



[Docket No. FR-6512-N-01]

Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG-DR Consolidated Waivers and Alternative Requirements Notice (UN AAN)

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: This Allocation Announcement Notice announces \$12,070,701,000 of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds made available by the Disaster Relief Supplemental Appropriations Act, 2025, for major disasters occurring in 2023 or 2024. This Allocation Announcement Notice identifies grant requirements for these funds, including requirements in HUD’s CDBG-DR Universal Notice (“Universal Notice”) published in the **Federal Register**. The Universal Notice includes waivers and alternative requirements, relevant regulatory requirements, the grant award process, criteria for action plan approval, and eligible disaster recovery activities.

DATES: *Applicability Date:* **[INSERT DATE FIVE DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].**

FOR FURTHER INFORMATION CONTACT: Tennille Smith Parker, Director, Office of Disaster Recovery, 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 or communication disabilities. To learn more about how to make an accessible telephone call, please visit:

<https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>. Facsimile inquiries may be sent to Ms. Parker at 202-708-0033 (this is not a toll-free number). Email inquiries may be sent to disaster_recovery@hud.gov.

SUPPLEMENTARY INFORMATION:

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I. Allocations

The Disaster Relief Supplemental Appropriations Act, 2025 (Pub. L. 118-158) (“the 2025 Appropriations Act”), approved on December 21, 2024, makes available \$12,039,000,000 in new CDBG-DR funds. The 2025 Appropriations Act also provides that HUD allocate any unobligated no-year balances remaining from Public Laws 108–324, 109–148, 109–234, 110–252, 110–329, 111–212, 112–55, and 113–2 (the “Prior Appropriations Acts”) for the same purposes as these new funds. The sum of all unobligated balances from these Prior Appropriations Acts is \$31,701,000. This brings the total funding available for 2023 or 2024 disasters to \$12,070,701,000.

These CDBG-DR funds are for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) (HCDA) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the “most impacted and distressed” (MID) areas resulting from a qualifying major disaster that occurred in 2023 or 2024. The 2025 Appropriations Act provides that \$78,850,000 of these amounts will be made available for these specific purposes: \$45,000,000 for salaries and expenses of the Office of Community Planning and Development, \$1,850,000 for HUD’s disaster recovery portal, \$7,000,000 for the Office of Inspector General, and \$25,000,000 for capacity building and technical assistance, leaving the remaining \$11,991,851,000 available for allocations to CDBG-DR grantees.

Of the \$11,991,851,000 made available, this notice announces \$11,889,437,000 in

CDBG-DR allocations for disasters occurring in 2023 or 2024. HUD will allocate the remaining \$102,414,000 of available funds under a separate Allocation Announcement Notice that provides plus-up funding for disasters that occurred in January 2023 for which HUD previously allocated funding in a **Federal Register** notice published on November 27, 2023 at 88 FR 82982.

The 2025 Appropriations Act requires HUD to include with any final allocation for the total estimate of unmet need an additional 15 percent of that estimate for additional mitigation activities that reduce risk in the MID areas (see table 1). The 2025 Appropriations Act provides that grants shall be awarded directly to a State, unit of general local government, or Indian Tribe at the discretion of the Secretary.

Pursuant to the 2025 Appropriations Act, HUD has identified MID areas based on the best available data for all eligible affected areas. A detailed explanation of HUD's allocation methodology is provided in appendix A of this notice. To comply with requirements that all funds are expended in MID areas, Little Rock, AR; Broward County, FL; Ft. Lauderdale, FL; Hillsborough County, FL; Lee County, FL; Manatee County, FL; Orange County, FL; Pasco County, FL; Pinellas County, FL; St. Petersburg, FL; Sarasota County, FL; Volusia County, FL; Guam; Maui County, HI; Chicago, IL; Cicero, IL; Cook County, IL; St. Clair County, IL; Detroit, MI; Wayne County, MI; Asheville, NC; Harris County, TX; Houston, TX; and Spokane County, WA must use 100 percent of the total funds allocated to address unmet disaster needs and mitigation activities that benefit the HUD-identified MID areas identified in the last column in table 2.

All other grantees must use at least 80 percent of their allocations to address unmet disaster needs or mitigation activities that benefit the HUD-identified MID areas, as identified in the last column of table 2. These grantees may use the remaining 20 percent of their allocation to address unmet disaster needs or mitigation activities in those areas that the grantee determines are "*most* impacted and distressed" within an area that received a Presidential major disaster declaration (i.e., grantee-identified MID areas) identified by the Federal Emergency

Management Agency (FEMA) disaster numbers listed in column two of table 1. However, these grantees are not precluded from spending 100 percent of their allocation to benefit the HUD-identified MID areas if they choose to do so. Detailed requirements related to MID areas are provided in section III.D.2 of the Universal Notice.

TABLE 1 – ALLOCATIONS FOR UNMET NEEDS AND MITIGATION ACTIVITIES UNDER PUB. LAW 118-158 FOR DISASTERS OCCURRING IN 2023 AND 2024

Year	FEMA Disaster No.	State	Grantee	Allocations for Unmet Needs under this notice from Pub. L. 118-158	CDBG-DR Mitigation Set-Aside for amounts under this notice from Pub. L. 118-158	Total allocated under this notice from Pub. L. 118-158
2023 & 2024	4730; 4836	AK	State of Alaska	\$ 16,240,000	\$ 2,436,000	\$ 18,676,000
2023	4698; 4788	AR	State of Arkansas	\$ 51,346,000	\$ 7,702,000	\$ 59,048,000
2024	4698	AR	Little Rock, AR	\$ 18,170,000	\$ 2,725,000	\$ 20,895,000
2023 & 2024	4699; 4707; 4758	CA	State of California	\$ 362,258,000	\$ 54,339,000	\$ 416,597,000
2024 & 2024	4734; 4794; 4806; 4828; 4834	FL	State of Florida	\$ 804,690,000	\$ 120,704,000	\$ 925,394,000
2023	4709	FL	Broward County	\$ 25,410,000	\$ 3,812,000	\$ 29,222,000
2023	4709	FL	Ft Lauderdale, FL	\$ 76,566,000	\$ 11,485,000	\$ 88,051,000
2024	4828; 4834	FL	Hillsborough County	\$ 616,803,000	\$ 92,521,000	\$ 709,324,000
2024	4828; 4834	FL	Lee County	\$ 87,550,000	\$ 13,133,000	\$ 100,683,000
2024	4806; 4828; 4834	FL	Manatee County	\$ 219,749,000	\$ 32,962,000	\$ 252,711,000
2024	4834	FL	Orange County	\$ 29,006,000	\$ 4,351,000	\$ 33,357,000
2023 & 2024	4734; 4828; 4834	FL	Pasco County	\$ 509,308,000	\$ 76,396,000	\$ 585,704,000
2023 & 2024	4734; 4828; 4834	FL	Pinellas County	\$ 707,637,000	\$ 106,146,000	\$ 813,783,000

2023 & 2024	4734; 4828	FL	St. Petersburg, FL	\$ 139,030,000	\$ 20,854,000	\$ 159,884,000
2024	4806; 4828; 4834	FL	Sarasota County	\$ 182,690,000	\$ 27,404,000	\$ 210,094,000
2024	4834	FL	Volusia County	\$ 116,100,000	\$ 17,415,000	\$ 133,515,000
2023 & 2024	4738; 4821; 4830	GA	State of Georgia	\$ 231,066,000	\$ 34,660,000	\$ 265,726,000
2023	4715	GU	Guam	\$ 435,500,000	\$ 65,325,000	\$ 500,825,000
2023	4724	HI	Maui County	\$ 1,425,549,000	\$ 213,832,000	\$ 1,639,381,000
2024	4796	IA	State of Iowa	\$ 117,119,000	\$ 17,568,000	\$ 134,687,000
2023 & 2024	4728; 4749; 4819	IL	Chicago, IL	\$ 370,963,000	\$ 55,645,000	\$ 426,608,000
2023 & 2024	4728; 4749; 4819	IL	Cicero, IL	\$ 83,482,000	\$ 12,522,000	\$ 96,004,000
2023 & 2024	4728; 4749; 4819	IL	Cook County	\$ 212,315,000	\$ 31,847,000	\$ 244,162,000
2024	4819	IL	St. Clair County	\$ 77,855,000	\$ 11,678,000	\$ 89,533,000
2023	4704	IN	State of Indiana	\$ 6,663,000	\$ 1,000,000	\$ 7,663,000
2024	4817	LA	State of Louisiana	\$ 102,562,000	\$ 15,384,000	\$ 117,946,000
2024	4780	MA	State of Massachusetts	\$ 6,917,000	\$ 1,037,000	\$ 7,954,000
2024	4757	MI	State of Michigan	\$ 37,887,000	\$ 5,683,000	\$ 43,570,000
2024	4757	MI	Detroit, MI	\$ 301,621,000	\$ 45,243,000	\$ 346,864,000
2024	4757	MI	Wayne County	\$ 61,202,000	\$ 9,180,000	\$ 70,382,000

2023 & 2024	4697; 4727; 4790	MS	State of Mississippi	\$ 117,350,000	\$ 17,603,000	\$ 134,953,000
2024	4827	NC	State of North Carolina	\$ 1,241,843,000	\$ 186,277,000	\$ 1,428,120,000
2024	4827	NC	Ashville, NC	\$ 195,661,000	\$ 29,349,000	\$ 225,010,000
2024	4795; 4843	NM	State of New Mexico	\$ 119,285,000	\$ 17,893,000	\$ 137,178,000
2024	4777	OH	State of Ohio	\$ 12,275,000	\$ 1,841,000	\$ 14,116,000
2023 & 2024	4706; 4776	OK	State of Oklahoma	\$ 34,265,000	\$ 5,140,000	\$ 39,405,000
2024	4815	PA	State of Pennsylvania	\$ 12,713,000	\$ 1,907,000	\$ 14,620,000
2024	4829	SC	State of South Carolina	\$ 130,743,000	\$ 19,611,000	\$ 150,354,000
2024	4807	SD	State of South Dakota	\$ 13,370,000	\$ 2,005,000	\$ 15,375,000
2023 & 2024	4751; 4832	TN	State of Tennessee	\$ 74,555,000	\$ 11,183,000	\$ 85,738,000
2024	4781; 4798	TX	State of Texas	\$ 483,206,000	\$ 72,481,000	\$ 555,687,000
2024	4781; 4798	TX	Harris County	\$ 58,544,000	\$ 8,782,000	\$ 67,326,000
2024	4781; 4798	TX	Houston, TX	\$ 273,604,000	\$ 41,041,000	\$ 314,645,000
2024	4831	VA	State of Virginia	\$ 40,583,000	\$ 6,087,000	\$ 46,670,000
2023	4720	VT	State of Vermont	\$ 58,996,000	\$ 8,849,000	\$ 67,845,000
2024	4759	WA	Spokane County	\$ 38,393,000	\$ 5,759,000	\$ 44,152,000
			Totals	\$ 10,338,640,000	\$ 1,550,797,000	\$ 11,889,437,000

TABLE 2 – MOST IMPACTED AND DISTRESSED AREAS FOR DISASTERS OCCURRING IN 2023 AND 2024

Grantee	Minimum amount from Public Law 118-158 that must be expended in the HUD-identified "most impacted and distressed areas" in column 3	"Most impacted and distressed areas"
State of Alaska	\$ 14,940,800	Juneau (Borough) (ZIP code 99801); Lower Yukon Regional Education (ZIP code 99554)
State of Arkansas	\$ 47,238,400	Benton (County) (ZIP code 72756); Cross (County); Pulaski County)
Little Rock, AR	\$ 20,895,000	Little Rock
State of California	\$ 333,277,600	Hoopa Valley Indian Reservation (ZIP code 95546); Merced (County); Monterey (County); San Benito (County) (ZIP code 95023); San Diego (County); San Joaquin (County) (ZIP code 95220); San Luis Obispo (County); Santa Cruz (County); Santa Cruz (County); Tulare (County); Tuolumne (County) (ZIP code 95370); Ventura (County)
State of Florida	\$ 740,315,200	Charlotte (County); Charlotte (County); Citrus (County); Collier (County) (ZIP code 34112); Columbia (County) (ZIP code 32055); DeSoto (County) (ZIP code 34266); Dixie (County); Duval (County) (ZIP code 32209); Hamilton (County) (ZIP codes 32052, 32053); Hernando (County) (ZIP code 34607); Highlands (County) (ZIP code 33870); Indian River (County) (ZIP code 32960); Lafayette (County) (ZIP code 32066); Lake (County); Leon (County); Levy (County) (ZIP codes 32625, 34498); Madison (County) (ZIP code 32340); Polk (County); Seminole (County) (ZIP code 32771); St. Lucie (County); Sumter (County) (ZIP codes 33597, 34785); Suwannee (County) (ZIP code 32060, 32064); Taylor (County).
Broward County, FL	\$ 29,222,000	Broward County
Ft Lauderdale, FL	\$ 88,051,000	Ft. Lauderdale
Hillsborough County, FL	\$ 709,324,000	Hillsborough County
Lee County, FL	\$ 100,683,000	Lee County

Manatee County, FL	\$ 252,711,000	Manatee County
Orange County, FL	\$ 33,357,000	Orange County
Pasco County, FL	\$ 585,704,000	Pasco County
Pinellas County, FL	\$ 813,783,000	Pinellas County
St. Petersburg, FL	\$ 159,884,000	St. Petersburg
Sarasota County, FL	\$ 210,094,000	Sarasota County
Volusia County, FL	\$ 133,515,000	Volusia County
State of Georgia	\$ 212,580,800	Appling (County) (ZIP code 31513); Atkinson (County) (ZIP code 31642); Bacon (County) (ZIP code 31510); Berrien (County) (ZIP code 31639); Bryan (County) (ZIP code 31324); Burke (County); Candler (County) (ZIP code 30439); Clinch (County) (ZIP code 31634); Coffee (County); Columbia (County); Emanuel (County) (ZIP code 30401); Jeff Davis (County) (ZIP code 31539); Lanier (County) (ZIP code 31635); Laurens (County) (ZIP code 31021); Lowndes (County); Lowndes (County) (ZIP code 31601); McDuffie (County) (ZIP code 30824); Richmond (County); Spalding (County) (ZIP code 30223); Toombs (County) (ZIP codes 30436, 30474); Treutlen (County) (ZIP code 30457); Wheeler (County) (ZIP code 30428)
Guam	\$ 500,825,000	Guam (County-equivalent)
Maui County	\$ 1,639,381,000	Maui (County)
State of Iowa	\$ 107,749,600	Cherokee (County) (ZIP code 51012); Clay (County); Sioux (County); Woodbury (County) (ZIP code 51109)
Chicago, IL	\$ 426,608,000	Chicago
Cicero, IL	\$ 96,004,000	Cicero
Cook County	\$ 244,162,000	Cook County

St. Clair County	\$ 89,533,000	St. Clair County
State of Indiana	\$ 6,130,400	Sullivan (County) (ZIP code 47882)
State of Louisiana	\$ 94,356,800	Ascension (Parish) (ZIP code 70346); Assumption (Parish) (ZIP codes 70341, 70390); Jefferson (Parish); Lafourche (Parish); St. John the Baptist (Parish) (ZIP codes 70068, 70084); St. Mary (Parish); Terrebonne (Parish)
State of Massachusetts	\$ 6,363,200	Worcester (County) (ZIP code 01453)
State of Michigan	\$ 34,856,000	Macomb (County); Monroe (County) (ZIP code 48166); Oakland (County)
Detroit, MI	\$ 346,864,000	Detroit
Wayne County	\$ 70,382,000	Wayne County
State of Mississippi	\$ 107,962,400	Hinds (County); Humphreys (County) (ZIP code 39038); Humphreys (County) (ZIP code 39166); Jackson (County) (ZIP code 39563); Monroe (County) (ZIP code 38821); Scott (County); Sharkey (County)
State of North Carolina	\$ 1,142,496,000	Ashe (County); Avery (County); Buncombe (County); Burke (County); Caldwell (County) (ZIP code 28645); Cleveland (County) (ZIP code 28150); Haywood (County); Henderson (County); Madison (County) (ZIP code 28753); McDowell (County); Mecklenburg (County) (ZIP code 28214); Mitchell (County); Polk (County) (ZIP code 28782); Rutherford (County); Transylvania (County); Watauga (County); Yancey (County)
Ashville, NC	\$ 225,010,000	Ashville
State of New Mexico	\$ 109,742,400	Chaves (County); Lincoln (County)
State of Ohio	\$ 11,292,800	Logan (County)
State of Oklahoma	\$ 31,524,000	Carter (County) (ZIP code 73401); McClain (County) (ZIP code 73010); Murray (County) (ZIP code 73086); Osage (County) (ZIP code 74002)
State of Pennsylvania	\$ 11,696,000	Tioga (County) (ZIP code 16950)

State of South Carolina	\$ 120,283,200	Aiken (County); Anderson (County); Greenville (County); Greenwood (County) (ZIP code 29646); Laurens (County) (ZIP code 29325); Spartanburg (County)
State of South Dakota	\$ 12,300,000	Union (County) (ZIP codes 57038, 57049)
State of Tennessee	\$ 68,590,400	Carter (County) (ZIP code 37643); Cocke (County); Greene (County) (ZIP code 37743); Johnson (County) (ZIP code 37683); Montgomery (County) (ZIP code 37042); Unicoi (County) (ZIP code 37650); Washington (County) (ZIP codes 37650, 37659)
State of Texas	\$ 444,549,600	Anderson (County) (ZIP code 75801); Bell (County) (ZIP codes 76501, 76502); Brazoria (County); Cooke (County) (ZIP code 76272); Dallas (County); Fort Bend (County); Galveston (County); Guadalupe (County) (ZIP code 78666); Hardin (County) (ZIP code 77656); Henderson (County); Hockley (County); Jasper (County) (ZIP code 75951); Jasper (County) (ZIP codes 75951, 75956); Kaufman (County) (ZIP code 75142); Liberty (County); Liberty (County) (ZIP code 77327); Matagorda (County); Montgomery (County); Montgomery (County); Polk (County) (ZIP code 77351); San Jacinto (County); San Jacinto (County) (ZIP codes 77331, 77371); Smith (County); Trinity (County) (ZIP code 75862); Tyler (County) (ZIP code 75979); Walker (County); Wharton (County) (ZIP codes 77437, 77488)
Harris County	\$ 67,326,000	Harris County
Houston, TX	\$ 314,645,000	Houston
State of Virginia	\$ 37,336,000	Giles (County) (ZIP code 24124); Washington (County) (ZIP code 24236)
State of Vermont	\$ 54,276,000	Lamoille (County) (ZIP code 05656); Washington (County)
Spokane County	\$ 44,152,000	Spokane County

II. Use of Funds

Funds for disasters occurring in 2023 or 2024 announced in this notice are subject to the requirements of the Universal Notice, published on January 8, 2025, in the **Federal Register** at 90 FR 1754, including sections I through V and appendices A through C.

III. Action Plan Submission Process

As provided in section I.C.3. of the Universal Notice, published at 90 FR 1754, this Allocation Announcement Notice provides a process for Action Plan submittal. Within 90 days of the applicability date of this notice, grantees are required to submit their Action Plan to HUD for review and approval. For all allocations announced in this Allocation Announcement Notice, HUD is requiring paper submission of the Action Plan. Grantees shall submit their Action Plan to their assigned Community Planning and Development (CPD) Specialist or other designated HUD CPD staff member, with a copy provided to disaster_recovery@hud.gov. HUD encourages grantees to use the Action Plan template available on the Universal Notice website at https://www.hud.gov/program_offices/comm_planning/cdbg-dr/universal_notice_grantees.

IV. Applicable Rules, Statutes, Waivers, and Alternative Requirements

The 2025 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. The Universal Notice describes rules, statutes, waivers, and alternative requirements that apply to allocations governed by this notice. For each waiver and alternative requirement in the Universal Notice the Secretary has determined that good cause exists, and the waiver or alternative requirement is not inconsistent with the overall purpose of title I of the HCDA. The waivers and alternative requirements provide flexibility in program design and implementation to support full and swift recovery following eligible disasters, while ensuring that statutory requirements are met.

Grantees may request additional waivers and alternative requirements from the Department as needed to address specific needs related to their recovery and mitigation activities. Grantees should work with the appropriate HUD CPD staff member to request any additional waivers or alternative requirements from HUD headquarters. The waivers and alternative requirements described below apply to all grantees under this notice. Under the requirements of the 2025 Appropriations Act, waivers and alternative requirements are effective five days after they are published in the **Federal Register** or on the website of the Department.

V. Duration of Funding

The Appropriations Act makes these funds available for obligation by HUD until expended. HUD waives the provisions at 24 CFR 570.494 and 24 CFR 570.902 regarding timely distribution and expenditure of funds and establishes an alternative requirement providing that each grantee must expend 100 percent of its allocation within six years of the date HUD signs the grant agreement. HUD may extend the time period in this alternative requirement and associated grant period of performance administratively, if good cause for such an extension exists at that time, as requested by the grantee, and approved by HUD. When the period of performance has ended, HUD will close out the grant and any remaining funds not expended by the grantee on appropriate programmatic purposes will be recaptured by HUD.

VI. Assistance Listing Numbers (formerly known as the CFDA Number).

The Assistance Listing Numbers (formerly known as the Catalog of Federal Domestic Assistance numbers) for the disaster recovery grants under this notice are as follows: 14.218; 14.228.

VII. Finding of No Significant Impact

A Finding of No Significant Impact (FONSI) with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). The FONSI is available online on HUD's CDBG-DR website at

https://www.hud.gov/program_offices/comm_planning/cdbg-dr. Due to security measures at the HUD Headquarters building, an advance appointment to review the docket file must be scheduled by calling the Regulations Division at 202-708-3055 (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 or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

Adrianne R. Todman

Deputy Secretary Performing the Duties of the Secretary of HUD.

[BILLING CODE 4210-67]

Appendix A

Allocation of CDBG–DR Funds to Most Impacted and Distressed Areas due to Presidentially Declared Disasters Occurring in 2023 and 2024

Background

The Disaster Relief Supplemental Appropriations Act, 2025 (approved on 12/21/2024) appropriated \$12.039 billion for CDBG-Disaster Recovery funds (CDBG-DR) for disasters “that occurred in 2023 or 2024.” The law instructs HUD that the funds are “for the same purposes and under the same terms and conditions as funds appropriated under such heading in title VIII of the Disaster Relief Supplemental Appropriations Act, 2022 (division B of Public Law 117–43).”

The key statutory text related to the allocation in Public Law 117-43:

“...for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) 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 a major disaster... *Provided*, That amounts made available under this heading in this Act shall be awarded directly to the State, unit of general local government, or Indian tribe (as such term is defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302)) at the discretion of the Secretary: *Provided further*, That the Secretary shall allocate, using the best available data, an amount equal to the total estimate for unmet needs for qualifying disasters under this heading in this Act: *Provided further*, That any final allocation for the total estimate for unmet need made available under the preceding proviso shall include an additional amount of 15 percent of such estimate for additional mitigation: ”

This methodology applies to allocations for disasters occurring on or after January 1, 2023 and had been declared major disasters as of November 1, 2024. It reflects approximately \$11.992 billion under the Disaster Relief Supplemental Appropriations Act, 2025 after factoring in

additional repurposed amounts and funds for capacity building and HUD administrative costs. The key statutory text from the Disaster Relief Supplemental Appropriations Act, 2025 is:

“For an additional amount for “Community Development Fund,” \$12,039,000,000, to remain available until expended, for the same purposes and under the same terms and conditions as funds appropriated under such heading in title VIII of the Disaster Relief Supplemental Appropriations Act, 2022 (Public Law 117–43), ... Provided, That the Secretary of Housing and Urban Development shall allocate all funds provided under this heading in this Act for the total estimate for unmet needs including additional mitigation for qualifying disasters and publish such allocations in the Federal Register no later than January 15, 2025: ... Provided further, That unobligated balances remaining as of the date of enactment of this Act included under Treasury Appropriation Fund Symbol 86 X 0162 from Public Laws 108–324, 109–148, 109–234, 110–252, 110–329, 111–212, 112–55, and 113–2 shall also be available for the purposes authorized under this heading in this Act (except that the amount for each set-aside provided herein shall not be exceeded), notwithstanding the purposes for which such amounts were appropriated: Provided further, That of the amounts made available under this heading in this Act, \$45,000,000 shall be transferred to “Department of Housing and Urban Development—Management and Administration—Program Offices” for salaries and expenses of the Office of Community Planning and Development for necessary costs, including information technology costs, of administering and overseeing the obligation and expenditure of amounts made available for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) 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 a major disaster in this, prior, or future Acts (“this, prior, 4 or future disaster Acts”):

Provided further, That of the amounts made available under this heading in this Act, \$1,850,000 shall be transferred to “Department of Housing and Urban Development—Information Technology Fund” for the disaster recovery data portal: Provided further, That of the amounts made available under this heading in this Act, \$7,000,000 shall be transferred to “Department of Housing and Urban Development—Office of Inspector General” for necessary costs of overseeing and auditing amounts made available in this, prior, or future disaster Acts: Provided further, That of the amounts made available under this heading in this Act, \$25,000,000 shall be made available for capacity building and technical assistance, including assistance on contracting and procurement processes, to support recipients of allocations from this, prior, or future disaster Acts.”

Most impacted and distressed areas

As with prior CDBG-DR appropriations, HUD is not required to allocate funds for all major disasters occurring in the statutory timeframes. HUD is directed to use the funds “in the most impacted and distressed areas.” HUD has implemented this directive by limiting CDBG-DR formula allocations to grantees with major disasters that meet these standards:

(1) Individual and Households Program (IHP) designation. HUD has limited allocations to those disasters where the Federal Emergency Management Agency (FEMA) had determined the damage was sufficient to declare the disaster as eligible to receive IHP funding.

(2) Concentrated damage. HUD has limited its estimate of serious unmet housing need to counties and zip codes with high levels of damage, collectively referred to as “most impacted areas.” For this allocation, HUD is defining most impacted areas as either most impacted counties – counties exceeding \$10 million in serious unmet housing needs – and most impacted Zip Codes – Zip Codes with \$2 million or more of serious unmet housing needs. The calculation of serious unmet housing needs is described below.

For disasters that meet the most impacted threshold described above, the unmet need allocations are based on the following factors summed together:

(1) Repair estimates for seriously damaged owner-occupied units without insurance (with some exceptions) in most impacted areas after FEMA and Small Business Administration (SBA) repair grants or loans

(2) Repair estimates for seriously damaged rental units occupied by very low-income renters in most impacted areas;

(3) Repair and content loss estimates for small businesses with serious damage denied by SBA; and

(4) The estimated local cost share for Public Assistance Category C to G projects.

Methods for estimating serious unmet needs for housing

The data HUD uses to calculate unmet needs for 2023 and 2024 qualifying disasters come from the FEMA IHP data on housing-unit damage as of November 20, 2024 and reflect disasters occurring in 2023 and declared on or before November 1, 2024.

The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for FEMA's IHP and SBA's disaster loan program. HUD calculates "unmet housing needs" as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds estimated to be provided by FEMA, SBA, and insurance.

Each of the FEMA IHP inspected owner units are categorized by HUD into one of five categories:

- Minor-Low: Less than \$3,000 of FEMA inspected real property damage.
- Minor-High: \$3,000 to \$7,999 of FEMA inspected real property damage
- Major-Low: \$8,000 to \$14,999 of FEMA inspected real property damage and/or 1 to 3.9 feet of flooding on the first floor;

- Major-High: \$15,000 to \$28,800 of FEMA inspected real property damage and/or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than \$28,800 of FEMA inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

When owner-occupied properties also have a personal property inspection or only have a personal property inspection, HUD reviews the personal property damage amounts such that if the personal property damage places the home into a higher need category over the real property assessment, the personal property amount is used. The personal property-based need categories for owner-occupied units are defined as follows:

- Minor-Low: Less than \$2,500 of FEMA inspected personal property damage
- Minor-High: \$2,500 to \$3,499 of FEMA inspected personal property damage
- Major-Low: \$3,500 to \$4,999 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor.
- Major-High: \$5,000 to \$9,000 of FEMA inspected personal property damage or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than \$9,000 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

To meet the statutory requirement of “most impacted” in this legislative language, homes are determined to have a high level of damage if they have damage of “major-low” or higher. That is, they have a FEMA inspected real property damage of \$8,000 or above, personal property damage \$3,500 or above, or flooding 1 foot or above on the first floor.

Furthermore, a homeowner with flooding outside the 1 percent risk flood hazard area is determined to have unmet needs if they reported damage and no flood insurance to cover that damage. For homeowners inside the 1 percent risk flood hazard area, homeowners without flood

insurance with flood damage below the greater of national median or 120 percent of Area Median Income are determined to have unmet needs. For non-flood damage, homeowners without hazard insurance with incomes below the greater of national median or 120 percent of Area Median Income are included as having unmet needs. The unmet need categories for these types of homeowners are defined as above for real and personal property damage.

FEMA IHP does not inspect rental units for real property damage so personal property damage is used as a proxy for unit damage. Each of the FEMA-inspected renter units are categorized by HUD into one of five categories:

- Minor-Low: Less than \$1,000 of FEMA inspected personal property damage
- Minor-High: \$1,000 to \$1,999 of FEMA inspected personal property damage or determination of “Moderate” damage by the FEMA inspector.
- Major-Low: \$2,000 to \$3,499 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor or determination of “Major” damage by the FEMA inspector.
- Major-High: \$3,500 to \$7,500 of FEMA inspected personal property damage or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than \$7,500 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor or determination of “Destroyed” by the FEMA inspector.

To meet the statutory requirement of “most impacted” for rental properties, homes are determined to have a high level of damage if they have damage of “major-low” or higher. That is, they have a FEMA personal property damage assessment of \$2,000 or greater or flooding 1 foot or above on the first floor.

Furthermore, landlords are presumed to have adequate insurance coverage unless the unit is occupied by a renter with income less than the greater of the Federal poverty level or 50

percent of the area median income. Units occupied by a tenant with income less than the greater of the poverty level or 50 percent of the area median income are used to calculate likely unmet needs for affordable rental housing.

The average cost to fully repair a home for a specific disaster to code within each of the damage categories noted above is calculated using the median real property damage repair costs determined by the SBA for its disaster loan program based on a match comparing FEMA and SBA inspections by each of the FEMA damage categories described above.

If there is a match of 20 or more SBA inspections to FEMA inspections for any damage category, the median damage estimate for the SBA properties is used less the estimated average FEMA IHP repair grant and average SBA disaster loan grant weighted on take-up rates, which are generally high for IHP and low and for SBA. Except that no matched multiplier can be less than the 25th percentile for all IHP eligible disasters combined in eligible disaster years at the time of the allocation calculation or more than the 75th percentile for all IHP eligible disasters combined with data available as of the allocation.

If there is a match of fewer than 20 SBA inspections to FEMA inspections within individual damage categories for an individual disaster, these multipliers are used which are based on the 2020/2021 disaster years:

Disaster Type	Multipliers by Disaster Type		
	Major-low	Major-high	Severe
Dam/Levee Break	\$33,007	\$47,078	\$47,078
Earthquake	\$27,141	\$33,714	\$134,503
Fire	\$22,971	\$82,582	\$134,503
Flood	\$47,074	\$57,856	\$64,513
Hurricane	\$36,800	\$45,952	\$45,952
Severe Ice Storm	\$33,528	\$33,714	\$36,592

Severe Storm(s)	\$22,971	\$37,299	\$37,299
Tornado	\$52,961	\$82,582	\$134,503

A separate multiplier is applied to mobile homes for all disaster types. The mobile home multipliers are \$77,058 for major-low, \$98,463 for major-high, and \$134,834 for severe.

Methods for estimating serious unmet economic revitalization needs

Based on SBA disaster loans to businesses using data for 2023 and 2024 disasters from as of November 19, 2024, HUD calculates the median real estate and content loss by the following damage categories for each disaster:

- Category 1: real estate + content loss = below \$12,000
- Category 2: real estate + content loss = \$12,000–\$29,999
- Category 3: real estate + content loss = \$30,000–\$64,999
- Category 4: real estate + content loss = \$65,000–\$149,999
- Category 5: real estate + content loss = \$150,000 and above

For properties with real estate and content loss of \$30,000 or more, HUD calculates the estimated amount of unmet needs for small businesses by multiplying the median damage estimates for the categories above by the number of small businesses denied an SBA loan, including those denied a loan prior to inspection due to inadequate credit or income (or a decision had not been made), under the assumption that damage among those denied at pre-inspection have the same distribution of damage as those denied after inspection.

Because many of the larger disasters of 2023 and 2024 occurred recently and business need data remain incomplete for many disasters, no disaster in 2023 or 2024 receives for business unmet need less than 10 percent of their unmet housing need.

Methods for estimating unmet infrastructure needs

To calculate 2024 unmet needs for infrastructure projects, HUD received FEMA cost estimates on November 20, 2024 of the expected local cost share to repair the permanent public infrastructure (Categories C to G) to their pre-storm condition.

Because many of the larger disasters of 2023 and 2024 occurred recently and infrastructure need data remain incomplete for many disasters, no disaster in 2023 or 2024 receives for infrastructure unmet need of less than 10 percent of their unmet housing need.

Disaster Level Allocation Calculation

Once eligible entities are identified using the above criteria, the allocation to individual grantees represents their proportional share of the estimated unmet needs. For the formula allocation, HUD calculates total unmet recovery needs for eligible disasters as the aggregate of:

- Serious unmet housing needs in most impacted and distressed areas;
- Serious unmet business needs; and
- Unmet infrastructure need.

Mitigation is calculated as 15 percent of the unmet need calculation. Both unmet needs and mitigation grant amounts are rounded to the nearest \$1,000.

The unmet needs and mitigation are slightly greater than the amount to be allocated, so the amount allocated reflects the unmet needs and mitigation less a 1.2488 percent pro-rata reduction.

Grantee Level Allocations

As noted above, the basic formula for allocating these funds is to calculate for each disaster meeting a minimum “most impacted and distressed” damage threshold a formula that uses an estimate of unmet needs for housing, economic revitalization, and infrastructure plus 15 percent more for mitigation. Because in CY 2023 and CY 2024 some States and counties were impacted by multiple disasters, some States and counties are proposed to receive a single award for multiple disasters.

Where there are most impacted CDBG entitlement cities and/or CDBG entitlement urban counties, direct allocations were calculated to meet the dual goals of (i) funding locally and (ii) supporting efficient and effective program implementation.

Note that when an urban county is identified, the funds allocated are for the entirety of the county, not just participating jurisdiction in the regular CDBG program. The exception is when an entitlement city is also receiving a direct CDBG-DR award, in which case that is subtracted out of the county calculation.

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