and are insured by Federal Flood Insurance; properties located in a floodway, included in the “buyout” or qualify for the FEMA Hazard Mitigation Grant Program are not eligible
- *Grant Size Limit:*
 - 4% loans up to \$100,000 for a term of 10 years for landlords of rental properties of 2-4 units;

- for owners of a single rental unit: (1) 4% loans up to \$100,000 for optional terms of 10, 15 or 20 years; and owners of record at the time of the flood may potentially qualify for (2) \$10,000 grant, (3) 0% due on sale loan up to \$20,000
- *Responsible Entity:* MDHA, subrecipient

Rebuild/New Construction Assistance – Single-family Homes

CDBG Disaster Recovery funds will be allocated to assist owners in rebuilding or with new construction when the cost of repair or rehabilitation is not feasible.

- *National Objective:* LMI Benefit; Urgent Need
- *Allocation:* \$1,250,000
- *Eligible Applicants:* Owners of flood-damaged homes
- *Threshold Criteria:* Owner-occupied homes; feasibility of repairing an existing structure and of financing those repair determined on case-by-case basis; rebuild/new construction must occur on same property; properties located within the 100-year floodplain must meet all HUD environmental requirements, all applicable flood mitigation standards, and are insured by Federal Flood Insurance; properties located in a floodway, included in the “buyout” or qualify for the FEMA Hazard Mitigation Grant Program are not eligible
- *Grant Size Limit:* (1) 4% loan up to \$100,000 for terms of 10, 15, or 20 years, (2) \$10,000 grant, (3) 0% due on sale loan up to \$20,000
- *Responsible Entity:* MDHA, subrecipient

New Construction – Multi-family Homes

A significant portion of Nashville’s housing stock was impacted by the flood, and many homes may not be replaced or residents may choose to relocate outside of areas prone to flooding. To replenish the housing stock, offer more housing choices, and encourage revitalization of a targeted corridor, CDBG Disaster Recovery Funds will provide assistance for the development of rental or for sale multi-family homes.

- *National Objective:* LMI Benefit; Slum & Blight; Urgent Need
- *Allocation/Grant Size Limit:* \$2,000,000
- *Eligible Activities:* Acquisition, site development, design and new construction of rental or for sale multi-family homes
- *Responsible Entity:* MDHA

Downpayment Assistance

The Downpayment Assistance program established under this Amendment will assist owners that choose to relocate due to the infeasibility of repairing their homes or who choose to move from a flood-prone area. Assistance will also be available to participants in the Hazard Mitigation Program or Voluntary Buyout Program.

- *National Objective:* LMI Benefit; Urgent Need

- *Allocation:* \$2,250,000
- *Eligible Applicants:* “Buyout” participants; owners who choose relocate due to land movement, elevation requirements, or where the available financing cannot meet the costs of repairing or rebuilding or who choose to move from flood-prone areas
- *Threshold Criteria:* Purchased property must be located in Davidson County and cannot be located in a floodplain
- *Grant Size Limit:*
 - For eligible applicants not in the “buyout” program: (1) 4% loan up to \$20,000 for a term of 5, 10, or 15 years and (2) due on sale loan up to \$10,000 with 4% of principal due at time of sale
 - For “buyout” participants: 4% loan up to \$20,000 for a term of 5, 10, or 15 years
- *Responsible Entity:* MDHA, subrecipient

Purchase or Purchase/Repair Assistance for Flood Damaged Properties

To preserve the housing stock, arrest decline, and encourage investment in flood-impacted neighborhoods, assistance will be available to buyers of flood-damaged homes in which repairs are substantially incomplete. The intent of this program is to address flood damaged homes that the original owner is selling or has sold, and the property remains unrepaired or only partially repaired. Funds may be used to purchase the property and complete repairs. However, in some instances, the new buyer only needs assistance with purchasing the property because other sources of funds are available for repair or only needs assistance with repairs, and funds may be used to assist with either the purchase or the repair.

- *National Objective:* LMI Benefit; Urgent Need
- *Allocation:* \$3,500,000
- *Eligible Applicants:* Investors and potential owner-occupants
- *Threshold Criteria:* Purchase must be from the owner of record through a voluntary sale; repairs must meet Code standards; properties located in a floodway, included in the “buyout” or qualify for the FEMA Hazard Mitigation Grant Program are not eligible
- *Grant Size Limit:*
 - For investors: 4% loan up to \$130,000 for a term of 10 or 15 years;
 - For owner-occupants: 2% loan up to \$130,000 for a term of 10 or 15 years
- *Responsible Entity:* MDHA, subrecipient

Lead-Based Paint Hazard Evaluation and Reduction; Inspections

Homes in which CDBG funds are used for rehabilitation or acquisition must comply with the requirements of 24 CFR part 35, which addresses lead-based paint hazards in homes that are federally owned or receive federal assistance. Funding will be made available for lead-based paint hazard evaluation and reduction as well as for construction inspections relating to disaster recovery housing programs.

- *National Objective:* LMI Benefit; Urgent Need
- *Allocation:* \$500,000

- *Eligible Activities/Threshold Criteria:*
 - Lead-based paint hazard evaluation and reduction for homes constructed prior to 1978 in which rehab or acquisition has been funded with CDBG Disaster Recovery funds
 - Construction inspections of homes in which rehab has been funded with CDBG Disaster Recovery funds
- *Grant Size Limit:* Varies.
- *Responsible Entity:* MDHA

“Buyout” Local Match

The Hazard Mitigation Grant Program identifies properties that have been severely damaged by the flood or impede the floodway. By acquiring these properties, the threat of future flooding and damaged is minimized and new amenities, such as parks and open space, can be created. To date, assistance from FEMA in the amount of \$30 million and TEMA in the amount of \$5 million has allowed Metro to purchase 73 homes. However, approximately three hundred (300) properties have been identified as eligible for the buyout for a total cost of \$60 million. CBDG Disaster Recovery Funds have been allocated to match FEMA assistance to further the “buyout” program, as allowed in the Notice. Funds under this allocation will provide assistance in purchasing these homes, and a portion of these funds may be used to reimburse Metro Government for eligible costs incurred related to this activity since the date of the flood.

- *National Objective:* LMI Benefit; Slum & Blight; Urgent Need
- *Allocation:* \$1,500,000
- *Eligible Applicants:* Eligible applicants to the FEMA Hazard Mitigation Grant Program
- *Threshold Criteria:* Receipt of a commitment letter or award for the FEMA Hazard Mitigation Grant Program for housing buyout
- *Grant Size Limit:* Limited to 12.5% or less of the total cost for the housing buyout program
- *Responsible Entity:* Metro Government, MDHA

Emergency Rehab

In the 2010-2015 Consolidated Plan, MDHA established a goal to serve approximately 120 homeowners each year through the HOME and CDBG homeowner and rental rehab programs. The May flood occurred one month into the 2010 program year. In order to immediately respond to the disaster, MDHA amended the Consolidated Plan and 2010 Action Plan to reprogram approximately \$2.5 million in HOME funds and \$2.5 million in CDBG funds to disaster recovery. While these funds served to jump-start the repair of flood-damaged homes, other homes in need of repair were not served. Rehabilitation of these homes is vitally important to the stabilization of neighborhoods and ensuring the health and safety of the occupants; and the preservation of Nashville’s affordable housing stock, which was significantly impacted by the flood, furthers housing choices throughout Metro.

- *National Objective:* LMI Benefit

- *Allocation:* \$1,000,000
- *Eligible Applicants:* Households with incomes below 80% AMI
- *Threshold Criteria:* Owner-occupied homes in which conditions threaten the health and safety of the occupant; eligible projects include HVAC, plumbing, roofing, electrical, accessibility improvements
- *Grant Size Limit:* Grants up to \$10,000
- *Responsible Entity:* MDHA

II. Infrastructure

Flood waters spilled over the banks of the rivers and streams, inundating downtown Nashville and neighborhoods throughout the county and leaving behind debris and damaged infrastructure. In many areas, damaged and deteriorated infrastructure must be replaced. In the downtown riverfront area, new infrastructure that is suitable to the area will spur development and restore economic vitality to Nashville's tourism and recreation industries heavily affected by the flood.

Neighborhood Infrastructure

Flood-impacted neighborhoods in low-moderate income census tracts face substantial barriers to recovery and revitalization. To assist with recovery, CDBG Disaster Recovery Funds will be utilized to address water service infrastructure needs in these neighborhoods.

- *National Objective:* LMI Benefit; Urgent Need
- *Allocation:* \$137,500
- *Eligible Activities/Threshold Criteria:* Water services infrastructure such as storm water, flood and drainage improvements in low income areas.
- *Grant Size Limit:* Varies by project
- *Responsible Entity:* MDHA, Metro Government
- *Geographic Area:* Flood-impacted neighborhoods located in qualified census tracts

Riverfront Development

Nashville's downtown riverfront corridor serves as an epicenter of the region's internationally renowned tourism, entertainment and hospitality industry, and host to a broad array of historic, cultural and recreational amenities that contribute immensely to the general livability and quality of life of the downtown area. The community-generated Plan of Nashville (2005), the Downtown Community Plan (2007), the Nashville Riverfront Concept Plan (2007) and the Nashville Long Term Recovery Plan (2011) all recognize the downtown riverfront as a unique and precious resource that offers unique opportunities to preserve and reclaim natural eco-systems; provides for a diversity of recreational and open space amenities for downtown visitors, workers and residents; and serves as a catalyst for continued economic development and job creation within the general downtown area.

The May 2010 flood severely impacted both the economic and cultural viability of Nashville's downtown riverfront area on both sides of the river – a key attraction for the region's tourism,

entertainment and hospitality industries, and the local community as a whole. Numerous cultural, entertainment, retail, business services as well as residential and business property owners and tenants incurred significant property damages and/or loss of revenues. The Schermerhorn Symphony Center alone incurred flood related property damage in excess of \$40 million. Government facilities (e.g. Riverfront Park) and major utility providers (e.g. the Nashville Electric Service) were not spared. Timing of the flood could not have been worse for Nashville's tourist-based economy, occurring in the critical weeks leading up to the community's premier international entertainment event, the annual Country Music Awards festival on the downtown riverfront. Throughout the flood recovery period, potential visitors from around the world either postponed or canceled trips to the Music City. As a result of the May 2010 flood, business receipts were down, hospitality and other service-related jobs were lost, local and state tax revenues dropped. Further, the overall downtown community, especially area residents, lost access to and utilization of its most significant recreational and open space asset, the downtown riverfront.

A direct outcome of the Downtown Riverfront Coordinated Revitalization Plan (see below) is the staged construction of an integrated framework of neighborhood enhancement, economic development and associated infrastructure projects along the downtown riverfront that include stabilization of the East Bank; additional recreational, open space and entertainment amenities; walking, bicycling and parking enhancements; and major utility system upgrades that incorporate sustainable storm water management techniques and flood mitigation features. Assistance will be made available for these activities, and a portion of these funds may be used to reimburse for eligible costs incurred related to this activity since the date of the flood.

- *National Objective:* LMI benefit; Slum & Blight; Urgent Need
- *Allocation:* \$3,000,000
- *Eligible Activities/Threshold Criteria:* Design and construction of infrastructure improvements in the downtown riverfront area that are suitable to the area; implementation of the Downtown Riverfront Coordinated Revitalization Plan
- *Grant Size Limit:* Varies by project
- *Responsible Entity:* MDHA
- *Geographic Area:* Downtown riverfront area

Greenways, Parks, and Open Spaces

Nashville's greenway system connects neighborhoods to various points of activity while providing alternative transportation; its parks and open spaces provide every citizen in Nashville-Davidson County with active and passive recreational opportunities. Virtually all of the parks, greenways, and open spaces along the Cumberland River and its tributaries were inundated by the flood waters. CDBG Disaster Recovery funds will be used to address these public amenities impacted by the flood, and a portion of these funds may be used to reimburse Metro Government for eligible costs incurred related to this activity since the date of the flood.

- *National Objective:* LMI Benefit; Urgent Need
- *Allocation:* \$1,887,500

- *Eligible Activities:* Design, construction, reconstruction, rehabilitation or installation of improvements
- *Threshold Criteria:* Greenways, parks, and open space in flood impacted areas
- *Grant Size Limit:* Varies by project
- *Responsible Entity:* Metro Government
- *Geographic Area:* Richland Creek/Del Ray; Whites Creek/West Hamilton; Mill Creek/Thompson Lane-Old Glenrose-Wimpole; other flood impacted areas

III. Recovery

Recovery efforts to stabilize Nashville’s neighborhoods and reduce threats to health and safety include CDBG-assisted voluntary acquisition and code enforcement.

Voluntary Acquisition

Many owners of properties damaged by the May flood are not eligible for funding through FEMA’s Hazard Mitigation Grant Program, yet they may find it infeasible to use or rebuild due to the damage level, age of the structure, and/or elevation required to lawfully reconstruct the property. CDBG Disaster Recovery funds will be used to implement a voluntary acquisition and related clearance program to assist owners who wish to sell/vacate their property.

- *National Objective:* LMI Benefit; Slum & Blight; Urgent Need
- *Allocation:* \$1,000,000
- *Eligible Applicants:* Owners properties impacted by the flood, which are not included in the “Buyout” program and determined ineligible for funding through FEMA’s Hazard Mitigation Grant Program
- *Threshold Criteria:* Compliance with 24 CFR part 570.505 and the Uniform Relocation Act
- *Grant Size Limit:* Post-flood values as provided in the Notice and costs associated with clearance
- *Responsible Entity:* MDHA, Metro Government

Neighborhood Cleanup

Damage to property and streams as a result of the severe flooding requires a significant increase in local government services to protect public health and safety. In addition, the demand associated with recovery efforts stretched local resources, including equipment. Assistance will be provided for neighborhood cleanup efforts in flood impacted areas. A portion of these funds may be used to reimburse Metro Government for eligible costs incurred related to neighborhood cleanup since the date of the flood and to replace equipment that failed to function during or as a result of recovery efforts. In some areas, debris from the 2010 flood impedes waterways, and assistance will be made available for stream cleanup efforts.

- *National Objective:* LMI Benefit; Slum & Blight; Urgent Need

- *Allocation/Grant Size Limit:* \$750,000 for neighborhood cleanup activities and equipment replacement; \$125,000 for stream cleanup
- *Eligible Activities/Threshold Criteria:* Neighborhood cleanup efforts; replace equipment that failed to function; stream cleanup
- *Responsible Entity:* MDHA, Metro Government

IV. Planning

Although the Notice provides for planning activities up to 15% of the total allocation, approximately 7% of the second allocation is designated for planning activities.

Long-term Recovery Planning

With funding from the initial allocation, Metro Nashville began a long-term community recovery planning process, gathering input from the community to prepare recommendations related to a Long-Term Recovery Plan (LTRP). A copy of the LTRP is available at <http://www.nashvillerecovery.com/docs/longterm/NashvilleLTRP.pdf>. The LTRP is a starting point that provides a framework for evaluating, coordinating, and prioritizing recovery efforts. Continued long-term recovery planning will aid the City in identifying projects and programs that can be implemented by the public, private, and non-profit sectors to address the restoration of infrastructure, housing, and transportation, and the economic vitality of Nashville.

- *National Objective:* N/A
- *Allocation/ Grant Size Limit:* \$407,982
- *Eligible Activities/ Threshold Criteria:* Long-term recovery planning for Nashville-Davidson County
- *Responsible Entities:* MDHA, Mayor’s Office of Flood Recovery

Housing Research

The flood affected all housing types at all income levels and drastically changed the nature of Nashville’s housing market conditions. One of the initiatives identified in the Long-Term Recovery Plan to analyze housing needs is the creation of an Applied Housing Research, Policy and Plan Partnership. Through this partnership, a Housing Report and Action Plan will provide a collaborative approach to studying current and future housing issues. The plan will identify housing opportunities within the context of overall housing market conditions from different market perspectives, identify policy implications, and present policy options that align housing initiatives and programs with existing and anticipated housing market conditions after the flood.

- *National Objective:* N/A
- *Allocation/ Grant Size Limit:* \$250,000
- *Eligible Activities/ Threshold Criteria:* Development of a Housing Report and Action Plan
- *Responsible Entities:* MDHA, subrecipient

OEM Strategic Planning

Among its many functions, Metro’s Office of Emergency Management develops plans and procedures to ensure the highest level of mitigation, preparedness, response and recovery. As part of its strategic planning efforts, Metro will implement a review of the actions taken during the May 2010 flood and the response of the various departments to the emergency crisis.

- *National Objective:* N/A
- *Allocation/ Grant Size Limit:* \$250,000
- *Eligible Activities/ Threshold Criteria:* Development of OEM Strategic Plan; review of 2010 flood response
- *Responsible Entity:* Mayor’s Office of Flood Recovery

Downtown Riverfront Coordinated Revitalization Plan

As a result of the torrential rains in May 2010, the Cumberland River crested at 51.86 feet – 12 feet above flood stage. Nashville’s downtown riverfront area on both sides of the river, including the East Bank as well as Riverfront Park and much of the famous tourist district of lower Broadway, were under water.

In light of the May flood, the City must re-examine proposed development for the downtown riverfront area. As envisioned in the Long-Term Recovery Plan, a Downtown Riverfront Coordinated Revitalization Plan will establish the clear and concise framework required to properly guide staging, budgeting, design and construction of projects in a manner that is efficient, cost-effective, and suitable to the revitalization of this affected area.

- *National Objective:* N/A
- *Allocation/Grant Size Limit:* \$450,000
- *Eligible Activities/Threshold Criteria:* Development of a Downtown Riverfront Coordinated Revitalization Plan
- *Responsible Entity:* MDHA
- *Geographic Area:* Downtown riverfront area

V. Administration

- *National Objective:* N/A
- *Allocation:* Up to 5% (\$1,100,000.00) of funds from the second allocation
- *Eligible Activities:* Activities described in the Notice and allowable under 24 CFR part 570.206
- *Threshold Criteria:* Actual administrative expenses related to the administration of disaster recovery programs described in this Amendment
- *Grant Size Limit:* Total administrative costs, including costs incurred by subrecipients, may not exceed the HUD limit of 5% of funds
- *Responsible Entities:* MDHA, Mayor’s Office of Flood Recovery, subrecipients

REQUIREMENTS NOT WAIVED

The Supplemental Appropriations Act authorizes the Secretary of HUD to waive, or specify alternate requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary, or use by the recipient, of the funds and guarantees, except for the requirements discussed below. A complete list of the waivers approved to date can be found in the *Federal Register*, Volume 75, Number 217, Docket Number FR-5452-N-01, November 10, 2010, beginning on page 69103, and are summarized in Appendix B of the Action Plan for Disaster Recovery, updated February 2011.

Activities funds under the Supplemental Appropriations Act must comply with the requirements related to fair housing, nondiscrimination, labor standards, and environment (including requirements concerning lead-based paint) are not waived. Further, HUD's regulations at 24 CFR 135, which implement section 3 apply.

CITIZEN PARTICIPATION PROCESS

Amendment Two does not include any event or action which would be a substantial amendment that requires public input prior to enacting. Therefore, the City will follow the procedure for minor amendments as described in the Action Plan for Disaster Recovery.