

Community Development Block Grant Disaster Recovery Program



**TOWN OF UNION, NEW YORK
DISASTER RECOVERY PROGRAM AWARD**

**SECTION 239 OF THE DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT APPROPRIATIONS ACT,
2012**

PUBLIC LAW 112-55, ENACTED NOVEMBER 18, 2011

**FEDERAL REGISTER DOCKET NO. FR-5628-N-01
FINAL EFFECTIVE DATE APRIL 23, 2012**

How HUD Determines Allocations



- Over the past decade, HUD has developed an allocation process which focuses on unmet recovery needs. HUD receives data from FEMA and the SBA identifying damage estimates in major disaster areas.
- HUD considers the contribution of insurance, FEMA grants, and SBA loans in estimating the severe unmet needs not already addressed by these sources.
- The complete methodology was published in the Federal Register notice on April 16, 2012 (with an effective date of April 23, 2012) and identified the allocations and established program requirements.

2012 Supplemental Appropriations



- **Nationwide: \$400,000,000**
- **New York State: \$71,654,116**
- **Orange County: \$11,422,029**
- **Town of Union: \$10,137,818**

- **New York State: \$53,011,323 must be spent in Schoharie, Tioga, Broome, Greene, and/or Orange counties.**
- **All of the Town of Union's funds must be spent within the town.**

The Appropriation Laws



Funds must be used for:

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

What Does this Mean?



In the context of CDBG disaster recovery, this means that each activity must:

- 1. Be disaster-related in that it clearly demonstrates a connection to addressing a direct or indirect impact of the disaster (in this case the flood of September 2011) in a Presidentially-declared county;*
- 2. Be CDBG eligible (according to regulations and any waivers that are granted);*
- 3. Meet a National Objective.*

National Objectives



- Each CDBG-DR activity must meet at least one of the National Objectives established for the CDBG program:
 - ✦ Provide a benefit to low and moderate income (LMI) persons;
 - ✦ Aid in the prevention of elimination of slums or blight;
 - ✦ Meet a need having a particular urgency.

Documenting A Tie To The Disaster



The grantee (the Town of Union) must document how an activity is addressing a disaster-related impact and how it serves to restore housing, infrastructure, or the economy. Examples of documentation include:

- Damage or building estimates for physical losses;
- Post-disaster analyses or assessments for economic or non-physical losses.

Eligible Activities (Including But Not Limited To)



1. Buying damaged properties in a flood plain and relocating residents to safer areas;
2. Relocation payments for people and businesses displaced by the disaster;
3. Debris removal not covered by FEMA;
4. Rehabilitation of homes and buildings damaged by the disaster;
5. Buying, constructing, or rehabilitating public facilities such as streets, neighborhood centers, and water, sewer, and drainage systems;
6. Code enforcement;
7. Homeownership activities (i.e. down payment assistance, interest rate subsidies and loan guarantees for disaster victims);
8. Helping businesses retain or create jobs in disaster impacted areas; and
9. Planning and administration costs (limited to no more than 5 percent for salaries/benefits and 15 percent for planning studies for a total of 20 percent of the grant).

Requirement To Serve Certain Populations



- Under the regular CDBG program, at least 70% of funds spent in a given program year must principally benefit persons of low and moderate income.
- Under the CDBG-DR program, a waiver has been granted requiring that at least 50% of funds spent in a given program year must principally benefit persons of low and moderate income.

The First Steps



1. Determine the effects of the disaster;
2. Develop a plan to respond to the most critical disaster recovery needs not addressed by other sources;
3. Implement the plan; ensure that activities are completed in an efficient & timely manner.

Required Action Plan for Disaster Recovery



- A generic hard copy Action Plan for Disaster Recovery must be submitted within 90-days of the Federal Register Notice (submission due July 22, 2012). The Plan must contain:
 - A description of disaster event;
 - A description of short-term recovery efforts and needs;
 - A description of long-term recovery efforts and needs;
 - Rules for proposed programs;
 - Monitoring standards;
 - Procedures for mitigating fraud, abuse, and mismanagement;
 - Projected use of funds by category and National Objective;
 - A description of the citizen participation process;
 - A description of the process for amending the plan.

Required Action Plans (continued)



- **Once the hard copy plan is accepted by HUD, the Town must file a more specific Electronic Action Plan (Final Plan)**
 - **Must be entered into the Disaster Recovery Grant Reporting (DRGR) system.**
 - **Must contain an actual list of proposed activities with specific budgets, National Objective category, performance measurement standards, etc.**
 - **Once the plan is approved funds will be unrestricted and available for use.**

Things To Remember



- The grant is not intended to make whole, every person or business that sustained a loss;
- The Town needs to prioritize spending by category (i.e. housing, infrastructure, planning, neighborhood facilities, buyouts, etc.) ;
- The Town needs to identify buyout procedures and local contribution, if any;
- The Town must formalize documentation to eliminate Duplication of Benefits (DOB);
- The funds are to be used to address the impacts of a previous disaster, not necessarily to prevent future occurrences (i.e. repair existing levees that were damaged in September 2011 vs. construction of new levees where none currently exist)

Where To Start



- Representatives from the Town and Villages of Endicott and Johnson City were asked to submit an inventory of flood related projects that they would like to have considered for funding from the CDBG-DR grant. The projects will be reviewed for eligibility and prioritized by need and those that achieve the greatest good for the greatest number of people.
- Department heads are preparing a summary of unmet flood related needs for their respective areas of operation. For Public Works, this might include a brief narrative for reconstruction projects detailing how the project is tied to the flood and highlighting projected project costs and a estimate of how much of the project cost is likely to be reimbursable from other sources such as FEMA .

Where To Start (Continued)



- The town and villages will need to submit a copy of their respective procurement policies to the Lead Agency for the grant. Both HUD and the Office of the Inspector General will likely review how goods/and or services were procured during the flood event (i.e. emergency procurement) and subsequent to it. For contracts that have already been awarded, and for which reimbursement is being requested from the CDBG-DR grant, copies of bid notices or Requests For Proposals, written quotes, etc. will need to be submitted for inclusion in the project file.