

# CDBG Disaster Recovery Overview



# The money and the grantees

\$3.483 billion for New York's ESDC and LMDC

\$150 million for 10 states for 2003-2004 events

\$19.7 billion in CDBG for the states of Alabama, Florida, Louisiana, Mississippi, and Texas

\$ 300 million for 15 states due to storms & flooding in May and June 2008

\$6.1 billion for 15 states for 2008 disasters

# How does the CDBG disaster recovery program work?

- Congress appropriates funds for disaster recovery
- HUD contacts grantees to discuss recovery plans and identify list of needed waivers
- HUD publishes waivers and alternative requirements in Notices
- Grantee applies/HUD makes grant
- State or local government manages programs
- Projects may be contracted out and funds subgranted

# How does the CDBG program work?

Most State CDBG rules and principles apply:

- Grantee chooses activities
- Grantee submits Action Plan
- Each activity is eligible and meets a national objective
- Grantee designs management procedures (including monitoring and internal audit)
- Grantee draws funds from a U.S. Treasury line of credit
- HUD monitors for compliance with Action Plans and rules

# How does the CDBG program work (Variations)?

- Oversight from HUD – HQ and/or Field offices
- DRGR Action Plans
- DRGR quarterly performance reports
- Financial disbursements in DRGR
- HUD monitoring and OIG audits based on risk analysis
- Substantial waivers and alternate requirements
- Stay consistent with “overall purpose of the Act”

# Disaster Recovery Enhancement Fund (DREF)

- \$311,602,923
- June 30, 2010 deadline
- For unmet disaster recovery needs remaining after developing & undertaking forward-thinking recovery strategies
  - e.g., buyout programs, land-use plans, disaster-resistant building codes, individual mitigation measures
- For any activity eligible under Pub. L. 110-329

# Eligibility (aka Grant Activity Categories)

- All the usual CDBG eligible activities in HCD law
  - Housing,
  - Infrastructure,
  - Economic Development
- Waiver for new construction of housing, public services cap
- Other waivers based on laws, activity details, and need
- Related to consequences of covered disaster
- Included in an Action Plan

# Critical requirements?

- Citizen participation
- Financial management
  - Procurement
  - Document necessary and reasonable costs
  - Internal Controls
  - Reconcile accounts to DRGR
  - Program income
- Environment
- Labor (Davis-Bacon)
- Acquisition of real property/relocation
- Administration/planning cap

# Critical requirements?

- Eligible and related to effects of covered disaster
- Grantee is responsible for day-to-day management
  - Subrecipient/UGLG monitoring
  - Contractor management
  - Beneficiary data
  - Internal audit function within grantee
- Recordkeeping
  - Document day-to-day management
  - Retain 3 years after overall Grantee-HUD closeout
- Privacy
- FOIA

## **Advice** (based on the regs and experience)

- Put all procedures in writing. Follow them or document why you don't.
- Build performance targets into contracts. Hone your scopes of work.
- Make the files tell the story.
- Build compliance into day-to-day management. Project completion can be undone by noncompliance.
- Sign your work.
- Catch problems early and take action.
- Communicate.

# Web resources

- [www.hud.gov](http://www.hud.gov)
- <http://www.access.gpo.gov/davisbacon/>
- <http://www.hud.gov/offices/cpd/communitydevelopment/programs/dri/>
- <http://www.hud.gov/systems/other.cfm>

# Reference

- Appropriations laws
- Housing and Community Development Act of 1974, as amended
- State CDBG regulations
- *Federal Register* Notices
- Guide to Subrecipient Management
- LMDC GAM

# Presenter

- Jessie Handforth Kome, Deputy Director,  
Office of Block Grant Assistance  
Community Planning and Development (CPD)  
U.S. Department of Housing and  
Urban Development

[jessie.handforth.kome@hud.gov](mailto:jessie.handforth.kome@hud.gov)