



Overview of CDBG Disaster Recovery in 2013



Agenda

Community Development Block Grant Program

1. What is CDBG-DR?
2. National Objectives & Eligible Activities
3. CDBG-DR Funding Process
4. Action Plan & Implementation

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What is CDBG?

Community Development Block Grant Program

- Authorized under Title I of the Housing and Community Development Act (HCD Act) of 1974
- Entitlement grants to states, cities, and counties
- Primary objective – develop viable urban communities through the provision of:
 - decent housing,
 - suitable living environments &
 - expanded economic opportunities



What is CDBG-DR?

CDBG Disaster Recovery (CDBG-DR)

- Provided via supplemental appropriations after a major PDD
- Calculated and awarded by HUD after analysis of data and impact [PD&R]
- Offers grantees flexible and additional recovery options & tools
- Must supplement the standard recovery programs - not supplant them



What is CDBG-DR?

Funds may be used for

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

- Adopt, modify, and/or waive standard CDBG regulations
- 3 major stipulations for fund use:
 - Eligible Activities
 - National Objectives
 - Disaster-related



Eligible Activities & National Objectives



National Objectives

CDBG requires that each activity funded meet one of three national objectives:

1. LMI

- Benefit to low- and moderate-income persons

2. Slums and Blight

- Aid in the prevention or elimination of slums and blight

3. Urgent Need

- Meet a need having a particular urgency



Low-Mod Income National Objective

50% of activities must benefit LMI persons

- Activity directly benefits LMI persons (through Housing or Jobs)
- Activity benefits an LMI area (as determined by Census Tract)
- Activity benefits a limited clientele
 - Elderly
 - Disabled persons
 - Domestic violence victims
 - Low-income Children/Families
 - Homeless



Eligible Activities

All CDBG-DR activities must clearly address an impact of the disaster. This means a CDBG-DR eligible activity must:

- Meet a national objective
- Address a direct or indirect impact from the disaster in a county covered by a Presidential disaster declaration, and
- Be located in a most impacted and distressed county as identified in the Notice.



Eligible Activities

Eligible activity categories include:

- Housing / Real Property
 - Acquisition, Rehab, Demolition
- Public Facilities & Infrastructure
- Public Services
- Economic Development
- Preparedness and Mitigation
- Planning & Administration
- Other



Housing Activities

Typical Housing Activities

- New construction and rehabilitation
 - single family or
 - multifamily units (including garden apartments, condominiums, and housing cooperative units).
- Acquisition, demolition, site clearance
- Most often, grantees use CDBG-DR funds to rehabilitate damaged homeowner and rental units.



Housing Activities

Housing Activities Not Damaged By the Disaster

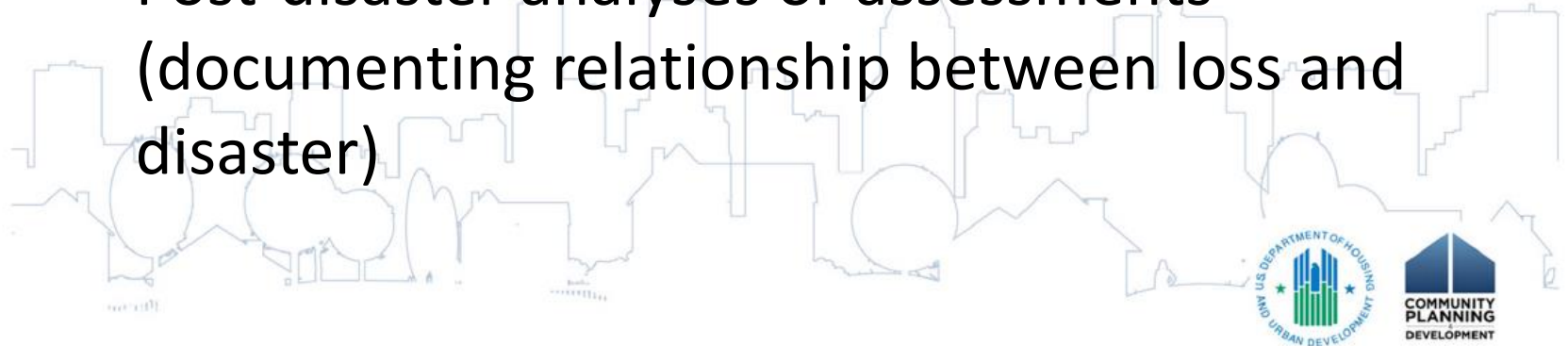
- Grantees may fund new construction or rehabilitate units *not* damaged by the disaster if the activity clearly addresses a disaster-related impact and is located in a disaster-affected area.
- Disaster-related impact effects
 - quality,
 - quantity, and
 - affordability of the housing stock
- CDBG funds should be leveraged



Disaster-Related

How to document a tie to the disaster:

- For physical losses
 - Damage or insurance estimates (the most effective tool)
- For economic or other non-physical losses
 - Post-disaster analyses or assessments (documenting relationship between loss and disaster)



Previous Disasters

Unmet Need Arising from a Previous Disaster

- Funds may be used to address an unmet need that arose from a previous disaster, which was exacerbated by the PDD in the Notice.
 - Hyde Park, Waldo Canyon Fires
- Also applies to future disasters exacerbated by current disaster impacts.

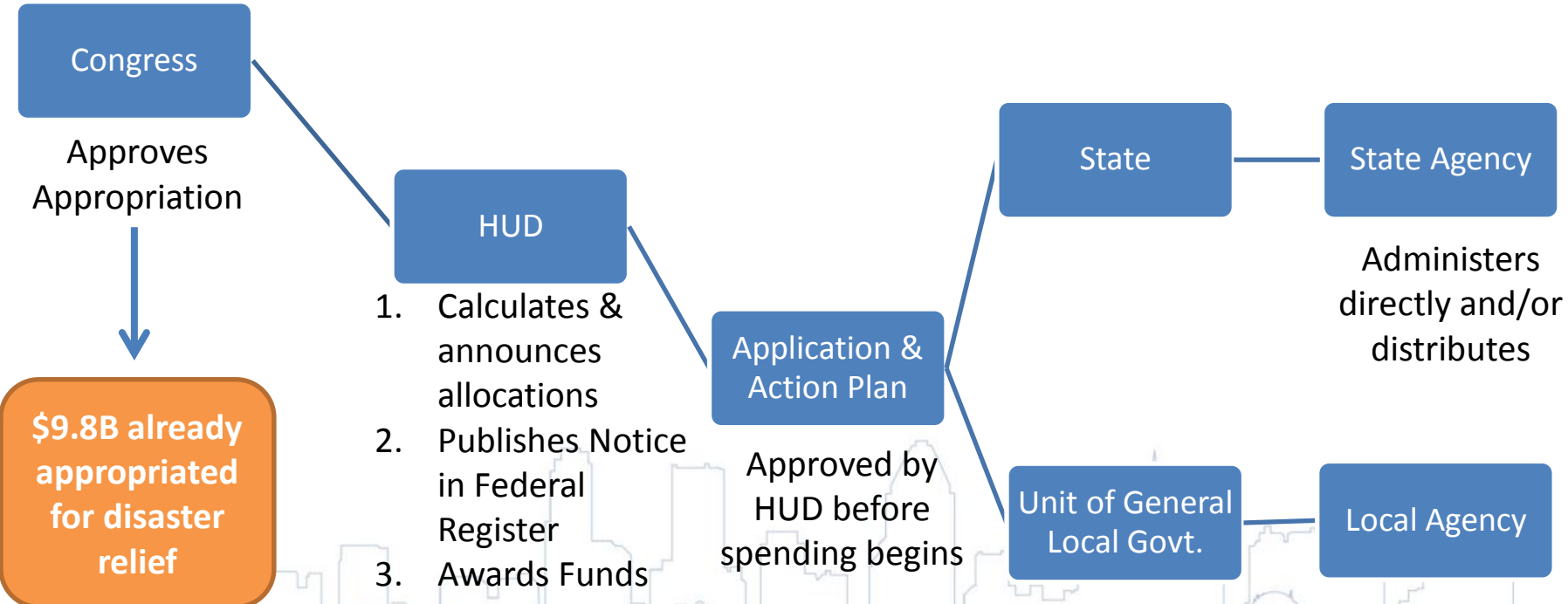


The CDBG-DR Award Process



CDBG-DR Funding Process

After a disaster is Presidentially-Declared...



The CDBG-DR Funding Process

- HUD conducts analysis, announces allocations
- HUD files Finding of No Significant Impact (FONSI)
- HUD completes 5 day clearance on Notice, sends to Congress (5 day review)
- HUD Secretary signs Notice
- Federal Register publishes 3 days after receipt

Sandy – Four month process



The CDBG-DR Funding Process

- Grantee(s) publishes Action Plan for public comment (7 days) and HUD review (30 days)
- HUD issues grant agreements, obligates funds
- Grantee(s) register in DRGR system, enter Action Plan for HUD approval
- Grantee(s) completes environmental reviews
- Funds can now be drawn for approved eligible activities



Waiver Basics

- Appropriations law gives the Secretary authority to grant waivers or alternative requirements
- Allows greater flexibility for grantees to respond to specific disaster needs
- Grantees must request waivers *before* publication of Notice
- “Necessary expenses” requirement cannot be waived.



CDBG-DR Action Plan



CDBG-DR Action Plan

Step 1: Needs Assessment

- Determine the effects of the disaster through needs assessment & stakeholder analysis

Step 2: Develop an Action Plan

- Respond to the most critical disaster recovery needs not addressed by other resources

Step 3: Implement

- Update/Report regularly; ensure activities are completed in efficient & timely manner



Action Plan – Needs Assessment

- **Housing**
 - Evaluate the needs for interim and permanent, owner and rental, single family and multifamily, affordable and market rate, including public and HUD-assisted housing and housing for the homeless
- **Infrastructure**
 - Evaluate the needs for restoration of roads, bridges, or other public structures
- **Economy**
 - Evaluate estimated job losses or revenue loss
- **Assess other funding/assistance available**



Action Plan – Formulation

Using needs assessment, ascertain what types of activities or programs will best address the grantee's (unmet) recovery needs

- Get as much input as possible— reach out to affected communities and citizens
- Talk to existing grantees— what worked well in other communities? What didn't work so well?
- Enact policies and procedures to prevent Duplication of Benefits
- Decide on Method of Distribution
- Demonstrate financial controls



Action Plan – Method of Distribution

- Local government grantees carry out activities directly (including through subrecipients)
- State grantees must determine whether to:
 - Use a method of distribution, and/or
 - Carry out activities directly
- MOD must be a formulaic and coordinated way to provide funds to most impacted communities and priority recovery needs.



Other Federal Requirements

- Federal Labor Standards
- Uniform Relocation Act
- Section 3
- Lead-Based Paint
- Environmental Standards
- Fair Housing & Equal Opportunity
- Financial Management & Procurement



Resources

Regulations

- 24 CFR 570
- Federal Register Vol. 78, No. 43 March 5, 2013
 - Sandy CDBG-DR Federal Notice

Training/Reference Documents

- CDBG-DR Training Materials:
<https://www.onecpd.info/training-events/courses/cdbg-disaster-recovery-training-march-18-20-2013/>



Questions?



Additional Info

Method of Distribution

Eligible Activities

Grantee Responsibilities



State – Method of Distribution

- State grantees may award funds to local governments based on damage estimates
 - i.e., could use a method to distribute funds for an infrastructure or housing project or activity
- May use a method of distribution for all funds, but should ensure that method will adequately address needs identified by the assessment



State – Direct Implementation

Grantees (including states) can design and carry out activities directly

- State develops the activity/program, reviews submitted applications, monitors applicants, etc.
- Can use a subrecipient or procure a contractor, but grantee remains responsible for management of the funds (e.g., oversight, policy development, and financial management)



Infrastructure Activities

Examples of Infrastructure Activities

- Repair, replace, relocate damaged Public Facilities
- Public Improvements
- Public Facilities/Improvements include:
 - Neighborhood facilities
 - Streets, sidewalks, sewers
 - Providing shelter/service for special needs



Economic Revitalization Activities

Wide Range of Economic Revitalization Activities

- Economic revitalization can include any activity that demonstrably restores and improves the local or regional economy, such as:
 - Addressing job losses
 - Funding job training
 - Making improvements to commercial/retail



Preparedness & Mitigation Activities

Requirements

- Mitigation/preparedness measures not incorporated into rebuilding activities must be a necessary expense related to:
 - disaster relief,
 - long-term recovery,
 - and restoration of infrastructure, housing, or economic revitalization.
- Costs associated with mitigation measures may not prevent the grantee from meeting unmet needs.



Grant Administration

- 5% of grant may be used for administration costs (up to an additional 15% may be used for planning costs)
- Must consult with affected governments, stakeholders, and Public Housing Authorities
- Uniform Relocation Act waived or modified
- Program income flexibility



Sample Activities

- Buying damaged properties in a flood plain and relocating residents to safer areas;
- Relocation payments for people/businesses displaced by disaster;
- Debris removal not covered by FEMA;
- Rehabilitation of homes and buildings damaged by disaster;
- Buying, constructing, or rehabilitating public facilities such as streets, neighborhood centers, & water, sewer & drainage systems;
- Code enforcement;
- Homeownership activities such as down payment assistance, interest rate subsidies and loan guarantees for disaster victims;
- Public services (limited to no more than 15 percent of the grant);
- Helping businesses retain or create jobs in disaster impacted areas



Grantee Responsibilities

Over the life of the award, grantees must:

- Update the Action Plan as needs change
- Ensure adequacy of internal controls, procurement processes, & procedures to maintain timely performance & compliance; monitor subgrantees for same
- Provide technical assistance to subgrantees
- Abide by other Federal requirements

