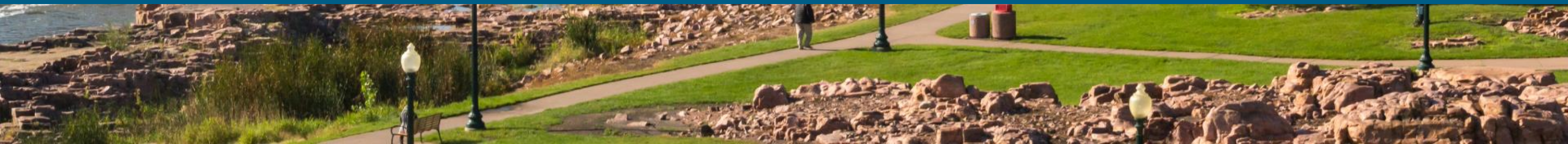




Community Development Block Grant Disaster Recovery (CDBG-DR)

South Dakota Governor's Office of Economic Development
Infrastructure Program Application Presentation



Today's Schedule



11:00 – 12:30pm: Infrastructure Application Presentation

12:30 – 1:30pm: Lunch Break

1:30 – 3:00pm: Planning Application Presentation

Local Infrastructure Recovery and Resiliency Program

AGENDA

- Welcome & Introductions
- CDBG-DR Overview
- Program Policy Overview
- Application Process Overview
- Application Components Overview
- Questions & Answers

PRESENTERS

Stephanie Deyo, Grants Manager, GOED

Leslie Leager, ICF

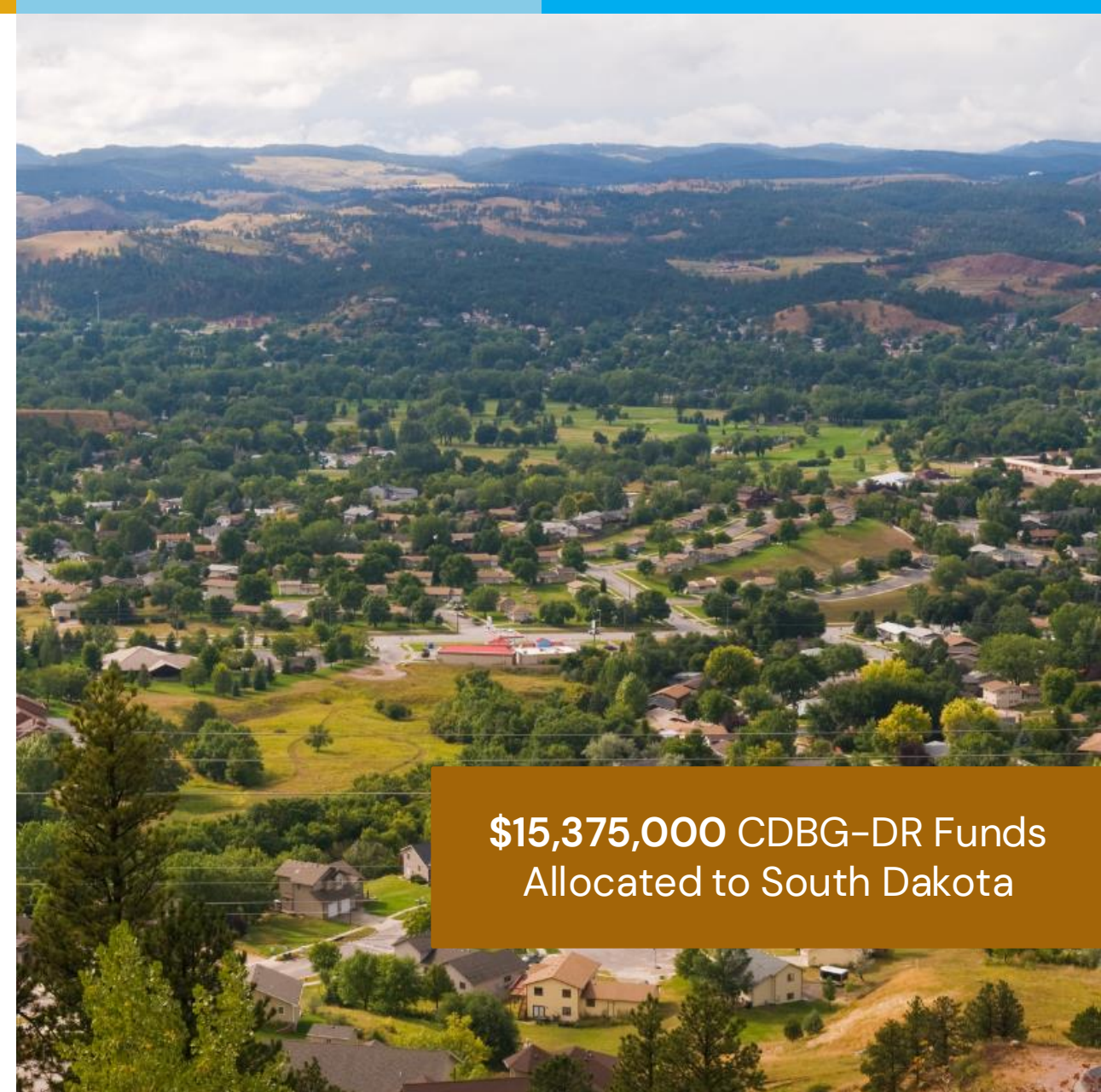
Dan Narber, ICF

CDBG-DR Overview

Grant Requirements

Disaster Overview

- In the summer of 2024, flooding resulted in a major disaster declarations, which qualified the state of South Dakota to receive long-term disaster recovery funding.
- In December 2024, Congress appropriated \$12 billion in Community Development Block Grant Disaster Recovery (CDBG-DR) for all 2024 disasters.
- In January 2025, the U.S. Department of Housing and Urban Development (HUD) allocated funds for states and communities that experienced a disaster in 2024. South Dakota received \$15,375,000.
- CDBG-DR funds will aid South Dakota in recovery from the devastating storms of 2024 and strengthen impacted communities to help mitigate impacts in future disasters.



What is CDBG-DR?



CDBG-DR Purpose:

- ✓ CDBG-DR funds are used to help the most impacted and distressed areas recover.
- ✓ Funds are used to support long-term recovery needs that aren't fully covered by insurance, other federal programs (like FEMA, USACE, USDA, etc.), or private/non-profit assistance.
- ✓ CDBG-DR is a flexible source of recovery funding that can be used for infrastructure, housing, economic revitalization, and other areas where there is still an unmet recovery need.
- ✓ The GOED is the lead agency, "Grantee," responsible for managing these funds.
- ✓ Grantees have six years to expend all CDBG-DR funds.

Activity Eligibility Requirements



Tie-Back to Disaster / Mitigate Future Disaster

Overall activities must address either:

- A direct or indirect impact of the qualifying disaster, or
- Mitigate threats from future disasters.
 - Only 15% of the funds can be spent on mitigation activities



Meet a National Objective

All activities must meet a national objective either:

- Benefit to low-to-moderate (LMI) individuals, households and/or areas, or
- Meet an urgent need.
 - Existing conditions related to the disaster that would impose an immediate threat to the health and safety of the community



Categorized as Eligible Activity

Eligible activities typically fall into these main categories:

- **Infrastructure/ Public Facilities**
- Economic Revitalization
- Housing
- Mitigation
- **Planning**
- **Administration**

MIDs and LMI Spending Requirements

MID Requirements

- HUD designates the *Most Impacted and Distressed* (MID) areas in the Federal Register Notice.
- CDBG-DR funds must be spent to benefit the MID area.
- **The designated MID area for South Dakota is in Union County, specifically zip codes 57038 & 57049.**

LMI Requirements

- *Low- to Moderate-Income* (LMI) are households that earn 80% or below of the area median income.
- **70% of total grant funds must benefit LMI households or areas.**

Union County MID Areas

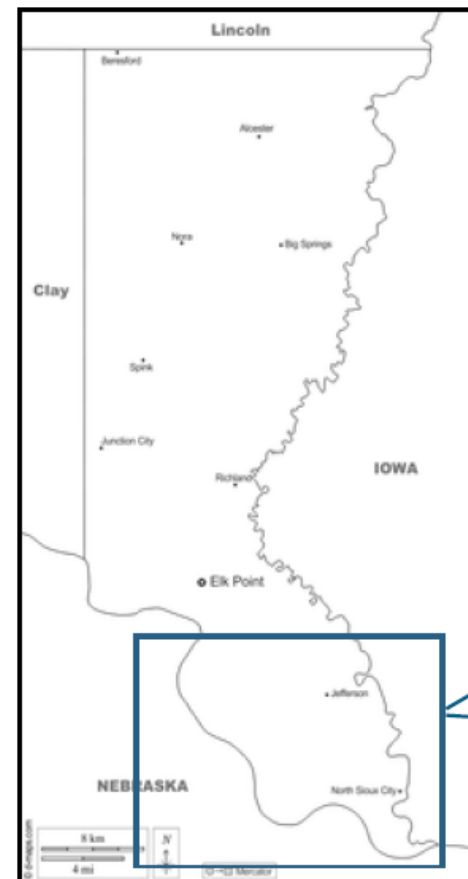
Most Impacted and Distressed Areas

Union County

 Zip Code: 57049

 Zip Code: 57038

 Waterways



*** North Sioux City has a LMI of 53% for projects that benefit the entire community.**

Grant Compliance Requirements

Using CDBG-DR funds comes with important rules, including:

No duplication of benefits.

- CDBG-DR can't pay for costs already covered by FEMA, insurance, SBA loans, or other sources.

No supplanting funds.

- CDBG-DR can't be substituted for funds already budgeted to the project.

An environmental review is required.

- Before projects begin, they must follow federal environmental rules under NEPA (National Environmental Policy Act).

Strict rules for contracts and spending.

- Grantees and subrecipients must follow federal procurement and financial management rules and guidelines, known as the "Uniform Guidance."

Labor standards apply.

- For construction work, Davis-Bacon wage rules require that workers are paid fair, federally-set wages.

Fair housing and civil rights laws must be followed.

- Programs must be inclusive and prevent discrimination in housing and services.

Estimated Timeline for Program Implementation

2026 Announcement of Funding Availability

- **February to mid-March:** Finalization of program guidelines, application forms, and evaluation tools
- **Mid-March:** Application Workshop
- **Late April:** Announce funding availability by directly notifying eligible applicants
- **Late June:** Application submission deadline – 90-day application period
- **July:** Application review and evaluation period
- **Late July to mid-August:** Development of award recommendations and internal approvals
- **Late August:** Announcement of intent to award

Environmental Review for Selected Projects

Estimated Timeframe August – January:
Environmental reviews to be completed by the subrecipient in coordination with Southeastern Council of Governments (SECOG) within six months of notification of intent to award.

Environmental review may be completed earlier depending on project complexity.

Estimated Timeline for Program Implementation

Grant Agreement Execution & Onboarding

- **Late August:** Grant agreement walkthrough meetings with subrecipients
- **Early September:** Onboarding and orientation sessions for awardees including compliance-focused trainings covering financial management, procurement, environmental requirements, labor standards, and reporting
- **January or before:** Execution of grant agreements following completion of environmental review

Project Implementation Begins

Infrastructure projects may begin implementation once:

- Environmental review requirements are fully satisfied, AND
- Grant agreements are fully executed.

Project timelines will vary based on project scope, readiness, and regulatory requirements, but GOED will continue to provide oversight and technical assistance throughout implementation.

Program Policy

Local Infrastructure Recovery & Resiliency Program

Program Policy Overview

\$14,106,250 in CDBG-DR funds will be available for the Local Infrastructure Recovery & Resiliency Program.

- The program will fund critical infrastructure projects that benefit the public in the disaster affected areas.
- Projects will restore disaster-damaged infrastructure and strengthen long-term community resiliency through mitigation-focused improvements.
- All projects must also incorporate components in their design to ensure that the infrastructure project can withstand future disaster threats by reducing risk.
- Projects will be identified and managed by subrecipients, which will apply for infrastructure projects that serve residential areas will prioritize neighborhoods with vulnerable populations, including low- to moderate-income households.

Program Policy Overview

- **Maximum Award**

- Maximum award for each project is \$6 million
- Project delivery costs will be added to the maximum award

- **Project Timeframe**

- Projects must be completed within 3 years

- **Project Delivery**

- Numerous federal regulations apply and compliance with these requirements is passed down to the subrecipient
 - Environmental Review Record documentation, including required publication costs
 - Retaining records and submitting required reports
 - Assistance with procurement & contracting
 - Monitoring preparation
 - Federal Labor Standards Compliance
 - Section 3 Compliance
 - Closeout

Program Policy Overview

- **National Objectives**

- All funded activities must meet a HUD National Objective
 - Low to moderate income area benefit (LMA) – where at least 51% of those benefiting are considered Low- and Moderate-income (LMI)
 - Urgent Need (UN) – used when LMA national objective cannot be met

- **Disaster Tie-back or Mitigation**

- Have a connection to the disaster or “tie-back” to DR-4807 and address a specific unmet recovery need for which the CDBG-DR funds were appropriated,
- Address mitigation needs identified in the Mitigation Needs Assessment that will reduce, or mitigate, future disaster losses in communities
 - Mitigation Set-Aside
 - Mitigation Measures Required

Program Policy Overview

- **Eligible Areas**

- Restricted to projects located within the HUD–designated MID ZIP codes (57038, 57049) within Union County.

- **Eligible Applicants**

- Units of General Local Governments and school districts.

- **Eligible Activities**

- Infrastructure projects may include:
 - Road and bridge repairs
 - Stormwater system upgrades
 - Repairs to water systems
 - Repairs to wastewater systems, including lift stations
 - Hardening of critical public facilities, utility infrastructure, and other vital systems that support community function and safety

Program Policy Overview

- **Ineligible Costs**

- Activities as identified in 24 CFR 570.207 are not eligible costs for the program.
 - General government expenses (expenses to carry out the regular responsibilities of government – e.g., salaries not tied to disaster recovery)
 - Political activities or lobbying
 - Equipment purchases (ex. vehicles, portable generators – fixed generators are eligible)
 - General government operations (e.g., salaries not tied to disaster recovery)
 - Furnishings and personal property
 - Luxury or non-essential items, like decorative features or amenities
 - Rehabilitation or reconstruction of second homes or vacation homes
 - Operation and maintenance expenses

- **Beneficiaries**

- Each project will need to identify beneficiaries of the project, including the number of beneficiaries and the demographic make-up of the people who will benefit from the project
- Information is available from the U.S. Census Bureau at <https://www.census.gov/acs/www/data/data-tables-and-tools/data-profiles/>.

Program Policy Overview

- **Flood Control Structures**

- Universal Notice (90 FR 1754) details requirements for flood control structures.
- CDBG-DR can't be used to enlarge a dam or levee beyond the original footprint of the structure that existed before the disaster event, without obtaining pre-approval from HUD and any Federal agencies
- Subrecipients using CDBG-DR for dams or levees must:
 - Register and maintain entries regarding such structures with the USACE National Levee Database or National Inventory of Dams.
 - Ensure that the structure is admitted in the USACE's PL 84-99 Rehabilitation Program (Levee Rehabilitation and Inspection Program.
 - Ensure the structure is accredited under the FEMA National Flood Insurance Program (NFIP)
 - Enter the exact location of the structure and the area served and protected by the structure into the DRGR system.
 - Maintain file documentation demonstrating that the subrecipient has conducted a risk assessment before funding the flood control structure and documentation that the investment includes risk reduction measures.

Program Application

Completing the Application

General Application Information

- Applications will be emailed to eligible applicants.
- Applicants are allowed to submit multiple applications.
- Separate applications required for each individual project.

Technical Assistance

- The SECOG has contracted with GOED to provide technical assistance to applicants.
- SECOG will assist applicants with their CDBG-DR applications.
- Applicants should coordinate with SECOG staff for additional technical assistance discussions with GOED.

Submission of Application

- Applications will be **due 90 days** after e-mail notification of application materials from GOED.
- Applicants should submit one original completed application to GOED.
- Applications may be e-mailed or file-shared with GOED, or a copy may be mailed to:

Governor's Office of Economic Development
Community Development Block Grant Program
711 E. Wells Avenue
Pierre, South Dakota 57501-3369

Review & Selection Process

Application Packet

- A completed application packet will include the Application Form & required attachments.
- Only completed applications, including all required supporting documentation will be considered.

Eligibility Criteria

- Responses will be evaluated and scored to ensure that the proposed projects meet the criteria outlined in the Program Policy Manual.
- Applications must address the specific eligibility criteria in the application narrative.

Threshold & Scoring Criteria

- Project applications must meet the following threshold criteria to be considered eligible and move on to full scoring:
 - Located within an eligible HUD designated MID area.
 - Benefits an LMI area or addresses an urgent need (meets a national objective).
 - Is a CDBG-DR eligible infrastructure activity
 - Addresses an unmet need tied to damage caused by DR-4807, unless considered an eligible mitigation activity funded by the CDBG-DR mitigation set-aside.

Review & Selection Process

Application Review

- Applications will be reviewed GOED.
- The average of the scores will become the composite score for each application.

Clarifications

- GOED may ask for additional clarifications.
- Timely responses should be provided by the date requested.

Scoring, Ranking, and Selection

- GOED will rank applications based on a composite score from the review panel.

Appeals

- Appeal requests related to program activities are processed and reviewed by GOED.
- Appeal will be reviewed against program policies and requirements.

Grant Award

- Once award amounts are determined, GOED will send a Notification of Award to successful applicants.
- Execution of a grant is contingent upon both parties' agreement regarding the terms and conditions.
- Awards will be considered final upon receipt of a signed grant agreement between GOED and the applicant.

Application Components

Application Components

Local Infrastructure Recovery & Resiliency Program



- ✓ Application Checklist
- ✓ General Information Page
- ✓ Budget Sheet
- ✓ Sources & Remarks Page
- ✓ Eligibility Criteria Narrative
- ✓ Attachments
- ✓ Public Hearing Requirement

Checklist & General Information

Application Checklist

- Include the completed checklist with the application.
- Assists in organizing your application and ensures all attachments are included.

General Information Page

- Basic applicant information
- Contact names and numbers
- Funding amounts
- UEI #
- Project title
- Proposed start and end dates
- Certification by official of the sponsoring entity

Budget Sheet

Completing the Budget Sheet:

- Budget sheet must be completed to include all project costs.
- Use provided line items whenever possible.
- Other eligible costs not listed should be added under the "Other" line item and clearly defined.
- Total Project Cost must equal the total project costs identified elsewhere in the application.

Cost Description	Costs
1. Land, Structure, Right-of-Way	
2. Architectural/Engineering Basic Fees	
3. Other Fees (survey, tests, and borings)	
4. Project Inspection Fees	
5. Site Preparation	
6. Relocation Expense	
7. Demolition and Removal	
8. Construction	
9. Other (Identify)	
10. Contingencies	
11. Total	



Sources & Remarks

SOURCES & REMARKS

SOURCE

Funding	Funding Secured	Funding Unsecured	Date Secured or Anticipated Date
A. CDBG-DR			
B.			
C.			
Total	\$	\$	
Total Project Cost	\$		

REMARKS

1. Briefly explain how the "secured" amount has been secured:
2. Briefly explain the unsecured share and why the funds have not been secured and when they will be:

Completing the Sources & Remarks Page:

- Provide a breakdown of the project costs.
- Breakdown should include CDBG-DR amount.
- List other local sources of funding that will be necessary.
- Indicate if these funds are "Secured" or "Unsecured".
- Provide date secured or anticipated date to be secured.
- Total Project Cost must equal the total project costs identified elsewhere in the application.
- Provide additional remarks regarding secured and unsecured funds.

Eligibility Criteria Narratives

Building a strong narrative:

1 Project Description

- Project should sufficiently describe the need, objectives method of accomplishment geographical location of the project, and benefits expected from the assistance.
- Outline provided in the application to structure the narrative
 - Need Identification
 - Project Benefit
 - Project Design
 - Project Funding
 - Reports that support the project need
 - Local Involvement
 - Definition of Service Area

2 Project Location

- Demonstrate the project is located in the HUD-identified MID ZIP codes.

3 Tie-back or Mitigation

- Demonstrate the project is in response to the disaster or is a project to mitigate future disasters impacts.
- Include photos of area post-disaster as an attachment.

Eligibility Criteria Narratives

4 Mitigation Measures

- Demonstrate the project will be designed to incorporate construction standards able to withstand existing and future natural hazards expected to occur over the life of the project.

5 Design for the Future

- Demonstrate that the designs and plans demonstrate that future hazards will be mitigated.

6 National Objective

- Demonstration that the project will meet either the LMA or UN national objective.

7 Alignment with Other Projects & Long-Term Efforts

- Discuss how the project is aligned with other planned federal, state, or local capital improvements and infrastructure development efforts and how the project will achieve objectives of regional and local plans and policies designed to reduce future risk

8 Eligible Activity

- Demonstrate that the project is an eligible infrastructure/public facilities activity.

Eligibility Criteria Narratives

9 Capacity

- Demonstrate the applicant's capacity to manage the grant funding.

10 Cost Effectiveness

- High priority is placed on funding projects that are cost-effective. Project applications will be scored based, in part, on cost-effectiveness demonstrated through a benefit-cost analysis outlined in the application guidance

11 Future Housing Development

- Demonstrate that the project supports future development of rental housing in the area.

12 Timeline

- Applicants must include a project timeline for completion with milestones. All projects funded under the Local Infrastructure Recovery and Resiliency Program must be completed within three (3) years of grant award.

13 Operations & Maintenance

- Demonstrate how the projects will be operated and maintained beyond the life of the CDBG-DR grant, including incorporating technologies to prevent early failures of the project.

Application Attachments

These documents must be submitted with the application and example documents can be found in the application:

- FEMA PA or U.S. Army Corps of Engineers Funding Certification
- Non-Supplanting of Funds Certification
- Beneficiaries Form
- CDBG-DR Regulatory Assurances Form
- Equal Employment Opportunity Policy
- Certification Regarding Restrictions on Lobbying
- Federal Funding Accountability and Transparency Act (FFATA) Certification
- Environmental Certifying Officer
- Designation of Project Authorized Official
- Drug Free Workplace Policy
- Applicant/Recipient Disclosure Update Report
- Residential Anti displacement and Relocation Assistance Plan
- Excessive Force Policy (City and County only)
- Fair Housing Policy (City and County only)
- Code of Conduct (City and County only)
- Service Area Map
- Post Disaster Photos
- Preliminary engineering report and cost estimates
- Capital budgets as verification that the project has not already been funded
- Public Hearing documentation
 - Copy of the Public Notice
 - Copy of Publishers Affidavit
 - Copy of Public Meeting Minutes
 - Copy of Sign-In Sheet for Public Meeting
 - Copy of comments and responses

Public Hearing Requirements for the Project

Applicants are required to solicit public feedback on the projects for which they are applying for funding by holding a public hearing.

Public Hearing

- Hearing can be held in conjunction with other public meetings, as appropriate.
- Public hearing must include a discussion of:
 - Range of activities that may be undertaken with the CDBG-DR funds.
 - Amount of CDBG-DR funds requested.
 - Estimated amount of the CDBG-DR funds proposed to be used for activities that will meet the national objective of benefit to LMI persons.
 - Proposed CDBG-DR activities likely to result in displacement and the unit of general local government's Anti-Displacement and Relocation Plans required under § 570.488.
- Applicant will be required to provide Proof of Public Hearing, including the public hearing notice and publisher's affidavit, and minutes form the meeting including comments and responses.

Public Hearing Notice

- Should be published or publicly posted no less than seven (7) days prior to the hearing.
- Must be posted in a newspaper of general circulation.

Scoring Criteria

Criteria	Description	Maximum Points
Community-Wide Impact	Projects that benefit all or <u>most of</u> North Sioux City residents will receive the highest points.	20
Project Timeline and Readiness	Points will be awarded based on how quickly the project can begin and be completed. Projects with completed design, secured permits, or other pre-construction milestones in place will score higher.	20
Cost Effectiveness	Measures the reasonableness of the project budget relative to the outcomes. Projects with leveraged funds, lower cost per beneficiary, or efficient use of CDBG-DR dollars will score higher.	20
LMI Benefit	Projects that serve LMI areas will receive the maximum points. <u>Urgent need</u> projects will not receive any points.	15
Management Capacity	Evaluates the applicant's demonstrated ability to manage federally funded infrastructure projects. Includes staff expertise, past performance, and systems in place for compliance and oversight.	15
Resiliency and Mitigation	Projects that incorporate design features to reduce future risk and hazard impacts will receive higher scores.	15
Operations and Maintenance	Evaluates the plan and capacity to maintain the project long-term. Higher points awarded for projects with committed funding and clear responsibility for ongoing maintenance.	10
Supports Housing	Points awarded to projects that directly support existing or planned housing development, <u>especially for</u> LMI residents or households impacted by the disaster. To be in line with HUD requirements, higher points will be given to those projects that benefit rental housing.	15
Total		130

Once a project is determined to satisfy the Threshold Criteria, GOED will score applications based on the following criteria, with a maximum score of 130.

Key Resources

To learn more about the CDBG-DR program visit GOED disaster recovery page:

[Community Development Block Grants – Disaster Recovery Funding – South Dakota Governor's Office Of Economic Development](#)

The website includes:

- CDBG-DR Action Plan
- Local Infrastructure Recovery and Resiliency Program Policy

Questions & Answers



Thank you

For additional information or questions regarding the application or requirements please contact:

Governor's Office of Economic Development
Community Development Block Grant Program
Stephanie Deyo, Grants Manager
711 E. Wells Avenue
Pierre, SD 57501

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