

CHAPTER 6

DISASTER RECOVERY COMMUNITY DEVELOPMENT BLOCK GRANT SUPPLEMENTAL GRANTS

6-1 APPLICABILITY. This chapter is applicable to monitoring Community Development Block Grant (CDBG) supplemental grants made to states and local governments for Federally-declared disaster areas.

6-2 RULES AND NOTICES. The covered disaster recovery grants are from CDBG supplemental appropriations, so the basic requirements are often the same for disaster recovery grants as for the regular CDBG Entitlement and State programs. However, these Exhibits are necessary as disaster recovery activities involve activities not generally eligible in the regular programs. Therefore, these Exhibits should be used with the monitoring Exhibits from the state CDBG or CDBG entitlement programs, as applicable. In addition, a limited review incorporating only some Exhibits may be conducted, where appropriate.

When HUD grants waivers or makes modifications, applicable, to the recipients of supplemental CDBG Disaster Recovery grants, those changes are published in a *Federal Register* Notice. (HUD does not waive or modify fair housing, environmental, labor, or civil rights requirements.) The published Notices for disaster recovery are included in Attachment 6-1, *Disaster Recovery CDBG Supplemental Grants Document Reference Tool* and can be found on the HUD website http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs/drsi/afwa.

6-3 DISASTER RECOVERY REQUIREMENTS. Ongoing monitoring of a disaster recovery program participant includes Field Office review of periodic reports. The grantee is required to submit two types of reports as electronic submissions per the *Federal Register* notices for each CDBG disaster recovery grant:

- Quarterly reports in the online Disaster Recovery Grant Reporting (DRGR) system due within 30 days after the end of each calendar year quarter.
- Annual financial summary reports in DRGR due with each fourth quarterly report.

The reporting requirements aren't the only things unique to CDBG disaster recovery grants. As described in this Chapter, monitoring must include a review of the grantee's efforts to prevent the duplication of benefits; buyout activity compliance and property valuation; new construction of housing; and streamlined citizen participation requirements.

6-4 SANCTIONS. In some instances, the Exhibits in this Chapter refer the HUD reviewer to a controlling document (i.e., grant agreements and *Federal Register* notices) and do not provide specific citations. This is because rules can vary significantly from appropriation to appropriation, causing the grant agreements and published Notices to vary accordingly, citing specific waivers, for example, provided to specific grantees. HUD reviewers, therefore, will need to ensure that program violation citations are appropriately noted, if deficiencies are identified.

6-5 CLOSE-OUTS. One key difference between CDBG disaster recovery grants to local governments and the main CDBG Entitlement Program is that all disaster recovery grant programs do come to an end and must be closed out. (All grants to states, in both the CDBG State program and the disaster recovery supplemental grants, also close out.) Disaster recovery grant close-out is guided by Notice CPD-12-004 for grants to states and governed by 24 CFR 570.509 for grants to entitled cities or counties. Before initiating a close-out, Field Office staff should contact staff in the Headquarters' Office of Block Grant Assistance who work on CDBG supplemental appropriations for disaster recovery for assistance with the close-out process.