Community Development Block Grant
Disaster Recovery

CDBG-DR Overview

June 2019
Funding and Management

CDBG-DR Grant Portfolio
(Through P.L.116-20)

137 Grants
• $89.7 Billion in Active Grants

58 Grantees
• 30 States & Territories
• 28 Local Governments

Management of Disaster Grants

HUD Headquarters
• Manage large grants (IA, FL, LA, MS, TX, NY, NJ, PR, USVI, WV, NYC, Lower Manhattan Dev. Corp)

HUD CPD Field Offices
• Manage all other grants
Funding

Congress has appropriated the following CDBG Disaster Recovery Funding:

- FY 2019 - $2.4 billion to assist recovery from Events in 2018 and 2019
- FY 2019 - $1.6 billion to assist recovery from Events in 2018
- FY 2018 - $28 billion to assist recovery from Events in 2017 and to assist Community Mitigation in areas affected by Events in 2015, 2016 and 2017
- FY 2017 - $7.4 billion to assist recovery from Events in 2017
- FY 2017 - $400 million to assist recovery from Events in 2015, 2016, & 2017
- FY 2016 - $1.805 billion to assist recovery from the Louisiana Floods and other Events in 2016
- FY 2016 - $500 million to assist recovery from the Louisiana Floods and other Events in 2016
- FY 2016 - $300 million to assist recovery from Hurricane Joaquin, Hurricane Patricia, and other flood events occurring in 2015
- FY 2013 - $16 billion to assist recovery from Hurricane Sandy including Rebuild by Design, and National Disaster Resilience. ($15.18 billion after sequester)
- FY 2012 - $400 million to assist recovery from multiple disasters occurring in 2011
- FY 2010 - $100 million to assist recovery in areas affected by severe storms and flooding from March 2010 through May 2010
- FY 2008 - $6.1 billion to assist recovery from all 2008 disasters, including Hurricanes Ike, Gustav and Dolly
- FY 2008 - $300 million to assist recovery from the Midwest floods
- FY 2008 - $3.0 billion to supplement the LA homeowner assistance program
- FY 2006 - $16.7 billion to assist the victims of Hurricanes Katrina, Rita, and Wilma
- FY 2005 - $150 million to assist recovery from multiple disasters
- FY 2002 - $2.783 billion to assist post-September 11th New York City's recovery efforts
- FY 2001 - $700 million to assist post-September 11th New York City's recovery efforts
- FY 1999 - $20 million to assist recovery from multiple disasters
- FY 1998 - $130 million to assist recovery from multiple disasters
- FY 1997 - $500 million to assist recovery from upper Midwest floods
- FY 1996 - $50 million to assist recovery from multiple disasters
- FY 1995 - $39 million to assist with recover from the Oklahoma City bombing
- FY 1994 - $180 million to assist with recovery from Tropical Storm Alberto
- FY 1994 - $225 million for the Northridge Earthquake
- FY 1994 - $425 million for the recovery from the earthquake in Southern California and Midwest Floods
- FY 1993 - $85 million to assist with recovery from Hurricanes Andrew, Iniki, and Typhoon Omar
CDBG-DR Recovery Process
The Disaster is Presidentially Declared

**Congress**
- Approves CDBG-DR Appropriation.

**HUD**
- Calculates and announces allocations.
- Publishes a Notice in the Federal Register.
- Awards CDBG-DR Funds.

**States and Local Governments**
- Administers CDBG-DR grant program directly; or
- Distributes funds to subrecipients or subgrantees.
Why HUD and CDBG?

• HUD administers Community Development Funds
• Managing Disaster Grants since 1992
• Flexibility of the CDBG Program
  – Waivers and alternative requirements
CDBG-DR: Appropriation – Not a Program

- No annual appropriation for CDBG-DR
- Statutory authority is via individual supplemental appropriations
- CDBG Regulations apply, unless modified by Federal Register Notice.
  - FR Notice outlines what a grantee can do and did and did not waive specific to a particular appropriation
Purpose of CDBG-DR Funds

• Focus on long-term recovery efforts
• Last defense funding to address unmet need other federal programs have not yet addressed
• Funds **SUPPLEMENT** and fill remaining gaps
• CDBG-DR cannot **SUPPLANT** other federal funds
• Timing of funds from Congress appropriating funds to funds hitting the ground varies
HUD and CDBG-DR Grantees Roles and Responsibilities
HUD CDBG-DR Role and Responsibility

• Review CDBG-DR Action Plans and manage CDBG-DR funds
• Provide CDBG-DR grantees with guidance and technical assistance
• Monitoring CDBG-DR grantees to ensure performance and compliance
CDBG-DR Grantee Role and Responsibility

- Design and implement recovery programs to meet unmet recovery needs
- Establish internal controls to ensure performance and compliance; monitor subrecipients
- Provide technical assistance to subgrantees and subrecipients
CDBG-DR Grantee Role and Responsibility

• 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

1. Grantee creates, publishes, and submits CDBG-DR Action Plan
2. Citizens review and comment on CDBG-DR Action Plan
3. HUD reviews and accepts CDBG-DR Action Plan
4. Grantee implements activities and draws funds
Eligible Use of CDBG-DR Funds
CDBG-DR Appropriation Laws

- CDBG-DR funds must be used for:

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

• Each CDBG-DR activity must:
  – Address a disaster-related impact (direct or indirect) in a Presidentially-declared area for the covered disaster
  – Be a CDBG eligible activity
  – Meet a CDBG 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 Recovery

Description
Activities that lead to restoring and improving the housing stock.

Examples
- New construction
- Rehabilitation/reconstruction
- Single family or multifamily
- Owner or rental
Eligible Restoration of Infrastructure

Description
Activities that rebuild or replace impacted infrastructure.

Examples
- Road and Bridge Repair
- Water & Wastewater Facilities
- Limited flexibility for “buildings for the general conduct of government”
Economic Development

Description
Activities that serve to address job losses, impacts to tax revenues, and impacts to business.

Examples
- Job training and workforce development
- Loans and grants to businesses
- Improvements to commercial/rental districts
Demonstrating Tie to the Disaster

• The entity responsible for the recovery activity must document how its:
  – Addressing a disaster-related impact
  – Restoring housing, infrastructure, or the economy
Ineligible Use of CDBG-DR Funds
Ineligible CDBG-DR Activities

• Activity does not respond to an identified disaster-related impact

• Restriction(s) in the appropriation laws

• Activity is ineligible per the CDBG regulations (and a waiver has not been granted)

• Activity fails to meet a CDBG national objective
Preparedness and Mitigation

• Mitigation or preparedness activities that are not part of rebuilding efforts are generally ineligible as CDBG-DR recovery activities.

• Other federal agencies provide funds specifically for mitigation and preparedness
  – Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program
Equipment

• Purchasing equipment is typically an ineligible activity

• When may the purchase of equipment be CDBG eligible?
  – Fire protection equipment if 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
Waivers and Resources
Waivers

• The Secretary may provide waivers or specify alternative requirements if such waiver is not inconsistent with the overall purpose of Title I of the Housing and Community Development Act of 1974.

• The Secretary may **not** waive requirements related to fair housing, nondiscrimination, labor standards, and the environment.
Resources

• CDBG Disaster Recovery website:
  https://www.hudexchange.info/programs/cdbg-dr/

• Supplemental Appropriations and Federal Register Notices

• CDBG-DR grantees

• HUD CPD representatives