



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE DEPUTY SECRETARY
WASHINGTON, DC 20410-0050

June 3, 2025

MEMORANDUM FOR: State of Oregon for Disasters Occurring in 2020 (Allocation Announcement Notice 87 FR 6364, published on February 3, 2022); Community Planning and Development Field Office Directors, Deputy Directors, Regional Directors, and Program Managers

FROM: Matthew E. Ammon, Performing the Delegable Duties of the Deputy Secretary, SD

SUBJECT: Reimbursement Extension and Reimbursement Eligible Activities (For the State of Oregon Only)

APPLICABILITY DATE: June 8, 2025

PURPOSE

This waiver and alternative requirement memorandum govern Community Development Block Grant Disaster Recovery (CDBG-DR) funds, including the CDBG-DR mitigation set-aside, allocated to the State of Oregon pursuant to the Disaster Relief Supplemental Appropriations Act, 2022 Public Law (P.L. 117-43, Division B), approved September 30, 2021, for major disasters that occurred in 2020 and 2021.

WAIVER AND ALTERNATIVE REQUIREMENT AUTHORITY

The Disaster Relief Supplemental Appropriations Act, 2022 (P.L. 117-43, Division B) made available \$5,000,000,000 in CDBG-DR funds for disasters occurring in 2020 and 2021. These CDBG-DR funds were made available for necessary activities authorized under Title I of the Housing and Community Development Act of 1974 (HCDA) (42 U.S.C. 5301 et seq.) and is related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the "most impacted and distressed" areas resulting from qualifying major disasters.

The Appropriations Act authorizes the Secretary to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary, or use by the recipient, of these funds, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment, if the Secretary finds that good cause exists for the waiver or alternative requirement and such

waiver or alternative requirement would not be inconsistent with the overall purpose of Title I of the HCDA.

The Appropriations Act requires the Secretary to publish any waiver or alternative requirement via a *Federal Register* notice or on the Department's website no later than five days before the effective date of a waiver or alternative requirement. For the alternative requirements included below, the U.S. Department of Housing and Urban Development (HUD) is exercising its authority to publish on the Department's website.

HUD allocated the State of Oregon \$422,286,000 for disasters occurring in 2020 governed by a *Federal Register* notice published on February 3, 2022 (87 FR 6364) (the "February 2022 Notice"). Grantees that received funds for 2020 disasters in the February 2022 Notice are also subject to the requirements of the *Federal Register* notice published on May 24, 2022 (87 FR 31636) (the "May 2022 Notice"), which amended the February 2022 Notice in section II.D. Both notices include the Consolidated Notice as Appendix B and made the Consolidated Notice applicable to both allocations. This memorandum modifies the requirements for the CDBG-DR funds awarded to the State of Oregon under the Appropriations Act, 2022 (P.L. 117-43, Division B), by adding two new alternative requirements that allow for additional flexibility.

Reimbursement Extension Alternative Requirement (State of Oregon only)

Background

In paragraph III.F.5 of the Consolidated Notice (87 FR 6386), grantees are permitted to charge the CDBG-DR grant the pre-award, and pre-application costs of homeowners, renters, businesses, and other qualifying entities for eligible costs these applicants have incurred in response to an eligible disaster covered under a grantee's applicable Allocation Announcement Notice. For purposes of the Consolidated Notice, pre-application costs are costs incurred by an applicant to CDBG-DR funded programs after the incident date of the covered disaster and before the time of application to a grantee or subrecipient.

In addition to other requirements, paragraph III.F.5 stipulates that grantees may charge the eligible pre-application costs to the grant only if: (1) the person or private entity incurred the expenses within one year after the applicability date of the grantee's Allocation Announcement Notice (or within one year after the date of the disaster, whichever is later); and (2) the person or entity pays for the cost before the date on which the person or entity applies for CDBG-DR assistance.

The Department received a request from the State of Oregon to extend the reimbursement deadline from February 8, 2023, to January 10, 2025, for eligible pre-application costs. The justification states that this extended timeline will allow the grantee to assist more homeowners than originally anticipated through the Homeowner Assistance and Reconstruction Program (HARP). The state structured HARP in a way that initially prioritized displaced homeowners with incomplete repairs, however, through a substantial amendment to the action plan, the state has now created a reimbursement pathway that did not previously exist.

Many households incurred and paid for eligible costs to facilitate their own home recovery process after February 7, 2023, placing themselves in precarious financial situations. Extending the reimbursement deadline will allow the state to support more homeowners, and low- and moderate-income households, to apply for reimbursement, allowing the state to serve additional beneficiaries.

Reimbursement Extension Waiver and Alternative Requirement (State of Oregon only)

After reviewing this request, the Department finds there is a good cause to modify the alternative requirement in paragraph III.F.5 of the Consolidated Notice, to change the reimbursement deadline from February 8, 2023, to January 10, 2025, for all funds provided under the Appropriations Act, 2022 (P.L. 117-43, Division B), for the State of Oregon only. This means that grantees may charge to their CDBG-DR grants the eligible pre-application costs of individuals and private entities related to single family, multifamily, and nonresidential buildings, only if the costs were incurred from the incident date of the qualifying disaster either to January 10, 2025, or the date on which the person or entity applies for CDBG-DR assistance, whichever is earlier. When reimbursing eligible pre-award costs, the state is reminded to follow all requirements described in paragraph III.F.5 of the Consolidated Notice, as waived or modified.

Reimbursement Eligible Activities Alternative Requirement (State of Oregon only)

Background

In paragraph III.F.5 of the Consolidated Notice, the Department permits grantees to charge to the CDBG-DR grant pre-award and pre-application costs for the following eligible activities that are allowable costs for reimbursement: rehabilitation, demolition, and reconstruction of single family, multi-family, and non-residential buildings, including commercial properties. For rehabilitation and reconstruction costs, grantees may only charge costs for activities completed within the same footprint of the damaged structure, sidewalk, driveway, parking lot, or other developed areas. In addition to other requirements, paragraph III.F.5 also stipulates that the grantee must ensure that all costs charged to a CDBG-DR grant are necessary expenses related to authorized recovery purposes.

Additionally, in paragraph II.B.5 of the Consolidated Notice (87 FR 6373), the Department waives 42 U.S.C. 5305(a)(24) and replaces it with an alternative requirement allowing the provision of direct assistance to facilitate and expand homeownership among persons at or below 120 percent of area median income. Assistance under this section may include subsidizing interest rates, acquiring housing, purchasing mortgage guarantees, providing a down payment, and paying reasonable closing costs.

The Department received a request from the State of Oregon to allow for reimbursement of rehabilitation and reconstruction costs that take place outside of the “footprint of the damaged structure, sidewalk, driveway, parking lot, or other developed area.” The wildfire left many low- and moderate-income households who were living in manufactured housing units permanently

displaced. Displacement occurred either because the damaged parks never reopened, or, if they did reopen, the post-disaster rent for pads was no longer affordable. These conditions pushed residents to buy manufactured homes or stick built homes in alternative locations and those housing options required repairs or rehabilitation to make them habitable. In many cases households depleted their savings and retirement accounts, or took out loans, to purchase, rehabilitate, and relocate to relatively stable housing, even if that housing was not situated on the same footprint as their damaged home.

Reimbursement Eligible Activities Waiver and Alternative Requirement (State of Oregon only)

After reviewing this request, the Department finds good cause to amend section III.F.5. to allow the reimbursement of rehabilitation and reconstruction of single family, multifamily, and non-residential buildings outside of the damaged footprint, subject to the alternative requirement below, because rehabilitation and reconstruction cannot occur within the damaged footprint because of reasons of safety and impracticability. Based on the justification provided by the State of Oregon, the Department also finds good cause to amend section III.F.5 to allow the reimbursement of eligible homeownership assistance costs, as defined in 42 U.S.C. 5305(a)(24) and as amended by section II.B.5. of the Consolidated Notice, subject to the alternative requirement below, to better assist homeowners permanently displaced due to the wildfires.

The following alternative requirement provisions apply when the State of Oregon carries out reimbursements pursuant to this section of this memorandum:

1. Homeownership assistance eligible for reimbursement must adhere to all the requirements in sections II.B.5 and III.F.5 of the Consolidated Notice (as amended by this memorandum). This includes the requirement that reimbursable costs must be incurred from the date of the disaster until January 10, 2025, or the application date, whichever is earlier. To be reimbursed, the person or entity must have paid for the cost before the date on which the person or entity applies for CDBG-DR assistance.
2. The applicant applying for reimbursement sold or gave up site control of their disaster damaged home prior to January 1, 2024.
3. The new home must be occupied by the household displaced from the original damaged structure.
4. The State's housing policies and procedures must address how the State will ensure that costs to be reimbursed are necessary and reasonable (as required by 2 CFR 200.403), how it will perform a duplication of benefits analysis for the household, and how its award or income caps will be updated.
5. The State's most recently approved action plan must align with the activities allowed through these waivers and alternative requirements.

For the State of Oregon only, the last date that persons or private entities could incur otherwise allowable reimbursable disaster related costs is January 10, 2025, or the date of application to the state for assistance, whichever is earlier. For any applicant that applies to the State prior to the reimbursement deadline of January 10, 2025, the eligible period to incur

reimbursable costs would be from the date of the initial disaster to the date of the application.

When reimbursing eligible pre-award and pre-application costs of homeowners, renters, businesses, and other qualifying entities, the state is reminded to follow all requirements described in section III.F.5 of the Consolidated Notice, as waived or amended by this memorandum.

POINT OF CONTACT

For further information, contact Tennille Smith Parker, Director, Office of Disaster Recovery, U.S. Department of Housing and Urban Development, 451 7th Street SW, Room 7282, Washington, DC 20410, telephone number 202–708– 3587 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech and communication disabilities. Email inquiries may be sent to Disaster_Recovery@hud.gov.