



# CDBG-DR Funding Overview

# Overview



In 2021, flooding and tornados resulted in Major Disaster Declarations, which qualified the state of Kentucky to receive long-term disaster recovery funding.



In September 2021, Congress appropriated \$5 billion in Community Development Block Grant Disaster Recovery funds (CDBG-DR) for disasters that occurred in both 2020 and 2021.



In May 2022, HUD allocated funds for those who experienced disasters in 2021. Kentucky will receive \$74,953,000



CDBG-DR funds will aid Kentucky's citizens in recovery from these devastating storms and strengthen impacted communities to help prevent future damage to homes, businesses, schools, and public infrastructure.



**\$74,953,000**

Allocated to Kentucky

# What are CDBG-DR Funds?



CDBG-DR funds are used to help the most impacted and distressed areas recover.

- CDBG-DR funding can be used for long-term recovery projects such as housing, economic revitalization and restoring infrastructure.
- It is considered last resort funding and is used to address unmet or mitigation needs that other federal programs haven't been able to meet.
- A portion of the funds will be made available to address mitigation needs to make impacted communities more resilient to current and future risks, which can include infrastructure, planning, housing, and economic revitalization activities.

# Process to Receive CDBG-DR Funds

To receive CDBG-DR funds, the state must complete several tasks. This includes conducting an Unmet and Mitigation Needs Assessment, developing an Action Plan that identifies how the state will utilize CDBG-DR funds to address unmet disaster recovery and mitigation needs.



Unmet Needs Analysis



Mitigation Needs Assessment



Action Plan

- ***The process must be completed within 120 days upon issuance of the Federal Register Notice.***

# Unmet Needs Analysis



The state must conduct an analysis of the impact the disaster had and the resulting needs that have not been addressed through other funding sources.

Recovery Needs



Available Resources to Cover Needs



Unmet Needs



For the first time ever, Congress has included mitigation funds with CDBG-DR funding to help communities be better prepared to withstand future disasters.

This is good news for Kentucky, but it also means the state must assess its risks, working with local jurisdictions and communities across the impacted areas.



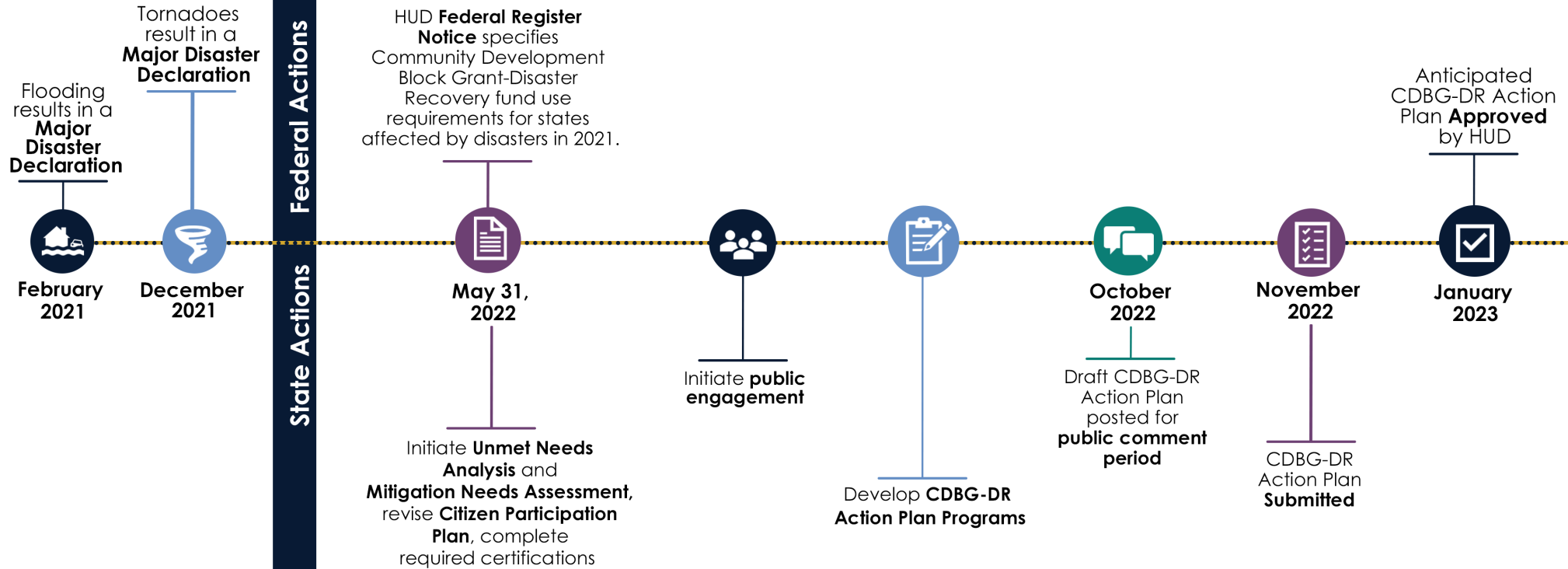
Once unmet and mitigation needs are identified, the state will develop programs to meet those needs and create an Action Plan.

The plan will outline how CDBG-DR funds will be utilized across programs and distributed in the impacted areas.

Once the Action Plan is developed, it will be shared with the public to collect feedback on the plan. After a 30-day public comment period, feedback will be incorporated into the plan, and it will be submitted to HUD for review and approval.



# Action Plan Timeline



# Action Plan Citizen Participation Requirements

## Stakeholders

- State agencies
- Indian tribes
- Local governments
- Federal partners
- Nongovernmental organizations
- Private sector
- Organizations that advocate on behalf of members of protected classes, vulnerable populations, and underserved communities impacted by the disaster

DLG must work to identify and address potential barriers that may limit or prohibit underserved communities and individuals affected by the disaster from providing public comment on the grantee's action plan.



After the creation of the Action Plan and before submitting to HUD:



Publish for public comment on DLG disaster recovery website (minimum of 30 days)



Hold at least one public hearing during public comment period – virtual or in person

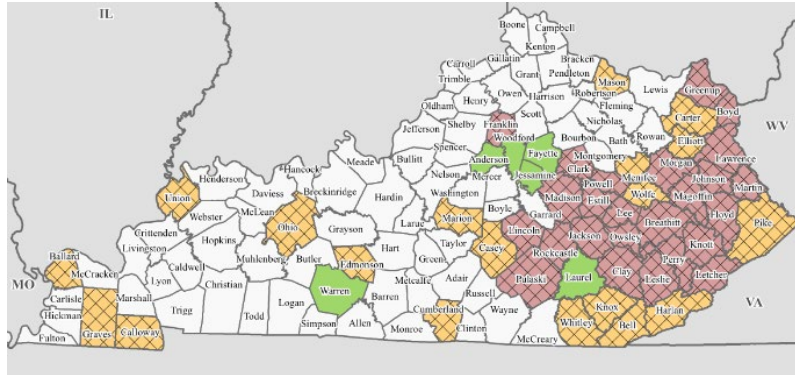


Must respond to all comments received

# CDBG-DR Programming Requirements and Examples

# HUD Federal Register: Expenditure Requirements

FEMA-4595-DR, Kentucky Disaster Declaration as of 06/25/2021

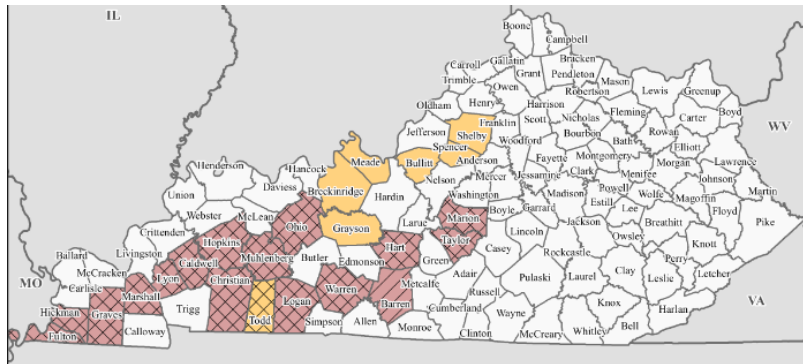


- Designated Counties**
- No Designation
  - Individual Assistance
  - Individual Assistance and Public Assistance (Categories A - G)
  - Public Assistance (Categories A - G)

**CDBG-DR Total Allocation \$74,953,000**

**70% of CDBG-DR funds must benefit low-to-moderate income (LMI) persons or households.**

FEMA-4630-DR, Kentucky Disaster Declaration as of 01/06/2022



- Designated Counties**
- No Designation
  - Individual Assistance and Public Assistance (Categories A and B)
  - Individual Assistance and Public Assistance (Categories A - G)
  - Public Assistance (Categories A - G)
  - Public Assistance (Category B)

**80% of CDBG-DR funding expend in the HUD determined Most Impacted and Distressed (MID) counties and zip codes.**

**State can define “grantee-identified MID’s” for the remaining 20% in the Action Plan**

**Most Impacted: Graves and Hopkins Counties; 41339 (Breathitt County) and 42101 (Warren County)**

CDBG-DR Mitigation Set Aside  
**\$9,777,000**

Can be used for **new mitigation projects** and/or for **adding resilience into recovery activities**, considering existing and future conditions over the service life of the project

Increasing resilience to the impacts of climate change

Protecting public health

Conserving lands, waters, and biodiversity

Addressing environmental injustice

Spurring economic growth and creating jobs



DLG must include a description of how it has analyzed, identified, and will address the unmet needs associated with the rehabilitation, reconstruction, and new construction of the **following types of housing:**



Public housing



Affordable rental housing



Housing for vulnerable populations

DLG must demonstrate a **reasonably proportionate allocation of resources** relative to areas and categories (i.e., housing, economic revitalization, and infrastructure) of greatest needs identified in the impact and unmet needs assessment. **This includes considering relative needs of renters and owners.**

# Example: CDBG-DR Housing Programs

Program	Beneficiaries
Small rental (7 or fewer units) repair and reconstruction and/or new construction	Renters
Multi-family affordable developments, including subsidizing manufactured housing park development or Low-Income Housing Tax Credit eligible-projects	Renters
Homelessness prevention and sheltering projects	Individuals experiencing or at risk of experiencing homelessness
Senior and workforce rental housing	Renters
Homeownership assistance programs	First-time homebuyers
Manufactured or mobile home replacement	Homeowners on owned or leased land
Single-family homeowner reconstruction	Homeowners
Residential Buyout or Acquisition Programs	Homeowners
Housing or Financial Counseling in support of housing activities	Homeowners or renters

# Example: CDBG-DR Infrastructure Programs

Program	Beneficiaries
Non-Federal Cost Share/Match (FEMA PA and/or HMGP)	Residents in the project service area
Recovery, Resilience and/or Mitigation Planning	Residents in the project service area
Infrastructure or Mitigation Projects not covered by FEMA, USACE or other sources, including infrastructure for housing recovery and development	Residents in the project service area

# Federal Register: Infrastructure Program Requirements



If funds are used for infrastructure, DLG must be able to describe how the activities

- Address the construction or rehabilitation of disaster-related systems or community-based mitigation systems
- Reduce natural hazard risks through measures and strategies
- Achieve regional or local objectives to reduce future risk to the jurisdiction
- Evaluate costs and benefits when selecting projects
- Align with other planned federal, state, or local improvements and foster the potential for additional infrastructure funding
- Employ adaptable and reliable technologies to prevent premature obsolescence of infrastructure
- Invest in infrastructure within historically underserved communities
- Are designed and constructed to withstand chronic stresses and extreme events by identifying and implementing resilience performance metrics