



Mississippi Development Authority

Katrina Supplemental CDBG Funds

For

**Hancock County Long Term Recovery
CDBG Disaster Recovery Program**

**Amendment 7
Modification 1**

March 30, 2009

**Mississippi Development Authority
Amendment 7, Modification 1
To Partial Action Plan
For
Hancock County Long Term Recovery**

Mississippi's Hancock County Long Term Recovery Action Plan was initially allocated \$200 million in CDBG disaster recovery funds being distributed through three programs: the Hancock County Infrastructure program (\$25 Million), the Hancock County Economic Development Program (\$15 Million), and the Hancock County Revitalization Program (\$160 Million). The Mississippi Development Authority ("MDA") is the State's designated agency responsible for administering CDBG funds.

In the Hancock County Revitalization Program the funds were allocated to local governmental jurisdictions in eight competitive phases with 38 awards totaling \$157,961,922. In order to effectively address the changing needs of the local communities in Hancock County, this amendment will allow the MDA to utilize an application process to disburse the remaining funds. The local jurisdiction must first submit a detailed narrative and budget for the proposed project. Based on need, project feasibility, and available funding, MDA may meet with relevant parties to discuss the project. MDA will then issue a letter inviting a Hancock County Revitalization Program application. The letter inviting the application will state the amount of funds available to the applicant. Specific selection criteria will be used to objectively rate the application. Funding decisions will be based on the score attained. MDA, in its sole discretion, reserves the right to set a minimum scoring requirement for application acceptance.

All applications must address how the project achieves at least one of the following national objectives:

- Provides benefit to low and moderate income areas
- Aid in the prevention or elimination of slum or blight
- Meet other community development needs having particular urgency, posing a serious or immediate threat or welfare of a community

HANCOCK COUNTY COMMUNITY REVITALIZATION PROGRAM

Grant Size

The maximum grant size will be \$10,000,000. The State has the authority to increase the maximum grant size on a case by case basis and may waive the maximum amount. The State reserves the right to negotiate the grant amount on each project.

Eligible Activities

All proposed activities must meet the HUD eligible activities found in Section 105(a) of the Housing and Community Development Act of 1974, and any related waivers and alternative requirements authorized by HUD, including the waiver previously provided for buildings for the general conduct of government. Projects may include more than one activity.

The following is a listing of possible eligible activities:

- (1) the acquisition of real property (including air rights, water rights, and other interest therein) which is:
 - a. blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth;
 - b. appropriate for rehabilitation or conservation activities;
 - c. appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;
 - d. to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or
 - e. to be used for other public purposes
- (2) the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements;
 - (A) Water and sewer facilities
 - (B) Community, Senior and Health Centers
 - (C) Fire protection facilities
 - (D) Parking, streets, curbs, gutters and sidewalks, parks and playground
 - (E) Shelters for the homeless
 - (F) Flood and Drainage Improvements
- (3) special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;
- (4) clearance, demolition, removal of buildings and improvements, and movement of structures and other sites.
- (5) rehabilitate, preserve and restore historic properties, provided such activities meet a national objective.
- (6) rehabilitation of commercial or industrial buildings, provided rehabilitation meets a national objective. However, the rehabilitation of a commercial or industrial building owned by a private for-profit business may qualify under the rehabilitation category only if the rehabilitation is limited to improvements to the exterior of the building and correction of code violations.
- (7) eligible activities not listed here must be approved by MDA staff prior to project being submitted.

Application Process

Based on MDA's long-standing project review process, the local government or public entity seeking these funds must first submit a project proposal. Based upon an initial review of the proposal, MDA may require a meeting with relevant parties to discuss the project. Then MDA may issue a letter inviting a CDBG grant application.

Selection Process

The selection process for these projects will be based on the following rating factors:

1.	Project readiness	10 Points
2.	How project fits into the overall plans of the community	15 Points
3.	Documentation of need and how the project will assist in the long term recovery from the damage caused by Hurricane Katrina	50 Points
4.	Project benefits low/moderate income persons	20 Points
5.	Level of local investment into the project	<u>5 Points</u>
	Total	100 Points

Applicants must receive 60 points to be eligible for funding.

Explanation of Rating Factors

1.	Project readiness	
	When will the project be ready to go to bid?	
	1-6 Months	10 Points
	7-12 Months	5 Points
	Over 12 Months	0 Points
2.	How project fits into overall plans of the community?	
	Does the project show documentation that it is consistent with One or all of the following plans; (1) Community Comprehensive Plan, (2) Governors Charrettes, or (3) Mainstreet Plans or (4) other similar types of plans developed prior to or post Katrina.	15 Points
	Project is not consistent with local plans	0 Points
3.	Documented need relates to Hurricane Katrina:	
	Critical – The need for the project is a direct result of the consequences of Hurricane Katrina and will allow communities to restore facilities and services as well as provide the infrastructure to rebuild the community.	50 Points
	Substantial – The need for the project is a direct result of the consequences of Hurricane Katrina. The project will return facilities and infrastructure to pre-storm conditions.	40 Points
	Moderate – The need for the project is a result of the impact of Hurricane Katrina and is a need of reasonable or average importance or extent, but not urgent or of a considerable importance	30 Points

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| 4. | Project benefits low/moderate income persons
Project will provide a benefit to low and moderate income persons
Project qualifies under the low/moderate income national objective | 20 Points |
| | No low/moderate income benefit
Project does not qualify under the low/moderate income national objective | 0 Points |
| 5. | Level of local investment
Investment by local government
No investment | 5 Points
0 Points |

OTHER GENERAL INFORMATION

National Objectives

This amendment is designed to be consistent with the primary objective of providing funds for local projects with activities that meet one of the following national objectives of the Housing and Community Development Act of 1974, as amended:

- Benefits to Low/Moderate Income Persons
- Slums or Blight
- Urgent Needs

Threshold Requirements

1. The proposed activities must meet one of the three National Policy Objectives.
2. A letter from the local government or public entity must accompany the application and must state that the proposed use of CDBG funds is not reimbursable by FEMA or other federal agencies. However, CDBG funds may be used to provide the match or unfunded portions for projects funded by FEMA or other Federal programs.

Waivers

The state reserves the ability to request certain waivers as long as HUD requirements are met and requests that all applicable waivers now in force remain active.

Environmental

It is the intent of the Hancock County Community Revitalization and Hancock County Economic Development programs to pass the CDBG funds through to the Hancock County units of local government. The units of local government will assume responsibility for meeting all environmental requirements. MDA will provide technical assistance and monitor the local governments to ensure the environmental requirements are met and documented.

Duplication of Benefits

Activities/projects will be approved and included in the sub-recipient agreement(s) only after documentation is provided to ensure all sources of funding have been considered in accordance

with the Stafford Act. Examples of these sources may include, but are not limited to, FEMA, U.S. Corps of Engineers, and insurance proceeds.

Monitoring

MDA has a bureau dedicated to the monitoring of current and future disaster recovery programs funded with CDBG funds. This staff reports to both the Executive Director of MDA and the Governor of Mississippi. In addition, The State will require the applicant receiving funds under this amendment to enter into sub-recipient agreements with MDA. Among other provisions, these agreements will require regular progress reports, permit MDA access to grant records and sites, and require that all procurement is in accordance with State and Federal requirements. Monitoring programs have been developed and will be amended to include this program.

Audit Requirements

Funds disbursed under this program are subject to the audit requirement of the Single Audit Act of 1996 and OMB Circular A-133.

Investigation and Mitigating Occurrences of Fraud, Abuse and Mismanagement

The MDA will work with all Federal agencies to investigate and mitigate instances of fraud, abuse and/or mismanagement of any CDBG funds. The Auditor for the State of Mississippi has an investigative team assigned to investigate suspected instances of fraud.

The projects will flow through local governmental entities. The Mississippi State Auditor has the responsibility to audit all county governments on a yearly basis. The municipal governments are required by State law to have audits on all funds on an annual basis and must provide copies of audits to the State Auditor. The State Auditor is a state-wide elected official independent of the MDA. The MDA will make it a requirement for the audits to be sent to its offices for review on an annual basis.

Complaint Referrals

Complaints alleging a specific violation of a statutory or regulatory requirement, received by HUD at the Headquarters, Regional, or Field Office level will be forwarded to the appropriate State office for the response

Substantial Amendments

Adding or deleting an activity or planned beneficiaries of an activity will constitute a substantial change and require additional public comment and approval by HUD.

Citizen Participation / Public Comment

This proposed amendment – Amendment 7, Modification 1– will be submitted for public comment to the website at www.mississippi.org on April 13, 2009 with the public comment period ending on April 28, 2009. Written comments regarding this proposed modification may be mailed to MDA, Post Office Box 849, Jackson, MS 39205, Attention: Disaster Recovery, or sent via facsimile to (601)359-4004. Comments may also be submitted online to hancockrecovery@mississippi.org. Changes may be made at that time and the final amendment to the Action Plan will then be submitted to HUD for approval.