

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

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 (New York/Gulf Coast variations)?

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

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 LOCCS & 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.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

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