



CDBG Disaster Recovery Overview



U.S. Department of Housing and Urban Development

Funding and Management Overview

CDBG-DR Grantees

Total of 32 CDBG-DR grantees

- 27 states
- 5 local governments

Total of \$29.8 Billion

HUD Management of CDBG-DR

- HUD HQ manages larger grantees (LA, MS, TX, NY, IA, FL).
- All other grantees managed by respective HUD CPD Field Office

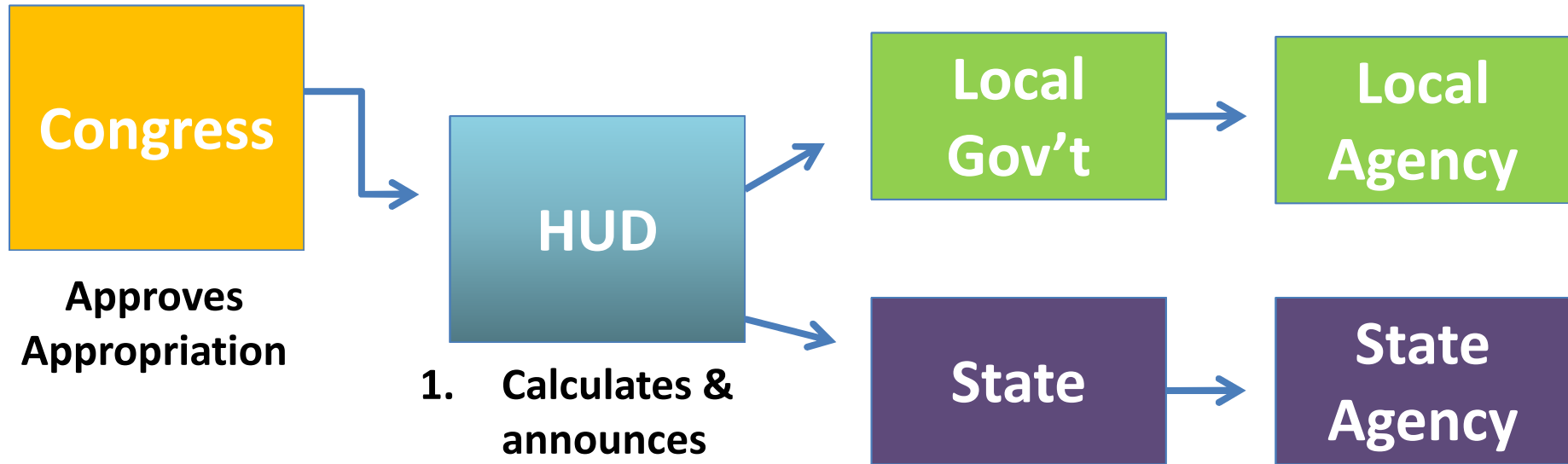




1. The Process



After a disaster is Presidentially-Declared...



**Approves
Appropriation**

HUD

**Local
Gov't**

**Local
Agency**

State

**State
Agency**

- 1. Calculates & announces allocations**
- 2. Publishes a Notice in the Federal Register**
- 3. Awards funds**

**Administers
Directly and/or
Distributes**



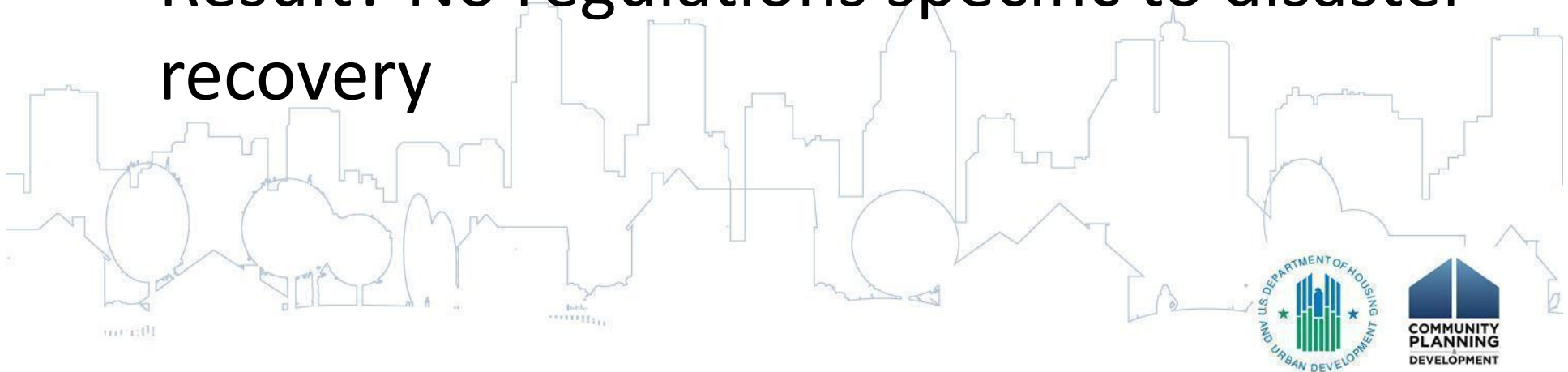
Why HUD?

- Past practice
- Flexibility of the CDBG program
 - Regular program
 - Waivers & alternative requirements
- Lack of a better recovery vehicle



Keep in mind...

- No annual appropriation for CDBG disaster recovery
- Statutory authority is via individual supplemental appropriations
- Result? No regulations specific to disaster recovery



2. Roles & Responsibilities



HUD Role & Responsibility

- Review action plans and obligate funds
- Provide grantees with guidance and technical assistance
- Monitoring and oversight to ensure performance and compliance

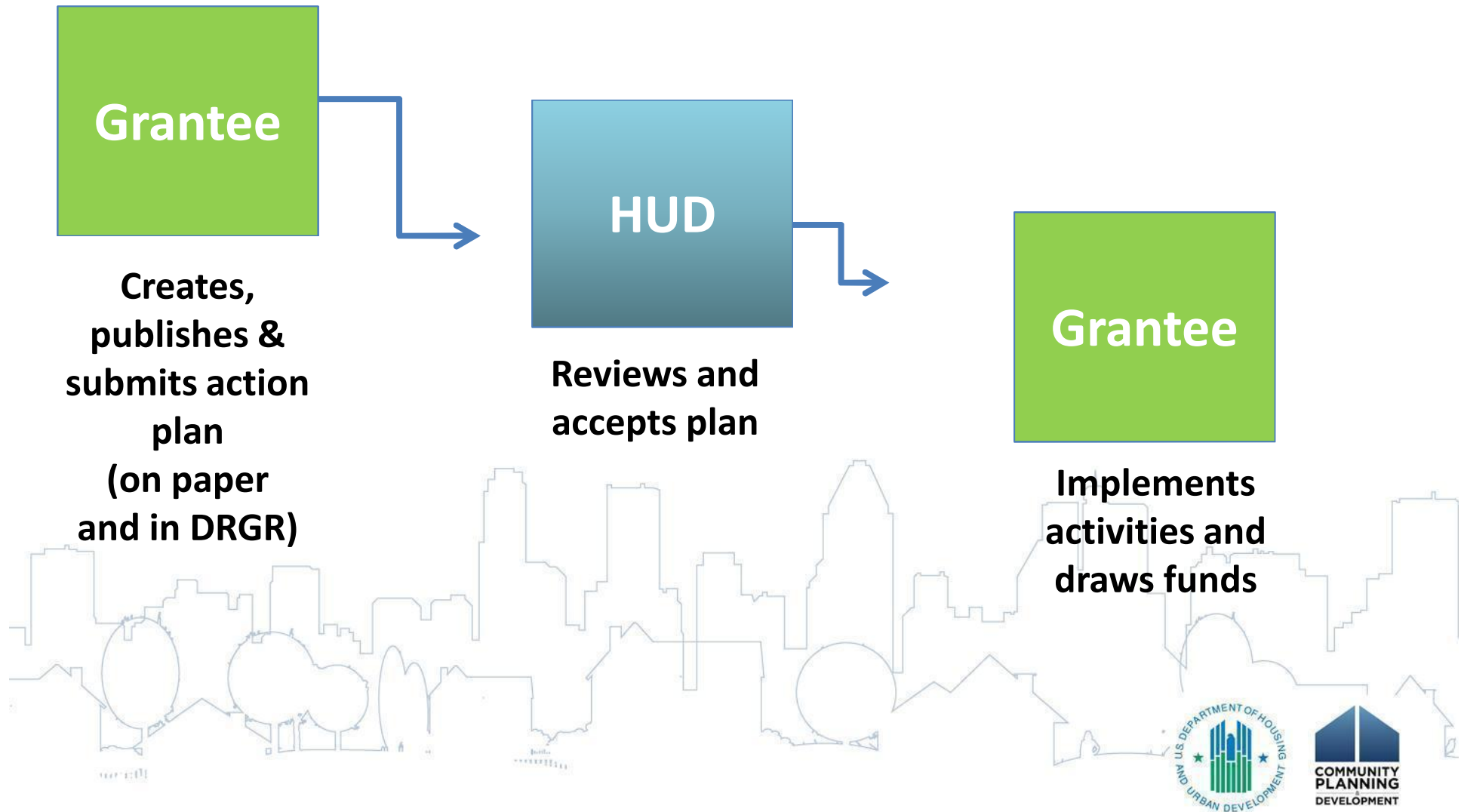


Grantee Role & Responsibility

- Establish internal controls to ensure performance and compliance; monitor subrecipients for same.
- Provide technical assistance to subgrantees and subrecipients
- Review project applications to ensure that all activities are eligible
- Ensure that activities are compliant with all other requirements such as Section 3 and affirmatively furthering fair housing
- Track progress to ensure timely recovery



Action Plan Process



3. Eligible Uses of Funds



The Appropriation Laws

Funds must be used for:

“...necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization...”



What does this mean?

In the context of CDBG disaster recovery, this means that each activity must:

1. address a disaster-related impact (direct or indirect) in a Presidentially-declared county for the covered disaster,
2. be a CDBG eligible activity (according to regs and waivers)
3. meet a national objective



“Recovery” Activities

Disaster-related activities are those that are able to demonstrate a logical connection between the impacts of the covered disaster and the activity’s contribution to community recovery.

Examples:

- rebuilding homes and infrastructure damaged by the disaster
- providing assistance to affected business owners



Housing

Activities that lead to restoring and improving the housing stock

Examples:

- new construction
- rehabilitation/reconstruction
- single family or multifamily
- owner or rental



Restoration of Infrastructure

Activities that rebuild or replace impacted public infrastructure

Examples:

- May obtain waiver for “buildings for the general conduct of government”
- Schools
- Health care facilities
- Water & wastewater facilities

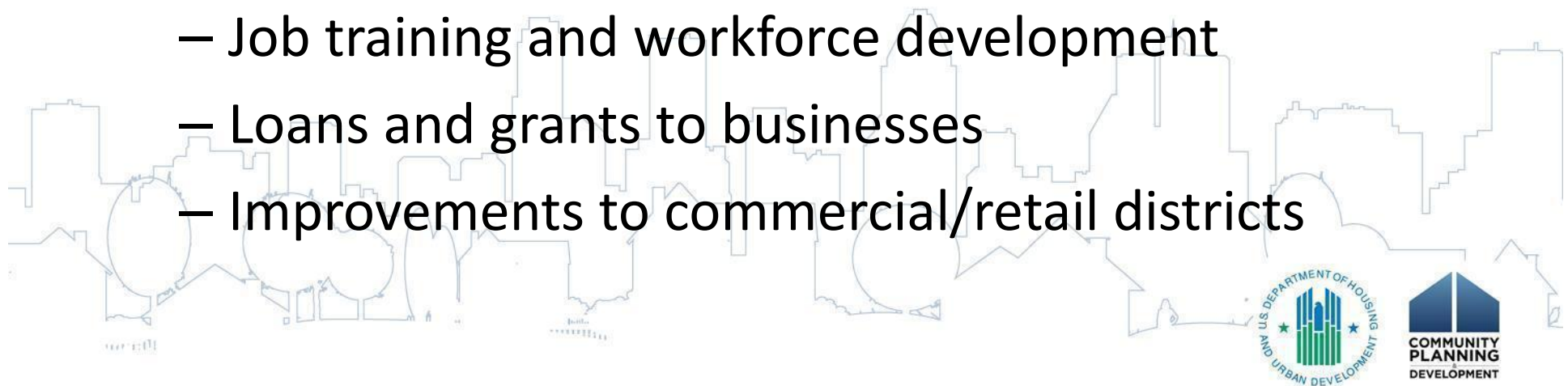


Economic Revitalization

Activities that serve to address job losses, impacts to tax revenues, and impacts to businesses

Examples:

- Job training and workforce development
- Loans and grants to businesses
- Improvements to commercial/retail districts



Demonstrating a Tie to the Disaster

The entity responsible for the activity must document how it is addressing a disaster-related impact and how it serves to restore housing, infrastructure, or the economy

- no set formula or process
- grantee has discretion to determine what documentation is sufficient



3. Ineligible Uses of Funds



Ineligible Activities

Ways activities can be ineligible:

1. Does not respond to an identified disaster-related impact
2. Restriction(s) in the appropriation laws
3. Activity is ineligible per the CDBG regulations (and a waiver has not been granted)
4. Fails to meet a national objective



Preparedness & Mitigation

- Due to appropriations language, exclusively mitigation or preparedness activities that are not part of rebuilding efforts are generally ineligible as recovery activities
- Other federal agencies provide funds specifically for mitigation and preparedness (e.g. FEMA's Hazard Mitigation Grant Program)



Preparedness & Mitigation

While activities may be eligible per the CDBG regulations, they **MUST** be connected to an impact from the past disaster.

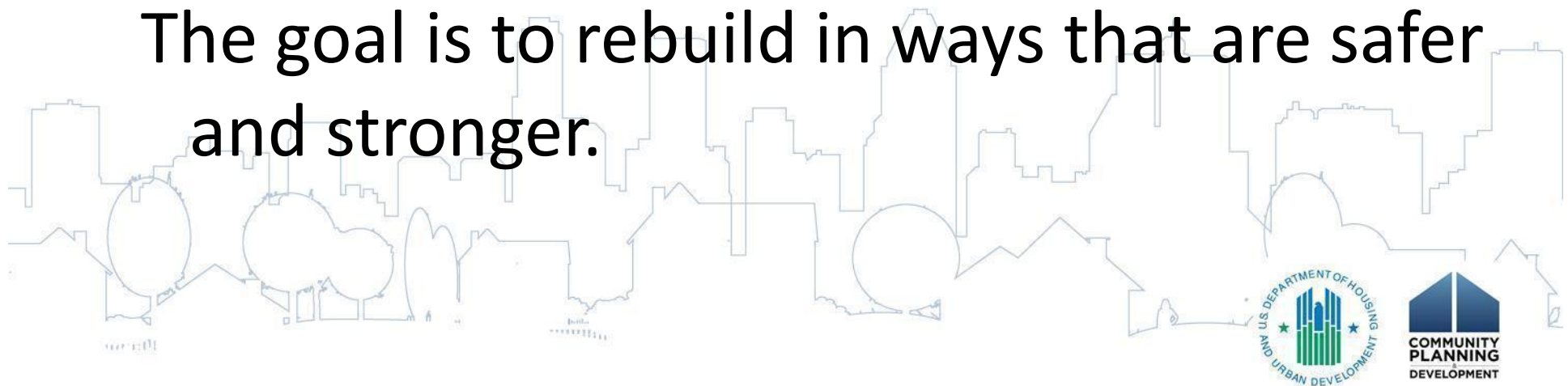
Exclusively preparedness and mitigation measures that are not part of the rebuilding and recovery effort are generally connected only to a future disaster.



Preparedness & Mitigation

Incorporating preparedness and mitigation into the rebuilding of facilities is encouraged.

The goal is to rebuild in ways that are safer and stronger.



Equipment

- Purchasing equipment is typically an ineligible activity
 - mobile command centers
 - radios
 - portable lights or portable generators

- This is a standard HUD CDBG requirement – not altered by Federal Register Notices or appropriation law



Equipment

- Issues are CDBG eligibility *and* connection to past disaster
- When may the purchase of equipment be CDBG eligible?
 - Fire protection equipment – considered to be an integral part of a public facility
 - Equipment that constitutes all or part of a public service
 - Equipment that is attached to a structure, and becomes an integral fixture



4. Waivers and Resources



Waivers

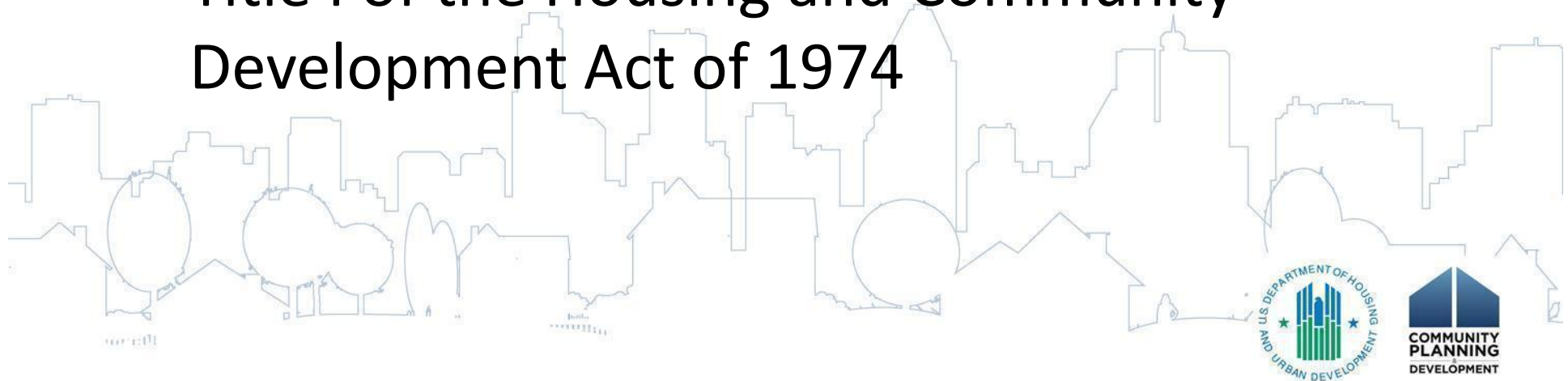
Per the appropriation laws:

- the Secretary *may* waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds or guarantees (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment)...



Waivers (cont.)

- ...upon a request by the grantee explaining why such waiver is required to facilitate the use of such funds or guarantees, if the Secretary finds that such waiver would not be inconsistent with the overall purpose of Title I of the Housing and Community Development Act of 1974



Waivers (cont.)

HUD cannot waive the requirement of the appropriation law that funds be used for necessary expenses related to the disaster.



Resources

- CDBG Disaster Recovery website:
<http://www.hud.gov/offices/cpd/communitydevelopment/programs/drsi/index.cfm>
- Relevant supplemental appropriations laws
- Relevant Federal Register Notices
- Your peer CDBG-DR grantees
- Your HUD CPD representative

