**USACE**

**Moderator: Ellen Berggren**
**October 23, 2018**
**1:00 pm CT**

Ellen Berggren: Well, hello everybody and welcome to this afternoon's Silver Jacket's Webinar. This is Ellen Berggren; I'm with the Army Corp of Engineers Institute for Water Resources and I'm a member of the Corp's National Silver Jackets Program management team. A few housekeeping items before we get started. This session is being recorded and we will post the audio as well as the slides on the Silver Jacket's Web site along with all the previous Silver Jacket's webinars. And that takes us usually about a week to get that posted.

You are encouraged to use the chat box throughout the presentation to submit questions. And we will address all questions at the end of the presentation. When you do use the chat box, make sure that you're addressing that question to everyone by selecting that option from the drop down menu that's located just above the area where you type in your question. I have muted all lines. At the end of the presentation if you would like to ask a question or join the discussion you can press star six, but please stay on mute for now.

We have requested one hour of continuing education credit for certified flood plain managers from the Association of State Flood Plain Managers. If you qualify and you attend the entire webinar, please send an e-mail to Norbert

Schwartz after the session with your request. I have typed his e-mail address in the chat box. Today's topic is an overview of the U.S. Department of Housing and Urban Development -- or HUD -- and its role in disaster response and recovery.

HUD's overall mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD administers multiple programs and grants that Silver Jacket's teams can use to help fund flood mitigation projects, including the Community Development Block Grant, also referred to as CDBG. These grants are often leveraged by states and cities as matching dollars and cost share efforts with FEMA, the Corp, and other federal agencies.

For many years, HUD has been an important federal partner during flood recovery by providing funding made available through Congress to support unmet needs. Today Mr. Dana Bres, a senior advisor with HUD's Office of Policy Development and Research and his team will discuss HUD's role in disaster response as well as on long term community recovery, typically supported through the Community Development Block Grant disaster recovery program.

This program provides significant funding; it allocated over $30 billion in 2018 and provides great flexibility for state and local communities through the emphasis on local planning and decision making. This presentation will identify information sources Silver Jackets teams can use to understand and engage in the local planning processes for HUD-assisted recovery efforts. So Dana and Ed, thank you so much for taking some time this afternoon to talk about HUD and your grant program. And if you're ready, I'll turn it over to you, Dana, to introduce your co-presenter.

Dana Bres: Sure. Thank you, Ellen. Hi, this is Dana Bres. I'm with HUD in Washington, DC and I'm joined by Ed Ellis, who's one of HUD's two disaster coordinators out of Washington State right now. Ed has been with HUD for a number of years and has served in a number of positions, predominantly as a field office director. Basically one of our local HUD offices where the work - where much of the coordination and work with local communities is done. So with that, Ed is going to lead off and then I'll pick it up. Ed?

Ed Ellis: Yes, good morning or good afternoon to all of you guys. It's good to be a part of this, and I think it's excellent that we get together and participate like this on what each agency does, and hopefully it's a good learning experience for all of us. So as Dana said, I've been doing disasters in different capacities for about 17 years. And during some of that time I have been the director of two of our field offices, one in North Carolina and also one in Knoxville, Tennessee. So I've seen disasters not only from the disaster perspective but also as a director for our HUD offices in the two different states as well as working in the regional office in Fort Worth, Texas for region six.

So I'll get started. Again, on the slide you can see HUD is a rather small federal agency. We've only got about 7,600 employees. Like most of the federal agencies, we cover 10 regions. Presently we have 65 field offices. Those field offices vary in sizes anywhere from the largest one is approximately maybe 100 employees down to the smallest ones where they only have one employee. So, but we do have what we call the field offices in every state. So every state is represented. And some of the states like California, Texas, Florida perhaps, have more than one field office.

Three of the major program areas that we'll concentrate on here are in what we call the Office of Public and Indian Housing. And most of you guys probably are very familiar with public housing and also what historically we have called Section 8 programs. We also have the Office of Housing which also includes our FHA-type programs. And again, most of us are familiar with that under FHA-type mortgages for first-time home buyers or other people who are buying a house. But also under that program we do a tremendous amount of funding for multi-family projects. And we'll talk more about that as we talk about the disasters. And under that area we also have programs for special needs like people with disabilities or the elderly.

And one of the interesting things typically most of us think of HUD as housing that's subsidized, housing for low or moderate income people. But under FHA-type programs, that is predominantly for middle class America or for development that provides housing to very many working, first-time people out of colleges living in apartments. We work very closely with the state tax credit type programs to implement those programs.

Also under this slide you see the functional offices. And that includes what typically I was under as a director of field policy and management. But one of the program areas that most of us have heard a lot about and it becomes very critical during disasters is what we call FHEO -- Fair Housing and Equal Opportunity. And again, any of us that's ever dealt with housing, we know this because it's really critical and very important during peacetime as well as during the disaster time.

Next slide, please. Communities receive -- as stated earlier -- funding from HUD for these different program areas. We have what we call entitlements, especially for the block grant-type programs like CDBG. We have other types of programs that may be competitive where they actually apply for different grants. Our housing authorities, many of those get funding specifically based on how many units they have in public housing or maybe how many vouchers they have provided in the past.

But most of these monies come pretty well earmarked from year to year based on what the program is trying to provide to the communities or what the state -- based on different formulas -- gets. So it doesn't vary much from year to year unless there's budget cuts from Congress that may affect the programs. And the point here, HUD grantees -- we don't have a lot of money in reserve. So interesting always when we have a disaster that one of the first questions to HUD is: “Where's all the housing at? Where's all that money that you guys have for housing so we can find all these units to put our survivors in?” And unfortunately we often have to say we don't have any extra money to create these extra units.

Next slide, Dana. Public and Indian Housing throughout the United States -- as stated here -- 3,300 public housing authorities. They vary in size from very small -- kind of like our offices that may only have three or four units -- to the huge ones like New York or Puerto Rico that may have thousands, maybe 100,000 type units. Typically most of the units are what we call public housing. And that's the brick and mortar type units that low or moderate income people occupy.

And then we have the housing choice voucher program that probably most of you are familiar with. Literally, the applicant that qualifies for a housing choice voucher receives the voucher and they go shopping in their community for a unit that meets their needs, their location, what they qualify for.

And basically that is through the private sector with participating landlords and management companies that provide the units. And again, it becomes a lease agreement between the tenant who has applied for the voucher as well as the landlord, and then HUD basically -- based on a formula -- provides subsidy to the landlord to help that qualified tenant to afford it.

Now, as I said earlier, unfortunately we don't have a lot of vouchers lying around that are not being used, nor do we have a lot of public housing units that aren’t being used. So this becomes a real challenge during a disaster event of, not only from our personal perspective of HUD, people being displaced out of these units but also trying to find units that could help survivors that may qualify for these programs to find a unit. And again, it's always been a real challenge.

Under our next heading here -- as said earlier -- under our housing programs about 1.3 million units and many of those units are market rate type units that middle class America or anyone else could go out and rent. Some of the units are set aside specifically under a tax credit type program maybe for low and moderate income people. And then we have other types of units under this - the housing program area that is specifically for the elderly or disabled. And in those areas they do have to meet certain qualifications based on disability or age or other factors that come into play.

Most of what we deal with on a day-to-day basis is our programs that are providing subsidies to families. Not so much of the under-the-mortgage type insurance programs that are very much market-driven. And we interplay with them throughout housing staff members, making sure their mortgages are being paid, making sure that their units are meeting certain standards as far as physical characteristics. And then we engage in many cases with these programs on a -- are they doing everything that they were supposed to do in regards to meet the qualifications for the mortgage? E.g., if they are tax credit units, are they providing those units to the people that qualify? So we're kind of in the background as property managers, and what we call asset management is very much part of that characteristic.

Next slide, please. Under the next program here -- and this really kind of brings us towards the disaster world -- is what we call our community planning and development program areas. This includes the block grant that we've mentioned earlier, CDBG. Also includes a program called Home that's specifically for providing housing -- so this could be monies that a local community or state uses to build the bricks and mortar part of the housing units. It can also be used as a subsidy to create vouchers for a local community. So it's a great program. Unfortunately it's been cut quite a bit over the years from Congress for the budget characteristics.

But in many cases we use CDBG and Home monies and maybe tax credit programs to help create some of the affordable housing that we discuss and that local communities, non-profits, and the state try to help create the affordable housing -- especially in areas that have such high rent levels that it becomes really important. So CDBG / Home / the other programs that we combine with these really become part of what we do on a day-to-day basis to create affordable housing.

And not only do we work through CPT to create the units, we work very closely with our partners to address some of the issues that we see day-in and day-out under the umbrella of affordable housing. So it's a challenge in many of our metro areas like DC, like New York, like California. And so not only on the good days are we having to deal with these challenges, then when we have the disaster it even creates more of the challenge that we probably all are familiar with.

Next slide. One of the great things about CDBG is that it allows great flexibility. And when we talk about CDBG, we talk about our entitlements. So typically these are the larger municipalities that get -- again, based on a formula -- funded from HUD year-in and year-out, a certain amount of CDBG monies. And also each one of the 50 states gets an allocation.

So typically the bigger cities -- again, we'll just use Texas as an example since I spent a lot of time in region six in Texas -- so the typical cities like Dallas, Fort Worth, Houston, San Antonio, Austin, they get their entitlements. So they get their money specifically every year through HUD as an entitlement community.

They then develop their consolidated plans on what they're going to do and how they're going to spend this money. And again, there's a lot of flexibility. As long as they're meeting the basic needs of the block grant program which basically means that you're serving low to moderate income families, you're serving low to moderate income communities, you're perhaps creating jobs that will support low income communities or low income individuals. And so there's a lot of flexibility on how the city -- community -- may do this. And again, in certain cases the entitlement not only is the city -- like Dallas -- but it could be the county. Dallas County could be an entitlement.

But the other piece of this that becomes really important is the state entitlement. So the state receives a large allocation to serve the communities outside the direct entitlement communities like Dallas-Fort Worth. So in the more rural area of Texas, the state gets the allocation so they will work with the local communities at the local level -- smaller communities -- on what's important. And typically in most of the states under the entitlement from the state, much of this money is allocated toward infrastructure development or infrastructure maintenance. So typically a small community out in Texas that has a water plant that's maybe aged and it needs to be repaired, upgraded, etcetera, etcetera. So that local community will apply to the state agency and typically the state agencies are the community economic development-type state agency. They will, you know, review a grant from a local small community for maintenance update of a water plant and in many cases that helps that local community do that.

So what we find throughout the United States and for the state type of entitlement, much of that money is to help the small communities to address their needs under the infrastructure umbrella. They may do some housing programs with that money, they may do some different other things with that money. But a vast majority of it goes toward infrastructure.

And I'm saying all this because as Dana starts talking about DER, these same agencies that administer our day-to-day CDBG funding -- again, typically the community and economic development type state agency -- they are the ones also in most cases that administer our CDBG-DR disaster money. Which becomes interesting.

Next slide, Dana. So under this -- and I won't read it to you, but you can see $37 billion that's coming to HUD for this fiscal year. Again, the priority is community economic development, etcetera, etcetera. So all these things become important and especially for the bigger municipalities the block grant funding has done some wonderful things over the years. Another kind of twist to this that I'll add -- and Dana can add to it more later -- there is a program under CDBG called 108. It's kind of a subset of the CDBG program. So it actually allows the entitlement communities -- i.e. the bigger cities or the state -- to literally borrow against their entitlement money, up to five times.

So as an example, let's just say Dallas, Texas receives $10 million a year in CDBG funding. If they wanted to do a special project – e.g. affordable housing, e.g. maybe something toward addressing disaster preparation -- they could come back to HUD and say, "Hey, we would like to apply for a CDBG

108 loan program to do X, Y, and Z." And if it makes sense and it meets basically the parameters of CDBG, then they may be able to get that loan through HUD -- and it's kind of like an FHA-type insurance subsidy insuring the program -- then they could take up to five times their entitlement -- and again, that could be up to a $50 million project -- and they could do something special to create more affordable housing or specifically maybe to look at something to address disasters.

And I'll give you an example. When I was in Texas we worked some with the state of Louisiana and they wanted to create some multi-use facilities -- i.e. community centers, maybe senior citizen centers -- that could perhaps be used -- under a disaster scenario -- as a place that could provide longer term sheltering versus just the typical stand-up shelter scenario. And they looked at the 108 program to develop this kind of project. So, just an example of how CDBG can be used not only during the disaster but even for disaster preparation. Let's see, Dana, is this time for you to take over? Am I still going?

Dana Bres: Yes.

Ed Ellis: Okay.

Dana Bres: My next -- if I mash the mute button on my phone, you know, it works better. Okay, so the Community Development Block Grant -- CDBG -- Disaster Recovery program – CDBG-DR. (After you've been at HUD for a while, CDBG comes right off your tongue.) Its primary objective is disaster relief and long term recovery. It's helping the community focus on the stuff that they need to do to recover from a disaster. And to a large extent it's just like CDBG. You know, there's no special legislative program, so it has all of the flexibility of CDBG.

Those of you that have applied for local grants using CDBG money may recall that CDBG can be used -- I believe it's completely unique in the federal government in the fact that you can use CDBG money to match other federal programs.  Most grant programs say you can't use federal money to match federal money.  But CDBG is considered local money as soon as it lands.

So CDBG has a boatload of flexibility embedded in it.  It came out of the old revenue sharing programs of the '70s.  So the CDBG-DR program has many of the same flexibilities.  We rely on the same legislative authorizations for those.  Except in this case the process is that Congress recognizes a need for DR money and then they appropriate it specifically for one or more disasters.  Typically those appropriations will say something like the disasters which occurred in calendar year 2019.  Or calendar year 2018 and 2019.  Or something like that.

So they're fairly inclusive in that respect.  And as Congress appropriates the money, HUD allocates it based on a determination of what the unmet need is.  And this is probably the first really stark difference between this and FEMA money.  If a community were to have a million dollars in unmet need that FEMA could help with, FEMA would -- regardless of which community it was -- provide essentially the same amount of support.  Let's just say a million dollars to satisfy that issue.

And because of the CDBG-DR process, what we will do is we will ensure that the various communities are treated equitably.  So everybody gets a portion of the DR appropriation consistent with their unmet need.  But it's not necessarily the same portion -- the same proportion -- as a community might have received two years ago.  Because, to use a pie analogy, we don't necessarily have a lot of control over the size of the pie. But we can determine how big the slices are, relative to everybody else.

But the DR program presents opportunities to integrate. Because the process of appropriation, allocation, planning, and then ultimately the execution is often quite lengthy, it presents some opportunities for Silver Jacket's teams to integrate their mitigation efforts into the broader planning process. The planning process largely occurs at the state or local level. Generally at the state level.

And because most of them don't do a whole lot of planning before -- in anticipation of the requirement, you know, that gives you a little bit of time to build those relationships that you've already established. Hopefully after this presentation everybody will go out and start establishing those relationships to ensure that the mitigation strategies are to the greatest extent integrated into the proposal for how the community will spend the money. And -- like I said -- the planning efforts are typically led by the state with a lot of involvement with local groups.

Immediately following a disaster, HUD will roll in. We'll spend a lot of time doing situational awareness of our grantees, of our programs. And then support for the immediate HUD grantees, typically the public housing authorities and the multi-family property owners. Because if they're not able to continue operations, that's going to dump a whole lot more people that need housing into the broader market.

We have just a body of regulatory flexibilities that we trigger almost every time. Where we allow mortgage forbearance or allow our grantees a lot more flexibility in reprogramming funds. You know, if you think about these like contract actions, most contracts don't allow a lot of flexibility on allowing the contractor to reprogram how they spend the money. And, you know, following a disaster we will allow our grantees a lot more flexibility on how they allocate their available resources. So if they might have been shepherding a little bit of money to replace a boiler but they need to repair the roof, so, you know, they'll just take the money from the boiler account and apply it to the roof.

And then we -- just like most federal agencies -- pull mission assignments from FEMA to staff the joint field office and the disaster recovery centers. And then also stand up the -- we're the lead agency for the housing recovery support function, where we're basically down on the ground with the state and local governments, helping them plan their housing recovery. In many cases it's through data analysis. We have access to all of the census data and things like that. And we're able to, you know, pull the files that particularly a smaller government might not have the capacity or the experience to pull. Ultimately that leads to a broader assessment of unmet needs.

Ed Ellis: Dana, this is Ed. Could I add something I think that's…

Dana Bres: Please.

Ed Ellis: … really important for all of our audience. Is that, you know, in many of our disasters we never reach the level of even a Presidential declaration. And as Dana said, most cases never reach the level of the DR funded. But HUD is very involved through our local offices, our regional offices, in multiple disasters at the smaller, local level, state level. And so through our program areas, through our local offices, we get very engaged with the response and recovery, although we're doing it without a mission assignment.

And many of our offices do a great job doing that. And one of the things that we've been very much engaged with over the last few years as one of the priorities of FEMA and our other partners has been the state-led housing task force. So through that and through our partnerships, not only are we involved with the Presidential declared disasters, in many cases we get very involved with the smaller disasters also.

Dana Bres: That's a good point that Ed made. With 65 field offices we're not unlike the -- I think we have actually greater penetration across America than for example the Corp of Engineers districts. So we're in all of the major cities and every state. So we're quite involved with the activities of the community in trying to help them -- in some cases, channel their investments. So yes, certainly the only thing worse -- I guess in some respects -- than getting a disaster declaration is not getting one. So the floodgates don't open with FEMA assistance, but the impacts to the community are still there.

In terms of our disaster execution, we have an extraordinarily small staff. You're talking to Ed and he's half of it. We have two disaster coordinators. And a number of program staff that do this fundamentally full-time. Very few people are doing disaster work full-time. We draw from the various programs -- community planning and development or CBD, PIH and housing -- to focus both on the assisted housing -- which is our key effort initially -- and then as well as focusing on a broader community recovery.

Most of our response work is done under the mission assignments, because that basically provides the funding to get staff out on the ground. And we pull folks from all over the nation to get out on the ground and do that. And as I said, HUD is the -- HUD's the agency lead for the housing recovery support function. And then later on, CDBG-DR comes in. As I said, it doesn't always show up. And in some cases DR funding may not show up for, oh, a year or 18 months after a disaster.

For example a couple of years ago there was flooding in West Virginia. There was very little movement on an appropriation for DR until Hurricane Matthew hit North Carolina. And then the West Virginia flooding became eligible for disaster recovery money. So they got money – some – but they were well into recovery when they got an allocation.

They're all locally led planning, whether it's state level or in some cases the allocations go directly to a community or a county for the bigger jurisdictions. And they provide an amazing amount of flexibility at the local level.

That's both simultaneously good and bad. When we were looking at the disaster recovery money after Hurricane Katrina, we took the normal amount of money that -- for example -- Texas had, and I believe they got about 60 times that. And most of us do not have a planning process that has that much elasticity in it. You know, I joked that if I were to double or triple somebody's salary, they'd probably be able to deal with that. They'd be pretty happy, but they'd be able to deal with it. But if you increase the salary from what they're making now to 100 times what they're making now…

Ellen Berggren: Dana, we seem to have lost you on the Web, so…

Dana Bres: I see that.

Ellen Berggren: So I put the slide presentation up. Just tell me what slide you're on and I'll change them.

Dana Bres: Okay, I'm on 10.

Ellen Berggren: Okay, that's what I've got up.

Dana Bres: Technology!

So the planning process might not necessarily have the a suitable amount of elasticity. You know, being able to suddenly discover that you're going from a million dollars to $100 million. But the disaster recovery grants are typically run at the state level. Okay, we'll go to Slide 11, then.

So as we work through that, we determine the impacts and then we begin positioning the communities to start thinking about disaster recovery. Generally you can tell fairly early whether it's going to be a disaster that gets DR money. You know, Hurricane Michael, Hurricane Florence, Katrina -- you know, all of the big ones were clear that they would. The smaller ones, it's often difficult -- it's often not expected that they will. Unless of course there's another disaster which causes it to happen.

And then sometimes there are communities that quite honestly could really use the money and there's never an appropriation for it. Particularly a relatively small disaster in a relatively quiet year.

So then as we determine the broader community impact, we look at the various FEMA documents that come out -- the registration information, the inspection results -- and we then work to develop the unmet needs. While we're doing this simultaneously we're in the disaster recovery centers. We're doing retail. We're doing retail in support of FEMA to families that have never received any support from HUD. You know, what we're trying to do is basically case management, trying to get these disaster survivors aimed towards success and towards recovery, with some additional focus on HUD-assisted residents to get them back into permanent housing.

And if we could go to the next slide, please, Ellen. So as Ed said, we got about $37 billion in the 115th Congress. Which still isn't over. So we still might get a little bit more. And we made allocations in December, February, and April, totaling about $37 billion. And you can see the big appropriation -- $28 billion -- that we got had a couple of requirements. One, it was unmet needs for the various disasters. But then there were two special placeholders in there. It said up to $16 billion for mitigation efforts in places that had had disaster declarations and then $2 billion for work on the grid infrastructure in Virgin Islands and Puerto Rico.

Those of you that worked in Puerto Rico and the Virgin Islands know the electrical grid was pretty fragile. So strengthening it was a Congressional priority. And the mitigation efforts went to 19 different state or local organizations for events in 2015, '16, and '17. We can go to Slide 13 please, Ellen.

Ed Ellis: Dana, can I add something, if you don't mind; please?

Dana Bres: Sure.

Ed Ellis: I think what Dana is saying here is very important. That these monies are allocated by Congress and -- as Dana said -- with some of the smaller disasters that I've dealt with, like here in California, Hawaii, that in many cases we will have maybe a state representative, Congressional representative call HUD and say, "We want to apply for some DR money." And we basically have to say, "We don't have any control over the DR. You need to work with your colleagues in Congress, you need to work with the local Congressional people, etcetera, et cetera, in regards to any of these monies that Congress may decide to allocate and then it comes to us." But, you know, we don't have a lot of control over it until Congress tells us, "This is X amount of money that's going to be allocated and -- as Dana said -- in certain cases even earmarked for specific recovery missions.

Dana Bres: So, as we alluded to, what some of the locals will view as a problem with disaster recovery DR money -- the fact that it's not immediate -- provides the Silver Jackets teams a lot of flexibility, a lot of opportunity. Because there is some time to engage. To engage at the local level, to ensure that the money is appropriately integrated into the broader plan. There are some restrictions obviously. But I think there's a lot of flexibility there.

And it provides the opportunity for local mitigation to be included, or in some cases it might provide the opportunity for DR money to do some things which then frees up some mitigation money to do other things. So there's a great opportunity for synergy. And we can go to the next slide -- slide 14 -- Ellen.

And the DR process, after the allocations are made -- and as I alluded -- we get access to the registrant files as well as the small business administration loan files. And that allows us to know both the impact and then from that we subtract the available resources that the residents of the community have. Insurance payouts, loans, and things like that. And then we determine the unmet need.

So it's entirely possible that a disaster that hits a relatively wealthy jurisdiction might have no unmet need. You know, between savings, loans, and insurance payouts, the impact of the disaster is covered.

That's not suggesting that the individual residents who have suffered disaster losses haven't had to take money from someplace or borrow money. But from our perspective, there is no unmet need. You know, this is not just kind of a free money program.

So the grantee then will develop in conjunction with the community and publish their DR action plan. We require -- just like other CDBG programs -- that the community be engaged. So the citizenry of the jurisdiction has the opportunity to review and comment on the action plan. We review the action plan and either make tweaks to it or accept it wholesale, and then the grantee begins to implement the activities and draw funds down.

As you'd imagine, that's not a quick process. And I don't believe it was ever really intended to be a quick process. We're not trying to buy sandbags with this money, or do response type of activities. If we could go to Slide 15, Ellen.

We look at the housing damage and the infrastructure damage to calculate that unmet need so we can allocate. And then basically you throw all of those in the hat and you see that Ohio had 53% of it and Michigan had 47%, if we're - if we were doing it just for two broad states. And that way we would then know how to do the allocation. Next slide, please. Slide 16.

The regulation says that it must be used for -- and you know, if this sounds a little squishy, it probably is -- the necessary expenses related to disaster relief, long term recovery, and restoration of infrastructure, housing, and economic revitalization. And they have to be related to the disaster. So you would have to demonstrate a nexus between an impact on the Gulf Coast and a project that you wanted to do in Northern Mississippi, for example. You couldn't just say, "Well, it's Mississippi's money, we're going to spend the money in Mississippi." You'd have to demonstrate that nexus.

And the CDBG-DR people are always willing to work and negotiate and try to come up with a strategy that will get the job done. However -- as they've told me -- they're not necessarily going to just say, "Sure, we'll do that." Like I said, it has to address the disaster impact, it has to be a CDBG eligible activity, and it must meet the national objectives. If we can go to slide 17, Ellen.

And the national objectives are -- you know, these are things that you can see HUD's DNA all over. Benefit low to moderate income people, aid in prevention of slums or blights -- so these are not only national objectives, but they're ones that are fairly mature. We don't use slums much anymore. And then: meet an urgent need -- something that needs to be addressed now. If we can go to slide 18, Ellen.

And it can supplement other federal money -- FEMA, SVA, and USACE. It can't duplicate the funding, but it may be used as a match. So this is probably where early discussions -- pre-disaster discussion -- could be really fruitful, to figure out how mitigation -- either local or other federal funded mitigation efforts -- and CDBG-DR could be effectively integrated to ensure that everybody's staying legal and doing the things that the community needs the most. CDBG-DR does work for buyouts.

Because in most cases what we're proposing to buy out is the - are the neighborhoods that were most heavily affected. We can go to Slide 19, please, Ellen.

The entity -- the grantee, in this case -- has to demonstrate how it's disaster-related. It doesn't necessarily have to be disaster damage, but it could be related to the fact that we're trying to develop an area outside of the flood zone for housing so we don't see a recurrence of disaster damage. So that could be the nexus. We have also funded a number of economic development programs where we are basically looking at employment opportunities. Slide 20, please, Ellen.

Mitigation is not specifically eligible. Or, you know, we say generally ineligible. But there's a lot of opportunities there to figure out how to thread that needle. We're certainly not looking to compete heads up with the HMGP. But there are certainly opportunities to extend the reach of HMGP or other mitigation efforts through CDBG-DR. And to a large extent the goal -- particularly as we rebuild infrastructure – CDBG-DR can be used to rebuild infrastructure in a more resilient or resistant manner. Next slide, please, Ellen.

There's a number of sites -- the disaster recovery Web site is shown there, and then all of the miscellaneous -- the notices of the appropriations and federal register notices. Because of the way it's handled, we post all of this on the Federal Register so people can see how we're allocating the money. Now, in that case, the CDBG-DR Web site also has information on the existing grantees, what they're doing, as well as a variety of contact information, to help both at the local level and at the local, regional, and national level.

Next slide, please, Ellen. 22. A number of other Web sites and then the last slide is obviously Ed's and my numbers. So at that I would like to open it up for questions.

Ed Ellis: Dana, this is Ed…

Dana Bres: Ed.

Ed Ellis: A couple more things that I think are important…. As Dana said, especially with the DR money under mitigation, what comes to mind is Princeville in North Carolina. Many of you guys had to work the disasters in North Carolina over the last few years. Princeville is a very historic African American community. So some of the DR monies was used there to help raise some of the housing units out of the floodplain because they wanted to preserve the community.

And also another important piece is we typically cannot use DR money for the next disaster that comes along. Like in Texas, we've been asked multiple times, "Well, why can't we use some of the leftover disaster money from Hurricane Ike -- let's say -- for the last hurricane that we just had?" And typically it's restricted per each disaster declaration as Congress has allocated and as our CDBG-DR staff have allocated the money. Something important: we can't use previous money for the next disaster.

Ellen Berggren: All right, thank you. I'm going to stop recording and then we'll take questions.

END