

STATE OF OKLAHOMA

CDBG DISASTER RECOVERY

SUBSTANTIAL AMENDMENT #15 – 8/28/2020

To date, the Oklahoma Department of Commerce / Community Development (ODOC/CD) has officially received two allocations (\$10.6 & \$83.1 Million) of CDBG Disaster Recovery (CDBG-DR) funding. Collectively, these two allocations total \$93.7 million in disaster related funding being provided to the State of Oklahoma from HUD.

The first allocation (\$10.6 Million) was released by HUD on March 5, 2013, in the Federal Register at Vol. 78, No. 43, Page 14329 entitled: “Allocations, Common Application, Waivers and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy” (FR-5696-N-01); April 19, 2013 in the Federal Register at Vol. 78, No. 76, page 23578 entitled: “Clarifying Guidance, Waivers and Alternative Requirements for Hurricane Sandy Grantees in Receipt of Community Development Block Grant Disaster Recovery Funds” (FR-5710-N-01); and December 16, 2013 in the Federal Register at Vol. 78, No. 241 page 76154 “Allocations, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant Disaster Recovery Funds in Response to Disasters Occurring in 2013” (FR-5696-N-07) (collectively, the “Federal Register Notice”).

The second allocation (\$83.1 Million) was released by HUD on June 3, 2014, in the Federal Register at Vol. 79, No. 106, Page 31964 in a notice entitled: “Second Allocation, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant Disaster Recovery Funds in Response to Disasters Occurring in 2013”.

Pursuant to these aforementioned Federal Register Notices and as outlined in the State’s CDBG-DR Action Plan 93.7 million submitted to HUD, the State has reserved the right to “tranche” or segment the CDBG-DR allocation in order to enable the completion of large infrastructure projects under taken by the disaster recovery funding.

Action Plan Amendments

Substantial Amendment: This CDBG-DR Action Plan modification is classified as a Substantial Amendment as referenced on page 114 of the CDBG-DR Action Plan.

A Substantial Amendment to the Action Plan is defined as:

1. a change in program benefit or eligibility criteria;
2. the addition or deletion of an activity; or
3. the allocation or reallocation of more than \$1 million between activities.

Only those amendments that meet the definition of a Substantial Amendment are subject to formal public hearing notification and public comment procedures as defined in Federal Register / Vol. 79, No. 106 / Tuesday, June 3, 2014 / Notice 31969. It is required that at least one public hearing be held regarding any substantial Action Plan Amendment. Citizens and other stakeholders must have reasonable and timely access to these public hearings. Citizen Participation includes a public hearing, publication of the Action Plan on the State's CDBG-DR website and public comment. The prior notices are modified to require grantees to publish substantial Action Plan Amendments for comment for thirty (30) days prior to submission to HUD.

Per the Federal Register Notice guidelines, all amendments (Non-Substantial and Substantial) to the Action Plan will be posted online at the ODOC/CD CDBG-DR webpage (<https://www.okcommerce.gov/reporting-compliance/cdbg-disaster-recovery/>). Public notice will also be given and published online at the ODOC/CD CDBG-DR webpage. Additionally, the CDBG-DR Action Plan will be revised to reflect the amendments (Non-Substantial and Substantial) to the Action Plan. As with the amendments, the CDBG-DR Action Plan is posted online at the ODOC/CD CDBG-DR webpage. Hard copies will also be made available upon request. All interested parties, to include Citizens, units of local government, and community partners will be provided notice and the opportunity to comment on proposed Substantial Amendments to the Action Plan. No less than thirty (30) days will be provided for review and comment on the Substantial Amendment. Comments will be accepted electronically or in writing and will be posted online at the ODOC/CD CDBG-DR webpage. A summary of all comments received and responses will be included in the Substantial Amendment that is submitted to HUD for approval. Each amendment submitted to HUD for approval will be numbered sequentially and is meant to supersede the earlier amendments in the published Action Plan.

Written or oral comments can be addressed through the contact information provided below. The deadline for the submission of public comments is October 29, 2020.

- Via telephone: (405) 227-3984 Toll Free: (800)-879-6552
- Via email: steven.hoover@okcommerce.gov
- Online at: <https://www.okcommerce.gov/reporting-compliance/cdbg-disaster-recovery/>

- In writing at:

Oklahoma Department of Commerce

Attn: Community Development: CDBG Disaster Recovery 900 N.
Stiles Ave.

Oklahoma City, OK 73104-3234

Requests for this Plan or related documents in alternate formats consistent with the provisions of federal requirements related to limited English proficiency or persons with disabilities may be directed to ODOC/CD using the following methods:

Individuos con Discapacidades o Impedimentos de Lenguaje

El Estado valora la opinión del público al aceptar los comentarios de los ciudadanos y otras partes interesadas durante el desarrollo y la implementación de su programa de Ayuda Local de Desarrollo Comunitario Recuperación de Desastres (CDBG-DR). Se hará todo lo posible para llegar a las minorías, los residentes que no hablan inglés, así como a las personas con discapacidades. Para todas las reuniones, para facilitar comentarios, preguntas y otra información; Un traductor de habla hispana y / o un intérprete de lenguaje de señas para discapacidad auditiva está disponible si es solicitado. La información del programa publicada en el sitio web será accesible y estará disponible en formatos accesibles, incluidos los que puedan leer los lectores de pantalla. El Departamento de Comercio de Oklahoma/ Desarrollo Comunitario (ODOC/CD) trabaja para publicar toda la documentación pública en formatos compatibles con la tecnología de lector de pantalla. ODOC/CD pondrá a disposición información en formatos alternativos según sea necesario y a pedido para garantizar una comunicación efectiva a las personas con discapacidades y discapacidades relacionadas con el lenguaje.

Las solicitudes de este Plan o documentos relacionados en formatos alternativos consistentes con las disposiciones de los requisitos federales relacionados con el dominio limitado del inglés pueden dirigirse a ODOC/CD utilizando los siguientes métodos:

- Por el telefono: (405) 534-6814
- Por el correo electrónico: Jessica.Izquierdo@okcommerce.gov
- En línea a: <https://www.okcommerce.gov/reporting-compliance/cdbg-disaster-recovery/>
- Por escrito en
Oklahoma Department of Commerce
Attn: Community Development: CDBG Disaster Recovery
900 N. Stiles Ave.
Oklahoma City, OK 73104-3234

Overview:

This amendment includes multiple budget modifications made necessary to reconcile final program budgets and reconcile the Disaster Recovery Grant Reporting System (DRGR). As CDBG-DR projects enter completion and the final project costs are realized, it is necessary to start making various budgetary adjustments. As indicated in the Action Plan, ODOC/CD reserves the right to adjust any of the CDBG-DR funding to ensure the maximum utilization of funds. Such adjustments would be in conjunction with unforeseen events such as the cancellation of projects; projects completed under budget; or from funds designated but not allocated. These adjustments may be used to offset any unforeseen eligible project cost increases such as in the case of construction. Such adjustments, if made available by ODOC/CD, shall be the minimum amount necessary to fund projects efficiently. ODOC/CD will make adjustments as necessary using funding priorities outlined under the earlier published Action Plans.

Table 1 below illustrates the State’s requested revision at this time. Please note that the following tables account for the collective \$93.7 million in State CDBG-DR funding. Substantial Amendment #15 effectively updates the previous Non-Substantial Amendment #14.

Table 1: State Amendment #15 Revision

Amendment #15						
Activity Category	Current Allocation by Program	Subrecipient Admin Converted to Activity Delivery	ODOC Recaptured Funds	HUD Recapture of Expired Funds	Prior Non-Substantial Action Plan Amendments	Amended Allocation by Program
Housing	\$ 6,970,535.89	\$ 40,000.00	\$ -	\$ -	\$ 126,539.49	\$ 7,137,075.38
Infrastructure	\$ 60,310,634.34	\$ 1,100,301.91	\$ (804,706.90)	\$ (2,753,755.43)	\$ 1,250,197.95	\$ 59,102,671.87
Resiliency & Mitigation	\$ 20,147,127.99	\$ 352,336.25	\$ -	\$ (289,585.57)	\$ (8,895.45)	\$ 20,200,983.22
Public Facilities	\$ -	\$ -	\$ -	\$ -		\$ -
Economic Revitalization	\$ -	\$ -	\$ -	\$ -		\$ -
Planning	\$ 1,602,873.83	\$ -	\$ -	\$ 29,693.58		\$ 1,632,567.41
Administration	\$ 4,668,827.95	\$ (1,492,638.16)	\$ 804,706.90	\$ -	\$ (1,367,841.99)	\$ 2,613,054.70
Total	\$ 93,700,000.00	\$ -	\$ -	\$ (3,013,647.42)	\$ -	\$ 90,686,352.58

REVISIONS / MODIFICATIONS

The State’s previous CDBG-DR Action Plan amendments’ #1 – #12 primarily focused on incremental requests for the allocation of additional CDBG-DR funds. Tranche/Round #12 marked the last ODOC request to HUD for CDBG-DR funding with the full \$93.7 million allocation realized. The Previous CDBG-DR Action Plan Amendment’s #12 through #14 marked the start of multiple fund movement requests for such modifications as tranche to tranche and activity to another activity increases and decreases. As noted earlier, this amendment is intended to serve as the final amendment in preparation for the program closeout of this current CDBG-DR Program. This amendment includes the following budget modifications made necessary to reconcile final program budgets and reconcile the Disaster Recovery Grant Reporting System (DRGR).

1. Subrecipient Admin Converted to Activity Delivery

Grantees who receive CDBG-DR grants are limited to a 5% cap for Program Administrative Costs (PAC). In its subrecipient agreements, ODOC/CD provided funding for local governments to pay for certain administrative costs. These costs were originally classified as Administration costs for local government subrecipients in the HUD DRGR system, and counted toward the 5% cap under the CDBG-DR grant. Upon further review, and in consultation with HUD, ODOC/CD has determined that these costs were actually Activity Delivery Costs (ADC) for each subrecipient, and as such, do not count toward the 5% cap for Administration. ADCs are those allowable costs incurred for implementing and carrying out eligible CDBG-DR activities. All ADCs are allocable to a CDBG-DR activity, including direct and indirect costs integral to the delivery of the final CDBG-DR assisted activity. CDBG-DR relies on the core CDBG foundation. CDBG expenditures for activity delivery costs are not governed by 24 CFR 570.205 and 570.206. To recognize the difference between ADCs and PACs, 24 CFR 570.206 notes that “staff and overhead costs directly related to carrying out activities [are] eligible under 570.201 through 570.204, since those costs are eligible as part of such activities.” In addition, 24 CFR 570.205(a)(4)(iii) and (iv) state that “...engineering and design costs related to a specific activity... are eligible as part of the cost of such activity under 570.201-570.204.”

The table below identifies the budget revision from Administration to Activity Delivery for each subrecipient. These revisions did not impact the amount of funding for any subrecipient, but rather corrects this former misclassification. The adjustments will also allow the State to increase its Admin budget with remaining funds that may become available as subrecipient contracts are closed, while staying within the 5% Admin cap for the grant.

**Table 2: Subrecipient Admin Converted to ODOC/CD Activity Delivery
(By Program Area and Subrecipient)**

Program Area	Subrecipient	Amount
Housing	Mannford	\$40,000.00
Housing Subtotal		\$40,000.00
Infrastructure	Catoosa	\$5,111.51
Infrastructure	Cleveland County	\$293,660.32

Infrastructure	Kingfisher	\$8,939.40
Infrastructure	Norman	\$76,200.83
Infrastructure	Oklahoma City	\$716,389.85
Infrastructure Subtotal:		\$1,100,301.91
Mitigation/Resiliency	Cleveland County	\$56,252.50
Mitigation/Resiliency	Creek County	\$236,323.50
Mitigation/Resiliency	Drumright	\$13,535.25
Mitigation/Resiliency	Kiefer	\$6,412.00
Mitigation/Resiliency	Munds	\$3,845.00
Mitigation/Resiliency	Oilton	\$11,518.00
Mitigation/Resiliency	Sapulpa	\$24,450.00
Mitigation Subtotal:		\$352,336.25
Total Activity Delivery Adjustments		\$1,492,638.16

2. ODOC/CD Recaptured Funds: As local government subrecipients complete their disaster recovery projects, their subrecipient contracts are closed out by ODOC/CD. Any remaining balances under the closed agreement may be reallocated for new eligible uses within the grant by the grantee (ODOC/CD). The following funds were recaptured by the Oklahoma Department of Commerce following the subrecipient contract closeout for Cleveland County. The project activities were completed, and the remaining funds were no longer required by the sub-recipients. These remaining grant funds will be moved into the State’s Administration funding. A similar adjustment of \$700,000 was included under Non-Substantial Amendment #14. The current adjustment addresses the final \$804,706.90 remaining in Cleveland County, as illustrated below.

Table 3: ODOC Recaptured Funds

Category	Round #	Activity Title	Total Budget	Grant Funds Disbursed	Percent Disbursed	Funds Available
Infrastructure	Round 12 Extended	Cleveland Co 0080 83.1 Infra (Streets) R12 Ext.	\$5,936,857.65	\$4,432,150.75	75%	\$804,706.90
			\$5,936,857.65	\$4,432,150.75		\$804,706.90

3. HUD Recapture of Expired Funds:

Funds awarded to the state under this appropriation (Public Law 113-2) must meet a disbursement deadline. The grant was obligated under multiple grant agreements (referred to as Rounds), and the funds obligated under each round must be spent within 24 months of the date they were obligated to the state. Funds that do not meet the disbursement deadline are recaptured by HUD. The grantee failed to meet one of those disbursement deadlines, which resulted in an unexpended balance of \$3,013,647.42. The

recaptured amount is illustrated in the tables below. Table 4 below (Expired Funds by Round) identifies the amount of funds that missed their disbursement deadlines for each included Round. Table 5 below (Expired Funds by Subrecipient) identifies each subrecipient that was impacted by the missed deadline. This recaptured funding did not adversely affect the any project’s CDBG-DR eligibility or adversely affect successful project completion.

Table 4: Expired Funds by Round

Round	Expired
Round #1	(\$197.70)
Round #3	(\$315,974.25)
Round #4	(\$4,006.57)
Round #6	(\$127,853.05)
Round #9	(\$2,565,615.85)
Total	(\$3,013,647.42)

Table 5: Expired Funds by Subrecipient:

Subrecipient	Project Type	Impact of Budget Reduction	Expired Amount
City of Norman	street improvements	Project redesign.	\$2,587,339.61
Cleveland County	fire apparatus	No Impact	\$474.49
Creek County	fire apparatus	No Impact	\$3,532.08
Hughes County	various projects	No Impact	\$127,853.05
Oklahoma County	property buyouts	No Impact	\$285,579.00
Town of Catoosa	drainage improvements	No Impact	\$8,671.49
Oklahoma City	planning	No Impact	\$197.70
Total			\$3,013,647.42

Of these funds, the only project that required any modification was the City of Norman’s infrastructure activity for street reconstruction. The project budget was reduced by \$2,587,339.61 which required design and contract modifications as to not diminish the overall project activity and beneficiaries being served. All other identified subrecipients had completed their funded projects and the expired funds represent the remaining balances of those projects and/or subrecipient agreements.

4. Summary of Prior Non-Substantial Action Plan Amendments

These adjustments represent a compilation of non-substantial amendments that have been processed during the course of the grant. A non-substantial amendment does not impact the beneficiaries served, does not add or eliminate a program or project, and does not move more than \$1 million between program areas within a single adjustment. While HUD was aware of these amendments through their ongoing oversight, the budgetary adjustments were not fully captured in prior published Action Plan Amendments (Amendments 1 – 14). The table below identifies the allocation of grant funds by program category to all funded entities as a result of all Action Plan Amendments to date – both substantial and non-substantial:

Table 6: Allocation of Grant Funds by Program Category:

Funded Entity	Program Categories					Total Amount of Funding for Entity:
	Housing	Infrastructure	Resiliency & Mitigation	Planning	Administration	
Bristow		\$974,380.00	\$257,139.50			\$1,231,519.50
Catoosa		\$197,328.51				\$197,328.51
Cleveland County		\$10,706,373.02	\$1,974,758.48			\$12,681,131.50
Creek County			\$12,162,098.01			\$12,162,098.01
Drumright			\$463,311.25			\$463,311.25
Keifer			\$276,434.00			\$276,434.00
Kingfisher		\$2,200,000.00				\$2,200,000.00
Lincoln County		\$228,834.10				\$228,834.10
Mannford	\$5,150,000.00					\$5,150,000.00
Mounds			\$132,021.20			\$132,021.20
Norman		\$15,026,871.35				\$15,026,871.35
Oilton			\$395,460.00			\$395,460.00
Oklahoma City	\$1,845,770.68	\$29,768,884.89	\$900,430.36	\$982,765.11		\$33,497,851.04
Oklahoma County			\$1,169,921.00			\$1,169,921.00
Redlands Comm. College	\$141,304.70					\$141,304.70
Sapulpa			\$2,469,409.42			\$2,469,409.42
State of Oklahoma				\$649,802.30	\$2,613,054.70	\$3,262,857.00
Program Totals:	7,137,075.38	59,102,671.87	20,200,983.22	1,632,567.41	2,613,054.70	\$90,686,352.58