



POLICY AND PROCEDURE MANUAL

**COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY
(CDBG-DR)**

DUPLICATION OF BENEFITS



PROGRAM OVERVIEW

Program Name:	CDBG-DR	
Grantee Name:	City of Little Rock (CLR)	
Entity Designated to Administer the Funds	City of Little Rock	
Amount of funds allocated in the action plan:	\$20,895,000.00	
HUD Contact (Name):	David Blick	
HUD Contact (Email/Phone):	David.G.Blick@hud.gov / 501-918-5706	
Grantee Contact (Name):	Kevin Howard, Director of Housing and Neighborhood Programs (HNP)	
Grantee Contact (Email/Phone):	khoward@littlerock.gov /501-371-6825	
Grantee Board of Directors:	Frank Scott Jr., Mayor	
	Virgil Miller Jr, Ward 1 Ken Richardson, Ward 2 Kathy Webb, Ward 3 Capi Peck, Ward 4 Lance Hines, Ward 5	Andrea Hogan Lewis, Ward 6 B. J. Wyrick, Ward 7 Vice-Mayor Dr. Dean Kumpuris, Position 8 Antwan Phillips, Position 9 Joan Adcock, Position 10
Grantee City Manager:	Delphone Hubbard	
Grantee Department of Housing & Neighborhood Programs:	Kevin Howard, Director	

VERSION POLICY & CHANGE CONTROL

This document is subject to version control. Policy updates may be necessary throughout the life of the Program to clarify, add, or remove requirements governing program operations. All policy decisions will be formally documented and incorporated into the relevant program materials. Unless explicitly stated otherwise, revisions apply prospectively and become effective upon approval of the updated document.

All versions and publication dates are recorded in the Version History Table, along with a brief description of changes. Revisions that reflect a substantive change in policy will result in the issuance of a new major version number (for example, Version 1.0 to Version 2.0). Updates that do not alter policy intent, such as editorial revisions, clarifications, or formatting changes, will be reflected through minor version updates (for example, Version 2.1 or 2.2).

Version	Date	Description
Version 1.0	March 20, 2026	Prepared by: Department of Housing & Neighborhood Programs

This manual may be updated periodically to reflect operational changes, improvements, or clarifications.

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ACRONYMS

Acronym	Meaning
CDBG-DR	Community Development Block Grant – Disaster Recovery
DOB	Duplication of Benefits
DRGR	Disaster Recovery Grant Reporting System
FEMA	Federal Emergency Management Agency
SBA	Small Business Administration
NFIP	National Flood Insurance Program
HUD	U.S. Department of Housing and Urban Development
HNP	Housing and Neighborhood Programs
MID	Most Impacted and Distressed
OIG	Office of Inspector General
USACE	U.S. Army Corps of Engineers
CLR	City of Little Rock

DEFINITIONS

Term	Definition
Duplication of Benefits (DOB)	Financial assistance received from multiple sources for the same purpose that exceeds the total need for recovery.
Total Need	The total estimated cost to repair, replace, or recover from disaster-related damage.
Unmet Need	The portion of total need that remains after all available assistance has been accounted for.
Available Assistance	Funds received or reasonably expected to be received from other sources for the same purpose.
Non-Duplicative Assistance	Assistance that is either for a different purpose or is not available to the applicant and therefore excluded from DOB calculations.
CDBG-DR Assistance	Disaster recovery funding provided by HUD to address unmet needs.
Forgivable Loan	A loan that does not require repayment under certain conditions and is considered duplicative assistance.
Forced Mortgage Payoff	Insurance proceeds applied directly to a mortgage balance and not available to the applicant for repairs.
Applicant	Any individual, household, business, or entity applying for CDBG-DR assistance.
Program Income	Income generated from CDBG-DR funded activities that must be reused for eligible purposes.
DOB Calculation	The process of determining total need, subtracting available assistance, and identifying unmet need.
Subrogation Agreement	A signed agreement requiring repayment of funds if duplicative assistance is later received.

1. INTRODUCTION

This Policy and Procedures Manual establishes the City of Little Rock's (CLR) approach to identifying, evaluating, and preventing Duplication of Benefits (DOB) for activities funded through the Community Development Block Grant – Disaster Recovery (CDBG-DR) program. The purpose of this manual is to ensure that assistance is provided in a consistent, equitable, and compliant manner and that CDBG-DR funds are used only to address remaining unmet recovery needs.

DOB requirements are a fundamental component of disaster recovery programs. They ensure that individuals, households, businesses, and other entities do not receive more assistance than is necessary to recover from disaster-related losses. This manual outlines both the policy requirements and the procedures staff must follow to determine total need, account for assistance already received or available, and calculate appropriate CDBG-DR awards.

These requirements apply to all CDBG-DR-funded activities administered by the CLR, including housing, infrastructure, economic revitalization, and mitigation programs. This manual is intended to guide staff, support consistent decision-making, and ensure proper documentation and compliance with applicable federal requirements.

Policy Statement

The CLR will ensure that CDBG-DR funds are not used to duplicate financial assistance received from other sources for the same purpose. All assistance provided will be limited to the amount necessary to meet the remaining unmet need.

The City will comply with Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), applicable HUD guidance, and all federal requirements governing Duplication of Benefits. No funds will be awarded until a DOB review has been completed and documented.

Applicants are required to disclose all sources of disaster recovery assistance received or expected to be received. The City will verify this information to the extent practicable. If duplication is identified, assistance will be reduced accordingly. Recipients may be required to repay funds if additional assistance is received for the same purpose after an award is made.

Regulatory Framework

The DOB requirement is established under Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155). This prohibits any person or entity from receiving financial assistance for the same purpose from multiple sources when that assistance would exceed the total loss.

Under this requirement, CDBG-DR funds may only be used to cover costs that have not already been paid for or are not expected to be paid for by other sources, such as insurance, Federal Emergency Management Agency (FEMA), Small Business Administration (SBA) loans, or other federal, state, or

private programs. A duplication occurs when the combined amount of assistance exceeds the total need for recovery.

The City will apply these requirements in accordance with U.S. Department of Housing and Urban Development (HUD) guidance and the CDBG-DR program rules to ensure that all assistance is properly calculated, documented, and aligned with eligible unmet needs.

2. RESPONSIBILITIES

Housing and Neighborhood Programs (HNP) staff are responsible for ensuring all CDBG-DR requirements. During review of application for assistance, staff will ensure compliance with all DOB requirements are adhered. HNP may procure consultants to provide technical assistance and program management services or software to assist in ensuring compliance. Any consultant procured to complete DOB analyses will be required to use HUD's terminology when completing DOB reviews. Grant Management Division will monitor DOB compliance during audit activities.

3. ACTIVITY DESCRIPTION, LOCATION, AND CONDITIONS

Activity Description

The CLR is implementing a range of CDBG-DR funded activities to support long-term recovery from the March 31, 2023 EF-3 tornado (DR-4698). These activities are designed to address unmet needs in housing, infrastructure, economic revitalization, and mitigation. Eligible activities include:

- Housing rehabilitation, reconstruction, and new construction
- Infrastructure repair and debris removal
- Public facility restoration
- Economic revitalization and workforce development
- Mitigation projects to reduce future disaster risk

All activities are subject to environmental review under 24 CFR Part 58 and must comply with applicable federal laws, including NEPA, Section 106 of the National Historic Preservation Act, and the Federal Flood Risk Management Standard (FFRMS), as well as any subsequent federal regulatory updates or guidance.

Location

All activities will occur within the HUD-identified Most Impacted and Distressed (MID) area, which includes the entire City of Little Rock, Arkansas. Priority neighborhoods include:

- Walnut Valley
- Napa Valley
- River Ridge

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- Briarwood
- Shackleford
- Colony West
- Reservoir Park and Rock Creek Park areas

These areas experienced significant tornado damage to housing, infrastructure, and public facilities. FEMA data, HUD's Unmet Needs Assessment, and local damage assessments guide project targeting.

4. AWARD DETERMINATION

CDBG-DR funds will not be used for activities for which funds have been received (or will be received) from FEMA, the U.S. Army Corps of Engineers (USACE), private insurers, SBA, and other agencies. CDBG-DR funds may be used to provide assistance to the extent that a disaster recovery need has not been met by other sources. At the time of application, applicants for assistance will be required to disclose all sources of assistance applied for, received or to be received. The information submitted by the applicant will be verified by HNP CDBG-DR staff, to the extent practicable, prior to the issuance of an award. All applicants will sign an application and, if awarded funds, a contract verifying all sources and an agreement to pay back any or all of the CDBG-DR assistance if additional funding is made available to them during the term of the contract or after the contract expires.

During the intake/application process, individuals, households, businesses, and other entities receiving financial assistance will be required to disclose all sources of disaster recovery assistance received. The HNP CDBG-DR staff will verify amounts received. Prior to any award of assistance and for each program/project established in the Action Plan. HNP CDBG-DR staff will provide forms and procedures addressing DOB. Each procedure will:

- Identify the total need of assistance.
- Identify the total of all available assistance.
- Identify the assistance deemed unavailable for the activity (same purpose).
 - Provided for a different purpose.
 - Funds used for a different, eligible purpose.
 - Funds not available to the applicant, e.g., forced mortgage payoff, contractor fraud, etc.
 - Private loan funds not secured by SBA; forgivable loans are duplicative.
 - Any other asset or line of credit available to the applicant, e.g., checking or savings accounts, stocks, etc.
- Determine total funds available from other sources for activity (same purpose) by subtracting unavailable assistance from total assistance received.

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- Calculate unmet needs by subtracting available funds from other sources, from the total need for assistance.

Once the needs gap is determined, staff shall complete the analysis of this funding request or application by reviewing the following requirements:

- That all proposed costs are reasonable, using the methodology prescribed in the program's policies and procedures.
- That the project is financially feasible and utilizing CDBG-DR resources will result in a project that meets a national objective.
- That all available funding received for the same purpose are appropriately used and/or included in the DOB calculation prior to the disbursement of any CDBG-DR funds.

CLR will require applicants to sign an agreement to repay any assistance later received for the same purpose as CDBG-DR funds. In addition, fraud language, as directed by Office of Inspector General (OIG), will be included in any such agreement, and will alert the recipient of potential repercussions to the provision of false information, which may include jail, imprisonment, and restitution. Any findings of duplicated benefits will be reported to the appropriate representatives of Grants Management/Finance Department who will work with the City Attorney's Office on the next steps and appropriate action.

5. DOB REVIEW AND VERIFICATION

Prior to committing funds or awarding assistance, HNP CDBG-DR staff must determine if the applicant has a DOB. This process consists of five (5) main steps:

- Assess applicant total need
- Identify total assistance available
- Exclude non-duplicative assistance
- Identify DOB amount & calculate total award
- Calculate total award

HNP CDBG-DR staff will use HUD's most recent "Duplication of Benefit Review Worksheet" to ensure compliance with DOB requirement.

6. DETERMINE CDBG-DR ASSISTANCE

HNP CDBG-DR staff will work with State, Federal, and private agencies, to obtain any information about any assistance received from those agencies and their programs for each applicant. Staff will determine assistance for applicants and projects by subtracting any DOB applicable as per the CLR DOB policy and HUD requirements.

CLR will verify the application information before an award is made, or a contract is executed. HNP CDBG-DR staff will use data from FEMA, SBA, National Flood Insurance Program (NFIP), etc. to verify DOB. All NFIP payments and FEMA payments may be deducted from any CDBG-DR assistance available to the applicant. Other insurance, SBA loans, repair grants, compensation in compliance with court order, or other assessments available to address structure damages must be deducted.

For individual homeowner assistance, any funds homeowners received or had available to repair the damaged property structure (including but not limited to private insurance, FEMA, and/or SBA), must be accounted for when determining the housing assistance award amount. If the homeowner spent funds intended for home repair on anything other than their designated purpose, the homeowner will have a DOB and may be required to contribute funds to the project prior to contract signing.

For infrastructure projects, HNP CDBG-DR staff will work with FEMA, HUD, NFIP, the SBA, private insurance carriers, and any other applicable organizations in order to assist in determining any DOB. All DOB documentation will be stored in a secure electronic database with the CDBG-DR project files.

For economic revitalization assistance, any funds business owners received or had available to repair the damaged property structure (including but not limited to private insurance, FEMA, and/or SBA), or for supplies, equipment, and staff training must be accounted for when determining the economic revitalization assistance award amount. If the business owner spent funds intended for repair on other than their designated purpose, the business owner will have a DOB and may be required to contribute funds to the project prior to contract signing.

7. DOB COLLECTION POLICY

DOB collection is not required when duplicative assistance is received by:

- Beneficiaries that, after receipt of the CDBG-DR assistance, are subsequently determined to be:
- Deceased;
- Subject to a foreclosure action; or
- Experiencing bankruptcy.
- LMI beneficiaries and subsequent federal financial assistance are awarded for the same purpose (up to \$27,000).

8. MONITORING AND COMPLIANCE

HNP CDBG-DR staff will contact beneficiaries via mail or email annually for three (3) years after CDBG-DR assistance is provided and require them to affirm that they have not received any additional assistance or disclose any additional assistance they have received for the same purpose as the CDBG-DR funds. This allocation of CDBG-DR funds is targeted to assist unmet needs from storms that occurred in 2023. The CDBG-DR funds to provide assistance are not anticipated to be available until

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late 2025, approximately 2 years after the 2023 events. Thus, any proceeds from insurance, FEMA, SBA, etc., would have already been received prior to assistance for unmet needs from CDBG-DR funds, therefore, monitoring for duplication of benefit for three (3) years after the CDBG-DR assistance was provided is determined to be a reasonable time period. All DOB documentation will be maintained in the official project file in accordance with federal record retention requirements.

9. COMPLAINTS AND APPEALS

The city will respond in writing to written complaints and appeals. Complaints and appeals should be submitted to the CLR. They may also be received verbally, and by other means, as necessary. If the City determines that a complainant or appellant is unable to submit a written complaint due to a physical or intellectual impairment, the City may assist by converting the complaint into written form. The City will respond to all complaints within fifteen (15) working days, when practicable. Complaints may be submitted as follows:

Tracey Shine
City of Little Rock - Housing & Neighborhood Programs
500 W. Markham Street, Suite 120W
Little Rock, AR 72201

Complaints may also be submitted by email to: tshine@littlerock.gov with a copy to CDBGDR@littlerock.gov. If you need assistance in filing a written complaint or appeal, you may contact Tracey Shine at 501-371-6825.

Any person that feels that the Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and Executive Order 13166 regulations were not complied with may file a complaint directly to the Assistant Secretary for Fair Housing and Equal Opportunity at the following links (or as otherwise directed):

FORT WORTH REGIONAL OFFICE U.S. Department of Housing and Urban Development Southwest Office 819 Taylor Street Fort Worth, TX 76102	Ashlea Quinonez, Regional Administer	(817) 978-5965 Fax: (817) 978-5876
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Or Contact (888) 560-8913 and for the hearing impaired, please call TTY (800) 927-9275.

The Arkansas Fair Housing Commission can be reached toll-free at (800) 340-9108.

REFERENCES

The following regulations, guidance, and resources govern the Duplication of Benefits (DOB) requirements for CDBG-DR funded activities:

Federal Regulations

Citation	Description
42 U.S.C. 5155	Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Duplication of Benefits)
2 CFR Part 200	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
24 CFR Part 570	Community Development Block Grant (CDBG) Program Regulations
24 CFR 570.489(j)	Program income and financial management requirements

Federal Laws and Authorities

Authority	Description
Robert T. Stafford Disaster Relief and Emergency Assistance Act	Governs federal disaster response and establishes DOB requirements
HUD Appropriations Acts (CDBG-DR)	Authorizes disaster recovery funding and program rules
Office of Inspector General (OIG) Guidance	Provides fraud prevention and enforcement standards

HUD Guidance and Resources

Resource	Description
HUD CDBG-DR Universal Notice (FR-6489-N-01)	Primary governing guidance for CDBG-DR programs, including DOB requirements
HUD Duplication of Benefits Guidance (2019)	Federal Register guidance clarifying DOB calculations and exclusions
HUD Exchange – Duplication of Benefits Toolkit	Tools and guidance for DOB compliance
HUD DOB Review Worksheet	Standardized worksheet used for DOB calculations

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Data Sources for Verification

Source	Use
FEMA	Verification of Individual Assistance (IA) and Public Assistance (PA)
SBA	Verification of disaster loan approvals and disbursements
NFIP	Flood insurance claim payments
Private Insurance Providers	Property and casualty insurance payouts
Local and State Agencies	Additional disaster recovery assistance sources