

**CITY OF NEW ORLEANS  
CHIEF ADMINISTRATIVE OFFICE**

**POLICY MEMORANDUM NO. 132**

**January 28, 2015**

**TO:** All Departments, Boards, Agencies and Commissions

**FROM:** Andrew D. Kopplin, Chief Administrative Officer 

**SUBJECT: Federal Grants Duplication of Benefits Policy**

**I. PURPOSE**

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) requires that recipients of federal disaster recovery funding make certain that no "person, business concern or other entity" will receive duplicative assistance. Because disaster assistance to each person/entity varies widely based on their primary coverage and eligibility for federal funding, grantees cannot comply without first completing a duplication of benefits (DOB) analysis specific to each applicant.

The purpose of this memorandum is to outline how the City of New Orleans' Office of Community Development assures that all applications for assistance from the programs funded by OCD/ (both housing and non-housing), as well as all projects implemented by OCD grantees, contractors and sub-recipients, will be reviewed for possible duplication of benefits. The procedures described below are also applicable to all OCD grantees and sub-recipients, and must be incorporated in the design and administration of programs or projects undertaken by them.

**II. DEFINITION**

A DOB occurs when:

- A beneficiary receives assistance; and
- The assistance is from multiple sources (i.e. private insurance, personal wealth, Federal Funds, non-profits, State, etc.); and
- The assistance amount exceeds the need for a particular recovery purpose.

**III. GOVERNING AUTHORITY**

Home Rule Charter Section 4-302(5) authorizes the Chief Administrative Officer to "prescribe accepted standards of administrative practice to be followed by all offices, departments, and boards."

#### **IV. BACKGROUND**

In response to hurricanes Katrina, Rita, Gustav, Ike and Isaac, the City of New Orleans received supplemental disaster recovery assistance as a pass-through from the State of Louisiana and also as a direct recipient of HUD's Community Development Block Grant (CDBG) Program. This assistance is intended to supplement, not replace, other public, private and nonprofit sector resources that have already been provided for the same need or loss. For example, if a family's damaged home costs \$100,000 to repair and the homeowner received insurance proceeds in that amount, the homeowner could not also receive federal disaster recovery funds to repair the home. Grantees should ensure that each program provides assistance to a person or entity only to the extent that the person or entity has a disaster recovery need that has not been fully met by funds that have already been, or will be paid, from another source.

#### **V. POLICIES**

The first step of the DOB determination (calculation) is to determine the amount of assistance needed and the amount of funds previously received, or to be received, for a disaster recovery activity. This is accomplished by first determining the applicant's post-storm disaster need prior to the receipt or potential receipt of other funds. Next, all other sources of recovery assistance received, or available to be received, must be disclosed during the application process and must be verified including funds received that are not for the same purpose as the CDBG activity(s); funds not available to the applicant. Finally, after subtracting from the proposed activity cost the duplicate funds received or available to receive, calculate the maximum CDBG award. Once the maximum CDBG award has been determined, grantees and sub-recipients will be required to sign an agreement requiring them to return to the City of New Orleans any assistance received for the same purpose as the CDBG disaster recovery funds. This agreement is to be monitored by the Office of Community Development's Compliance Unit. Unless an additional need is established, disaster recovery funds must be recaptured to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose.

The following is an example of the above described process steps for DOB determination:

1. Identify the Applicants Total Need Prior to Any Assistance: \$100,000
2. Identify Any Potential Duplicative Assistance: \$35,000
3. Deduct Assistance Determined to be Duplicative: \$30,000
4. Maximum Eligible Award (Item 1 Less Item 3): \$70,000
5. Program Cap (If Applicable): \$50,000
6. Final Award Amount (Lesser of Items 4 and 5): \$50,000

Disaster recovery assistance needs are calculated at a point in time. As a result, subsequent circumstances may occur that affect the need. If, after the

assistance has been calculated and/or a CDBG award has been made, an applicant can demonstrate a change in circumstances the award calculation may be subsequently reevaluated to take the increased need into consideration.

The federal regulation pertaining to this policy and procedure for identifying Duplication of Benefits is found in Federal Register/ Vol. 76, No. 221, November 16, 2011, which should be reviewed as part of determining Duplication of Benefits.

#### **V. INQUIRIES**

Questions concerning this memorandum should be addressed to the Office of Community Development at (504) 658-4344.

ADK/MDW