To establish a community disaster assistance fund for housing and community development and to authorize the Secretary of Housing and Urban Development to provide, from the fund, assistance through a community development block grant disaster recovery program, and for other purposes.

IN THE SENATE OF THE UNITED STATES
MAY 18, 2023
Mr. Schatz (for himself, Ms. Collins, Mrs. Murray, Mr. Wicker, Mr. Wyden, Mr. Cassidy, Mr. Van Hollen, Mr. Tillis, Mr. Tester, Mrs. Hyde-Smith, Mr. Young, Mr. Luján, Mr. Booker, and Mr. Padilla) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL
To establish a community disaster assistance fund for housing and community development and to authorize the Secretary of Housing and Urban Development to provide, from the fund, assistance through a community development block grant disaster recovery program, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE.
4 This Act may be cited as the “Reforming Disaster
5 Recovery Act”.

SEC. 2. 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 exacerbated during crises and can delay and complicate long-term recovery, especially after catastrophic major disasters;

(4) States, units of local government, and Indian 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-
teffects of future natural disasters and extreme weather
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 resil-
ience; and

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

SEC. 3. DEFINITIONS.

In this Act:

(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 section 5.

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

SEC. 4. DUTIES OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(a) IN GENERAL.—The offices and officers of the Department shall be responsible for—

(1) 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;

(2) 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.); 

(3) 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; 

(4) collaborating with the Federal Emergency Management Agency and 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 requirements, and ensuring coordination and reducing duplication among other Federal disaster recovery programs; 

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

(6) coordinating technical assistance, including mitigation, resiliency, and recovery training and in-
formation on all relevant legal and regulatory re-
quivalents, to entities that receive disaster recovery
assistance under title I of the Housing and Commu-
nity Development Act of 1974 (42 U.S.C. 5301 et
seq.) that demonstrate capacity constraints; and

(7) supporting State, Tribal, and local govern-
ments in developing, coordinating, and maintaining
their capacity for disaster resilience and recovery
and developing pre-disaster recovery and hazard
mitigation plans, in coordination with the Federal
Emergency Management Agency and other Federal
agencies.

(b) Establishment of the Office of Disaster
Management and Resiliency.—Section 4 of the De-
partment of Housing and Urban Development Act (42
U.S.C. 3533) is amended by adding at the end the fol-
lowing:

“(i) Office of Disaster Management and Re-
siliency.—

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

“(2) Duties.—The Office of Disaster Manage-
ment 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.”.

SEC. 5. LONG-TERM DISASTER RECOVERY FUND.

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

(b) Deposits, Transfers, and Credit.—

(1) In general.—The Fund shall consist of amounts appropriated, transferred, and credited to the Fund.

(2) Transfers.—The following may be transferred to the Fund:

(A) 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.
(B) Any unobligated balances available until expended remaining or subsequently re-captured 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.

(3) Use of transferred amounts.—

Amounts transferred to the Fund shall be used for the eligible uses described in subsection (c).

(c) Eligible uses of fund.—

(1) In general.—Amounts in the Fund shall be available—

(A) to provide assistance in the form of grants under section 123 of the Housing and Community Development Act of 1974, as added by section 6; and

(B) 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.
(2) SET ASIDE.—Of each amount appropriated for or transferred to the Fund, 2 percent shall be made available for activities described in paragraph (1)(B), which shall be in addition to other amounts made available for those activities.

(3) TRANSFER OF FUNDS.—Amounts made available for use in accordance with paragraph (2)—

(A) may be transferred to the account under the heading for “Program Offices—Community Planning and Development”, or any successor account, for the Department to carry out activities described in paragraph (1)(B); and

(B) may be used for the activities described in paragraph (1)(B) and for the administrative costs of administering any funds appropriated to the Department under the heading “Community Planning and Development—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) in any Act before the establishment of the Fund.

(d) INTERCHANGEABILITY OF PRIOR ADMINISTRATIVE AMOUNTS.—Any amounts appropriated in any Act
prior to the establishment of the Fund and transferred
to the account under the heading “Program Offices Sal-
aries and Expenses—Community Planning and Develop-
ment”, or any predecessor account, for the Department
for the costs of administering funds appropriated to the
Department under the heading “Community Planning and
Development—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 admin-
istering 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.

(e) **Availability of Amounts.**—Amounts appro-
priated, transferred, and credited to the Fund shall re-
main available until expended.

(f) **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 section 6.

(g) **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 Community Development Act of 1974, as
added by section 6.

SEC. 6. ESTABLISHMENT OF CDBG DISASTER RECOVERY

TITLE.

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 redes-
gnated, by inserting “or (B)” after “sub-
paragraph (A)”; and

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

“(B) The term ‘persons of extremely low in-
come’ means families and individuals whose income
levels do not exceed household income levels deter-
mined 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 pro-
vide 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”;

(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 5 of the Reforming Disaster Recovery Act (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.—If the Secretary has not already requested public comment on the formula described in the notice required by 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 miti-
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gation depending on type of disaster, which
shall be not 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 as-
sistance from the Fund to the most impacted
and distressed areas resulting from a cata-
strophic major disaster.

“(B) FORMULA REQUIREMENTS.—The for-
mula 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 en-
compassing data that the Secretary deter-
mines are adequate to assess relative im-
 pact and distress across geographic areas;

“(ii) include a methodology for identi-
fying 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 described 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 assistance under the formula described in paragraph (4) or (5), the Secretary shall immediately announce an allocation for a grant under this section.

“(C) ADDITIONAL AMOUNTS.—If additional amounts are appropriated to the Fund after amounts are allocated under subparagraph (B), the Secretary shall announce an allocation or additional allocation (if a prior allocation 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 making a determination under paragraph (6)(A) if the Secretary projects, based on a preliminary assessment of impact and distress, that a major
disaster is catastrophic and would likely qualify for funding under the formula described 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 (c).

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

“(i) is not subject to the certification requirements of subsection (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 or specify alternative requirements to the 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 (f)(1) and (h)(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.—

“(1) In general.—The Secretary 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) or a major disaster for which the Secretary allocated funds made available under the heading ‘Community Development Fund’ in any Act prior to the establishment of the Fund.

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

“(3) EMERGENCY DESIGNATION.—Amounts repurposed pursuant to this subsection that were previously designated by Congress as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 or a concurrent resolution on the budget are designated by Congress as an emergency requirement pursuant to section 4001(a)(1) of S. Con. Res. 14 (117th Congress) and legislation establishing fiscal year 2024 budget enforcement in the House of Representatives.

“(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 (6);

“(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 grantee, 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 persons have been addressed; and

“(ii) issues a waiver and alternative requirement specific to the grant pursuant to subsection (i) to lower the percentage.
“(B) REGULATIONS.—The Secretary shall, by regulation, establish protocols consistent with the findings of section 2 of the Reforming Disaster Recovery Act 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, and 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, includ-
ing 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 Admin-
istrator of the Federal Emergency Man-
agement Agency, at risk from natural haz-
ards that threaten property damage or
health, safety, and welfare, such as floods,
wildfires (including Wildland-Urban Inter-
face 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
U.S.C. 4002 et seq.) or the National Flood
Insurance Act of 1968 (42 U.S.C. 4001 et
seq.).

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

“(C) Special flood hazards.—

“(i) In general.—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)).

“(ii) Treatment as financial assistance.—All grants under this section shall be treated as financial assistance for purposes of section 3(a)(3) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)(3)).

“(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 or 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 period.

“(C) REPORT.—If a grantee fails to meet the spending thresholds established under paragraph (2), the grantee shall submit to the Secretary, 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 ability of the grantee to meet the spending thresholds.

“(4) COLLECTION OF INFORMATION AND REPORTING.—

“(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 information submitted under subparagraph (A) available to the public and to the Inspector General for the Department of Housing and Urban Development, disaggregated by activity,
income, geography, and all classes of individuals
protected under section 109 and the Fair Hous-
ing Act.

“(C) SUMMARY status reports.—To in-
crease 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 sum-
mary status reports for all active grants under
this section that includes—

“(i) the status of funds by activity;

“(ii) the percentages of funds allo-
cated 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 identi-
fiable information regarding applicants for
assistance provided from funds made avail-
able 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 determined 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 sec-
tion are subject to the requirements of this section,
the other provisions of this title that apply to assist-
ance under this section, and other applicable laws,
unless modified by waivers or alternative require-
ments 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 203, 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(e)(4), 5189f, 5192) may adopt,
without review or public comment, any environ-
mental 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 sec-
tion 104(g)(1).

“(2) Approval of release of funds.—Not-
withstanding 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 developed 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 section 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.—Any grantee provided funds under this section or from prior Appropriations Acts under the heading ‘Community Development Fund’ for purposes related to major disasters that fails to comply with section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155) or fails to satisfy penalties to resolve a duplication of benefits 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 admin-
isters 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-
ternative requirement and the waiver or alternative
requirement would not be inconsistent with the find-
ings in section 2 of the Reforming Disaster Recovery
Act.

“(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 or alternative
requirements described in paragraph (1) in accord-
ance 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 recap-
ture and credit to the Fund any amount that is un-
used 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 period described in paragraph (1) by not more than 4 years, or not more than 6 years for mitigation activities, if—

“(A) the grantee submits to the Secretary—

“(i) written documentation of the exigent 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 complexity of the program and projects; and

“(B) the Secretary submits a written justification for the extension to the Committees on Appropriations of Senate and the House of Representatives that specifies the period of that extension.”.

SEC. 7. REGULATIONS.

(a) PROPOSED RULES.—Following consultation with the Federal Emergency Management Agency, the Small Business Administration, and other Federal agencies, not later than 6 months after the date of enactment of this Act, the Secretary shall issue proposed rules to carry out this Act and the amendments made by this Act and shall provide a 90-day period for submission of public comments on those proposed rules.

(b) 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 section 6.
SEC. 8. COORDINATION OF DISASTER RECOVERY ASSISTANCE, BENEFITS, AND DATA WITH OTHER FEDERAL AGENCIES.

(a) 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 section 6.

(b) 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.

(c) Data Transfer From FEMA and SBA to HUD.—As permitted and deemed necessary for efficient program execution, and consistent with a computer match-
ing agreement entered into under subsection (f)(1), 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.

(d) **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 section 6, 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.
(c) DATA TRANSFERS FROM HUD GRANTEES TO HUD, FEMA, AND SBA.—

(1) REPORTING.—Grantees under section 123 of the Housing and Community Development Act of 1974, as added by section 6, shall report information requested by the Secretary on households, businesses, and other entities assisted and the type of assistance provided.

(2) SHARING INFORMATION.—The Secretary shall share information collected under paragraph (1) with the Federal Emergency Management Agency, the Small Business Administration, and other Federal agencies to support the planning and delivery of disaster recovery and mitigation assistance and other related purposes.

(f) PRIVACY PROTECTION.—The Secretary may make and receive data transfers authorized under this section, including the use and retention of that data for computer matching programs, to inform the provision of assistance, assess disaster recovery needs, and prevent the duplication of benefits and other waste, fraud, and abuse, provided that—

(1) the Secretary enters an information sharing agreement or a computer matching agreement, when required by section 522a of title 5, United States
Code (commonly known as the “Privacy Act of 1974”), with the Administrator of the Federal Emergency Management Agency, the Administrator of the Small Business Administration, or other Federal agencies covering the transfer of data;

(2) the Secretary publishes intent to disclose data in the Federal Register;

(3) notwithstanding paragraphs (1) and (2), section 552a of title 5, United States Code, or any other law, the Secretary is authorized to share data with an entity identified in subsection (d), and the entity is authorized to use the data as described in this section, if the Secretary enters a data sharing agreement with the entity before sharing or receiving any information under transfers authorized by this section, which data sharing agreement shall—

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

(B) 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.