

Date: November 07, 2023

Title: CDBG-DR Policy Bulletin 2023-02: Interchangeability Provisions and Other Flexibilities Overview Webinar

Moderator: Welcome and thank you for joining today's CDBG-DR policy bulletin. Before we begin, please ensure you've opened the WebEx chat panel by using the associated icon on the bottom right corner of your screen. Please note that all audio connections are muted at this time. You are, however, welcome to submit written questions throughout the presentation, and these will be addressed during Q and A. To submit your questions in writing, select all panelists from the dropdown menu in the chat panel and to your question in the message box provided and send. As a reminder, this conference is being recorded. If you're required technical assistance, please send a chat to the Teller events host. With that, I'll turn the conference over to Mikayla Catani. Please go ahead.

Mikayla: Thank you so much. Hello everybody. Welcome to today's webinar. We are so excited to share the release of our latest policy bulletin on interchangeability provisions and other flexibilities. And so that's really the topic of today's webinar. It's our final webinar in our fall series, and today we're really going to be following along with the policy bulletins framework, walking you through all of the statutory authority applicability of interchangeability and how to use them and going through some examples. Um, so again, we really want to thank you for joining. This webinar is being recorded, so we'll share some hyperlinks to direct you to, uh, where you can view the content once we're, we have everything uploaded in the next couple weeks or so. Uh, and we'll also include a link to the policy bulletin in the chat. So if you haven't already viewed the, the bulletin in this resource, you can open it up and follow along yourself. And as Tegan said in the very beginning, we really want to hear your questions and get you engaged during this webinar. So please make sure you're sending your questions via chat to our panelists and we'll make sure to cover all questions at the end. Uh, next slide. Great. So thank you again. My name is Mikayla Catani and I am our Assistant Director for the Office of Disaster Recoveries Policy Division. And today I am joined by Matthew and Marcella. So I'll pause to let them say hello.

Matthew: Howdy from Fort Worth, Texas. Y'all, it's a real pleasure to be with you here today. We're looking forward to a lively webinar and discussion in the q and a session following this. My name is Matthew Toland, I am a senior CPD specialist here in HUD's, office of Disaster Recovery. So again, I'm looking forward to this presentation and I will turn it over to Marcela.

Marcela: Thank you, Matt. Uh, good afternoon everyone. My name is Marcela Vargas. I am the assistant director for the Atlanta region within the Office of Disaster Recovery. So welcome again, thank you for attending this wonderful webinar. It has a lot of resources, information that you will definitely find useful, so I hope you really kind of have a takeaway from today. Um, so thank you, Mikayla.

Mikayla: Thank you both. Okay. With that, I am going to turn off my camera and we'll get started on the content. Next slide. Perfect. So today's agenda again, really in a nutshell is to review the different statutory authority and the applicability to use interchangeability. So we're going to talk about two main types of interchangeability when you're using your program, administrative funds or PAC, uh, it PAC costs, uh, interchangeably, and then grant funds, interchangeability, interchangeability. So when you're using, uh, all

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those other cost categories interchangeably, we're going to shorthand that to grant funds. And then we're also going to pull in an example of reporting outcomes when you're using your funds interchangeably so that you can be sure to be reporting in the disaster recovery grant reporting system DRGR accurately, really just trying to avoid any double counting since this is kind of a new and complex idea where you may be using grant funds interchangeably to execute your recovery activities. And then we will conclude with questions and answers, and we have some good examples sprinkled throughout the presentation for you.

Next slide. Perfect. So let's jump right into statutory authority and applicability of these provisions. Next slide. Perfect. So when we're talking interchangeability, it's really important to kind of understand how this concept of interchangeability has evolved over time. And so first and foremost, the ability for our grantees to use, uh, interchangeability of any funds is coming from each appropriations act that appropriates CDBG-DR funds. So that's really why, um, interchangeability has become a recent provision for our grantees to use. And this started with public law 116-20 in 2019 when Congress appropriated CDBG-MIT funds and other recovery funds. And essentially, in a nutshell, this provision said that grantees have the ability to use eligible program administrative costs, so PACs uh, interchangeably, beginning with disasters that occurred in 2015 and for any future acts. And the reason why this is important is because they changed it when they appropriated CDBG-DR funds in 2021.

And so it's important to kind of be tracking which public law is giving what type of interchangeability authority. So the first one, we're going to be thinking 2015 disasters and later, so forward thinking. And this, uh, provision only allowed the interchangeability of program administrative costs. So be thinking about your administrative funds. Then in 2021, when Congress appropriated funds for disasters that occurred in 2020 and 2021, Congress expanded this provision to allow eligible program administrative costs to be used interchangeably for any past or future act. And so the big change here is now you can use your admin funds interchangeably for previous disasters and future disasters. And we have some clarifications and we're going to walk you through all of the criteria to keep in mind when trying to use this provision as well. So that's the big change that happened under this public law, which was 117-43 and it appropriated disaster funds for 2020 and 2021 disasters.

This public law not only, uh, modified the interchangeability provisions for, uh, administrative costs, it also expanded this provision to allow the interchangeability of grant funds. So all those other costs, those planning costs, those activity delivery costs, and other activity costs related to regular CDBG-DR activities. And there was a couple stipulations here where we're talking about grant funds and using your grant funds interchangeably, and we'll make sure to cover those, um, in a deeper dive, uh, later in this presentation. But at a high level, this public law said that you can use your grant funds interchangeably as long as you're using it for the same unmet recovery needs, which we're going to talk about a lot, and when your, uh, most impacted and distressed areas are overlapping between the two grants. And so again, this provision began with public law 117-43 for 2020 and 2021 disasters. And so we'll dive deeper into all the different requirements and the things that you have to keep in mind to be able to use these provisions. But when you're thinking interchangeably, interchangeability, be thinking two different types. You have one for program administrative costs and one for

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grant funds, and then you have a couple different, uh, public laws that allowed the interchangeability, uh, to occur between grants. Next slide.

I also want to note while we're kind of making this distinction of where this authority is coming from, uh, that PAC interchangeability, so those program administrative costs allows the interchangeability to occur between CDBG-DR and CDBG mitigation, so CDBG-MIT or your CDBG-DR mitigation set aside. So whenever you're thinking PAC interchangeability, you can use it among all your different types of grants or CDBG-DR and mitigation. However, when we're talking about grant funds interchangeability, so those other costs, those activity driven costs we're only allowed to use grant fund interchangeability for CDBG-DR funds related to unmet needs. And the reasoning is because the public law, when it, it gave our grantees this authority to use their grant funds interchangeably, there is this emphasis on addressing the same unmet recovery needs and there's no mention or emphasis on mitigation. And so when we're talking about kind of the different purposes of funds, it's just a really important part to keep in mind. So program administrative costs, your PAC interchangeability can be used for your CDBG-DR and your CDBG-MIT grants, but grant funds interchangeability can only be used for CDBG-DR funds. Next slide.

So these are kind of a mouthful to say and challenging to keep track of. So our policy bulletin has kind of coined the terminology in the very beginning of the bulletin itself as PAC interchangeability to mean any time we're talking about using your program administrative costs interchangeably, and that's under either public law. We've also coined kind of the other provision that allows you to use all of your grant funds interchangeably as grant funds interchangeability, uh, whenever we're discussing all those other costs. And whenever we're talking about the overlapping MID areas and addressing the unmet recovery needs of both disasters. And, and again, this provision started with public law 117-43 when we're talking terminology and we're talking all of these different provisions and cost categories. I just want to remind everyone that we did recently release a new CPD notice 23-06, which really discusses and provides guidance for allocating costs and those different cost categories. So I just want to put that plug up here as well as we're thinking through how you use our funds in total interchangeably between different grants, it is going to be so helpful to reference the CPD notice, uh, for just baseline understanding of different cost categories, um, and how to classify them. And I think this will be super valuable from a record keeping and tracking, uh, perspective. Next slide.

So when does interchangeability become available to you as a grantee? And this is such a great question and important part that I want to make sure everybody understands, uh, because we have these two different provisions, right? So the answer kind of depends on if we're talking about the use of those administrative costs. So your PAC interchangeability compared to your grant funds interchangeability. So I'm going to walk through this table and then I'm going to carry it over on the next couple slides through an example to kind paint the picture, um, in two different ways to hopefully get this, this point across. So a grantee cannot use its CDBG-DR funds interchangeably until there are funds appropriated and allocated to the grantee for a qualifying event. So what does this mean in this context? In this context, we mean publishing a federal register notice. And again, that's because you guys know that CDBG-DR funds are appropriated through supplemental appropriations, and were not an annual program.

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And so we need congress to appropriate funds to give us all of the authorities to apply waivers and alternative requirements. And the way that HUD establishes that forward grantees is through the publication of a federal register notice. So thinking, uh, PAC interchangeability. So thinking administrative costs right now, uh, the ability to use PAC interchangeability for a new grant. So to use interchangeability, you kind of need at least two grants, right? And so if you're receiving a new grant, so in this kind of case we're thinking your second grant, you have to be able to execute a grant agreement for that new grant to access your money before you can start using your funds interchangeably. However, if you have a prior grant, right? So your first CDBG-DR grant, once the Federal Register notice is published for that second grant, your new grant, you can automatically begin using your prior grant for program administrative costs.

You can use it interchangeably, interchangeably to support that new grant. So let's say you have an old grant and you want to support the launch by hiring new staff or developing your action plan for your new grant, that's an eligible program, administrative cost that you can use interchangeably. And Matthew's going to talk all about this provision and kind of the things that you need to do to be able to use it. But this provision becomes available to a grantee at this point in time. So again, if you want to use your new grant to support your old grant, you have to wait till you hit execution of a grant agreement. And if you want to use your prior grant to support your new grant, you just need to wait for that federal register notice to publish for that new grant giving you all of the authority, all the rules and requirements for grant funds interchangeability.

This provision becomes available to a grantee for their new grant. Once their action plan is approved, they have executed their grant agreement, um, because then you have access to your grant funds and HUDs approved the use of those funds for your prior grant. So if you want to use your prior grant to support the launch, uh, or recovery related to your new grant, you just need to follow a substantial amendment process and we'll kind of talk through that as well, because there's a change in beneficiaries for your old, uh, prior grant to expand, to assist new, new disaster folks, right? And so you already have an executed grant agreement for that prior grant. You have an approved action plan, but then you need to do a substantial amendment to expand the eligibility and beneficiaries of that action plan to support the interchangeability of your grant funds among other criteria. And so right now we're kind of speaking, uh, about the availability of these provisions with the context that we know now, but we know things can always change, right? So this note at the bottom is just a reminder that all of this really depends on the appropriations act and, and what the appropriation says. Next slide.

Perfect. So kind of just putting this into perspective, uh, walking through the availability using actual disasters, let's say we have a grantee with a CDBG-DR grant for a 2018 disaster, then HUD announces an allocation of CDBG-DR funds for 22 disasters and publishes this announcement as an allocation announcement notice in the federal register. Once that notice is published, the grantee has the ability to use its 2018 CDBG-DR funds for eligible program administrative costs to launch and support its new 2022 grant for the grant funds interchangeability piece. If they want to use their 2018 CDBG-DR funds to support and, uh, the disaster survivors of the 22 disaster, they need to do a substantial amendment to their original action plan, that 2018 CDBG-DR action plan

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again to expand its beneficiaries to include those same activities whenever there's overlapping most impacted in distressed areas between both grants. Next slide. Continuing this example, if the grantee wants to use its 2022 funds for eligible program administrative costs for its, uh, earlier grant, it must get to the point where it executes a grant agreement for that new 2022 grant before it can be again using its eligible, uh, program administrative costs for that earlier 2018 grant. And then similar, similarly, to use the grant funds interchangeability, uh, provision for, uh, its 2022 grant to support its earlier grant, it needs to have an approved action plan in place, execute its grant agreements to get access to the funds before it can be begin using funds interchangeably to support its 2018 disaster. So it just kind of depends what direction you're going, which grant you're going. And with all this, keeping in mind that rules follow the money and there's a couple other things that you have to do before each provision. So we're going to dive deeper into those topics in the next few sections. Next slide.

This slide is so important and so I want you to keep in mind, um, that the rules follow the money. So again, any appropriation that you receive for CDBG-DR funds contains all of the statutory authority to grant waivers and alternative requirements for CDBG-DR funds. So this can be a little tricky when we're talking about using grant funds, uh, interchangeably between different disasters because we know requirements for CDBG-DR funds implementation and administration has evolved and changed over time and can be different from federal register notice to federal register notice. So whenever you are using your funds interchangeably, you have to keep in mind this concept of the rules follow the money. So in my previous example, if you are using your 2018 disaster recovery funds to support recovery for a newer disaster 2022, your 2018 grant fund requirements are probably different than the 2022 disaster requirements. So even though you're using your 2018 grant to support 2022 disaster recovery needs, the 2018 requirements still apply. And so that can be a little bit confusing. And so we want to encourage you to always reach out to your grant managers, your CPD rep for help in just understanding the process and the implications for implementing either one of these interchangeability provisions. We also want to remind you guys that you have the ability to request for additional waivers and alternative requirements to HUD. And so you have the flexibility to make this request, uh, and requesting a waiver to bring consistency between two grants when you're using an interchangeability provision may be especially helpful for you. So if that's something that you're considering, you're running into barriers or obstacles to use your funds interchangeably, please make sure that you're having those conversations with your grant manager and your CPD rep to really support your recovery. And let's talk through the, the situation and your specific needs and program designs to see if we can work out the best strategy for you to implement interchangeability. Next slide. And with that, I am going to turn it over to Matthew and he is going to cover a deeper dive into the program, administrative costs of that PAC, interchangeability provision, and all those key requirements to keep in mind, um, when using this provision.

Matthew: Great, thanks Mikayla . Alright. Hi folks. So in this section, as Mikayla just said, you know, we're going to be doing this deeper dive on this authority to use administrative funds interchangeably. And as Mikayla has been explaining, this is what we refer to as PAC interchangeability. Next slide. So to start off here, it's important to understand that as

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Mikayla was explaining, the appropriations laws may or may not provide this authority for grantees to use their CDBG-DR or emit funds interchangeably to cover these program administrative costs. And so it's again, helpful to keep in mind that this 2015 date marks an important point because starting with appropriations for 2015 disasters, HUD began allowing for PAC interchangeability, which again means that appropriations for disasters occurring in 2015 and later provide for PAC interchangeability. It's also helpful to keep in mind that these appropriations establish whether PAC interchangeability can be used only for funds for future disasters, as Mikayla was explaining, or with funds for future and prior disasters. So in other words, while all 2015 disaster appropriations onward have allowed for PAC interchangeability with future disasters, not all have allowed for PAC interchangeability with prior disasters. Next slide. To better sum this up for you folks, we've created this table here that summarizes the differences in PAC interchangeability authority by year use, and again, by which we mean future or future and prior, and the public law references. And this is also available in the policy bulletin as you can see from the first row in the table here, disaster appropriations prior to 2015, again, do not provide any type of authority for PAC interchangeability. Whereas per the second row here in this table, these disaster appropriations for disasters occurring between 2015 and 2019 allow for PAC interchangeability only with future disaster appropriations. And then again, finally here we see in the bottom row that appropriations for disasters occurring in 2020 through 2022 allow for this PAC interchangeability with future and PRI prior disaster appropriations. Something else that we want to call out for you is that prior refers to any prior disaster appropriation. So for example, appropriations for disasters occurring between 2020 and 2022 that allow for PAC interchangeability with prior disaster appropriations would indeed permit a grantee to use this PAC interchangeability with the disaster appropriation from say 2008 or even 2004. But again, appropriations for these disasters occurring between 2015 and 2019 would not provide for this same flexibility. Rather, as we've been explaining, these appropriations would limit PAC interchangeability to just those future appropriations. Next slide.

Alright y'all, so I hope you're staying with me because now we're going to go over some important points here to keep in mind relative to financial management. Let's start with some general considerations. The first thing we want to call out is that regardless of PAC interchangeability, the 5% cap on administrative costs applies. And this of course includes 5% of program income generated by these grants. It's also worth remembering that C-D-P-G-D-R and MID expenses must comply with two CFR part 200, and that they, they must be necessary, reasonable, allowable and likable. And finally, we wanted to remind you folks that PAC interchangeability does not interfere with a grantee's option to incur pre-award administrative costs and subsequently be reimbursed for these costs. Next slide.

On this slide here, we've put together a list of action items to get you thinking about the steps that you'll want to ensure that take to really ensure compliance with financial management requirements when you're using PAC interchangeability. And so specifically here, as you can see on this list, you really should be thinking about how you'll need to update your financial management policies and procedures, how you're going to be establishing a process for tracking administrative spending for each grant. You're also going to want to be thinking about how you're going to revise your financial management and compliance submissions for HUD certification and even how you plan

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to ensure that you have the appropriate financial controls in place. And so here as a reminder, appropriations acts typically require that the secretary certify that grantees have proficient financial management controls in place. And so to make this determination, each grantee really needs to complete the applicable certification checklist and or addend. And then you're also going to want to make sure that you think about how you'll be conducting regular quality assurance reviews. And finally, you should really be considering as well how you'll revise your implementation plan to account for how you plan to use PAC interchangeability. Next slide.

So the last thing that I'll be walking through with you here are just some examples on how you may want to use PAC interchangeability. I think Mikayla went over these briefly at the top of today's presentation. But just so that you have a chance to sort of see these again and understand them better, we the, this slide and the next slide are going to tease them out a little bit more. So to start, let's say that, you know, a grantee receives A- CDBG-DR allocation for disasters that occurred in 2017 and 2020. In the first scenario on this slide, the grantee may want to use PAC interchangeability to expedite recovery following that 2020 disaster. And so in this scenario, to do so, the grantee could really do a few things. First, they might want to use those 2017 administrative funds to write the action plan for their 2020 grant.

They could also use those 2017 administrative funds to manage that 2020 grand, which would include costs such as maintaining records in DRGR or even conducting the marketing and outreach for that 2020 action plan among other eligible administrative costs. On the right side of the slide here, we've got the second scenario that we've thought through for you, which in this scenario, again, you might want to consider using PAC interchangeability between the 2017 and 2020 allocations to support closeout activities for that 2017 disaster grant. And so in this case, to do so, you could use those 2020 funds to close it out and even consider perhaps if you are reaching that 5% administrative cap for that, uh, older grant, then you could actually use, uh, those funds to close that out as well to support that, those closeout activities. Next slide. And so this is our final slide here for this section of the presentation.

And this really just merely illustrates what we've been going over. This is also included or taken directly from the policy bulletin. And the idea here was to just sort of create a visual that would explain how you can use PAC interchangeability in these two scenarios that we've been going over. So on the left of side of this graphic here, you can see the traditional that per the traditional use of program administrative costs, uh, you know, the, you would be required to associate the administrative costs for a given disaster grant with the specific disaster event for which the allocation was made. And so for illustrative purposes, let's say that the 2017 disaster event was a tornado and the 2020 disaster event was a fire, and we're going to be following traditional use of program administrative costs, funds supporting administrative activities related to the 2017 tornado would need to come from the 2017 disaster allocation.

And similarly fund supporting administrative activities related to the 2020 fire would need to come from the 2020 disaster allocation. Conversely, on the right side of this graphic here, according to PAC interchangeability provisions on the upper right, we've illustrated PAC interchangeability for the same two disaster events. As you can see, the grantee could use funds from its 2020 disaster allocation tied to the tornado to cover those program administrative costs related to the launch of its CDBG-DR program tied to that 2020 fire and the bottom right slide of this graphic, you can also see that we've pro

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we, we've provided the, the graphic for looking at how you can use these funds to, uh, tie the allocate, excuse me here, um, the bottom right side of the slide of this graphic is also similar to what we just went over on the previous slide. So as you can see, the grantee may also want to use funds from its 2020 allocation tied to the fire to support those closeout activities for its 2017 allocation tied to that tornado.

And so, as we were saying, you know, we really think that this would be a good way for you to consider using those PAC interchangeability provisions if you're reaching that 5% administrative cap. Alright folks, so that is the last of my slide for you today. I hope that this was helpful, and I hope you've learned about how you can use PAC interchangeability to support disaster recovery in your communities. As a final note, I'd like to mention that we understand that PAC interchangeability may be new for many of you, so please don't hesitate to reach out to your grant manager for additional guidance as you're thinking about how you'd like to apply these flexibilities in your communities. And with that, I will turn it back over to Mikayla, who's going to go over grant funds interchangeability.

Mikayla: Thanks Matthew. Okay, so diving more into grant funds interchangeability, we're going to be switching gears, um, outside of that program, administrative costs and into all of those other cost categories that we're kind of turning as grant funds. Next slide. There are a couple core provisions or core elements that I really want you all to keep in mind whenever you're thinking about seeing your grant funds interchangeably. And so this slide is kind of capturing those four main concepts that you should always be going back to whenever you're thinking about using funds interchangeably. So first and foremost, you have to make sure that the grant has the authority to use grant funds interchangeability. And I'm going to provide an example on the next slide about why understanding the authority component is really important. Second, you need to make sure that any use of grant funds interchangeability is limited to most impacted and distressed areas that overlap. And so for our state grantees that are on the call today, you guys have a little bit more flexibility by, um, being permitted to use 20% of your funds to address any grantee identified MID areas whenever you are focusing on your recovery. And so for state grantees, I just want to clarify too that when we're talking about MID areas that overlap, this means the HUD identified MID areas and any grantee identified MID areas.

Additionally, you want to make sure that any recovery activities that you're using your funds interchangeably for is being used for the same activity. And so here I think it's really helpful to be thinking the same eligible activity under the Housing and Community Development Act, or through a waiver and alternative requirement in a federal register notice. Uh, so any CDBG-DR eligible activity. And then finally, you're also going to want to be thinking about addressing the unmet recovery needs of both disasters. And I'm going to kind of talk through unmet recovery needs, uh, in a couple slides as well and kind of what this means from a high level perspective when we're talking about your action plan, uh, and, and being able to use this provision. Next slide. So my first bullet on the previous slide was talking about the need to verify if you have the authority to use grant funds, interchange, interchangeability. And so we have kind of two running examples in this screenshot. So your left hand side is when, uh, you are allowed to use grant funds, interchangeable interchangeability. And the right hand side is an example where you're not allowed to use your grant funds interchangeably. So



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running through this example, starting on the left hand side where it is allowable, you have a 2013 CDBG-DR award and then you receive, um, a subsequent CDBG-DR award for a 2020 disaster. So when we're thinking 2020 disaster, we're immediately thinking, oh yeah, public law 1 17 43, I know you guys know that by heart, um, allow me to use my grant funds interchangeably for any previous or future act. And so that's an immediate indicator of yes, green light good to go.

I have the authority to use my 2020 funds interchangeably with another disaster as long as there's overlapping MID areas and we're using it to address the same unmet need for the same recovery activities, right? So if we can say yes to all of those things, then yes, we can use our 2013 uh, grant funds to support our 2020 recovery. And similarly, we can use our 2020 grant funds to support our 2023 recovery. And so I just want to point out that this graphic is showing your grant funds right through one line and then funds for rehab. And I'm just highlighting that again to reiterate this, uh, the, this requirement of using funds for the same unmet recovery need and that same activity. So in this graphic we're talking about rehab. So the 2013, uh, disaster had an unmet recovery need for rehab. And so does that 2022 disaster, even though we're depicting two totally different disasters, we're depicting a hurricane or tornado, um, for our original disaster and a wildfire for our second disaster.

So when is this provision not allowed? So that's going to jump us over to the right hand side where we're saying that we have a 2013 grant and a 2018 award, right? And so when we're looking at both of these awards, we know that we don't have an appropriation that allowed us to use our grant funds interchangeably. So we cannot use grant funds between these two grants interchangeably. And so kind of when we're thinking about this idea, right, I hope that it's making sense where we have to use, um, grant funds interchangeably with a grant that has the authority to do that. And so when Public Law 1 17 43 established this authority, it didn't give a blanket ability for any grantee to use any grant interchangeably. It has to be for a specific grant that the authority was provided through the Appropriations Act. Hopefully that makes sense. Hopefully this graphic kind of clarified that thought process for you. So when you're going down the list to see and, and make that determination of if you can use your funds interchangeably or not, um, hopefully that's kind of resonating with you all. Next slide.

So this next slide is talking about that second and third criteria, or I'm sorry, the third and fourth criteria when I had that list going where it's so important to have the same unmet recovery needs and the same, uh, activities when using grant funds interchangeably. And so that's because it's important to have the overlapping MID areas. And then the statute says to address the unmet recovery needs of both disasters. And so kind of thinking through the implementation and what this means for you as grantees who are interested in using this provision, we're talking about the unmet needs at the highest level. And so here we're talking about it through the action plan, right? Telling your story, being transparent to the public about how you're using your funds. But we're not talking about specific individual beneficiaries having been impacted and having the same unmet recovery needs from both disasters.

So I'll say that again. We're talking about unmet needs at the action plan level. When you're doing your unmet needs, uh, assessment for your action plans, you're talking about all of the unmet recovery needs related to housing infrastructure and economic development. We're talking about it at that level. So if you're a state, you're probably

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looking at this through analyzing counties, parishes, boroughs, all of those different jurisdictions. And maybe for a local government grantee, you're looking at different cities and, uh, other municipalities and how they were impacted by a disaster, right? So we're not looking at this, uh, at an individual beneficiary level to be able to use this provision. You're going to tell your story through your action plan, through those unmet needs analysis and, and show to HUD. Hey, there's two disasters here. Um, and we're addressing the same unmet recovery needs as identified by both disasters.

And so this is kind of different than when we're talking about tieback, right? So all CDBG-DR activities must, um, usually I'd say typically have tieback to the disaster, meet a national objective and be eligible for C-D-B-G-D-R, right? So those are kind of your core basics for spending down your CDBG-DR funds. Tieback is talking about the activity rate in your activity files and tieback is different than unmet needs when we're talking about developing your action plan. So, um, here I just want to reiterate one more time that tieback is the activity. So documenting your activity and unmet needs. Here we're talking about the unmet needs at the MID area level. So the highest reasonable level in the action plan. Next slide.

So this slide is just a summary of key takeaways when you're, uh, making the decision to use your grant funds interchangeably between two different CDBG-DR grants. And so here to successfully adapt and implement this provision, we're really encouraging grantees to develop and update policies and procedures. There's so many different, um, policies and procedures and ways that using funds interchangeably may impact your day-to-day operations. So really taking some time doing a planning process, talking to all your different groups, whether it's your financial management folks, your systems folks, your reporting, your program practitioners, any contractors or TA providers that you're working with, any sub-recipients. Just making sure that everyone is kind of on the same page of how your policies and procedures are going to be modified to make sure that your, uh, standard compliance with all of the requirements related to grant funds interchangeability. And this is going to be especially important and helpful for grants that are subject to different federal register notices that have different requirements. Because remember the rules follow the money. So training is going to be such an important element of implementing this permission successfully and making sure that you are talking to your HUD folks on a regular basis before, uh, really diving in and implementing the this interchangeability piece. You're also going to want to establish clear, um, requirements to make sure that you are identifying your recovery needs for both disasters and updating your action plan accordingly so that you are again, staying in compliance with this provision. And you'll want to set limits to make sure that the use of interchangeability only occurs whenever you have overlapping MID areas. And then finally, our last section for today is going to talk about tracking your outcomes in DRGR separately to make sure that we're not including any double counting or anything like that from the reporting side. So these are all things that we want you all to be thinking about in advance and in ahead of time, uh, before diving in and trying to, uh, begin implementing this provision. Uh, we know it's new and it's different, and so we're all kind of working through the kinks together. Next slide.

And so this is my last example talking about grant funds interchangeability. So here I'm going to kind of walk through this graphic and walk through an example and hopefully, again, this is helpful when we're thinking about those four criteria that we need to, to meet to be able to use this provision successfully. So in this graphic, we're going to talk,

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um, through this example as if we're a state grantee, and the circle is our state, right? And so each of these houses are representing a different county in a MID area. So again, because this example is through a state grantee, we're saying MID area, which can mean HUD identified MID areas or grantee identified MID areas. It could be either one as long as it's a MID. And so for our first disaster, we're saying we have a 2018 disaster, which is represented by these blue houses.

So on the left hand side of the graphic, and we're saying that this disaster was a tornado, so we have a 2018 tornado that's hit represented in the graphic in blue. Then, uh, in 2021 we have a wildfire, which is represented in orange. So the little orange houses are the counties that were impacted by the wildfire. Where are MID areas are overlapping. So all of these other counties that we're, uh, depicting as purple, orange, or purple houses in between the orange and blue houses is where our MID areas are overlapping. And so we have two different action plans, right? We have our 2018 action plan, and we have our 2021 disaster action plan. Now we have two CDBG-DR grants and we want to use our grant funds interchangeably to address the same unmet need for these areas, uh, located in overlapping MIDs. And we want to do this to ease the implementation for disaster survivors.

So it's really easy for them to apply for assistance because when we did our unmet needs analysis for our action plan, we can see that there's the same unmet recovery need of rehab. And so in purple, I'm kind of representing this need for rehab through our purple houses and then the purple hammer. And so we're saying, okay, we need to rehab and reconstruct homes in all of these counties, whether it's from impacts related to the tornado or impacts related to the wildfire. And in these particular counties where those, uh, counties are overlapping MID areas, we're going to be able to serve them through either provision or either funding source, I'm sorry to use our grant funds interchangeably. So we're going to do that for our rehab program. When we do that, the, the counties where we can use our grant funds interchangeably is the purple counties. And we're going to again, make sure that we have the authority to use our funds interchangeably, which we do for, because we have a 2021 disaster, we're addressing the same unmet recovery need and activity as rehab.

And then we have overlapping MID areas. So all of our, our boxes are checked and we know that we can go ahead and use our grant funds interchangeably in this scenario. So I hope that's clear. I hope that it's helpful for everybody when you're trying to envision how this works, um, and how you can use your grant funds interchangeably between different disasters even when it's not the same type of disaster, right? So some grantees may have repeat floods, so you may always have a flood disaster that you're wanting to use your funds interchangeably with, but you don't have to, right? As long as it's the same unmet recovery need and the same eligible recovery activity, think you're eligible C-B-G-D-R activities, you are in the clear. Alright, next slide. Perfect. And so with that, I'm going to turn it over to Marcella and she's going to go over a case study example. Um, just walking through some different decision points that grantees, uh, should be thinking about when trying to apply, uh, the grant funds interchangeability provision.

Marcela: Alright, thank you Michaela. Appreciate it. Um, so now that, you know, uh, Matt and Mikayla have gone through, have gone through the, the definitions and kind of, sort of the meaning of each of those elements for this inter interchangeability criteria, we kind of bring it down to an actual case study that brings more like how this looks into a real

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world. How, you know, how do I move forward? What do I need to do to get through these really applying and implementing these inter interchangeability criteria for, for your, for your grants. Um, next slide please.

So for this case study, we're looking at two different, um, disaster years. Of course, you have to have two disasters in order for you to use this criteria. Um, in this case, you know, a grantee had two severe major disasters within couple of years. You know, the difference, um, unfortunately that's the case for many of our grantees, but they have suffered, you know, similar disasters or perhaps different disasters, um, almost back to back. Um, of course in this case we're looking this interchangeability criteria happening that it's, it's an actual, um, disaster happened after, you know, 20 2020 or and on. And then of course, applying these criteria back and forth with previous years. So in this case, these major disasters, they, you know, impacted most of the areas, um, from the first disaster were also impacted by the second disaster. Um, and so one of the decisions from the grantees, okay, we need to create consistency.

We want to expedite the recovery, you know, we have to make decisions on how this is going to look. We have of course, same MID areas, we have the same, the same most impact and distressed areas that have been impacted by both by, by both disasters. Um, so they decided that we are going to, um, expand the homeowner repair program to cover all the individuals impacted by both disasters. So that will help them to streamline the, the pro the, the activity itself where they can consider all the different elements for both disasters. So how, you know, in this case for the homeowner repair program, and I'm talking about this case, is we're looking at rehabilitation. We have, uh, also reconstruction, reimbursement and temporary location assistance. So once again, we just talking about this specific case, there are several activities that, you know, we can be looking at, but this is one of the most common ones that we of course seen across, um, our grantees. Um, next case study, please, I mean, next slide.

Thank you. So these are some elements that you definitely need to start looking and then you, before, you know, before you get to really, um, ensure that you're applying your interchangeable interchangeability criteria correctly. So this is what is needed. First of all, you need to verify that the mixed areas are overlapped as, you know, Mikayla, um, have, um, shared with, with you guys and the examples that, you know, she just was presenting just a minute ago. Um, the next, one of the main steps, and that's one of the items that with these, uh, grants on, um, interchangeability criteria is that you have to amend the existing action plan for the dec, the prior disaster, and then of course to include the 2020 unmet needs. So in this case, we're talking about 2016 disaster, and then we, including the 2020 unmet needs, as she mentioned, uh, we have to ensure that the action plan is included, the language, and how are you going to move forward with, in this case, homeowner recovery repair activities.

Um, the make sure that you include two 2000, 2016 disaster needs. There are no already identified in the new action plan for 2020. So once again, is that you have to ensure that the activities are in the same areas and they're really meeting the unmet needs, uh, that you have identified in 2020 and in 2000, 2000 in 2016. So, really grade and best practices, and this is something that you have to ensure that when you are developing and updating policies and procedures, um, these requirements will take some planning, right? It really requires some, some coordination and some training once you have made the decision to go this route. So make sure that your programs and policies, uh, program policies and procedures and record keeping practices, um, really

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are accounting for this element that you are really crossing every single, um, policy and procedures that are touching your actual program.

In this case, once again, we are talking about homeowner recovery programs, so making sure that your manuals, you know, there's different names to your documents that they are really, uh, reflecting how you're going to implement these, this, this, um, these, these interchangeability criteria across the two disasters. And you have to ensure that you understand these requirements and how these will apply. As Mikayla mentioned at the very beginning, rules follow the money. So it's important that you are looking at what I'm applying, 2020 is applicable 2016, and if there's some more restricted than others, we have to ensure that you kind of go with the higher level. Um, we ask, you know, we highly recommend it that you, if you're going to move forward with these interchangeability criteria, that you're starting with one or two program before even implementing across your old programs, across, um, across the portfolio. And this is, and the only reason is because you want to make sure that you are, you know, going through all the different elements, your action plan, your policies and procedures for record keeping. And then I'm going to be talking about the DRGR, um, our system, um, where you going to have to start, like kind of adding in elements in there. Um, next slide please.

One of the important elements is when you are really, you know, you are ready to implement these criteria is that you are like really passing these, all these different, um, requirements into the actual application level, but we want to make sure that this is seamless. We want to make sure that, you know, the applicants are just not going to get, you know, overwhelmed. What is this, what this means to me? This is something that's more like record keeping. So you want to ensure that, you know, the applications are like really including that language. In this case, we're looking that, you know, the, the, the, the applications include information on, for example, your homeless have been damaged as a direct result of 2016 disasters and or 2020 disasters. So you telling already your applicant, a if you have, you know, you, you suffer a back to back disaster.

This is, you know, you could apply for one versus the other. So this is a result, uh, you know, the tie back, um, the property, someone's primary residence at the time of the disaster date of 2006 DISA 2016 disaster and or the day of 2020 disaster. So remember, it doesn't have to be both, you just have to be one or the other. And of course, unfortunately, in many cases it's probably both. Um, your total household income must be at least or below 80% of the area, annual area medium income. Of course, that's one of the requirements in this case. That's what the grantee has decided to go with. Um, and also include damaged home must being ineligible, uh, disaster declare county, once again, we're talking about that the meets are overlapping and then the, the applicants are within those areas that have been determined by state and be determined by HUD. Next slide please.

So just to kind of close this, this, this exercise right here, this case study where, what is the outcome of your, you know, that you decided to implement these interchangeability criteria for really ensuring that you streamline your program that is a lot faster, that you can really get a, accommodate your applicants for both disasters. So want to ensure that you have a seamless application process for all your citizens that have been impacted by both disasters. Uh, you want to make sure that the there is, you know, the, the disasters are, you know, qualified for the C of G assistance based on the tieback from other one of those disasters. So as I mentioned, there's got to be that connection as well for, you

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know, one for 2016 or for 2020. Um, and then for you, for the grantee course, you want to ensure that you're, you know, drawing down funds from other grant, um, for the counties located in the overlapping meet area because the criteria for grant funds interchangeability was met.

So yes, you can go ahead and, you know, start drawing from it, but remember the money follows, you know, the, the rules follow the money. So for example, in the 20, in 2016, where are we looking for 2020? If you, you know, you, you remember, for those new grants, the mitigation criteria has now been embedded. It's not just like we used to have a mitigation grants. In this case, we have a, a requirement that we have to ensure that grantee, you know, includes those mitigation measures and then are always included into the other grant. So remember, if you're going to do these, you know, moving funds from one side to another, you have to ensure that the requirements are always following the money. And that's all something that you need to be mindful when you're doing your record keeping. It is becoming one of the best practices that when you are really implementing this criteria, you do have a really good set system of records that is going to tell the story where the funding is going and how it's serving the community and is indeed meeting, um, the criteria that high back and is within the overlapped, uh, MID areas that have, you know, that have been identified by both disasters.

Next slide please. So as I mentioned, um, we just going to bring it down to the system that we, you know, we use to communicate with the grantee, the disaster recovery grant reporting DRGR system, and then bring it down how this is going to look, uh, when you're really implementing the interchangeable interchangeability criteria. Um, next slide please. So, um, for grantees that, you know, 2020 and on, on, um, we don't use the per paper version as we used to. Uh, every single EE must ensure that the public action plan is submitted via DRGR. And so if you are applying these criteria, you have to ensure that the public action plan, um, and the DRGR action plan are updated and approved. So this means that you go into your public action plan, you make the changes that you need to make, this is published, there's the citizen participation, and then once that's approved and it's, you know, it's updated in accordance with what you looking to do, um, as I was referring to, for example, 2016 and 2020, you know, uh, homeowner recovery program.

So that's where you want, want to ensure that you are really addressing those elements within this public published, uh, public action plan. And then once that's approved, you're going to go into the actual projects and activities. You are going to enter the activities that you're going to complete where you know, where you're really reflecting it for both disasters. Uh, and there of course, we have to ensure that they, this is approved before you guys move into the, you know, into just really implementing this criteria. Um, so the funds must be used for the same DRDR activity types as we mentioned. And you know, of course, like we keep saying these and, and Mikayla mentioned this, um, you have to keep it, you know, for that same activity and, and they overlapping portions of it and, you know, the, uh, MID areas of the disasters. Um, so these are things that you have to take in account when you're really ready to go into the actual DRGR system to ensure that you are really implementing this criteria.

And of course, vent tissue document how the activity meets the requirements for addressing the MID's recovery needs. You know, the unmet need, the unmet recovery needs, um, for both disasters and the public action plan and the DRGR action plan. I

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know there is, you know, like, um, there's another presentation that we have that is related to the DRGR system, but just for the purpose of this, you know, the public action plan is the one that is published, but it's still being submitted via DRGR and the DRGR action plan is the one you are actually entering the actual activity and the actual project with the number of, uh, beneficiaries or the number of households that you're going to be serving, um, that it reflects, you know, showing that that's how we report, that's how we communicate with the grantee. Uh, next slide please.

So this is an example that we have for housing. We go back, you know, again, to an example. I think it's important to bring that down to the, the real, the, the what's real and how this works. Uh, in this case, you know, we're looking for disasters that occurred in 2013 and then in 2021, once again, these inter interchangeability criteria, you know, as, you know, as effective as, uh, you know, after all the events of 2020. So in this case, we have another event happening in 2021. In this case, the same activity is the, the same housing program is, is where the activities going to be under. Um, and then of course these housing program is going to be taking place on the overlapping MID areas, you know, that have, you know, under the same, you know, on both grants 2013 and 2021. Um, the intention of the using these both, um, allocations, you're, you're looking at, uh, we're going to serve 500 households and under each housing rehabilitation program for both disasters.

So how this looks into the disaster, you know, into the VRGR system, of course when you are creating the activities, you have to ensure that you have your national objective. You have, in this case low motor income, LMI households and the activity type. In this case, you're looking at rehabilitation <inaudible> structures. And this is going to be under the DRDR action plan because that's where you enter your projects and you entered your activities, um, with the numbers that you are planning to serve, you know, the, the, the, the number of households that you're planning to serve for 2013 and for 2021 grantees, I mean grants, I'm sorry, next slide please.

So how, this is going to look in the DRGR again. So you're using, you know, some, um, 2013, uh, disaster grant to rehab and, you know, do reconstruction, um, of about 300 units and you will use 221, uh, 2021 disaster grant to rehabilitate or do reconstruction of 200 units in the same areas. So we mentioned we have 500 unit, you know, 500 households that we want to address under both disasters. But you know, for the simplicity and to make it easy, we cannot, of course, um, you know, uh, we have to find which, uh, units are going to go under 300 and under the 2013 and in which ones are going to go under 2021. In this case, for this example, we're looking at 300 units for the, you know, the prior disaster and the most recent disaster, 200 units. So how should the grantee report these units in the RD, the RGR? So the question goes is to, we want to make sure that there's no duplications reporting the same numbers for both disasters, right? We're just looking at overall the 500 households. That's why you're going to address under both, um, grants. Um, next slide please.

So in this case, you have 500 homes that you want to rehabilitate using both grants. And as we mentioned, the first one for 2013, we're going to address 300 homes, and that those will be paid for the 2013 with the 2013 funds. Now we have to ensure that we're not doing duplications. So you're not going to report the same amount of homes, or you're not going to report all, you know, you have to just divide it and ensure that you have a specific amount for one disaster, and then another amount for the second disaster that comes to the final total. Um, so in this case, we have 300 homes, uh, for

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2013, and then we have 200 homes for 2021 funds. Um, because, you know, you have to ensure that there's no, you know, you're not, that will count in the units. And once again, reporting follows the money for each grant.

Um, reporting is making sure that you are still following the requirements, um, and then you reporting where the money is. Um, so in this case, when you have decided to implement the interchangeability criteria for both disasters, uh, you have to ensure that all the requirements are being met. And in one of the cases that we talked about, if you're using 2021 into 2013, you ha have to ensure that, for example, the mitigation requirements are actually being embedded into the, um, prior, um, disaster. Uh, so those are elements that you always want to think before you really kind of decide to move forward with this implementation. This is still a good way to do it, to streamline your programs. If you're doing homeowner recovery and all across your grants, then what can you just go ahead and know? Use one program, and then you're going to have, of course, multiple fundings to that you are using.

But when it comes down to disaster, you know, to the DRGR system, you have to individually, of course, report on the, each of, you know, the different grant numbers, uh, for each of the disaster, um, allocations. Um, I hope this makes sense. I know it's not like an easy follow, um, I hope the pictures really kind of make it like more visual work, how things can, you know, should look like. Um, but once again, you have us here, you know, if you have any questions, I know this is, these are really, you know, as a brand-new provision, um, and we are, you know, we're still learning and we're learning together. So there is going to be some little different, you know, nuances to the, the actual, the actual system in the rdu, the actual system that, and the DRGR that we are still probably going to be, um, kind of encountering some type of sometimes situations where like, this is really not, we can't really get through the, the activity or there's some situations that definitely we want you to reach out to, to make sure that we are giving you the proper guidance and then you are in the right direction, um, to move forward and then to be able to use the interchangeability criteria, um, the best way possible for a successful, um, you know, um, grant, uh, performance.

Um, next slide please. I think we're closing with this right here, if I'm not mistaken. Yeah, so I know, um, Mikayla and, and Matthew, they have been working in the background with some, some of the questions you guys have already, um, sharing in the chat. So, I'm just going to go ahead, um, go with Mikayla, um, to ensure that we start kind of going over those questions. Thank you. Thank you so much for your time.

Mikayla: Thanks Marcella. And keep submitting those questions in the chat to all panelists as you have them. Um, so I'll take our first question and answer. Um, let me copy and paste it into the chat so everyone can see what the question is and what the answer is. So our first question here is a good question. Can we include, um, sorry, there you go. Um, can we include language interaction plan to note that future funds, uh, will be eligible for future disasters even if we don't know that there will be a future disaster? Um, so essentially, can we be proactive, put it in our action plan that we may use funds interchange interchangeably when a future disaster occurs? And here I would say, you know, generally we really need to know, um, a grantee would need to know if they're being allocated funds for a future disaster, especially when you're looking to use your grant funds interchangeability provision, because you're also going to need to know where the MID areas are to determine if they're overlapping areas and eligible to use



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funds interchangeably. And then also what the unmet needs are for that future disaster before trying to address it in an action plan. So generally we would say you really need to know this information before putting it in your action plan. Alright, for the next question, Matthew, do you want to go?

Matthew: Sure. Thanks Mikala. Yeah, so this question's a great question too. I think, you know, I'll put it in the chat also for you. Now, the question really goes to the spirit of whether or not the MID area requirement applies to PAC interchangeability as well as the grant fund's interchangeability. And then the short answer for this is no. And so the actual specific question here is, can you use interchangeability when two different disasters strike the same area at a different time, like a fire in 2018 and a flood in 2020? And so we're just clarifying here that again, to use grant funds, interchangeability, the MID areas must overlap. And then we're also clarifying again that the requirement for this overlapping MID areas does not apply to the use of that PAC interchangeability. So again, thanks for that question and stimulating a conversation around this. I'm going to go ahead and pass it on to Marcella for the next question.

Marcela: Thank you, Matt. Appreciate it. So here we have another great question. So this is just to confirm for a state, um, it was explained that interchangeability was only eligible in counties that were both hot meat in both grants Federal in, in both grants. Federal registered notices are you stating that if there is a county that is, um, hot meat in one grant and a state meet in another grant, um, you can use interchangeability. So yes, uh, grantees can use grant funds interchangeability, um, when the most impact overlapped. As you know, we have, uh, just, you know, math just share as well. Uh, the MID areas in this context means had identified MID areas and grantees identified MID areas. Um, so that's, that's, uh, just to confirm to yes and, um, pass it on to Mikayla for next question. Thank you.

Mikayla: Thanks Marcella. Okay, so the next question came in, um, a little earlier during our presentation just asking for clarifications around activities and what, what do we mean when we say activities must address unmet needs for both disasters? So let me copy this question in, um, to the chat. And the answer here is, what do we mean when we say that activities must address the unmet needs for both disasters? We mean, uh, the unmet recovery needs, right? And so here we're talking about the action plan stage for both disasters, identifying the same use of funds and describing how the uses will be addressing those unmet recovery needs. And so, for example, we may be talking about unmet needs where both disasters needed residential rehab reconstruction or maybe rental assistance. So those are all, uh, examples of eligible CDBG-DR activities where you would be addressing the same unmet needs in your action plan. So think back to when you're doing your unmet needs analysis and your action plan and you're identifying all of the, the unmet needs and, and proposing to use your CDBG-DR funds to address those needs. That's really the, the context that we're talking about it. We're talking about unmet needs at the highest level in your action plan through your unmet needs analysis. So hopefully that makes sense. And with that, I will pass the next question over to Matthew.

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Matthew: Thanks Mikayla. Alright, yeah. So this next question's another, you know, good question. You know, thanks for helping us think through with you how you're going to be administering your grant. And so this really just kind of goes to the broader grant administration and even the eligibility of, um, uh, to use funds and as relates to different caps and whatnot. And so I'm going to go ahead and post this question here and read it through with y'all and then I will read the answer that we've teased out for you. So, does using old funds for new disaster require a new disaster require keeping eligibility slash award caps, et cetera, from the old program for recovery for the new disaster? Or can we add criteria for the recovery for the new disaster to the old action plan? And so the answer here is really, as we've always been saying, and we'll say again here, the rules follow the money. So again, caps for both grants, you know, those programs within both of those grants are going to need to be tracked in accordance with the approved action plan for that particular grant and those activities. And so then to modify the applicable award cap and eligibility criteria for one of your activities, a grantee must submit a substantial action plan amendment for that. Alright, with that, I will turn the next one over to Marcella.

Marcela: All right, thanks again. Um, so this will be an easy one, <laugh>. Um, so of course we have, uh, this requirement Build America by America Act, um, that is applying to all the CDBG, uh, formula programs. Um, so, and they're asking us, you know, what would happen if a new CDBG program must incorporate the BABA? Um, that's for, you know, the acronyms and, and you're using interchange criteria with an older CDBG funding opportunity with both, uh, well, both grants not have to follow, you know, BABA, but in this case just to, um, you know, that, you know, that Baba does not apply to any CDBG-DR grants. Uh, it does, you know, it's applicable to the regular Formula CDBG programs, but it does not apply to the CDBG-DR disaster recovery funds. And I think that's just sent off <laugh>, um, uh, Mikayla, any additional questions, comments?

Mikayla: Perfect, thanks Marcella. Um, I'm not seeing any more questions coming through the chat, so I just want to reiterate, you know, this session is being recorded. We will be publishing, uh, the recording and the materials on HUD dot gov in the coming weeks. So I'm going to post a link that you guys can be, uh, looking to see the, the materials once it's published. And then I'm also going to send a link, um, to our trainings, uh, that were part of our fall series. So the other three recordings that we've done. Um, okay, let's just see if we get any other questions coming through the chat, um, before we close out. Okay, so I see one more question, um, asking, you know, is there an approval process for interchangeability of funds or do grantees just do their own analysis? So I would say it depends again, what type of provision you're talking about, whether it's your PAC interchangeability or your grant funds interchangeability. And so for either case, you know, you're going to be indicating a hub that you're, you intend on using it and we're going to collaborate to make sure that all of those requirements are met. So from the grant fund's perspective, you're going to need to address it through a substantial amendment if you're trying to use your older grant to support recovery of your newer grant. Um, and then the initial action plan approval. If you're trying to use your newer grant to support your previous grant for the PAC interchangeability component there, we're kind of looking at it from a certification standpoint. And so, uh, that's where we would kind of be doing that approval process and conversations with you to make sure

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that you have proficient financial management, um, policies and procedures in place to implement interchangeability

Matthew: And Mikayla. I think there's just two more that popped in that last one on planning activities. I think we, we saw one like this come in earlier if it's the same person submitting that. Thanks again for putting this on our radar. I think we're going to circle back on this one. So we'll follow up with a publication of the FAQ following today's session. So again, thanks for elevating that we're not avoiding your question. We will get to it, uh, after the webinar. And then I think that there was one more up there on performance measures as well.

Mikayla: Perfect. Okay. So I'm looking at this performance measures question. Um, so the question is, if the outcome was one plan for a planning activity and the funds were coming from two different grants, uh, what would the grant reporting accomplishments be without double counting? So again, I think we're going to just circle back to that question related to planning. Um, and so I would encourage you guys to raise these questions with your grant managers and your CPD specialists so that we can make sure to address these policy questions with you to help your planning process. Awesome. Well, thank you all so much for joining the webinar today. These were some really great conversations. Um, hopefully you feel like you have a little bit better understanding of how to use your interchangeability provisions, whether you're talking about program administrative costs or your grant funds. So thank you all again for joining. Please be sure to submit any questions and comments and, and just general outreach to your CPD specialists and grant managers, uh, to initiate any other TA conversations. Let us know how we can help and where we can provide some additional clarity for you. Thanks again!

Moderator: That concludes our conference. Thank you for using Intelor events. You may now disconnect.

*Webinar concludes.*