



DEPARTMENT OF
HOUSING



COMMUNITY DEVELOPMENT BLOCK GRANT – MITIGATION (CDBG-MIT)

Overview

Updated 04/28/2021

RELEASE OF FUNDS



HUD rules for new CDBG-MIT Program are located in two Federal Register notices for Puerto Rico: the Main Notice at 84 FR 4583 and the Puerto Rico Allocation Notice at 85 FR 4676.

Federal Register

84 FR 45838

CDBG-MIT Main Notice Released on August 30, 2019

85 FR 4676

CDBG-MIT Allocation for Puerto Rico Released on January 27, 2020



RELEASE OF FUNDS



HUD's definition for mitigation is new and stipulated in the Federal Register specifically for CDBG-MIT activities at 84 FR 45838. Puerto Rico currently awaits an additional release of \$1.93 billion for electrical power system enhancements.

CDBG-MIT

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

- HUD, 84 FR 45838

January 27, 2020

\$8.285B

mitigation funds

Awaiting

\$1.93B

electrical power
system enhancements



MITIGATION REQUIREMENTS



Mitigation activities must meet the four key HUD requirements listed below. The HUD definition referenced in item 1 below was introduced in the previous slide. The additional three requirements are further described in the following four slides.



1

Must meet the **HUD's definition of mitigation activities.**



2

Address the **current and future risks** as identified in the grantee's Mitigation Needs Assessment of **most impacted and distressed** areas.



3

Must be **CDBG-eligible activities under title I of the Housing and Community Development Act of 1974 (HCDA)** or otherwise eligible/ approved to a waiver or alternative requirement.



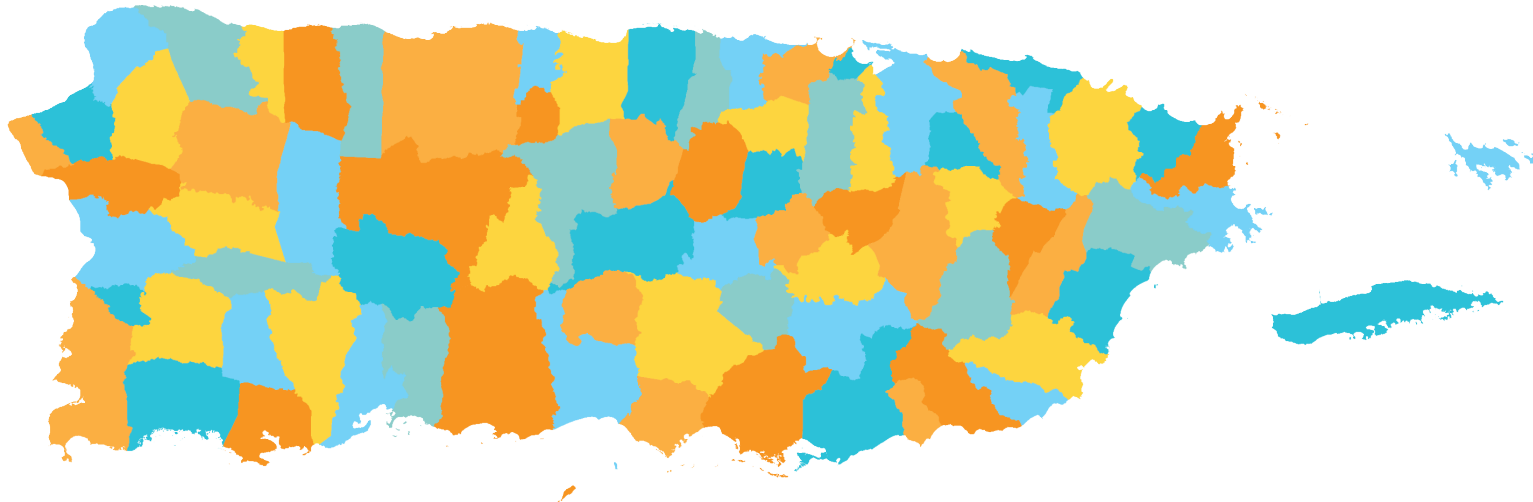
4

Must **meet a national objective**, including additional criteria for mitigation activities and Covered Projects (as defined by HUD).

2 - MUST ADDRESS CURRENT AND FUTURE RISK IN MID AREAS



Projects will not qualify for funding unless they directly relate to an unmet need identified in the multi-hazard risk assessment. This risk assessment is built on the FEMA Hazard Mitigation Planning (HMP), planning framework.



All 78 municipalities
considered HUD Most
Impacted and Distressed

MULTI-HAZARD RISK ASSESSMENT

Risk-based Mitigation Needs Assessment that identifies analyzes of all current and future disaster risks

Must consult with HMGP-eligible jurisdictions, including the **State Hazard Mitigation Officer (SHMO)**

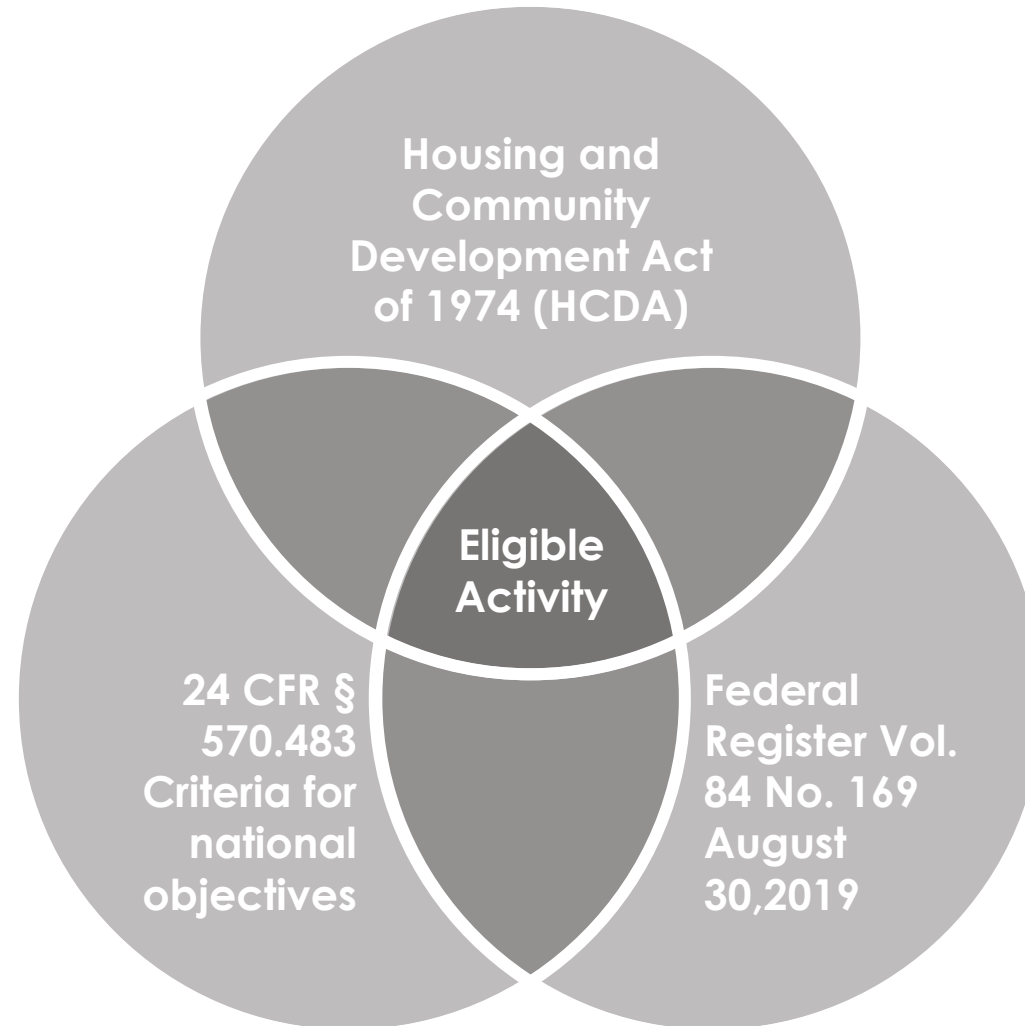
Must use the most recent risk assessment completed through the FEMA HMP

If a jurisdiction is currently updating an expired HMP, the grantee must consult with the agency

3 - CDBG ELIGIBLE ACTIVITIES



CDBG-MIT is based on the same regulatory framework as CDBG-DR and largely follows the same regulatory requirements for eligible activities – but differs in that activities must serve a mitigation purpose.



PLANNING



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INFRASTRUCTURE



**ECONOMIC
DEVELOPMENT**

3 - CDBG ELIGIBLE ACTIVITIES (Continued)



The activities listed here are examples of eligible use of funds from the Mitigation Federal Register Notice. Determining eligible activities, eligible subrecipients, and allocations to different programs was part of the planning process. These details were included in the Action Plan.



PLANNING

- ✓ Support for local and regional functional land-use plans
- ✓ Master plans
- ✓ Historic preservation plans
- ✓ Comprehensive plans
- ✓ Community recovery plans
- ✓ Resilience plans
- ✓ Development of building codes, zoning ordinances, and neighborhood plans



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- ✓ Buyouts (potentially accompanied by additional housing or homeownership assistance for relocated families)
- ✓ Elevation (which may be accompanied by rehabilitation, reconstruction, or new construction activities to support resilient housing)
- ✓ Flood proofing; and wind, water, fire, earthquake retrofitting or "hardening" of single- and multifamily units



ECONOMIC DEVELOPMENT

- ✓ Assistance to businesses for the installation of disaster mitigation improvements and technologies
- ✓ Financing to support the development of technologies, systems and other measures to mitigate future disaster impacts
- ✓ "Hardening" of commercial areas and facilities
- ✓ Financing critical infrastructure sectors to allow continued commercial operations during and after disasters
- ✓ Leverage Economic Opportunity Zones established within the grantee's jurisdiction



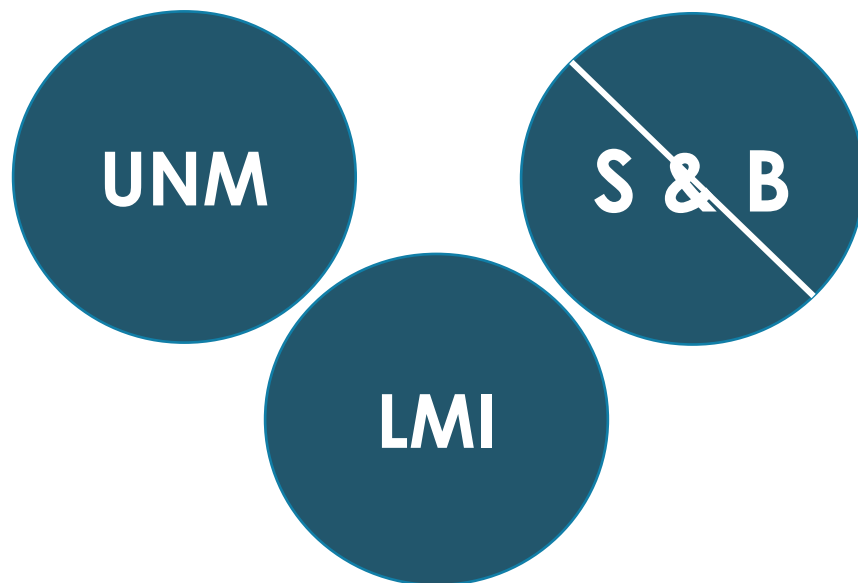
INFRASTRUCTURE

- ✓ Regional investments in risk reduction to develop disaster-resistant infrastructure
- ✓ Upgrading of water, sewer, solid waste, communications, energy, transportation, health and medical, and other public infrastructure to address specific, identified risks
- ✓ Financing multi-use infrastructure; and
- ✓ Green or natural mitigation infrastructure development

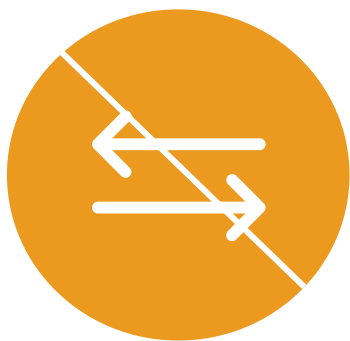
4 - HUD NATIONAL OBJECTIVE & TIE BACK



New national objective criteria for CDBG-MIT include the following:



- New **urgent need mitigation (UNM)** national objective. Requires activities to **result in measurable and verifiable reductions in the risk** of loss of life and property from future disasters and yield community development benefits.
- **Shall not** rely on the national objective criteria for **elimination of slum and blight (S&B)**. This is so because this national objective is not appropriate in the context of mitigation activities.
- **Low- and moderate-income (LMI) priority.** Proposed mitigation programs and projects must prioritize the protection of low-and-moderate income individuals. **No less than 50% of the grant must benefit LMI.**



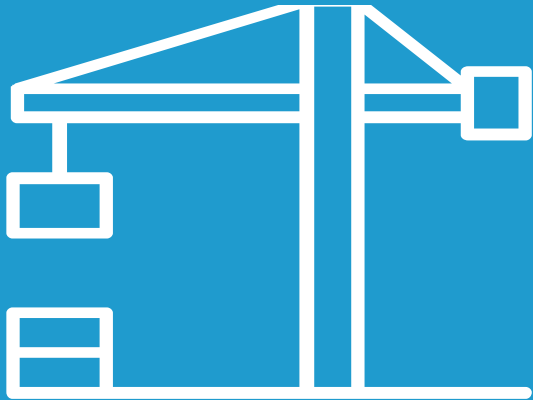
CDBG-MIT activities **do not require a “tie-back”** to a specific event, but must meet criteria set by HUD for mitigation.



4 - CDBG-MIT COVERED PROJECTS



Covered projects are a new concept under HUD and defined based on funding thresholds. For these projects, a Benefit Cost Analysis (BCA) must be completed utilizing the FEMA process, unless a comparable analysis can be produced showing significant benefit to LMI populations.



Covered Projects are as an infrastructure project having **a total project cost of \$100 million or more, with at least \$50 million of CDBG funds** (CDBG, CDBG-DR and/or CDBG-MIT).¹

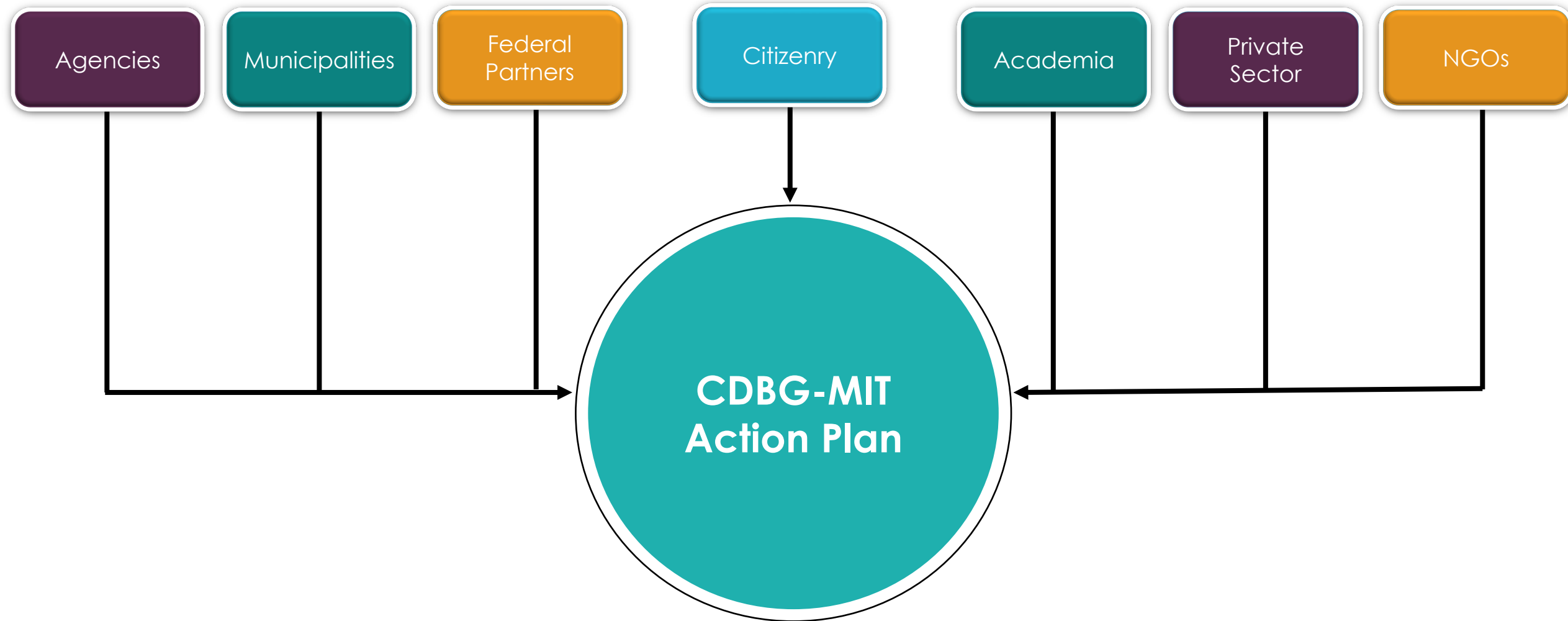
A Covered Project requires the completion of a Benefit Cost Analysis (BCA).

Covered Projects must be added to the original Action Plan or by substantial amendment, which each include a public comment period.

¹On March 2021, HUD waived the special grant condition that imposed a lower threshold for Covered Projects in Puerto Rico

CDBG-MIT ACTION PLAN OUTREACH & ENGAGEMENT

STAKEHOLDER SECTORS



PRDOH has engaged with public agencies, municipalities, federal partners, NGOs, academic community, the private sector and the people of Puerto Rico. Input from all these stakeholders was considered as part of the Action Plan development. For more information, see Appendix E in the Action Plan.



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