



Hurricane Ian Recovery

HUD'S CDBG-DR GRANT



Lee County Board of County Commissioners
May 25, 2023

WHAT IT IS

**\$1.1
BILLION**

Community Development Block Grant-Disaster
Recovery Grant

Second largest direct award to local government in HUD's history

Money deployed in Lee
County

Local decision making



WHAT IT ISN'T

Panacea

- ✓ Unmet community needs greatly exceed funding

Blank Check

- ✓ HUD restricts how money can be used
- ✓ Prioritizes low & moderate income (LMI) persons & geographies

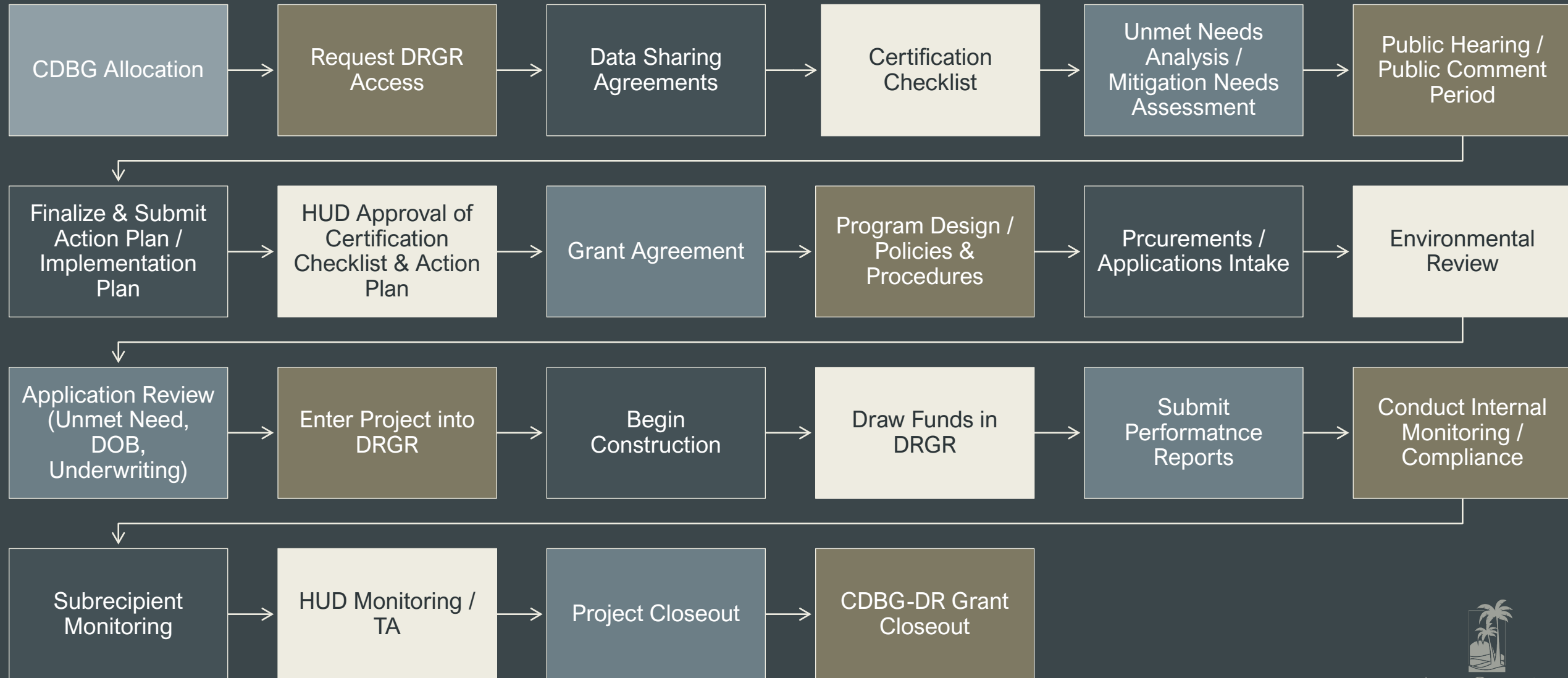
Shortcut

Lee County must:

- ✓ Design/implement programs
- ✓ Establish internal controls
- ✓ Ensure project eligibility
- ✓ Monitor subrecipients
- ✓ Provide technical assistance
- ✓ Ensure timely fund expenditure



Life Cycle of a CDBG-DR Grant



Rules of the Road



Lee County
Southwest Florida

OVERVIEW

CDBG-DR Activity Requirements



1

Address disaster-related impacts
(direct or indirect)
in a Presidentially-declared area

2

Be a CDBG eligible activity

3

Meet a CDBG national objective:

- Benefit low & moderate income (LMI) persons or households
- Eliminate slum & blight
- Meet an urgent need or imminent threat

4

Incorporate resiliency measures in any construction activity

RULES OF THE ROAD

OVERVIEW

CDBG-DR Activity Requirements Continued



5

70% of CDBG-DR funds
must be used to benefit
LMI populations

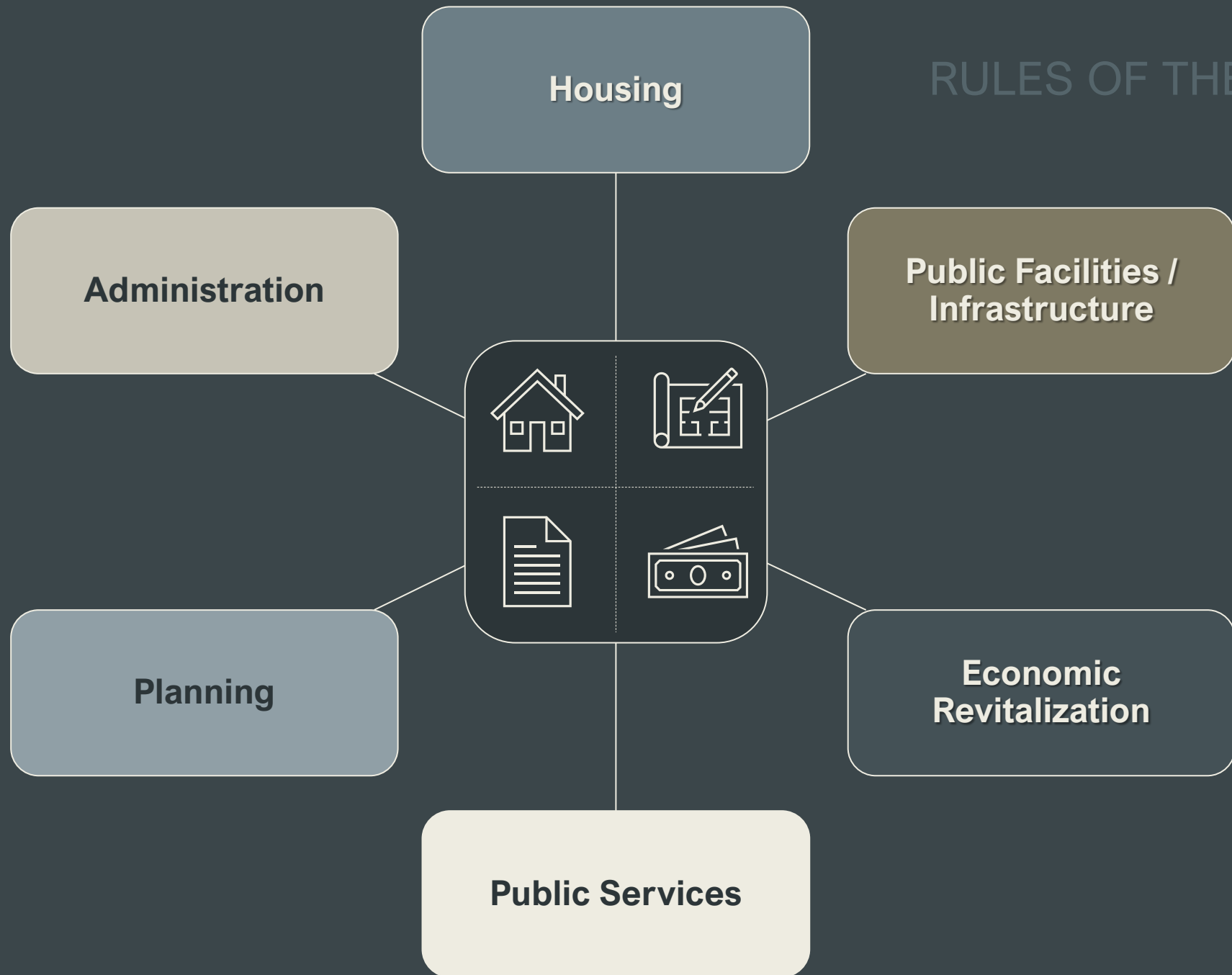
Area	Median Family Income	Category	Persons in Family							
			1	2	3	4	5	6	7	8
Cape Coral - Fort Myers, FL MSA	\$85,000	Very Low Income (50%)	29,800	34,050	38,300	42,550	46,000	49,400	52,800	56,200
		Low Income (80%)	47,700	54,500	61,300	68,100	73,550	79,000	84,450	89,900

RULES OF THE ROAD



Lee County
Southwest Florida

Eligible Activities



RULES OF THE ROAD

Additional Considerations

	Mitigation Set-Aside	
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- ❖ Additional 15% for mitigation activities that increase resilience & reduce long-term risk = \$144,506,000
- ❖ No “tie-back” required to Hurricane Ian
- ❖ Because grantees must incorporate "mitigation" activities as part of the overall recovery, HUD expects grantees to go well over 15%. However, any activities over the 15% cap must have "tie-back" to the disaster.

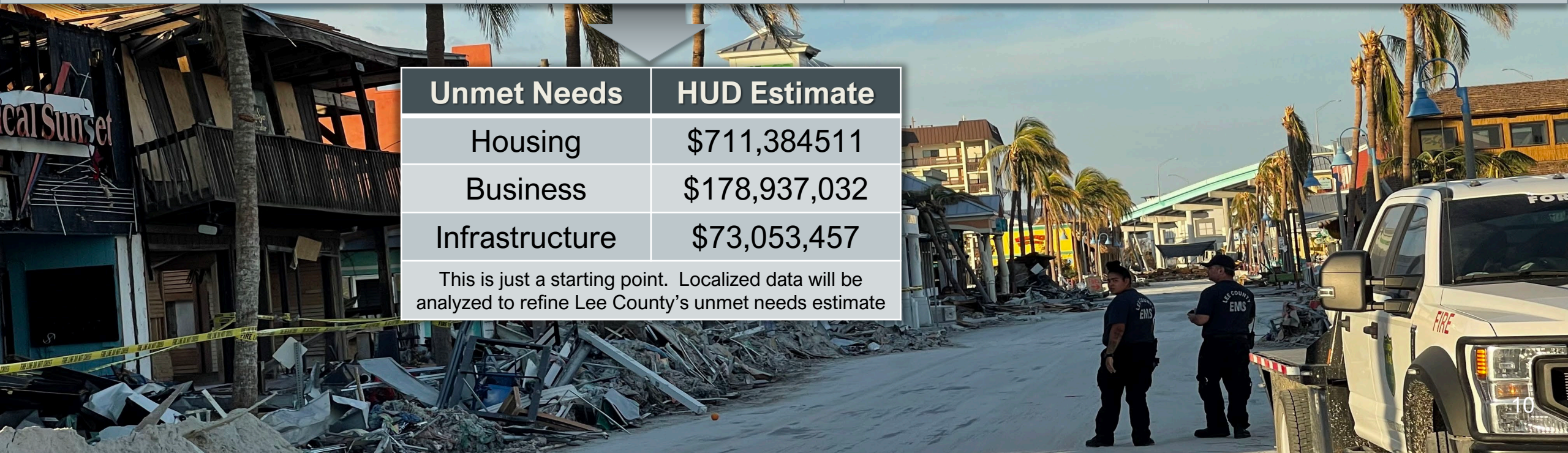
	Period of Performance	
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- ❖ Six years from execution of grant award

RULES OF THE ROAD

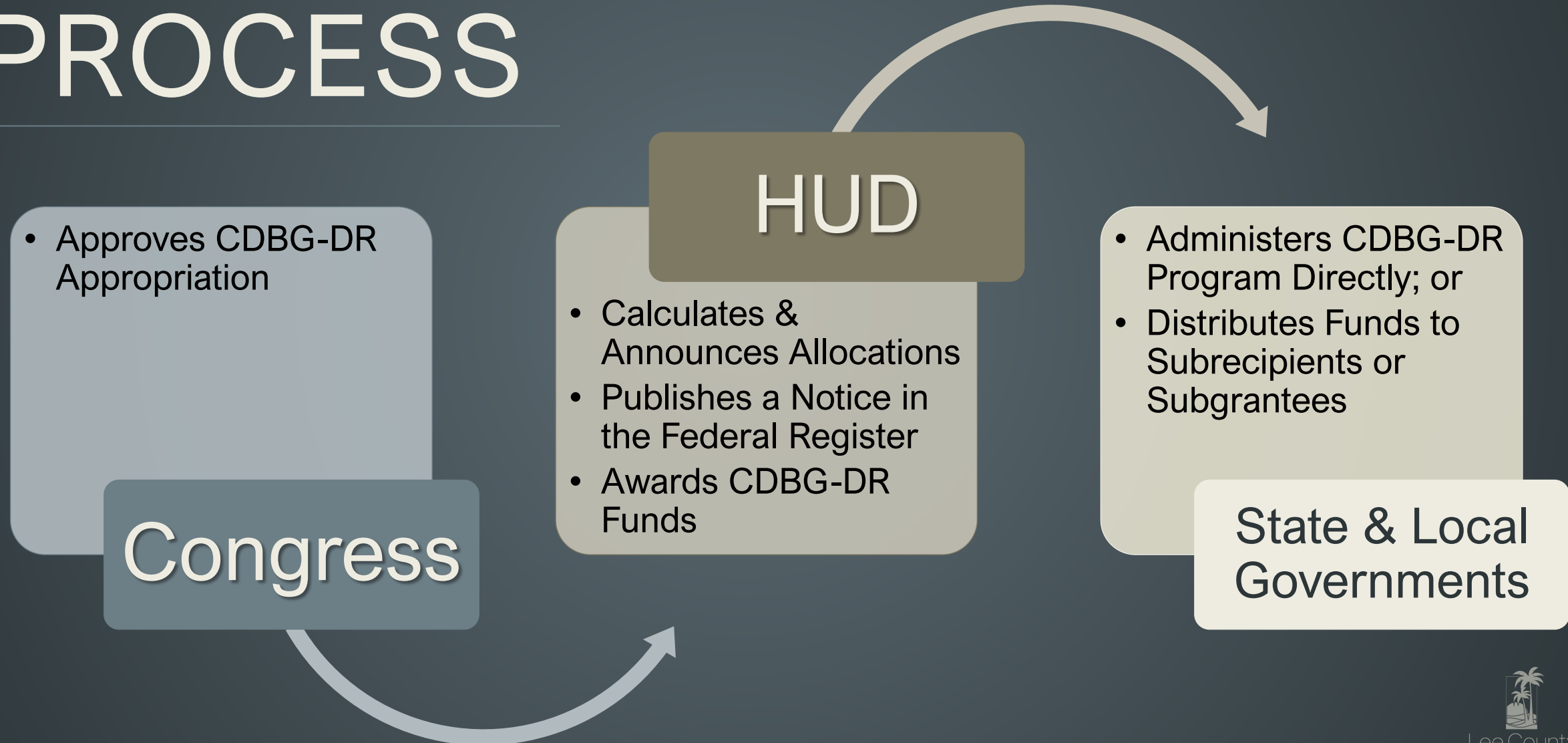
Lee County Allocation

FEMA Disaster No.	Grantee	Allocation of Unmet Needs PL 117-328	CDBG-DR Mitigation Set-Aside PL 117-328	Total Allocation
4673	Lee County	\$963,375,000	\$144,506,000	\$1,107,881,000



Unmet Needs	HUD Estimate
Housing	\$711,384,511
Business	\$178,937,032
Infrastructure	\$73,053,457
This is just a starting point. Localized data will be analyzed to refine Lee County's unmet needs estimate	

CDBG-DR PROCESS



CDBG-DR PROCESS

Process

- HUD allocates CDBG-DR funds to state or locality
- Complete required pre-award checklists and certifications and submit to HUD
- Execute data sharing agreements with FEMA & SBA
- Complete unmet needs analysis and Action Plan including outreach and public comment

Start Up

- Grant agreement executed between HUD & CDBG-DR grantee
- Policies, procedures, forms, and organizational plans developed
- Financial & reporting systems set up
- Activity set up in DRGR
- Staff & partners hired, selected, and/or procured
- Environmental review
- Duplication of benefits analysis

Operations

- Communications & outreach to citizens & applicants
- Programs & projects completed (e.g. construction)
- DRGR draws and financial and contract management
- Monitoring & compliance, including fraud prevention
- Reporting & data quality assurance

Close Out

- Ongoing monitoring & compliance, including fraud prevention
- Activity & project close out
- Recordkeeping, reporting, and data quality assurance
- Conduct final duplication of benefits analysis
- Monitor spending to ensure sufficient LMI benefit



Action Plan



TIMELINE

Action	2023
Federal Register Notice Published	May 18
Federal Register Applicability Date	May 23
Financial & Grant Mgt Certifications	Jul 21
Public Action Plan Submitted to HUD	Sep 20
Implementation Plan Submitted	Sep 20
HUD Review	Nov 19

ACTION PLAN

Impact & unmet needs assessment to inform the use of the grant;

Description of connection of programs & projects to the unmet needs;

Descriptions of public housing, affordable rental housing, and housing for vulnerable populations;

Assessment of fair housing using civil rights data & advancing equity;

Description of infrastructure investments;

Description to minimize displacement;

Description of applicable allocation and award caps;

Standards of cost controls and warranties; and

Resilience planning.

Public Process

ACTION PLAN



ONGOING PROCESS



Action Plan Amendments



As more information is compiled, needs will change



The Action Plan will be amended occasionally



Substantial amendment = 30-day public comment period



A change in program benefit or eligibility criteria



Addition or deletion of an activity



Proposed reduction in overall benefit requirement

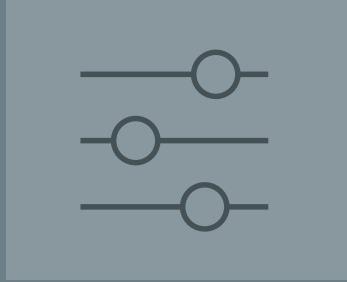


Allocation or reallocation that constitutes a change of 5% or greater of a program budget

Quarterly Performance Reports

IMPLEMENTATION

WHAT TO EXPECT



Staggered Funding Opportunities



Technical Assistance



Phased Projects

- LMI Prioritization
- Possible Waivers or Alternative Requirements

MORE INFORMATION

HUD Tool

- <https://sites.hudexchange.info/cdbg-dr-consolidated-notice/general-overview-cdbg-dr-overview/>

Lee County

- <https://www.leegov.com/recovery/cdbg-dr>