



Office of Block Grant Assistance

CDBG-DR Overview of
\$300 Million for 2015 Events



Overview

- Primary responsibility of OBGA is administration of Community Development Block Grant (CDBG)
- CDBG is authorized by the Housing and Community Development Act of 1974 (HCD Act)
- HCD Act also authorizes Section 108 loan guarantee program and provides framework for CDBG disaster recovery funds and Neighborhood Stabilization Program



CDBG

- 26 eligible activities established by HCD Act
- All funded program activities must meet one of three national objectives (low-mod benefit; address slum/blight; or meet urgent needs)
- Grantees establish funding priorities based on local needs through consolidated plan process



CDBG-Disaster Recovery

- CDBG-DR funding supports necessary expenses related to:
 - Disaster relief
 - Long-term recovery
 - Restoration of infrastructure and housing
 - Economic revitalization
- CDBG-DR appropriation specific requirements established via Federal Register Notice



CDBG-DR Funding

2001 - Lower Manhattan 9/11 Recovery

- \$3.5 billion

2005 - Hurricanes Katrina, Rita, Wilma (KRW)

- \$19.7 billion

2008 - Hurricanes Ike, Gustav and Midwest Floods

- \$6.4 billion

2013 – Hurricane Sandy and other 2011-2013 events

- \$15.2 billion + \$400 million

2016 - \$300 million – Allocations to SC and TX



Public Law 114-113

- Appropriated \$300 million for CDBG-DR in response to:
 - Consequences of Hurricane Joaquin and adjacent storm systems
 - Hurricane Patricia
 - And other flood events
- Includes \$1 million for HUD administrative costs



Public Law 114-113

- HUD has allocated \$299 million of CDBG-DR to South Carolina and Texas

<u>Grantee</u>	<u>Proposed 2015 Allocation</u>
LEXINGTON COUNTY, SC	\$16,332,000
COLUMBIA, SC	\$19,989,000
RICHLAND COUNTY, SC	\$23,516,000
South Carolina state government	<u>\$96,827,000</u>
<i>South Carolina subtotal</i>	<i>\$156,664,000</i>
HOUSTON, TX	\$66,560,000
SAN MARCOS, TX	\$25,080,000
Texas state government	<u>\$50,696,000</u>
<i>Texas subtotal</i>	<i>\$142,336,000</i>
GRAND TOTAL	\$299,000,000



PL 114-113 Requirements

- Grantees shall submit action plan to HUD for approval which shall describe:
 - Proposed uses of all funds
 - Criteria for eligibility
 - How funds will address long-term recovery and restoration in most impacted and distressed areas
- HUD must approve plan prior to issuing grant agreement



PL 114-113 Requirements

- Up to 5% for administrative cost
 - Planning – up to additional 15%
 - Activity delivery – not counted as admin
- Limited ability to use environmental reviews conducted by other Federal agencies
- Waivers/Alternative Requirements (AR) to laws administered by HUD
 - Cannot waive environmental, labor standards, nondiscrimination and fair housing laws



CDBG-DR Alternative Requirements

- HUD will issue common waivers and ARs from seen in prior CDBG-DR notices, such as:
 - Buyout at pre-storm value
 - Permit new housing construction
 - Citizen participation
 - Direct State action and entitlement funding
 - Relief from certain econ dev requirements
 - Limited pre-award reimbursement
- Grantees may request additional waivers/ARs



Addressing Unmet Need

- Fund allocation based on FEMA and SBA data which HUD analyzes to identify unmet needs
- Grantee plans must address unmet housing, infrastructure and economic revitalization needs
- To the extent plan departs from identified unmet needs, grantee must provide appropriate justification
- Overall low-mod benefit level likely to be held at 70% - waivers to be consider on case by case basis upon analysis of level of low-mod service



Public Participation in CDBG-DR Plan

- Undertake meaningful community engagement to accurately assess needs
 - Include civil rights, housing and other groups that represent vulnerable populations
 - Ensure limited English proficiency needs are evaluated and properly addressed
 - Coordinate with environmental and historic preservation representatives (SHPO)



Financial Certification

- HUD intends to implement financial certification required by “Sandy” appropriation in 2013
 - Proficient financial controls and procurement processes
 - Adequate procedures to prevent duplication of benefits under Stafford Act
 - Ensure timely expenditure of funds
 - Maintain comprehensive websites
 - Detect and prevent waste, fraud and abuse



Implementation Plan

- HUD intends to have grantees develop implementation plan to avoid known recovery difficulties with focus on issues such as
 - Capacity and staffing
 - Communications
 - Transparency
 - Timelines and Metrics
 - Contract and contractor oversight
 - Internal audit function



Other Policy Considerations

- Incorporating resilience
- Consider Special Needs populations and public housing
- Substantial housing rehab requires elevation
- Economic development focus on small businesses
- No substitution of CDBG if FEMA or USACE will pay
- No assistance to second homes
- No compensation payments
- No emergency ops centers, portable generators or other equipment



Next Steps

- HUD to issue Federal Register notice
- Notice effective five days after publication
- Actions plans due within 90 days of effective date
- HUD is assigning technical assistance providers to assist grantees in developing action plans
- Grantees should submit financial certification information as soon as possible after Notice
- HUD has 45 days to review action plan



Post-Approval

- HUD issues grant agreements and establishes line of credit
- Grantee loads plan into HUD's Disaster Recovery Grant Reporting (DRGR) system
- Grantee begins to draw funds
- Quarterly reporting by grantee
- Regular monitoring by HUD
- Meet the Inspector General's staff

