

# Climate Action, Advancing Equity, and Disaster Recovery: What's New in CDBG-DR

## The Consolidated Notice



2022 CDBG-DR Consolidated Notice Training Series



# Presenters

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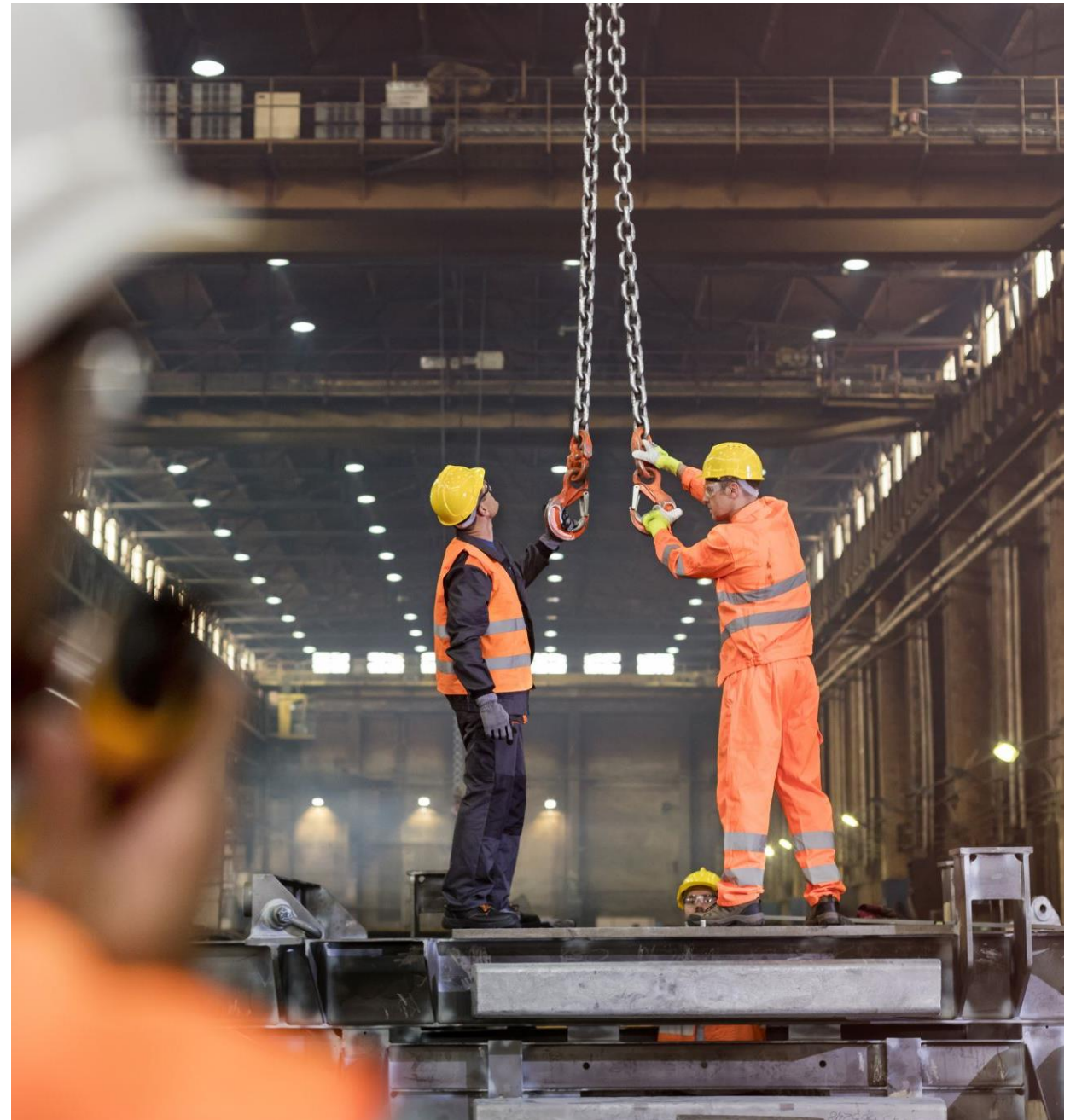


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# Objectives

- To learn about new policies described in the Consolidated Notice
- To understand how the policies promote resilient communities and equitable participation





# Purpose of CDBG-DR



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# CDBG-DR

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- CDBG-DR funds are typically provided for necessary expenses for activities authorized under title I of the HCDA related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation of risk in the “most impacted and distressed” areas resulting from a major disaster.
- Generally, CDBG-DR funded activities must address an impact of the disaster for which funding was allocated. Accordingly, each activity must:
  - 1) address a direct or indirect impact from the disaster in a most impacted and distressed area;
  - 2) be a CDBG-eligible activity (or be eligible under a waiver or alternative requirement); and
  - 3) meet a national objective.



# CDBG-DR Process

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# Priorities

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- Combating the climate crisis and advancing equity.
- The Consolidated Notice supports these goals by:
  - increasing resilience to the impacts of climate change;
  - protecting public health;
  - conserving lands, waters, and biodiversity;
  - addressing environmental injustice; and
  - spurring economic growth and creating jobs.





# New Requirements & Changes



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# Climate Action & Resilience

Requirements for implementing mitigation  
measures and incorporating resilience



# Resilience & Hazard Mitigation

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- The Consolidated Notice will help to improve long-term community resilience by fully integrating resilience planning and hazard mitigation activities into disaster recovery.
- CDBG-DR grantees will incorporate mitigation measures that will protect the public, including members of protected classes, vulnerable populations, and underserved communities, from the risks identified by the grantee among other vulnerabilities.



# Mitigation Measures

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- Grantees must incorporate mitigation measures when carrying out activities to construct, reconstruct, or rehabilitate residential or non-residential structures with CDBG-DR funds.
- Grantees must demonstrate that they have incorporated mitigation measures into CDBG-DR activities as a construction standard to create communities that are more resilient to the impacts of recurring natural disasters and the impacts of climate change.





# Alignment with Mitigation Plans

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- Grantees must ensure that the mitigation measures identified in their action plan will align with existing hazard mitigation plans submitted to FEMA or other state, local, or tribal hazard mitigation plans.



# Resilience Performance Metrics

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- Before carrying out CDBG-DR funded activities to construct, reconstruct, or rehabilitate residential or non-residential structures, the grantee must establish resilience performance metrics, including:
  - 1) an estimate of the projected risk to the completed activity from natural hazards, including hazards influenced by climate change,
  - 2) identification of the mitigation measures that will address the projected risks, and
  - 3) an assessment of the benefit of the grantee's measures through verifiable data.



# Resilience Performance Metrics continued

## Example

- Program: Housing Rehabilitation
- Disaster Type: Flood

## New Resilience Metrics

- # of completed housing units in a Special Flood Hazard Area
- # of housing units elevated to at least 2 feet above Base Flood Elevation
- # of housing units protected from 100-year flood event

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1		
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3	Construction of New Housing	
4	Projected Units	
5	# of Housing Units (Quarterly Projection)	
6	Actual Units	
7	# of Housing Units (Populated from QPR Reporting)	
8	# of completed Housing Units in a Special Flood Hazard Area	
9	# of Housing Units elevated to at least 2 feet above Base Flood Elevation	
10	# of Housing Units protected from 100-year flood event	
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# Green & Resilient Building Standards

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- Grantees must meet the Green and Resilient Building Standard for:
  - all new construction and reconstruction of residential buildings
  - all rehabilitation activities of substantially damaged residential buildings
- Industry-recognized standards:
  - Enterprise Green Communities;
  - LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development);
  - ICC-700 National Green Building Standard Green+Resilience;
  - Living Building Challenge; or
  - any other equivalent comprehensive green building program acceptable to HUD.



# Green & Resilient Building Standards continued

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- Energy efficiency standards:
  - ENERGY STAR (Certified Homes or Multifamily High-Rise);
  - DOE Zero Energy Ready Home;
  - EarthCraft House, EarthCraft Multifamily;
  - Passive House Institute Passive Building or EnerPHit certification from the Passive House Institute US, International Passive House Association;
  - Greenpoint Rated New Home, Greenpoint Rated Existing Home;
  - Earth Advantage New Homes; or
  - any other equivalent standard acceptable to HUD.
- Grantees must identify, in each project file, which of these standards will be used for any building subject to the Green and Resilient Building Standards requirement.





# Eligible Activities

Addressing community resilience, advancing equity, and expediting recovery





# Buyout Activities

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- HUD has determined that creating a new activity and alternative requirement for buyouts is necessary for consistency with other Federal resources.
- “Buyouts” are the acquisition of properties located in a floodway, floodplain, or other Disaster Risk Reduction Area that is intended to reduce risk from future hazards.
  - Grantees carrying out buyout activities must establish an Open Space Management plan or equivalent before implementation.
  - Any property acquired or accepted must be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, floodplain and wetlands management practices, or other disaster-risk reduction practices.



# Buyout Activities continued

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- Grantees must choose from one of two valuation methods for a program.
  - Pre-disaster value
  - Post-disaster value
- The grantee must apply its valuation method for all buyouts carried out under the program.
  - If the post-disaster value of a property is higher than the pre-disaster value, a grantee may provide exceptions to its established valuation method on a case-by-case basis.
    - The process for such exceptions must be described.
  - Each grantee must adopt policies and procedures on how it will demonstrate that the amount of assistance for a buyout is necessary and reasonable.



# Safe Housing Incentives

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- Safe housing incentives are to encourage households to relocate to suitable housing in a lower risk area or in an area promoted by the community's comprehensive recovery plan.
- For this activity, grantees must maintain documentation describing:
  - how the amount of assistance for the incentive was necessary and reasonable,
  - how the incentive meets a national objective, and
  - that the incentives are in accordance with the grantee's approved action plan and published program design(s).





# Infrastructure – Planning & Design

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- All newly constructed infrastructure that is assisted with CDBG-DR funds must be designed and constructed to withstand extreme weather events and the impacts of climate change.
- To satisfy this requirement, the grantee must identify and implement resilience performance metrics.



# CDBG-DR as Match

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- When CDBG-DR funds are used as match for a FEMA project that is underway, the alignment of HUD's elevation standards with FEMA's standard may not be feasible or cost reasonable.
- FEMA's flood standard can be used when:
  - CDBG-DR funds are used to provide the non-federal match for FEMA assistance,
  - the FEMA-assisted activity commenced before HUD obligated CDBG-DR funds, and
  - implementing HUD's standard is not cost reasonable.



# Economic Revitalization

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- Grantees must prioritize underserved communities that have been impacted by the disaster and that were economically distressed before the disaster.
  - When undertaking an economic revitalization activity, grantees must maintain supporting documentation to demonstrate how the grantee has prioritized underserved communities.
- Grantees also must prioritize assistance to disaster-impacted businesses that serve underserved communities and spur economic opportunity for underserved communities that were economically distressed before the disaster.



# Underserved Communities

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- Populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life.
- These communities include, but are not limited to:
  - areas that were designated as a Promise Zone, Opportunity Zone, or a Neighborhood Revitalization Strategy Area,
  - a tribal area, or
  - those areas that meet at least one of the distress criteria established for the designation of an investment area of Community Development Financial Institution.







# The Action Plan

Planning for resilience, equitable access, and  
comprehensive recovery



# Overview

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- Grantees must submit an action plan for disaster recovery which will describe programs and activities that conform to applicable requirements as specified in the Consolidated Notice and the applicable Allocation Announcement Notice.
- The action plan must identify the proposed use of all funds, including the criteria for eligibility and how the uses address long-term recovery needs and incorporate mitigation measures.
- The grantee must use HUD's Public Action Plan in DRGR to develop all CDBG-DR action plans and amendments.



# Impact and Unmet Needs Assessment

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- Each grantee must develop an impact and unmet needs assessment to understand the type and location of community needs and to target limited resources to those areas with the greatest need.
- Grantees must also take into account the costs of incorporating hazard mitigation measures to protect against the specific identified impacts of future extreme weather events and other natural hazards.



# Connection to Unmet Need

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- The plan must provide a clear connection between a grantee's impact and unmet needs assessment and its proposed programs and projects.
- The grantee 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 or provide an acceptable justification for a disproportional allocation.





# Housing Analysis

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- Each grantee 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



# Vulnerable Populations

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- For purposes of the Consolidated Notice, HUD defines "vulnerable populations" as a group or community whose circumstances present barriers to obtaining or understanding information or accessing resources.



# Housing for Vulnerable Populations

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- The action plan must describe how CDBG-DR or other funding sources available will promote housing for vulnerable populations in the MID area, including how the grantee plans to address:
  - 1) Transitional housing
    - Emergency shelters and housing for persons experiencing homelessness
    - Permanent supportive housing
    - Permanent housing needs of individuals/families that are experiencing or at risk of experiencing homelessness



# Housing for Vulnerable Populations continued

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- The action plan must describe how CDBG-DR or other funding sources available will promote housing for vulnerable populations in the MID area, including how the grantee plans to address:
  - 2) The prevention of low-income individuals and families with children from becoming homeless
  - 3) The special needs of persons who are not experiencing homelessness but require supportive housing





# Fair Housing

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- The grantee must comply with its fair housing and nondiscrimination obligations.
- Under the Consolidated Notice, the grantee must provide an assessment of:
  - whether its planned use of CDBG-DR funds will have an unjustified discriminatory effect on or fail to benefit racial and ethnic minorities in proportion to their communities' needs; and
  - how it will address the recovery needs of impacted individuals with disabilities.



# Fair Housing continued

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- Grantees should consider the impact of their planned use of CDBG-DR funds on other protected class groups under fair housing and civil rights laws, vulnerable populations, and other historically underserved communities.
- In the action plan, grantees should identify the above populations (i.e., which protected classes, vulnerable populations, and historically underserved groups were considered) and how those groups can be expected to benefit from the activities set forth in the plan.



# Fair Housing Data

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- Grantees must include data for the MID areas that identifies the following information, as it is available:
  - Racial and ethnic make-up of the population
  - Number and percentage of the following groups:
    - LEP populations (for each identified group);
    - persons with disabilities;
    - persons belonging to Federally protected classes under the Fair Housing Act and other vulnerable populations as determined by the grantee;
    - Indigenous populations and tribal communities (for each identified group)
  - Racially and ethnically concentrated areas and concentrated areas of poverty
  - Historically distressed and underserved communities



# Fair Housing Data continued

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- Grantees must explain how the use of funds will reduce barriers that individuals may face when enrolling in and accessing CDBG-DR assistance.
- Grantees must also identify the proximity of natural hazards and environmental hazards to affected populations in the MID area, including members of protected classes, vulnerable populations, and underserved communities, and explore how CDBG-DR activities may:
  - mitigate environmental concerns; and
  - increase resilience among these populations to protect against the effects of extreme weather events and other natural hazards.





# Affirmatively Furthering Fair Housing

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- Grantees must describe how their use of CDBG-DR funds is consistent with their obligation to affirmatively further fair housing.
- Affirmatively furthering fair housing means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.



# Advancing Equity

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- Grantees are strongly encouraged to:
  - include examples of how their proposed allocations, selection criteria, and other actions can be expected to advance equity for protected class groups.
  - explain and provide examples of how their actions can be expected to advance the following objectives –
    - Equitably benefit protected class groups in the MID areas
    - Overcome prior disinvestment in infrastructure and public services for protected class groups when addressing unmet needs
    - Enhance accessibility/availability of disaster services and the provision of critical disaster-related information for individuals with disabilities in the MID areas



# Infrastructure

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- All infrastructure investments must be designed and constructed to withstand chronic stresses and extreme events by identifying and implementing resilience performance metrics.
- In its action plan, each grantee must include a description of how it plans to:
  - promote sound, sustainable long-term recovery planning;
  - adhere to the Consolidated Notice's elevation requirements; and
  - coordinate with local and regional planning efforts.



# Infrastructure continued

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If a grantee is allocating funds for infrastructure, its description must:

- 1) Address the construction or rehabilitation of disaster-related systems or community-based mitigation systems
- 2) Reduce natural hazard risks through measures and strategies
- 3) Achieve regional or local objectives to reduce future risk to the jurisdiction
- 4) Evaluate costs and benefits when selecting projects
- 5) Align with other planned federal, state, or local improvements and foster the potential for additional infrastructure funding
- 6) Employ adaptable and reliable technologies to prevent premature obsolescence of infrastructure
- 7) Invest in infrastructure within historically underserved communities



# Resilience Planning

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- The grantee's action plan must describe how it will:
  - emphasize high quality design, durability, energy efficiency, sustainability, and mold resistance;
  - support adoption and enforcement of modern and/or resilient building codes;
  - fund feasible, cost-effective measures;
  - make land-use decisions that reflect responsible and safe standards; and
  - increase awareness of the hazards in their communities through outreach to the MID areas.





# Resilience Planning continued

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- The grantee's action plan must describe how it will:
  - support adoption and enforcement of modern and/or resilient building codes that mitigate against natural hazard risks

*"... including climate-related risks (e.g., sea level rise, high winds, storm surge, flooding, volcanic eruption, and wildfire risk, where appropriate and as may be identified in the jurisdiction's rating and identified weaknesses (if any) in building code adoption using FEMA's Nationwide Building Code Adoption Tracking (BCAT) portal)..."*



# Resilience Planning continued

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- The action plan must include a description of how the grantee will promote sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, including climate-related natural hazards and the creation of resilience performance metrics.
  - Grantees must use the FEMA-approved Hazard Mitigation Plan (HMP), Community Wildfire Protection Plan (CWPP), or other resilience plans to inform the evaluation.



# Use of Urgent Need

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- For a period of 36 months after the applicability of the Allocation Announcement Notice, grantees that use the urgent need national objective must:
  - describe in the impact and unmet needs assessment why needs have a particular urgency;
  - identify each program or activity that will use the national objective; and
  - document how the program or activity responds to the urgency, type, scale, and location of the disaster-related impact.



# Use of Urgent Need continued

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- After 36 months, the grantee will follow the criteria established in section 104(b)(3) of the HCDA and 24 CFR part 570 for any new programs and/or activities added to an action plan.



# Other Key Requirements





# Citizen Participation

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- All grantees must consult with stakeholders and affected parties in the surrounding geographic area to ensure consistency of the action plan with applicable regional redevelopment plans, including:
  - states, Indian tribes, and local governments
  - Federal partners
  - nongovernmental organizations
  - the private sector
  - organizations that advocate on behalf of members of protected classes, vulnerable populations, and underserved communities impacted by the disaster



# Citizen Participation continued

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- Grantees shall consider if there are 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.
- If the grantee identifies barriers that may limit or prohibit equitable participation, the grantee must take reasonable measures to increase coordination, communication, affirmative marketing, targeted outreach, and engagement with underserved communities and individuals, including persons with disabilities and persons with LEP.



# RARAP

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- CDBG-DR grantees must certify that they have in effect and are following a Residential Anti-displacement and Relocation Assistance Plan (RARAP).
- Grantees with an existing RARAP for CDBG must either:
  - 1) amend their existing RARAP to include CDBG-DR; or
  - 2) create a separate RARAP for CDBG-DR purposes.
- Grantees must minimize displacement resulting from any CDBG-DR assisted activities.
  - When minimizing displacement is not reasonable, feasible, or cost-efficient and would not help prevent future or repetitive loss, grantees must describe how they will minimize the adverse impacts of displacement.



# Timely Distribution

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- Each grantee must expend 100 percent of its allocation within six years of the date HUD signs the grant agreement.
- HUD may extend the period of performance administratively, if good cause for such an extension exists at that time, as requested by the grantee, and approved by HUD.







# Thank you!

For questions, please contact the Policy Unit at  
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