COSCDA
Council of State Community Development Agencies

CDBG-DR Codification: *ROAD to Housing Act*

2026 ANNUAL TRAINING CONFERENCE

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Agenda

- CDBG-DR Funding
- Performance Reviews
- Data Matching / FEMA Coordination
- Upcoming Rulemaking

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CDBG-DR Funding

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Expectation versus Reality

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CDBG-DR Funding: *Ideally*

- Congress provides annual funding to the **"Long-Term Disaster Recovery Fund,"** located at the U.S. Treasury
- Congress can provide supplemental CDBG-DR dollars to the Fund
- There will always be sufficient funding to quickly respond to disasters and provide CDBG-DR allocations

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CDBG-DR Allocation: *Ideally*

- **Within 90 days of a presidential disaster declaration:**
  - HUD will use the best available data to determine whether the disaster is "catastrophic" (new threshold) and qualifies for CDBG-DR assistance. (If data is insufficient, HUD can wait to make the determination until 120 days).
  - HUD can allocate up to **$5 million in preliminary funding** for assessments and planning
  - If the disaster qualifies, use the formula to make an allocation from the Fund.
- **Note:** HUD is required to establish a minimum allocation threshold.

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CDBG-DR Funding: *Reality*

Everything could work out ideally, *or*

- Congress could choose not to provide sufficient funding to the Long-Term Disaster Recovery Fund, meaning there might not be enough funding for HUD to make allocations within 90 days of a declaration.
- HUD may not have accurate enough data to run the formula within 90 days or even the 120-day extension.
- HUD still needs to establish the "sliding scale" and rules for preliminary funding. Not all CDBG-DR eligible disasters will receive $5 million within the 90 days after a declaration.

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CDBG-DR Funding: Advocacy

COSCDA is current advocating for:

- Disaster supplemental for 2025 – 2026 disasters
- FY28 appropriations for the CDBG-DR Long-Term Disaster Recovery Fund
  - The Appropriations Committees will need to hear from their members that CDBG-DR funding is a priority.

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Discussion

Did any states respond to the **CDBG-DR formula notice**? What were some of your recommendations?

What are your hopes or concerns for future **CDBG-DR funding**?

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Performance Reviews

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Section 504, Subsection (e)

Performance Reviews and Reporting

- **Performance Targets –** "The Secretary shall develop and make publicly available critical performance targets for review, which shall include thresholds for reach year from the date on which funds are obligated by the Secretary to the grantee until such time all funds have been expended."
- **Failure to Meet Targets –** If the grantee fails to meet 1 or more "critical" performance targets, then HUD can:
  - Temporarily suspend the grant
  - Provide a performance improvement plan to the grantee
  - Require the grantee to draft a report on why they aren't meeting targets

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Section 504, Subsection (e)

Performance Reviews and Reporting

- **Summary Status Reports –** "To increase transparency and accountability of the grant program under this section, the Secretary shall, on not less frequently than an annual basis, post on a public facing dashboard summary status reports for all active grants under this section that includes –
  - The status of funds by activity;
  - The percentages of funds allocated and expended to benefit LMI communities;
  - Performance targets, spending thresholds, and accomplishments; and
  - Other information the Secretary determines to be relevant for transparency."

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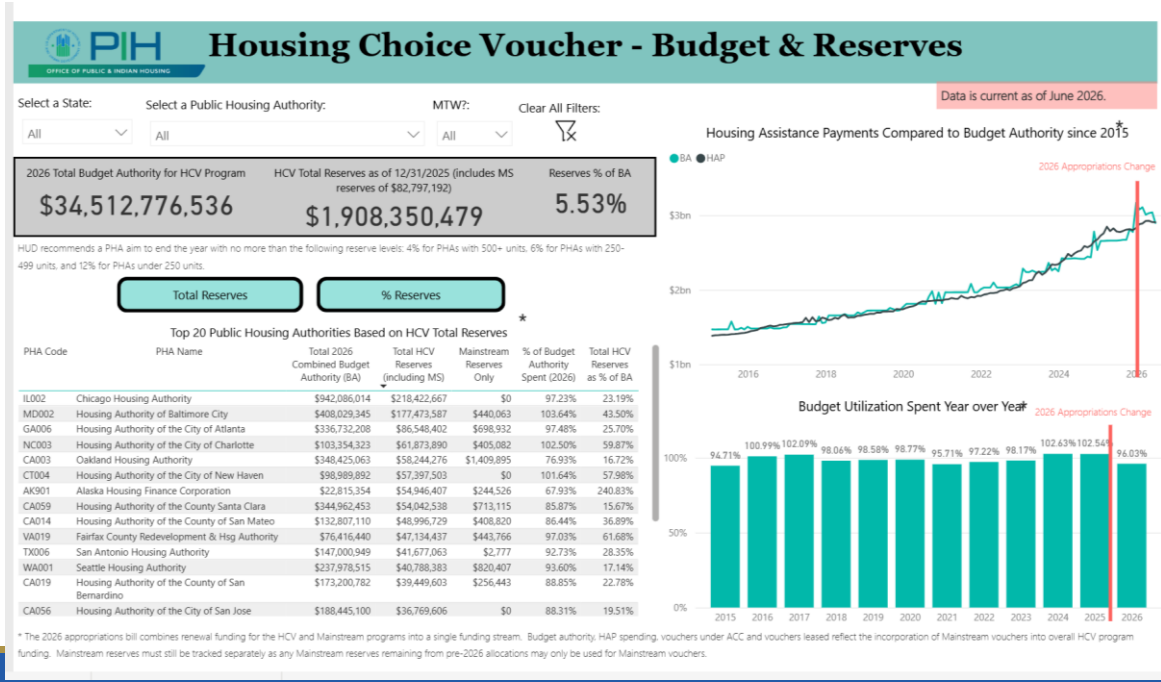

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Discussion

What kind of **performance targets** should HUD set?

How can grantees best **communicate with the public** about the status of their programs (given the increased public reporting now required)?

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Data Matching / FEMA

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Section 504, Subsection (f)

Coordination of Disaster Recovery Assistance, Benefits, and Data with Other Federal Agencies

- **Coordination of DR Assistance –** "…the Secretary shall coordinate with FEMA, to the greatest extent practicable, in the implementation of" the newly authorized CDBG-DR program.
- **Data Sharing Agreements –** "…the Department [HUD] shall establish data sharing agreements that safeguard privacy with relevant Federal agencies to ensure disaster benefits effectively and efficiently reach intended beneficiaries, while using effective means of preventing harm to people and property."

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Section 504, Subsection (f)

Coordination of Disaster Recovery Assistance, Benefits, and Data with Other Federal Agencies

- FEMA and SBA must provide data on disaster applicants to HUD for all "major disasters declared by the President."
- HUD is permitted to provide relevant data (including from FEMA and SBA) to CDBG-DR grantees, TA providers, and lenders.
- HUD must also share certain data with FEMA and SBA.

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Section 504, Subsection (b)

Duties of HUD

- Among other duties, HUD is responsible for "**collaborating with FEMA and the SBA and across the Department to align disaster-related regulations and policies**, including incorporation of consensus-based codes and standards and insurance purchase requirements, and ensuring coordination and reducing duplication among other Federal disaster recovery programs."

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Discussion

How can HUD use this opportunity to better align CDBG-DR within the **landscape of Federal disaster response**?

What's working and not working about **data sharing** between FEMA, SBA, and HUD?

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Upcoming Rulemaking

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CDBG-DR Authorization Timeline

- **July 11, 2026:** *21st Century ROAD to Housing Act* became law
- **CDBG-DR Formula Notice**
  - August 13: Notice published to the Federal Register
  - September 14: Comments due (COSCDA submitted comments)
- **CDBG-DR Proposed Rule**
  - January 11, 2027: Proposed rule expected (6 months after enactment)
  - April 11, 2027: Expected comment deadline (90 day comment period)
- **CDBG-DR Final Rule expected July 11, 2027**
- **Authorization "sunsets" on July 11, 2029**

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Required CDBG-DR Rulemaking

Topic	Rulemaking
CDBG-DR Formula	Establish a formula to allocate assistance from the Fund to the most impacted and distressed areas resulting from a catastrophic major disaster (specific formula requirements are set forth in *ROAD*). Establish a minimum allocation threshold.
Interchangeability	Establish requirements to expedite the use of grants under this section (interchangeability).
Grantee Plans	In addition to the required action plan elements, HUD can require other information through regulation. Through regulation, HUD can require "any consultation with interested parties" for the development of action plans.

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Required CDBG-DR Rulemaking

Topic	Rulemaking
Grantee Plans (continued)	Specify criteria for the approval, partial approval, or disapproval of a plan, including approval of substantial amendments to the plan. Specify criteria for when the grantee shall be required to provide the required revisions to a disapproved plan / substantial amendment for public comment.
LMI Benefit	Establish protocols that reflect the required use of funds for LMI benefit, including persons with extremely and very low incomes.
Disaster Risk Mitigation	In consultation with FEMA, establish minimum construction standards, insurance purchase requirements, and other requirements for the use of grant funds in hazard-prone areas.

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Required CDBG-DR Rulemaking

Topic	Rulemaking
Relocation	Determine the extent to which the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) apply to CDBG-DR activities. Can include appeal rights / other requirements.
Performance Targets	Develop and make publicly available critical performance targets for review; shall include spending thresholds for each year from obligation to close-out.
Administrative Costs	Establish the maximum grant amounts for administrative costs, technical assistance, and planning activities (not to exceed 8 percent for administration and 20 percent in total).
Preliminary Funding	Establish a sliding scale for preliminary funding based on the size of the preliminary assessment of impact and distress.

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Required CDBG-DR Rulemaking

Topic	Rulemaking
Program Income	HUD *can* exclude from consideration as program income any amounts determined to be so small that compliance with CDBG-DR rules creates an unreasonable administrative burden.
Financial Controls and Procedures	Develop requirements and procedures to certify a grantee's financial controls and procedures (more details in the text).

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Discussion

Does your state plan to **respond to the proposed rule**? How are you preparing?

What would be the best way for COSCDA to **collect member ideas** for our comment letter?

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Contact Information



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