**ACTION ITEM**: For all grantees receiving funds under the Disaster Relief Appropriations Act of 2013 (P.L. 113-2), select the "# of Substantially Rehabilitated Units" performance measure in the DRGR Action Plan and enter the projected number of units for each applicable activity.

**OVERVIEW AND PURPOSE:** The March 2013 *Federal Register* Notice<sup>1</sup> requires that grantees under P.L. 113-2 undertaking new construction or substantial rehabilitation<sup>2</sup> of housing unit activities meet a green building certification standard. HUD has created a new performance measure in DRGR to allow grantees to report the implementation of this requirement. Grantees must now select the "# of Substantially Rehabilitated Units" for all applicable activities. All units reported as being substantially rehabilitated (in addition to new construction units reported in the system) must comply with the green building certification standard requirement<sup>3</sup>.

The addition of this performance measure provides a clearly identifiable metric for grantees to report on compliance with this requirement, and will enhance both HUD's and grantees' ability to tell a more complete recovery story. HUD staff will now be able to mine data reported in DRGR to analyze grantee progress towards meeting stated goals and to inform on-site and remote monitoring engagements. Further, these data will appear in grantees' Quarterly Performance Reports (QPR) for public dissemination, and will be used in Departmental analyses including HUD's strategic planning efforts.

Finally, the green building performance measures currently available in DRGR for rehabilitation activities were adopted for the Neighborhood Stabilization Program and provide far more granular data than what is necessary for oversight of disaster recovery funds under P.L. 113-2. Therefore, the new measure will reduce the reporting burden on grantees by reducing the number of performance measures selected in the Action Plan and reported on in the Quarterly Performance Report.

**INSTRUCTIONS:** The "# of Substantially Rehabilitated Units" field will be a **required performance measure** and will be reported, to the extent applicable, under the DRGR activity type *Rehabilitation/Reconstruction of Residential Structures*<sup>4</sup>. In order to report on this measure in the QPR, a grantee must select it and provide projected accomplishments in the DRGR Action Plan. Once projected measures are entered, the measure will appear in the data tables in the QPR as a row in the Proposed Accomplishments section. In instances where projections are unavailable at the time of activity selection, a grantee may enter "0" as a placeholder until actual projections are available for entry. Accomplishments will then be entered in the QPR upon meeting a National Objective<sup>5</sup>.

<sup>2</sup> FEMA defines substantial rehabilitation (improvement) as any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This definition was adopted by HUD, and applied to grantees under P.L. 113-2, via the Notice published March 5, 2013.

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<sup>&</sup>lt;sup>1</sup> Published at **78 FR 14329**.

<sup>&</sup>lt;sup>3</sup> Compliance with the requirement will be evaluated during regular monitoring engagements.

<sup>&</sup>lt;sup>4</sup> Rehabilitation/Reconstruction of Residential Structures activities may include both substantial and nonsubstantial rehabilitation units. In those instances, only enter the projected number of substantial rehabilitation units in the DRGR Action Plan.

<sup>&</sup>lt;sup>5</sup> For Housing activities, this is most often upon initial occupancy of the unit by an eligible household.