



**Summary of Federal Register Notice Published October 16, 2014
Regarding Rebuild by Design Projects**

Allocation

- This Notice formally allocates a total of \$930 million toward implementation of seven projects originating from the HUD-sponsored *Rebuild by Design* (Rebuild by Design) competition (six winning projects and one finalist project).
- The Notice also allocates a third tranche of CDBG-DR funding by formula based on disaster damage and estimates of unmet needs.
- Allocation is part of HUD’s appropriation under the Disaster Relief Appropriations Act, 2013 (Public Law 113-2, approved January 29, 2013), which made available approximately \$15.18 billion following sequestration pursuant to the Balanced Budget and Emergency Deficit Control Act.
- Funds are provided as Community Development Block Grant Disaster Recovery (CDBG-DR) funds as allocated in Federal Register Notices with accompanying requirements.

REBUILD BY DESIGN ALLOCATIONS BY PROPOSAL

Grantee	Proposal	Location	Rebuild by Design CDBG-DR Allocation
State of New Jersey	New Meadowlands	Meadowlands	\$150,000,000
State of New Jersey	Resist, Delay, Store, Discharge	Weehawken/Hoboken/Jersey City	\$230,000,000
State of New York	Living with the Bay	Nassau County	\$125,000,000
State of New York	Living Breakwaters	Staten Island	\$60,000,000
New York City	The Big U	Manhattan/Lower East Side	\$335,000,000
New York City	Hunts Point Lifelines	South Bronx/Hunts Point	\$20,000,000
State of Connecticut	Resilient Bridgeport	Bridgeport	\$10,000,000

- CDBG-DR funds allocated specifically for Rebuild by Design Projects cannot be used for any other activity.

Action Plan Process and Requirements

- Each grantee already has an established and approved Action Plan for Disaster Recovery that programs all CDBG-DR funds received to date under this appropriation. In order for HUD to obligate this new allocation of funds to grantees, each grantee must amend its existing Action Plan to incorporate the new projects and funding.
- The initial Action Plan Amendment must be submitted within 120 days of the effective date of the published Notice. This period includes the grantee's solicitation of public comment for a minimum of 30 days. Final submission of the Action Plan Amendment to HUD must include the grantee's response to public comment. Following HUD approval (60 days maximum), funds are able to be obligated.
- Additional requirements for the Action Plan specifically related to the Rebuild by Design projects include:
 1. A general description of the project that also breaks out costs estimated for planning, pre-development, and construction. It is understood these are preliminary estimates, which will be revised once the projects are fully designed. The description must also demonstrate the Rebuild by Design project's feasibility and effectiveness. General project descriptions with corresponding demonstrations of feasibility and effectiveness have already been provided to the grantees and are contained in the final Rebuild by Design competition proposals (available at www.rebuildbydesign.org).
 2. A description of the implementation partnership necessary for project completion. For State grantees, this will include how they will work with local towns, cities, and/or counties in which the projects are located. For all grantees, the partnership will include how they will work with other integral stakeholders such as water and sewer authorities, transit authorities, port authorities, etc. as necessary and relevant.
 3. A citizen participation plan specifically related to the implementation of Rebuild by Design projects.
 4. A project timeline. Again, it is understood that these estimations are preliminary and may be revised as each project moves through the design and permitting process.
 5. Identification of funds that are anticipated to be generated or secured in leveraging the project. This may include contributions from local government or other agencies/authorities as well as dedication CDBG-DR funding allocated by formula. Future financing models that engage private investment should also be considered. Grantees may also identify any amounts they intend to compete for under the HUD National Disaster Resilience Competition.

- For Rebuild by Design projects in Bridgeport, CT and the South Bronx in New York City, the initial Action Plan Amendment does not need to identify a specific project; rather, it must identify the planning activity that it will undertake in order to identify an appropriate project for implementation. Following approval of the initial Action Plan Amendment, funds may be obligated for administrative and planning activities.
- Grants for these two projects are smaller than the other five and thus are intended for construction of a pilot project that is to be identified by the grantee. Once the project is identified, the grantee will submit an Action Plan Amendment to HUD that incorporates the project. Once approved by HUD, all of the grantee's Rebuild by Design funding will be available for obligation similar to the other five projects.
- Once an Action Plan Amendment containing the proposed Rebuild by Design project is approved, all funds may be obligated but only the amount identified for planning, administration, and pre-development activities will be made available by HUD.
- Funding for construction will be withheld pending the receipt and approval of a subsequent Action Plan Amendment that includes a detailed description of the final Rebuild by Design project.
 - For projects not requiring an EIS, the subsequent Action Plan Amendment may be submitted as soon as the project is permitted and approved from the environmental review process.
 - For projects requiring an EIS, the subsequent Action Plan Amendment may be submitted following completion of the Draft EIS.
- The subsequent Action Plan Amendment under which funding for construction is made available must also include:
 - an examination of the project through a benefit-cost analysis (BCA). HUD will issue forthcoming guidance regarding methodologies and approaches acceptable to HUD
 - a commitment(s) to adequately fund the ongoing operations and maintenance of the project or facility
 - a commitment to pursue FEMA certification and accreditation of any levee or breakwater funded under this allocation

Eligibility

- Allocations are made for implementation of the first phase of the multi-phase Rebuild by Design proposals. The larger multi-phase plan submitted within the competition is referred to as the “proposal” and the first phase or portion of a phase to be implemented is referred to as the “project.”
- Grantees must implement Rebuild by Design projects consistent with the proposal to the greatest practicable and appropriate, considering the technical, fiscal, environmental, legal, or other constraints that may be encountered.
- To eliminate the need to break each project down into individual separate CDBG eligibility categories, the entire Rebuild by Design project as a whole is being considered as eligible.
- Grantees must still identify the national objective(s) they intend to meet with each project. If unable to meet the national objective requirement, a waiver may be considered to provide an alternative requirement.

Expenditure

- The appropriations law (P.L. 113-2) requires that all funds be expended within 24 months of obligation. However, this requirement may be waived as necessary and justified upon request by the grantee.
- While all approved funding is available for obligation upon HUD approval of the Action Plan amendment, grantees are allowed to obligate funds in portions. However, all funds must be obligated no later than September 30, 2017.
- Understanding that planning and pre-development activities related to Rebuild by Design projects may already be underway and need to begin as quickly as possible, HUD is allowing grantees to temporarily re-program existing CDBG-DR funds obligated for planning. This interim transfer of existing funds will then be replenished once the initial Rebuild by Design Action Plan Amendment is approved and those funds are obligated. Grantees may use their existing funding to pay for any eligible Rebuild by Design-related costs incurred following the announcement of allocations on May 30, 2014.

Environmental Review and Permitting

- It is anticipated that a number of projects may require development of an Environmental Impact Statement (EIS). In order to ensure that the environmental review and permitting process occurs in the most efficient and streamlined manner possible, all Rebuild by Design projects will be addressed by the Hurricane Sandy Regional Team for Federal Review and Permitting. This team is a collection of federal agencies and their state

counterparts that focus on the most complex and highest priority infrastructure projects as part of the Sandy rebuilding effort.

Procurement

- Grantees should ensure that individuals with a strong working knowledge of the Rebuild by Design project are among the consultants hired to advance the project.
- Given the unique knowledge and understanding that each Rebuild by Design design team possesses regarding their respective proposal, grantees should consider how it may procure design team members noncompetitively.
- Grantees are specifically authorized by HUD to engage in non-competitive, sole-source procurement of the design teams or members of the design teams.

Other

- Grantees must undertake planning efforts at both the project and the proposal level to ensure that the project is appropriately connected and responsive to existing plans and other activities as well as subsequent phases of the Rebuild by Design proposal or other resilience plans and strategies.
- In order to document new and innovative coordinating structures, partnerships, decision-making processes, etc., grantees must submit a case study and lessons learned document following project completion and prior to grant close-out.

This document is intended to summarize the content contained in the Notice published in the Federal Register October 16, 2014. Any inconsistency or discrepancy with the published Notice is unintended and in such case, the language contained in the Notice prevails.