

115TH CONGRESS
1ST SESSION

H. R. 4557

To authorize the Secretary of Housing and Urban Development to provide disaster assistance to States and units of general government under a community development block grant disaster recovery program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 5, 2017

Mrs. WAGNER introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To authorize the Secretary of Housing and Urban Development to provide disaster assistance to States and units of general government under 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 of 2017”.

1 **SEC. 2. COMMUNITY DEVELOPMENT BLOCK GRANT DIS-**
2 **ASTER RECOVERY PROGRAM.**

3 (a) IN GENERAL.—Title I of the Housing and Com-
4 munity Development Act of 1974 (42 U.S.C. 5301 et seq.)
5 is amended by adding at the end the following new section:

6 **“SEC. 123. CDBG-DISASTER RECOVERY ASSISTANCE.**

7 “(a) AUTHORITY; USE.—The Secretary may provide
8 assistance under this section to States and units of general
9 local government for necessary expenses for activities au-
10 thorized under this title related to disaster relief, long-
11 term recovery, restoration of infrastructure and housing,
12 and economic revitalization in the most impacted and dis-
13 tressed areas resulting from a major disaster declared pur-
14 suant to the Robert T. Stafford Disaster Relief and Emer-
15 gency Assistance Act (42 U.S.C. 5121 et seq.).

16 “(b) DIRECT ASSISTANCE.—Assistance shall be
17 awarded directly to States and units of general local gov-
18 ernment at the discretion of the Secretary.

19 “(c) PLAN FOR USE OF ASSISTANCE.—

20 “(1) REQUIREMENT.—Before obligating any
21 funds made available under this section, a grantee
22 shall submit a plan to the Secretary for approval de-
23 tailing the proposed use of all funds, which shall in-
24 clude—

25 “(A) criteria for eligibility and how the use
26 of such funds will address long-term recovery

1 and restoration of infrastructure and housing
2 and economic revitalization in the most im-
3 pacted and distressed areas;

4 “(B) identification of officials and offices
5 responsible for identifying and recovering dupli-
6 cate benefits; and

7 “(C) an agreement to share data with Fed-
8 eral agencies and other providers of disaster re-
9 lief.

10 “(2) APPROVAL; DISAPPROVAL.—The Secretary
11 shall, by regulations issued under section 2(b) of the
12 Reforming Disaster Recovery Act of 2017, specify
13 criteria for approval of plans under paragraph (1),
14 and, if the Secretary determines that a plan does not
15 meet such criteria, the Secretary shall disapprove
16 the plan.

17 “(d) TIMING.—

18 “(1) DEADLINE FOR ALLOCATION OF
19 AMOUNTS.—Within 60 days after the enactment of
20 an Act making funds available for assistance under
21 this section, the Secretary shall allocate to grantees
22 all funds provided for assistance under this section
23 based on the best available data.

24 “(2) COORDINATION WITH SBA ASSISTANCE.—
25 The Secretary may not allocate any amounts made

1 available for assistance under this section for, or
2 provide any grant amounts to, any State or unit of
3 general local government that does not provide such
4 assurances as the Secretary may require that such
5 State or unit of general local government has re-
6 quired its grantees of assistance received under this
7 section to apply to the Small Business Administra-
8 tion for disaster loan programs administered by such
9 Administration for which such grantee is eligible.
10 The Secretary shall consult with the Administrator
11 of the Small Business Administration in carrying
12 out this paragraph.

13 “(e) FINANCIAL CONTROLS.—

14 “(1) CERTIFICATION.—As a condition of mak-
15 ing any grant, the Secretary shall certify in advance
16 that the grantee has in place proficient financial
17 controls and procurement processes and has estab-
18 lished adequate procedures to prevent any duplica-
19 tion of benefits as defined by section 312 of the
20 Robert T. Stafford Disaster Relief and Emergency
21 Assistance Act (42 U.S.C. 5155), to ensure timely
22 expenditure of funds, to maintain comprehensive
23 websites regarding all disaster recovery activities as-
24 sisted with such funds, and to detect and prevent
25 waste, fraud, and abuse of funds.

1 “(2) REVIEW OF PERFORMANCE.—In exercising
2 the Secretary’s obligation and responsibility to re-
3 view a grantees’s performance, the maximum fea-
4 sible deference standard under section 570.480(c) of
5 the Secretary’s regulations (24 C.F.R. 570.480(e))
6 shall not apply to a grantee’s interpretation of the
7 statutory and regulatory requirements.

8 “(f) USE OF FUNDS.—

9 “(1) GRANTEE AND SUBGRANTEE ADMINISTRA-
10 TIVE COSTS.—A State or unit of general local gov-
11 ernment receiving a grant under this section, and a
12 grantee or subgrantee of such a State or unit of
13 general local government, may use not more than 5
14 percent of the amount of grant funds received for
15 administrative costs.

16 “(2) LIMITATION ON USE.—Amounts from a
17 grant under this section may not be used for activi-
18 ties reimbursable by, or for which funds are made
19 available by, the Federal Emergency Management
20 Agency, the Army Corps of Engineers, or the Small
21 Business Administration.

22 “(3) HUD ADMINISTRATIVE COSTS.—Of any
23 funds made available for use under this section, 5
24 percent may be used, in aggregate, by the Secretary
25 for necessary costs, including information technology

1 costs, of administering and overseeing the obligation
2 and expenditure of amounts made available for use
3 under this section.

4 “(4) INSPECTOR GENERAL.—Of any funds
5 made available for use under this section, 0.5 per-
6 cent shall be transferred to the Office of the Inspec-
7 tor General for necessary costs of audits, reviews,
8 oversight, evaluation, and investigations relating to
9 amounts made available for use under this section.

10 “(5) INDEPENDENT MONITORS.—The Secretary
11 shall require each grantee and subgrantee that re-
12 ceives \$10,000,000 or more, in the aggregate, of as-
13 sistance made available under this section to main-
14 tain an independent party to monitor compliance
15 with this section and the regulations issued to carry
16 out this section and any applicable State laws, regu-
17 lations, and requirements. The costs of providing
18 such an independent monitor shall be considered ad-
19 ministrative costs for purposes of this section.

20 “(g) ADMINISTRATION.—In administering any
21 amounts made available for assistance under this section,
22 the Secretary—

23 “(1) may not allow a grantee to use any such
24 amounts for any purpose other than the purpose
25 originally approved by the Secretary in the plan sub-

1 mitted under subsection (c)(1) to the Secretary for
2 use of such amounts, including by any change to the
3 grant agreement;

4 “(2) shall require each grantee to notify the
5 Secretary in writing, immediately upon completion of
6 all activities identified in the grantee’s plan for use
7 of such amounts that was approved by the Secretary
8 in connection with such grant, that all such activities
9 have been completed;

10 “(3) shall not make the full amount allocated
11 for a grantee available to such grantee in a single
12 grant, but shall make such amount available through
13 drawdowns from an account established on behalf of
14 the grantee by the Secretary;

15 “(4) shall require each grantee to administer
16 grant funds in accordance with all applicable laws
17 and regulations; and

18 “(5) shall prohibit a grantee from delegating,
19 by contract or otherwise, the responsibility for ad-
20 ministering grant funds.

21 “(h) SUBGRANTEES.—

22 “(1) APPLICABILITY OF GRANTEE STANDARDS
23 AND PROCEDURES.—The Secretary shall apply to
24 subgrantees of grantees of assistance under this sec-
25 tion the same standards and procedures for con-

1 tracting, procurement, and oversight that apply to
2 such grantees.

3 “(2) TRAINING FOR GRANT MANAGEMENT.—

4 The Secretary shall—

5 “(A) require each grantee to provide train-
6 ing to all subgrantees regarding requirements
7 for grant management, including eligibility
8 standards, financial management, procurement
9 and recordkeeping; and

10 “(B) require each subgrantee to certify,
11 upon execution of the subgrant agreement, that
12 the subgrantee has received such training.

13 “(i) PROCUREMENT.—

14 “(1) STANDARDS AND PROCEDURES.—Notwith-
15 standing section 200.317 of title 2, Code of Federal
16 Regulations (2 C.F.R. 200.317), each State or unit
17 of general government that receives a grant under
18 this section shall adopt and comply with sections
19 200.318 through 200.326 of title 2, Code of Federal
20 Regulations (2 C.F.R. 200.318–200.326), and each
21 such State or unit of general government shall re-
22 quire subgrantees to comply with such sections.

23 “(2) COST/PRICE ANALYSIS.—In procurement
24 of products and services using amounts from a grant
25 under this section, including through modification of

1 a contract, the Secretary shall require each State
2 and unit of general government receiving a grant
3 under this section to perform a cost or price anal-
4 ysis, which shall involve conducting an independent
5 cost estimate before any bids or proposals are re-
6 ceived.

7 “(3) TECHNICAL ASSISTANCE.—The Secretary
8 shall provide grantees with technical assistance on
9 contracting and procurement processes and shall re-
10 quire grantees, in contracting or procuring these
11 funds, to incorporate performance requirements and
12 penalties into any such contracts or agreements.

13 “(j) TREATMENT OF CDBG ALLOCATIONS.—
14 Amounts made available for use under this section shall
15 not be considered relevant to the non-disaster formula al-
16 locations made pursuant to section 106 (42 U.S.C. 5306).

17 “(k) WAIVERS.—

18 “(1) AUTHORITY.—Subject to the other provi-
19 sions of this section, in administering amounts made
20 available for use under this section, the Secretary
21 may waive, or specify alternative requirements for,
22 any provision of any statute or regulation that the
23 Secretary administers in connection with the obliga-
24 tion by the Secretary or the use by the recipient of
25 such funds (except for requirements related to fair

1 housing, nondiscrimination, labor standards, and the
2 environment) if the Secretary finds that good cause
3 exists for the waiver or alternative requirement and
4 such waiver or alternative requirement would not be
5 inconsistent with the overall purpose of this title.

6 “(2) NOTICE AND PUBLICATION.—Any waiver
7 of or alternative requirement pursuant to paragraph
8 (1) shall not take effect before the expiration of the
9 30-day period beginning upon the later of—

10 “(A) the provision of written notification of
11 such waiver or alternative requirement to the
12 Congress; or

13 “(B) the publication of notice in the Fed-
14 eral Register of such waiver or alternative re-
15 quirement.

16 “(3) LOW- AND MODERATE-INCOME USE.—A
17 waiver pursuant to paragraph (1) may not reduce
18 the percentage of funds that must be used for activi-
19 ties that benefit persons of low and moderate income
20 to less than 50 percent, unless the Secretary specifi-
21 cally finds that there is compelling need to further
22 reduce the percentage requirement.

23 “(4) PROHIBITION.—The Secretary may not
24 waive any provision of this section pursuant to the
25 authority under paragraph (1).

1 “(1) ENVIRONMENTAL REVIEW.—

2 “(1) ADOPTION.—Notwithstanding subsection
3 (1)(1), recipients of funds provided under this head-
4 ing that use such funds to supplement Federal as-
5 sistance provided under section 402, 403, 404, 406,
6 407, or 502 of the Robert T. Stafford Disaster Re-
7 lief and Emergency Assistance Act (42 U.S.C. 5121
8 et seq.) may adopt, without review or public com-
9 ment, any environmental review, approval, or permit
10 performed by a Federal agency, and such adoption
11 shall satisfy the responsibilities of the recipient with
12 respect to such environmental review, approval, or
13 permit under section 104(g)(1) of this Act (42
14 U.S.C. 5304(g)(1)).

15 “(2) RELEASE OF FUNDS.—Notwithstanding
16 section 104(g)(2) of this Act (42 U.S.C.
17 5304(g)(2)), the Secretary may, upon receipt of a
18 request for release of funds and certification, imme-
19 diately approve the release of funds for an activity
20 or project assisted with amounts made available for
21 use under this section if the recipient has adopted
22 an environmental review, approval or permit under
23 paragraph (1) or the activity or project is categori-
24 cally excluded from review under the National Envi-

1 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
2 seq.).

3 “(m) DEPOSIT OF UNUSED AMOUNTS IN FUND.—

4 “(1) IN GENERAL.—Except as provided in para-
5 graph (3), if any amounts made available for assist-
6 ance under this section remain unobligated upon the
7 earlier of—

8 “(A) the date that the grantee of such
9 amounts notifies the Secretary, pursuant to
10 subsection (g)(2) of this section, that the grant-
11 ee has completed all activities identified in the
12 grantee’s plan for use of such amounts that was
13 approved by the Secretary in connection with
14 such grant; or

15 “(B) the expiration of the 5-year period
16 beginning upon the enactment of the Act mak-
17 ing such amounts available, as such period may
18 be extended pursuant to paragraph (2),

19 upon such date or expiration, as applicable, the Sec-
20 retary shall transfer such unobligated amounts to
21 the Secretary of the Treasury and the Secretary of
22 the Treasury shall cover any such amounts into the
23 Community Development Block Grant Disaster Re-
24 covery Reserve Fund established under section 124.

1 “(2) EXTENSION OF PERIOD FOR USE OF
2 FUNDS.—The period under paragraph (1)(B)—

3 “(A) shall be extended by 2 years if, before
4 the expiration of such 5-year period, the Sec-
5 retary causes to be published in the Federal
6 Register notification that such 2-year extension
7 is necessary to allow the grantee to complete all
8 activities identified in the grantee’s plan for use
9 of such amounts that was approved by the Sec-
10 retary in connection with such grant; and

11 “(B) as extended pursuant to subpara-
12 graph (A), may be extended for an additional
13 period not to exceed 3 years if, before the expi-
14 ration of such 2-year period under subpara-
15 graph (A), the Director of the Office of Man-
16 agement and Budget, upon a request by the
17 Secretary, causes to be published in the Federal
18 Register notification that such additional exten-
19 sion period is necessary to allow the grantee to
20 complete all such activities.

21 “(3) EXEMPTION FOR AMOUNTS FOR HUD IG.—
22 Paragraphs (1) and (2) shall not apply to amounts
23 made available to the Inspector General of the De-
24 partment of Housing and Urban Development.

1 **“SEC. 124. COMMUNITY DEVELOPMENT BLOCK GRANT DIS-**
2 **ASTER RECOVERY RESERVE FUND.**

3 “(a) ESTABLISHMENT.—There is established in the
4 Treasury of the United States an account to be known
5 as the Community Development Block Grant Disaster Re-
6 covery Reserve Fund (in this section referred to as the
7 ‘Fund’).

8 “(b) AMOUNTS.—The Fund shall consist of any
9 amounts appropriated to or credited to the Fund, includ-
10 ing amounts credited to the Fund pursuant to section
11 123(n).

12 “(c) USE.—Amounts in the Fund shall be available
13 only for providing assistance under section 123, but only
14 to the extent provided in advance in appropriations Acts.”.

15 (b) REGULATIONS.—

16 (1) IN GENERAL.—Not later than the expira-
17 tion of the 12-month period beginning on the date
18 of the enactment of this Act, the Secretary of Hous-
19 ing and Urban Development shall issue regulations
20 to carry out sections 123 and 124 of the Housing
21 and Community Development Act of 1974, as added
22 by the amendment made by subsection (a) of this
23 section.

24 (2) INTERIM REGULATIONS.—

25 (A) APPLICABILITY OF CDBG ENTITLED-
26 MENT COMMUNITY REGULATIONS.—Until the

1 regulations issued pursuant to paragraph (1)
2 take effect, the Secretary of Housing and
3 Urban Development shall require each State
4 grantee of assistance from community develop-
5 ment block grant disaster recovery funds to
6 comply with the requirements under part 570 of
7 the Secretary's regulations (24 C.F.R. 570) ap-
8 plicable to entitlement communities.

9 (B) WAIVER.—The authority under section
10 123(k) of the Housing and Community Devel-
11 opment Act of 1974 (relating to waiver of, and
12 alternative requirements for provisions of stat-
13 utes and regulations), as added by the amend-
14 ment made by subsection (a) of this section,
15 shall not apply with respect to the requirement
16 under subparagraph (A) of this paragraph, ex-
17 cept that the Secretary may use such authority
18 with respect to regulations specified in subpara-
19 graph (A) (only to the extent of the applica-
20 bility of such regulations pursuant to subpara-
21 graph (A)), on a case-by-case and disaster-by-
22 disaster basis.

23 (3) DEFINITION.—For purposes of this sub-
24 section, the term “community development block

1 grant disaster recovery funds” means any amounts
2 made available in any fiscal year—

3 (A) for assistance under section 123 of the
4 Housing and Community Development Act of
5 1974, as added by the amendment made by
6 subsection (a) of this section; or

7 (B) under the account entitled “Depart-
8 ment of Housing and Urban Development—
9 Community Planning and Development—Com-
10 munity Development Fund” for activities au-
11 thorized under title I of the Housing and Com-
12 munity Development Act of 1974 (42 U.S.C.
13 5301 et seq.) related to disaster relief, long-
14 term recovery, restoration of infrastructure and
15 housing, or economic revitalization in areas af-
16 fected by a major disaster declared pursuant to
17 the Robert T. Stafford Disaster Relief and
18 Emergency Assistance Act (42 U.S.C. 5121 et
19 seq.).

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