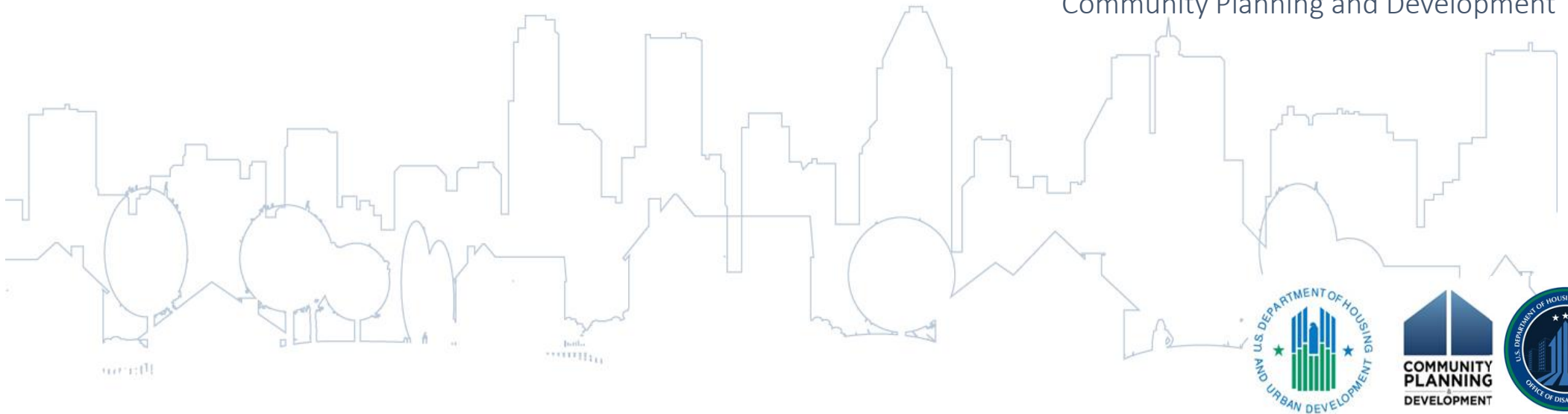


Community Development Block Grant Disaster Recovery

CDBG-DR Overview, Recovery Process, and Funding

October 10, 2024

U.S. Department of Housing and Urban Development
Community Planning and Development



CDBG-DR Funds

Community Development Block Grant Disaster Recovery (CDBG-DR) grant funds are appropriated by Congress and allocated by HUD to rebuild disaster-impacted areas and provide crucial seed money to start the long-term recovery process.

CDBG-DR funds are designated for and intended to:

- ❖ Focus on long-term recovery efforts
- ❖ Addresses unmet needs that other federal programs have not addressed yet
- ❖ Funds **SUPPLEMENT** and fill remaining gaps
- ❖ CDBG-DR cannot **SUPLANT** other federal funds



Funding and Management

CDBG-DR Grant Portfolio

- \$99.6 Billion Allocated by Congress, to Date
- \$92.4 Billion in Active Grants

76 Active Grantees

- 222 Active Grants

Management of Disaster Grants

HUD Headquarters

(Office of Disaster Recovery)

- Manages large grants (usually >\$500M)

HUD CPD Field Offices

- Manage all other grants



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 or published on HUD's website.
 - FR Notice outlines what a grantee can do and identifies regulations or statute that HUD waived specific to that appropriation



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, restoration of infrastructure and housing, economic revitalization, and mitigation...”



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 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



Demonstrating Tie to the Disaster

- The entity responsible for the recovery activity must document how the activity is
 - Addressing a disaster-related impact
 - Restoring housing, infrastructure, or the economy



Ineligible CDBG-DR Activities

- Activity does not respond to an identified disaster-related impact
- Activity is restricted 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

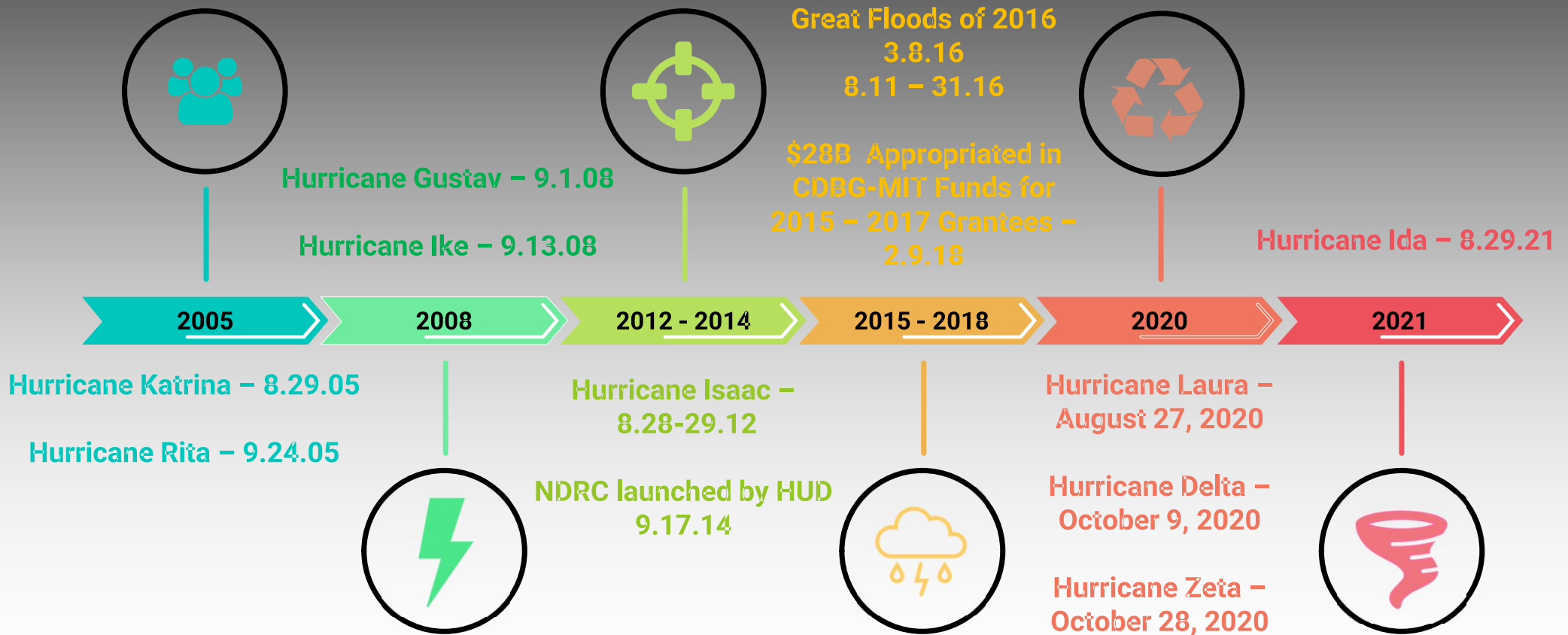


Resilience and Mitigation

- Mitigation or resilience activities must be a part of rebuilding efforts through CDBG-DR eligible activities.
- These efforts must align with other federal agencies that provide funds specifically for mitigation and resilience.
 - Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program and Building Resilient Infrastructure and Communities (BRIC)



Louisiana Major Disasters Timeline



Louisiana Disaster Recovery Funding

All CDBG-DR Funding Appropriations By Disaster

2005 Hurricanes Katrina and Rita (3 Funding Appropriations totaling \$13,410,000,000)

- \$6,210,000,000
- \$4,200,000,000
- \$3,000,000,000

2008 Hurricanes Gustav and Ike

- \$1,093,212,571

2011-2013 Hurricane Isaac (Hurricane Sandy and Other Events)

- \$64,379,084
- \$15,031,000 (**New Orleans**)
- \$16,453,000 (Jefferson Parish)
- \$10,914,916 (St. Tammany Parish)

National Disaster Resilience Competition (NDRC)

- \$92,629,249
- \$141,260,569 (**New Orleans**)

2016 Floods and Other Events

- \$1,708,407,000

2018 CDBG-Mitigation Funding Appropriation (CDBG-MIT)

- \$1,213,917,000

2020 Hurricanes Laura, Delta, and Zeta/2021 Hurricane Ida

- \$1,050,267,000
- \$1,272,346,000
- \$831,502,000
- \$17,818,000 (Lake Charles)
- \$7,686,000 (Baton Rouge)

Grand Total of All CDBG-DR Funding Appropriations by Disaster

\$21,845,823,389

- **\$20,736,659,904 allocated directly to and administered by the State of Louisiana**



Louisiana Disaster Recovery Funding

Hurricanes Katrina/Rita Recovery

2005 Hurricanes Katrina and Rita (3 Funding Appropriations totaling \$13,410,000,000)

- \$6,210,000,000
- \$4,200,000,000
- \$3,000,000,000

OVERVIEW OF APPROPRIATIONS

- Awarded to help restore and rebuild in areas of the State most directly impacted by Hurricanes Katrina and Rita.
- These funds are mostly administered by the Louisiana Office of Community Development-Disaster Recovery Unit (OCD-DRU) directly to implement approximately 30 distinct programs.
- Per HUD's Federal Register Notice 73 FR 46313, \$811.9 million of the total second appropriation must be expended on affordable rental projects.
- The third appropriation of CDBG-DR funds was awarded solely for the purpose of covering costs associated with otherwise uncompensated but eligible claims that were filed on or before July 31, 2007, under the Road Home homeowner assistance program (Road Home).



Louisiana Disaster Recovery Funding

Hurricanes Katrina/Rita Recovery

THE ROAD HOME PROGRAM

The Road Home Program represents the largest single housing recovery program in U.S. history. Eligible homeowners received up to \$150,000 in compensation for losses and had three compensation options:

- 1) Restore and reoccupy their damaged home;
- 2) Sell the home to the state and purchase another one in Louisiana; or
- 3) Sell the home to the state and choose not to remain a homeowner.

The Road Home program has disbursed more than \$9 billion dollars to the residents of Louisiana. The program has had a tremendous impact on one of the largest rebuilding efforts in American history. The Road Home Program has successfully completed all rebuilding initiatives and is now bringing the program to closure.



Louisiana Disaster Recovery Funding

Hurricanes Katrina/Rita Recovery

Road Home Program Accomplishments

- Over **\$13.3 billion** (99% of total allocation) has been expended on Katrina/Rita grants combined.
- **130,053 homeowners** have had their benefits calculated and of those, 130,053 (100%) homeowners have closed on their Road Home grant with disbursements totaling **\$9,030,446,583**. The average award is \$69,437.
- **119,155 (92%) of these homeowners have decided to stay and rebuild in Louisiana**. Rebuilding resources provided to Option 1 homeowners totaling **\$8,098,968,648**. The average award is \$67,970.
- 61,837 additional disbursements have been closed for a total of \$1,737,101,537. The average additional disbursement is \$28,092.
- 54% of all Road Home dollars (\$4,892,505,061) have been provided to 56,190 low to moderate income households. The average award is \$87,071.
- 46,145 homeowners have received \$2,126,950,433 in Additional Compensation Grants (ACG) to supplement their recovery needs.
- 30,035 elderly applicants have closed for a total of \$2,407,164,731. The average award is \$80,145.
- 17,592 disabled (self-reporting) applicants have closed for a total of \$1,308,954,952. The average award is \$74,406.
- BRGA funding has been provided to 488 homeowners totaling \$16,166,010.
- IMM funding has been provided to 25,730 homeowners totaling \$192,741,891.
- 96% of the 110,060 applicants monitored through this period have been dispositioned Compliant/Occupied.
- 32,386 applicants have received elevation disbursements totaling \$942,775,530.



Louisiana Disaster Recovery Funding

Hurricanes Katrina/Rita Recovery

Other Programs

❖ Long Term Community Recovery

- Supports implementation of local governments' long-term recovery plans in the most heavily impacted communities. Funds have been allocated to parishes according to a formula based on estimated housing and infrastructure damage.
- Types of LTCR projects include: drainage, first responder; health and hospitals; libraries; neighborhood redevelopment; parks recreation landscaping and others; streetscapes; transportation; water and sewage and other public buildings.

❖ Primary and Secondary Education

- Supports the rebuilding, repair and enhancement of storm-damaged school district facilities not eligible for FEMA Public Assistance funding.

❖ Project-Based Recovery Opportunity (PROP)

- This program funds unmet, large-scale recovery projects. PROP provides direct, low-interest loans intended to:
- Assist neighborhood and local economic development priorities;
- Invest in commercial corridor revitalization;
- Support key local and state industry sectors;
- Spur long-term job creation, economic revitalization and long-term sustainability; and
- Employ disaster recovery resources to leverage private resources.



Louisiana Disaster Recovery Funding

Hurricanes Katrina/Rita Recovery

Other Programs Continued

- ❖ **First Time Homebuyer and Soft Second**
 - Assists first-time homebuyers with the purchase of a single-family home or owner-occupied duplex
- ❖ **Small Rental Property Program**
 - This program provides landlords with funds to repair one- to four-unit rental properties.
- ❖ **Multi-Family Rental: Low-Income Housing Tax Credit "Piggyback"**
 - Finances multi-family workforce rental housing.
- ❖ **Housing Development Loan Fund/Land Assembly Operations**
 - Provides seed funding for a contractor or state agency to establish one or more loan funds that offer flexible-term acquisition and predevelopment financing to developers of the most critically needed housing
- ❖ **Building Code Enforcement**
 - Designed to assure that all homes repaired or rebuilt with Road Home funds complied with the Louisiana State Building Code. This program provided code inspectors and permit technicians in 11 parishes to assist with building code inspections and to train local building code inspectors to become certified inspectors.

