AMENDMENT TO RULES COMMITTEE PRINT 117-54

OFFERED BY MR. GREEN OF TEXAS

Page 1262, after line 23, insert the following:

SEC. 5403. REFORMING DISASTER RECOVERY.

(a) FINDINGS.—Congress finds that—

(1) following a major disaster declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), the subset of communities that are most impacted and distressed as a result of the disaster face critical social, economic, and environmental obstacles to recovery, including insufficient public and private resources to address disaster-related housing and community development needs for lower income households and distressed communities;

(2) unmet disaster recovery needs, including housing assistance needs, can be especially widespread among persons with extremely low, low, and moderate incomes;

(3) economic, social, and housing hardships that affect communities before disasters are exacer-
bated during crises and can delay and complicate
long-term recovery, especially after catastrophic
major disasters;

(4) States, units of local government, and In-
dian Tribes within the most impacted and distressed
areas resulting from major disasters benefit from
flexibility to design programs that meet local needs,
but face inadequate financial, technical, and staffing
capacity to plan and carry out sustained recovery,
restoration, and mitigation activities;

(5) the speed and effectiveness considerations of
long-term recovery from catastrophic major disasters
is improved by predictable investments that support
disaster relief, long-term recovery, restoration of
housing and infrastructure, and economic revitaliza-
tion, primarily for the benefit of low- and moderate-
income persons;

(6) undertaking activities that mitigate the ef-
facts of future natural disasters and extreme weath-
er and increase the stock of affordable housing, in-
cluding affordable rental housing, as part of long-
term recovery can significantly reduce future fiscal
and social costs, especially within high-risk areas,
and can help to address outstanding housing and
community development needs by creating jobs and
providing other economic and social benefits within communities that further promote recovery and resilience; and

(7) the general welfare and security of the nation and the health and living standards of its people require targeted resources to support State and local governments in carrying out their responsibilities in disaster recovery and mitigation through interim and long-term housing and community development activities that primarily benefit persons of low and moderate income.

(b) DEFINITIONS.—In this section:

(1) DEPARTMENT.—The term “Department” means the Department of Housing and Urban Development.

(2) FUND.—The term “Fund” means the Long-Term Disaster Recovery Fund established under subsection (d).

(3) SECRETARY.—The term “Secretary” means the Secretary of Housing and Urban Development.

(c) DUTIES OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—

(1) IN GENERAL.—The offices and officers of the Department shall be responsible for—
(A) leading and coordinating the disaster-related responsibilities of the Department under the National Response Framework, the National Disaster Recovery Framework, and the National Mitigation Framework;

(B) coordinating and administering programs, policies, and activities of the Department related to disaster relief, long-term recovery, resiliency, and mitigation, including disaster recovery assistance under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

(C) supporting disaster-impacted communities as those communities specifically assess, plan for, and address the housing stock and housing needs in the transition from emergency shelters and interim housing to permanent housing of those displaced, especially among vulnerable populations and extremely low-, low-, and moderate-income households;

(D) collaborating with the Federal Emergency Management Agency, the Small Business Administration, and across the Department to align disaster-related regulations and policies, including incorporation of consensus-based
codes and standards and insurance purchase re-
requirements, and ensuring coordination and re-
ducing duplication among other Federal dis-
aster recovery programs;

(E) promoting best practices in mitigation
and land use planning, including consideration
of traditional, natural, and nature-based infra-
structure alternatives;

(F) coordinating technical assistance, in-
cluding mitigation, resiliency, and recovery
training and information on all relevant legal
and regulatory requirements, to entities that re-
ceive disaster recovery assistance under title I
of the Housing and Community Development
Act of 1974 (42 U.S.C. 5301 et seq.) that dem-
onstrate capacity constraints; and

(G) supporting State, Tribal, and local
governments in developing, coordinating, and
maintaining their capacity for disaster resilience
and recovery, and developing pre-disaster recov-
ery and hazard mitigation plans, in coordina-
tion with the Federal Emergency Management
Agency and other Federal agencies.

(2) ESTABLISHMENT OF THE OFFICE OF DIS-
ASTER MANAGEMENT AND RESILIENCY.—Section 4
of the Department of Housing and Urban Development Act (42 U.S.C. 3533) is amended by adding at the end the following:

“(i) Office of Disaster Management and Resiliency.—

“(1) Establishment.—There is established, in the Office of the Secretary, the Office of Disaster Management and Resiliency.

“(2) Duties.—The Office of Disaster Management and Resiliency shall—

“(A) be responsible for oversight and coordination of all departmental disaster preparedness and response responsibilities; and

“(B) coordinate with the Federal Emergency Management Agency, the Small Business Administration, and the Office of Community Planning and Development and other offices of the Department in supporting recovery and resilience activities to provide a comprehensive approach in working with communities.”.

(d) Long-Term Disaster Recovery Fund.—

(1) Establishment.—There is established in the Treasury of the United States an account to be known as the Long-Term Disaster Recovery Fund.

(2) Deposits, Transfers, and Credit.—
(A) IN GENERAL.—The Fund shall consist of amounts appropriated, transferred, and credited to the Fund.

(B) TRANSFERS.—The following may be transferred to the Fund:

   (i) Amounts made available through section 106(c)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(c)(4)) as a result of actions taken under section 104(e), 111, or 123(j) of such Act.

   (ii) Any unobligated balances available until expended remaining or subsequently recaptured from amounts appropriated for any disaster and related purposes under the heading “Community Development Fund” in any Act prior to the establishment of the Fund.

(C) USE OF TRANSFERRED AMOUNTS.—Amounts transferred to the Fund shall be used for the eligible uses described in paragraph (3).

(3) ELIGIBLE USES OF FUND.—

   (A) IN GENERAL.—Amounts in the Fund shall be available—
(i) to provide assistance in the form of grants under section 123 of the Housing and Community Development Act of 1974, as added by subsection (e) of this section; and

(ii) for activities of the Department that support the provision of such assistance, including necessary salaries and expenses, information technology, capacity building and technical assistance (including assistance related to pre-disaster planning), and readiness and other pre-disaster planning activities that are not readily attributable to a single major disaster.

(B) SET ASIDE.—Of each amount appropriated for or transferred to the Fund, 2 percent shall be made available for activities described in subparagraph (A)(ii), which shall be in addition to other amounts made available for those activities.

(C) TRANSFER OF FUNDS.—Amounts made available for use in accordance with subparagraph (B)—

(i) may be transferred to the account under the heading for “Program Offices—
Community Planning and Development”,
or any successor account, for the Depart-
ment to carry out activities described in
subparagraph (A)(ii); and

(ii) may be used for the activities de-
scribed in subparagraph (A)(ii) and for the
administrative costs of administering any
funds appropriated to the Department
under the heading “Community Planning
and Development—Community Develop-
ment Fund” for any major disaster de-
clared under section 401 of the Robert T.
Stafford Disaster Relief and Emergency
Assistance Act (42 U.S.C. 5170) in any
Act before the establishment of the Fund.

(4) INTERCHANGEABILITY OF PRIOR ADMINIS-
TRATIVE AMOUNTS.—Any amounts appropriated in
any Act prior to the establishment of the Fund and
transferred to the account under the heading “Pro-
gram Offices Salaries and Expenses—Community
Planning and Development”, or any predecessor ac-
count, for the Department for the costs of admin-
istering funds appropriated to the Department under
the heading “Community Planning and Develop-
ment—Community Development Fund” for any
major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) shall be available for the costs of administering any such funds provided by any prior or future Act, notwithstanding the purposes for which those amounts were appropriated and in addition to any amount provided for the same purposes in other appropriations Acts.

(5) Availability of Amounts.—Amounts appropriated, transferred and credited to the Fund shall remain available until expended.

(6) Formula Allocation.—Use of amounts in the Fund for grants shall be made by formula allocation in accordance with the requirements of section 123(a) of the Housing and Community Development Act of 1974, as added by subsection (e) of this section.

(7) Authorization of Appropriations.—There are authorized to be appropriated to the Fund such sums as may be necessary to respond to current or future major disasters declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5179) for grants under section 123 of the Housing and Com-
Community Development Act of 1974, as added by subsection (e) of this section.

(c) **Establishment of CDBG Disaster Recovery Program.**—Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) is amended—

(1) in section 102(a) (42 U.S.C. 5302(a))—

(A) in paragraph (20)—

(i) by redesignating subparagraph (B) as subparagraph (C);

(ii) in subparagraph (C), as so redesignated, by inserting “or (B)” after “subparagraph (A)”; and

(iii) by inserting after subparagraph (A) the following:

“(B) The term ‘persons of extremely low income’ means families and individuals whose income levels do not exceed household income levels determined by the Secretary under section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)(C)), except that the Secretary may provide alternative definitions for the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern
Mariana Islands, the United States Virgin Islands, and American Samoa.”; and

(B) by adding at the end the following:

“(25) The term ‘major disaster’ has the meaning given the term in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122).”;

(2) in section 106(c)(4) (42 U.S.C. 5306(c)(4))—

(A) in subparagraph (A)—

(i) by striking “declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act”;

(ii) inserting “States for use in non-entitlement areas and to” before “metropolitan cities”; and

(iii) inserting “major” after “affected by the”; 

(B) in subparagraph (C)—

(i) by striking “metropolitan city or” and inserting “State, metropolitan city, or”;

(ii) by striking “city or county” and inserting “State, city, or county”; and
(iii) by inserting “major” before “disaster”;

(C) in subparagraph (D), by striking “metropolitan cities and” and inserting “States, metropolitan cities, and”;

(D) in subparagraph (F)—

(i) by striking “metropolitan city or” and inserting “State, metropolitan city, or”; and

(ii) by inserting “major” before “disaster”; and

(E) in subparagraph (G), by striking “metropolitan city or” and inserting “State, metropolitan city, or”; and

(3) in section 122 (42 U.S.C. 5321), by striking “disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act” and inserting “major disaster”; and

(4) by adding at the end the following:

“SEC. 123. COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY PROGRAM.

“(a) AUTHORIZATION, FORMULA, AND ALLOCATION.—

“(1) AUTHORIZATION.—The Secretary is authorized to make community development block
grant disaster recovery grants from the Long-Term Disaster Recovery Fund established under section 5403(d) of the National Defense Authorization Act for Fiscal Year 2023 (hereinafter referred to as the ‘Fund’) for necessary expenses for activities authorized under subsection (f)(1) related to disaster relief, long-term recovery, restoration of housing and infrastructure, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a catastrophic major disaster.

“(2) GRANT AWARDS.—Grants shall be awarded under this section to States, units of general local government, and Indian tribes based on capacity and the concentration of damage, as determined by the Secretary, to support the efficient and effective administration of funds.

“(3) SECTION 106 ALLOCATIONS.—Grants under this section shall not be considered relevant to the formula allocations made pursuant to section 106.

“(4) FEDERAL REGISTER NOTICE.—

“(A) IN GENERAL.—Not later than 30 days after the date of enactment of this section, the Secretary shall issue a notice in the Federal Register containing the latest formula allocation
methodologies used to determine the total estimate of unmet needs related to housing, economic revitalization, and infrastructure in the most impacted and distressed areas resulting from a catastrophic major disaster.

“(B) PUBLIC COMMENT.—In the notice issued under subparagraph (A), the Secretary shall solicit public comments on—

“(i) the methodologies described in subparagraph (A) and seek alternative methods for formula allocation within a similar total amount of funding;

“(ii) the impact of formula methodologies on rural areas and Tribal areas;

“(iii) adjustments to improve targeting to the most serious needs;

“(iv) objective criteria for grantee capacity and concentration of damage to inform grantee determinations and minimum allocation thresholds; and

“(v) research and data to inform an additional amount to be provided for mitigation depending on type of disaster, which shall be no more than 30 percent of the total estimate of unmet needs.
“(5) REGULATIONS.—

“(A) IN GENERAL.—The Secretary shall, by regulation, establish a formula to allocate assistance from the Fund to the most impacted and distressed areas resulting from a catastrophic major disaster.

“(B) FORMULA REQUIREMENTS.—The formula established under subparagraph (A) shall—

“(i) set forth criteria to determine that a major disaster is catastrophic, which criteria shall consider the presence of a high concentration of damaged housing or businesses that individual, State, Tribal, and local resources could not reasonably be expected to address without additional Federal assistance, or other nationally encompassing data that the Secretary determines are adequate to assess relative impact and distress across geographic areas;

“(ii) include a methodology for identifying most impacted and distressed areas, which shall consider unmet serious needs related to housing, economic revitalization, and infrastructure;
“(iii) include an allocation calculation that considers the unmet serious needs resulting from the catastrophic major disaster and an additional amount up to 30 percent for activities to reduce risks of loss resulting from other natural disasters in the most impacted and distressed area, primarily for the benefit of low- and moderate-income persons, with particular focus on activities that reduce repetitive loss of property and critical infrastructure; and

“(iv) establish objective criteria for periodic review and updates to the formula to reflect changes in available science and data.

“(C) Minimum allocation threshold.—The Secretary shall, by regulation, establish a minimum allocation threshold.

“(D) Interim allocation.—Until such time that the Secretary issues final regulations under this paragraph, the Secretary shall—

“(i) allocate assistance from the Fund using the formula allocation methodology published in accordance with paragraph (4); and
“(ii) include an additional amount for mitigation equal to 15 percent of the total estimate of unmet need.

“(6) ALLOCATION OF FUNDS.—

“(A) IN GENERAL.—The Secretary shall—

“(i) except as provided in clause (ii), not later than 90 days after the President declares a major disaster, use best available data to determine whether the major disaster is catastrophic and qualifies for assistance under the formula in paragraph (4) or (5), unless data is insufficient to make this determination; and

“(ii) if the best available data is insufficient to make the determination required under clause (i) within the 90-day period described in that clause, the Secretary shall determine whether the major disaster qualifies when sufficient data becomes available, but in no case shall the Secretary make the determination later than 120 days after the declaration of the major disaster.

“(B) ANNOUNCEMENT OF ALLOCATION.—

If amounts are available in the Fund at the
time the Secretary determines that the major
disaster is catastrophic and qualifies for assist-
ance under the formula in paragraph (4) or (5),
the Secretary shall immediately announce an al-
location for a grant under this section.

“(C) ADDITIONAL AMOUNTS.—If addi-
tional amounts are appropriated to the Fund
after amounts are allocated under subpara-
graph (B), the Secretary shall announce an al-
location or additional allocation (if a prior allo-
cation under subparagraph (B) was less than
the formula calculation) within 15 days of any
such appropriation.

“(7) PRELIMINARY FUNDING.—

“(A) IN GENERAL.—To speed recovery, the
Secretary is authorized to allocate and award
preliminary grants from the Fund before mak-
ing a determination under paragraph (6) if the
Secretary projects, based on a preliminary as-
essment of impact and distress, that a major
disaster is catastrophic and would likely qualify
for funding under the formula in paragraph (4)
or (5).

“(B) AMOUNT.—
“(i) **MAXIMUM.**—The Secretary may award preliminary funding under subparagraph (A) in an amount that is not more than $5,000,000.

“(ii) **SLIDING SCALE.**—The Secretary shall, by regulation, establish a sliding scale for preliminary funding awarded under subparagraph (A) based on the size of the preliminary assessment of impact and distress.

“(C) **USE OF FUNDS.**—The uses of preliminary funding awarded under subparagraph (A) shall be limited to eligible activities that—

“(i) in the determination of the Secretary, will support faster recovery, improve the ability of the grantee to assess unmet recovery needs, plan for the prevention of improper payments, and reduce fraud, waste, and abuse; and

“(ii) may include evaluating the interim housing, permanent housing, and supportive service needs of the disaster impacted community, with special attention to vulnerable populations, such as homeless and low- to moderate-income households,
to inform the grantee action plan required under subsection (e).

“(D) CONSIDERATION OF FUNDING.—Preliminary funding awarded under subparagraph (A)—

“(i) is not subject to the certification requirements of paragraph (h)(1); and

“(ii) shall not be considered when calculating the amount of the grant used for administrative costs, technical assistance, and planning activities that are subject to the requirements under subsection (f)(2).

“(E) WAIVER.—To expedite the use of preliminary funding for activities described in this paragraph, the Secretary may waive requirements of this section in accordance with subsection (i).

“(F) AMENDED AWARD.—

“(i) IN GENERAL.—An award for preliminary funding under subparagraph (A) may be amended to add any subsequent amount awarded because of a determination by the Secretary that a major disaster is catastrophic and qualifies for assistance under the formula.
“(ii) **Applicability.**—Notwithstanding subparagraph (D), amounts provided by an amendment under clause (i) are subject to the requirements under subsections (h)(1) and (f)(1) and other requirements on grant funds under this section.

“(G) **Technical Assistance.**—Concurrent with the allocation of any preliminary funding awarded under this paragraph, the Secretary shall assign or provide technical assistance to the recipient of the grant.

“(b) **Interchangeability.**—The Secretary—

“(1) is authorized to approve the use of grants under this section to be used interchangeably and without limitation for the same activities in the most impacted and distressed areas resulting from a declaration of another catastrophic major disaster that qualifies for assistance under the formula established under paragraph (4) or (5) of subsection (a); and

“(2) shall establish requirements to expedite the use of grants under this section for the purpose described in paragraph (1).

“(c) **Grantee Plans.**—
“(1) REQUIREMENT.—Not later than 90 days after the date on which the Secretary announces a grant allocation under this section, unless an extension is granted by the Secretary, the grantee shall submit to the Secretary a plan for approval describing—

“(A) the activities the grantee will carry out with the grant under this section;

“(B) the criteria of the grantee for awarding assistance and selecting activities;

“(C) how the use of the grant under this section will address disaster relief, long-term recovery, restoration of housing and infrastructure, economic revitalization, and mitigation in the most impacted and distressed areas;

“(D) how the use of the grant funds for mitigation is consistent with hazard mitigation plans submitted to the Federal Emergency Management Agency under section 322 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5165);

“(E) the estimated amount proposed to be used for activities that will benefit persons of low and moderate income;
“(F) how the use of grant funds will repair and replace existing housing stock for vulnerable populations, including low- to moderate-income households;

“(G) how the grantee will address the priorities described in paragraph (5);

“(H) how uses of funds are proportional to unmet needs, as required under paragraph (5);

“(I) for State grantees that plan to distribute grant amounts to units of general local government, a description of the method of distribution; and

“(J) such other information as may be determined by the Secretary in regulation.

“(2) PUBLIC CONSULTATION.—To permit public examination and appraisal of the plan described in paragraph (1), to enhance the public accountability of grantees, and to facilitate coordination of activities with different levels of government, when developing the plan or substantial amendments proposed to the plan required under paragraph (1), a grantee shall—

“(A) publish the plan before adoption;

“(B) provide citizens, affected units of general local government, and other interested
parties with reasonable notice of, and opportunity to comment on, the plan, with a public comment period of not less than 14 days;

“(C) consider comments received before submission to the Secretary;

“(D) follow a citizen participation plan for disaster assistance adopted by the grantee that, at a minimum, provides for participation of residents of the most impacted and distressed area affected by the major disaster that resulted in the grant under this section and other considerations established by the Secretary; and

“(E) undertake any consultation with interested parties as may be determined by the Secretary in regulation.

“(3) APPROVAL.—The Secretary shall—

“(A) by regulation, specify criteria for the approval, partial approval, or disapproval of a plan submitted under paragraph (1), including approval of substantial amendments to the plan;

“(B) review a plan submitted under paragraph (1) upon receipt of the plan;

“(C) allow a grantee to revise and resubmit a plan or substantial amendment to a plan
under paragraph (1) that the Secretary disapproves;

“(D) by regulation, specify criteria for when the grantee shall be required to provide the required revisions to a disapproved plan or substantial amendment under paragraph (1) for public comment prior to resubmission of the plan or substantial amendment to the Secretary; and

“(E) approve, partially approve, or disapprove a plan or substantial amendment under paragraph (1) not later than 60 days after the date on which the plan or substantial amendment is received by the Secretary.

“(4) LOW- AND MODERATE-INCOME OVERALL BENEFIT.—

“(A) USE OF FUNDS.—Not less than 70 percent of a grant made under this section shall be used for activities that benefit persons of low and moderate income unless the Secretary—

“(i) specifically finds that—

“(I) there is compelling need to reduce the percentage for the grant;

and
“(II) the housing needs of low- and moderate-income residents have been addressed; and
“(ii) issues a waiver and alternative requirements pursuant to subsection (i) to lower the percentage.

“(B) REGULATIONS.—The Secretary shall, by regulation, establish protocols consistent with the findings of section 5403(a) of the National Defense Authorization Act for Fiscal Year 2023 to prioritize the use of funds by a grantee under this section to meet the needs of low- and moderate-income persons and businesses serving primarily persons of low and moderate income.

“(5) PRIORITIZATION.—The grantee shall prioritize activities that—

“(A) assist persons with extremely low, low, and moderate incomes and other vulnerable populations to better recover from and withstand future disasters, emphasizing those with the most severe needs;
“(B) address affordable housing, including affordable rental housing, needs arising from a
disaster or those needs present prior to a disaster;

“(C) prolong the life of housing and infrastructure;

“(D) use cost-effective means of preventing harm to people and property and incorporate protective features, redundancies, energy savings; and

“(E) other measures that will assure the continuation of critical services during future disasters.

“(6) PROPORTIONAL ALLOCATION.—

“(A) IN GENERAL.—A grantee under this section shall allocate grant funds proportional to unmet needs between housing activities, economic revitalization, and infrastructure, unless the Secretary—

“(i) specifically finds that—

“(I) there is a compelling need for a disproportional allocation among those unmet needs; and

“(II) the disproportional allocation described in subclause (I) is not inconsistent with the requirements under paragraph (4); and
“(ii) issues a waiver and alternative requirement pursuant to subsection (i) to allow for the disproportional allocation described in clause (i)(I).

“(B) HOUSING ACTIVITIES.—With respect to housing activities described in subparagraph (A)(i), grantees should address proportional needs between homeowners and renters, including low-income households in public housing and federally subsidized housing.

“(7) DISASTER RISK MITIGATION.—

“(A) DEFINITION.—In this paragraph, the term ‘hazard-prone areas’—

“(i) means areas identified by the Secretary, in consultation with the Administrator of the Federal Emergency Management Agency, at risk from natural hazards that threaten property damage or health, safety, and welfare, such as floods, wildfires (including Wildland-Urban Interface areas), earthquakes, lava inundation, tornados, and high winds; and

“(ii) includes areas having special flood hazards as identified under the Flood Disaster Protection Act of 1973 (42

“(B) HAZARD-PRONE AREAS.—The Secretary, in consultation with the Administrator of the Federal Emergency Management Agency, shall establish minimum construction standards, insurance purchase requirements, and other requirements for the use of grant funds in hazard-prone areas.

“(C) SPECIAL FLOOD HAZARDS.—For the areas described in subparagraph (A)(ii), the insurance purchase requirements established under subparagraph (B) shall meet or exceed the requirements under section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(a)).

“(D) CONSIDERATION OF FUTURE RISKS.—The Secretary may consider future risks to protecting property and health, safety, and general welfare, and the likelihood of those risks, when making the determination of or modification to hazard-prone areas under this paragraph.

“(8) RELOCATION.—
“(A) IN GENERAL.—The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.) shall apply to activities assisted under this section to the extent determined by the Secretary in regulation, or as provided in waivers and alternative requirements authorized in accordance with subsection (i).

“(B) POLICY.—Each grantee under this section shall establish a relocation assistance policy that—

“(i) minimizes displacement and describes the benefits available to persons displaced as a direct result of acquisition, rehabilitation, or demolition in connection with an activity that is assisted by a grant under this section; and

“(ii) includes any appeal rights or other requirements that the Secretary establishes by regulation.

“(d) CERTIFICATIONS.—Any grant under this section shall be made only if the grantee certifies to the satisfaction of the Secretary that—

“(1) the grantee is in full compliance with the requirements under subsection (c)(2);
“(2) for grants other than grants to Indian tribes, the grant will be conducted and administered in conformity with the Civil Rights Act of 1964 (42 U.S.C. 2000a et seq.) and the Fair Housing Act (42 U.S.C. 3601 et seq.);

“(3) the projected use of funds has been developed so as to give maximum feasible priority to activities that will benefit extremely low-, low-, and moderate-income families and activities described in subsection (c)(5), and may also include activities that are designed to aid in the prevention or elimination of slum and blight to support disaster recovery, meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs, and alleviate future threats to human populations, critical natural resources, and property that an analysis of hazards shows are likely to result from natural disasters in the future;

“(4) the grant funds shall principally benefit persons of low and moderate income as described in subsection (c)(4);
“(5) for grants other than grants to Indian tribes, within 24 months of receiving a grant or at the time of its 3- or 5-year update, whichever is sooner, the grantee will review and make modifications to its non-disaster housing and community development plans and strategies required by subsections (c) and (m) of section 104 to reflect the disaster recovery needs identified by the grantee and consistency with the plan under subsection (e)(1);

“(6) the grantee will not attempt to recover any capital costs of public improvements assisted in whole or part under this section by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless—

“(A) funds received under this section are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this chapter; or

“(B) for purposes of assessing any amount against properties owned and occupied by per-
sons of moderate income, the grantee certifies to the Secretary that the grantee lacks sufficient funds received under this section to comply with the requirements of subparagraph (A);

“(7) the grantee will comply with the other provisions of this title that apply to assistance under this section and with other applicable laws;

“(8) the grantee will follow a relocation assistance policy that includes any minimum requirements identified by the Secretary; and

“(9) the grantee will adhere to construction standards, insurance purchase requirements, and other requirements for development in hazard-prone areas described in subsection (e)(7).

“(e) PERFORMANCE REVIEWS AND REPORTING.—

“(1) IN GENERAL.—The Secretary shall, on not less frequently than an annual basis, make such reviews and audits as may be necessary or appropriate to determine whether a grantee under this section has—

“(A) carried out activities using grant funds in a timely manner;

“(B) met the performance targets established by paragraph (2);
“(C) carried out activities using grant funds in accordance with the requirements of this section, the other provisions of this title that apply to assistance under this section, and other applicable laws; and

“(D) a continuing capacity to carry out activities in a timely manner.

“(2) PERFORMANCE TARGETS.—The Secretary shall develop and make publicly available critical performance targets for review, which shall include spending thresholds for each year from the date on which funds are obligated by the Secretary to the grantee until such time all funds have been expended.

“(3) FAILURE TO MEET TARGETS.—

“(A) SUSPENSION.—If a grantee under this section fails to meet 1 or more critical performance targets under paragraph (2), the Secretary may temporarily suspend the grant.

“(B) PERFORMANCE IMPROVEMENT PLAN.—If the Secretary suspends a grant under subparagraph (A), the Secretary shall provide to the grantee a performance improvement plan with the specific requirements needed
to lift the suspension within a defined time pe-

riod.

“(C) REPORT.—If a grantee fails to meet
the spending thresholds established under para-
graph (2), the grantee shall submit to the Sec-
retary, the appropriate committees of Congress,
and each member of Congress who represents a
district or State of the grantee a written report
identifying technical capacity, funding, or other
Federal or State impediments affecting the abil-
ity of the grantee to meet the spending thresh-
olds.

“(4) COLLECTION OF INFORMATION AND RE-
PORTING.—

“(A) REQUIREMENT TO REPORT.—A
grantee under this section shall provide to the
Secretary such information as the Secretary
may determine necessary for adequate oversight
of the grant program under this section.

“(B) PUBLIC AVAILABILITY.—Subject to
subparagraph (D), the Secretary shall make in-
formation submitted under subparagraph (A)
available to the public and to the Inspector
General for the Department of Housing and
Urban Development, disaggregated by income,
geography, and all classes of individuals protected under section 109.

“(C) 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—

“(i) the status of funds by activity;

“(ii) the percentages of funds allocated and expended to benefit low- and moderate-income communities;

“(iii) performance targets, spending thresholds, and accomplishments; and

“(iv) other information the Secretary determines to be relevant for transparency.

“(D) CONSIDERATIONS.—In carrying out this paragraph, the Secretary—

“(i) shall take such actions as may be necessary to ensure that personally identifiable information regarding applicants for assistance provided from funds made available under this section is not made publicly available; and
“(ii) may make full and unredacted information available to academic institutions for the purpose of researching into the equitable distribution of recovery funds and adherence to civil rights protections.

“(f) ELIGIBLE ACTIVITIES.—

“(1) IN GENERAL.—Activities assisted under this section—

“(A) may include activities permitted under section 105 or other activities permitted by the Secretary by waiver or alternative requirement pursuant to subsection (i); and

“(B) shall be related to disaster relief, long-term recovery, restoration of housing and infrastructure, economic revitalization, and mitigation in the most impacted and distressed areas resulting from the major disaster for which the grant was awarded.

“(2) PROHIBITION.—Grant funds under this section may not be used for costs reimbursable by, or for which funds have been made available by, the Federal Emergency Management Agency or the United States Army Corps of Engineers.

“(3) ADMINISTRATIVE COSTS, TECHNICAL ASSISTANCE AND PLANNING.—
“(A) IN GENERAL.—The Secretary shall establish in regulation the maximum grant amounts a grantee may use for administrative costs, technical assistance and planning activities, taking into consideration size of grant, complexity of recovery, and other factors as determined by the Secretary, but not to exceed 10 percent for administration and 20 percent in total.

“(B) AVAILABILITY.—Amounts available for administrative costs for a grant under this section shall be available for eligible administrative costs of the grantee for any grant made under this section, without regard to a particular disaster.

“(4) PROGRAM INCOME.—Notwithstanding any other provision of law, any grantee under this section may retain program income that is realized from grants made by the Secretary under this section if the grantee agrees that the grantee will utilize the program income in accordance with the requirements for grants under this section, except that the Secretary may—

“(A) by regulation, exclude from consideration as program income any amounts deter-
mined to be so small that compliance with this paragraph creates an unreasonable administrative burden on the grantee; or

“(B) permit the grantee to transfer remaining program income to the other grants of the grantee under this title upon closeout of the grant.

“(5) Prohibition on Use of Assistance for Employment Relocation Activities.—

“(A) In General.—Grants under this section may not be used to assist directly in the relocation of any industrial or commercial plant, facility, or operation, from one area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.

“(B) Applicability.—The prohibition under subparagraph (A) shall not apply to a business that was operating in the disaster-declared labor market area before the incident date of the applicable disaster and has since moved, in whole or in part, from the affected area to another State or to a labor market area within the same State to continue business.
“(6) REQUIREMENTS.—Grants under this section are subject to the requirements of this section, the other provisions of this title that apply to assistance under this section, and other applicable laws, unless modified by waivers and alternative requirements in accordance with subsection (i).

“(g) ENVIRONMENTAL REVIEW.—

“(1) ADOPTION.—A recipient of funds provided under this section that uses the funds to supplement Federal assistance provided under section 402, 403, 404, 406, 407, 408(c)(4), 428, or 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170a, 5170b, 5170c, 5172, 5173, 5174(c)(4), 5189f, 5192) may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, and that adoption shall satisfy the responsibilities of the recipient with respect to the environmental review, approval, or permit under section 104(g)(1).

“(2) APPROVAL OF RELEASE OF FUNDS.—Notwithstanding section 104(g)(2), the Secretary or a State may, upon receipt of a request for release of funds and certification, immediately approve the release of funds for an activity or project to be assisted under this section if the recipient has adopted
an environmental review, approval, or permit under paragraph (1) or the activity or project is categorically excluded from review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

“(3) **Units of general local government.**—The provisions of section 104(g)(4) shall apply to assistance under this section that a State distributes to a unit of general local government.

“(h) **Financial Controls and Procedures.**—

“(1) **In general.**—The Secretary shall develop requirements and procedures to demonstrate that a grantee under this section—

“(A) has adequate financial controls and procurement processes;

“(B) has adequate procedures to detect and prevent fraud, waste, abuse and duplication of benefit; and

“(C) maintains a comprehensive and publicly accessible website.

“(2) **Certification.**—Before making a grant under this section, the Secretary shall certify that the grantee has in place proficient processes and procedures to comply with the requirements devel-
opened under paragraph (1), as determined by the Secretary.

“(3) COMPLIANCE BEFORE ALLOCATION.—The Secretary may permit a State, unit of general local government, or Indian tribe to demonstrate compliance with the requirements for adequate financial controls developed under paragraph (1) before a disaster occurs and before receiving an allocation for a grant under this section.

“(4) DUPLICATION OF BENEFITS.—

“(A) IN GENERAL.—Funds made available under this subsection shall be used in accordance with section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), as amended by section 1210 of the Disaster Recovery Reform Act of 2018 (division D of Public Law 115–254), and such rules as may be prescribed under such section 312.

“(B) PENALTIES.—In any case in which the use of grant funds under this section results in a prohibited duplication of benefits, the grantee shall—

“(i) apply an amount equal to the identified duplication to any allowable costs
of the award consistent with actual, immediate cash requirement;

“(ii) remit any excess amounts to the Secretary to be credited to the obligated, undisbursed balance of the grant consistent with requirements on Federal payments applicable to such grantee; and

“(iii) if excess amounts under clause (ii) are identified after the period of performance or after the closeout of the award, remit such amounts to the Secretary to be credited to the Fund.

“(C) FAILURE TO COMPLY.—A grantee that fails to comply with subparagraph (A) shall be subject to remedies for noncompliance under section 111, unless the Secretary publishes a determination in the Federal Register that it is not in the best interest of the Federal Government to pursue remedial actions.

“(i) WAIVERS.—

“(1) IN GENERAL.—In administering grants under this section, the Secretary may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Sec-
retary or the use by the grantee of those funds (ex-
cept for requirements related to fair housing, non-
discrimination, labor standards, the environment,
and the requirements of this section that do not ex-
pressly authorize modifications by waiver or alter-
native requirement), if the Secretary makes a public
finding that good cause exists for the waiver or al-
terative requirement and the waiver or alternative
requirement would not be inconsistent with the find-
ings in section 5403(a) of the National Defense Au-

authorizatlon Act for Fiscal Year 2023.

“(2) EFFECTIVE DATE.—A waiver or alter-
native requirement described in paragraph (1) shall
not take effect before the date that is 5 days after
the date of publication of the waiver or alternative
requirement on the website of the Department of
Housing and Urban Development or the effective
date for any regulation published in the Federal
Register.

“(3) PUBLIC NOTIFICATION.—The Secretary
shall notify the public of all waivers described in
paragraph (1) in accordance with the requirements
of section 7(q)(3) of the Department of Housing and
Urban Development Act (42 U.S.C. 3535(q)(3)).

“(j) UNUSED AMOUNTS.—
“(1) DEADLINE TO USE AMOUNTS.—A grantee under this section shall use an amount equal to the grant within 6 years beginning on the date on which the Secretary obligates the amounts to the grantee, as such period may be extended under paragraph (4).

“(2) RECAPTURE.—The Secretary shall recapture and credit to the Fund any amount that is unused by a grantee under this section upon the earlier of—

“(A) the date on which the grantee notifies the Secretary that the grantee has completed all activities identified in the disaster grantee’s plan under subsection (c); or

“(B) the expiration of the 6-year period described in paragraph (1), as such period may be extended under paragraph (4).

“(3) RETENTION OF FUNDS.—Notwithstanding paragraph (1), the Secretary may allow a grantee under this section to retain—

“(A) amounts needed to close out grants; and

“(B) up to 10 percent of the remaining funds to support maintenance of the minimal capacity to launch a new program in the event
of a future disaster and to support pre-disaster
long-term recovery and mitigation planning.
“(4) EXTENSION OF PERIOD FOR USE OF
FUNDS.—The Secretary may extend the 6-year pe-
riod described in paragraph (1) by not more than 4
years, or not more than 6 years for mitigation activi-
ties, if—
“(A) the grantee submits to the Sec-
retary—
“(i) written documentation of the exi-
gent circumstances impacting the ability of
the grantee to expend funds that could not
be anticipated; or
“(ii) a justification that such request
is necessary due to the nature and com-
plicity of the program and projects; and
“(B) the Secretary submits a written jus-
tification for the extension to the Committees
on Appropriations of Senate and the House of
Representatives that specifies the period of that
extension.”.
(f) REGULATIONS.—
(1) PROPOSED RULES.— Following consultation
with the Federal Emergency Management Agency,
the Small Business Administration, and other Fed-
eral agencies, not later than 6 months after the date of enactment of this Act, the Secretary shall issue proposed rules to carry out this section and the amendments made by this section and shall provide a 90-day period for submission of public comments on those proposed rules.

(2) Final Rules.—Not later than 1 year after the date of enactment of this Act, the Secretary shall issue final regulations to carry out section 123 of the Housing and Community Development Act of 1974, as added by subsection (e) of this section.

(g) Coordination of Disaster Recovery Assistance, Benefits, and Data With Other Federal Agencies.—

(1) Coordination of disaster recovery assistance.—In order to ensure a comprehensive approach to Federal disaster relief, long-term recovery, restoration of housing and infrastructure, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a catastrophic major disaster, the Secretary shall coordinate with the Federal Emergency Management Agency, to the greatest extent practicable, in the implementation of assistance authorized under section 123 of the
Housing and Community Development Act of 1974, as added by subsection (e) of this section.

(2) DATA SHARING AGREEMENTS.—To support the coordination of data to prevent duplication of benefits with other Federal disaster recovery programs while also expediting recovery and reducing burden on disaster survivors, the Department 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.

(3) DATA TRANSFER FROM FEMA AND SBA TO HUD.—As permitted and deemed necessary for efficient program execution, and consistent with a computer matching agreement entered into under paragraph (6)(A), the Administrator of the Federal Emergency Management Agency and the Administrator of the Small Business Administration shall provide data on disaster applicants to the Department, including, when necessary, personally identifiable information, disaster recovery needs, and resources determined eligible for, and amounts expended, to the Secretary for all major disasters declared by the President pursuant to section 401 of
Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) for the purpose of providing additional assistance to disaster survivors and prevent duplication of benefits.

(4) Data transfers from HUD to HUD grantees.—The Secretary is authorized to provide to grantees under section 123 of the Housing and Community Development Act of 1974, as added by subsection (e) of this section, offices of the Department, technical assistance providers, and lenders information that in the determination of the Secretary is reasonably available and appropriate to inform the provision of assistance after a major disaster, including information provided to the Secretary by the Administrator of the Federal Emergency Management Agency, the Administrator of the Small Business Administration, or other Federal agencies.

(5) Data transfers from HUD grantees to HUD, FEMA, and SBA.—

(A) Reporting.—Grantees under section 123 of the Housing and Community Development Act of 1974, as added by subsection (e) of this section, shall report information requested by the Secretary on households, busi-
nesses, and other entities assisted and the type
of assistance provided.

(B) SHARING INFORMATION.—The Sec-
retary shall share information collected under
subparagraph (A) with the Federal Emergency
Management Agency, the Small Business Ad-
ministration, and other Federal agencies to sup-
port the planning and delivery of disaster recov-
ery and mitigation assistance.

(6) PRIVACY PROTECTION.—The Secretary may
make and receive data transfers authorized under
this subsection, including the use and retention of
that data for computer matching programs, to in-
form the provision of assistance, assess disaster re-
covery needs, and prevent the duplication of benefits
and other waste, fraud, and abuse, provided that—

(A) the Secretary enters a computer
matching agreement with the Administrator of
the Federal Emergency Management Agency,
the Administrator of the Small Business Ad-
ministration, or other Federal agencies covering
the transfer of data;

(B) the Secretary publishes intent to dis-
close data in the Federal Register;
(C) notwithstanding subparagraphs (A) and (B), section 552a of title 5, United States Code (commonly known as the “Privacy Act of 1974”), or any other law, the Secretary is authorized to share data with an entity identified in paragraph (4), and the entity is authorized to use the data as described in this subsection, if the Secretary enters a data sharing agreement with the entity before sharing or receiving any information under transfers authorized by this subsection, which data sharing agreement shall—

(i) in the determination of the Secretary, include measures adequate to safeguard the privacy and personally identifiable information of individuals; and

(ii) include provisions that describe how the personally identifiable information of an individual will be adequately safeguarded and protected, which requires consultation with the Secretary and the head of each Federal agency the data of which is being shared subject to the agreement.