



2024 CDBG-DR Problem Solving Clinic



May 7-9, 2024
St. Louis, MO

Building Resilient Affordable Housing Using CDBG-DR Funding



Collaborating with Public Housing Authorities, owners of HUD assisted housing, Continuums of Care (CoC), and nonprofits familiar with the needs of renters during the unmet needs analysis phase has added benefits. By engaging with these organizations early on, they will be better positioned to assist and serve as partners, developers and subrecipients supporting the implementation of rental programs.

Data Sources for Identifying Renter Needs in the Action Plan Unmet Needs Analysis

FEMA Individual Assistance (IA) data is one source of data to determine renter needs but is not sufficient on its own to determine rental needs because:

- The damage assessment methodology prioritizes real property damages and therefore homeowners;
- Only accounts for the cost to restore homes to habitable conditions; and
- Renters and those at risk of or experiencing homelessness may be unrepresented in the data because they did not apply for assistance.

CDBG-DR grantees should also collect data from:

1. National Flood Insurance Program (NFIP)
2. Small Business Administration (SBA) disaster loan program
3. Insurance claim information
4. Public Housing Authority(ies) regarding damaged units and needs of renter population
5. Owners of HUD assisted housing regarding damaged units
6. Continuums of Care information including annual Point-in-Time (PIT) Count and data on the type of affordable rental needs specific to the impacted area (e.g., where it is needed, unit size needed, etc.)

CDBG-DR grantees are required to meet resiliency standards. Unmet needs assessments can validate the need for additional funding to support rebuilding to those higher standards.



Rental Program Overview

Rental program models should be influenced by the unmet needs analysis and the market conditions of the impacted area post disaster. Below are some examples of typical program models. Grantees can combine features of different programs or incorporate components of program models to meet their specific strategic priorities.

Tenant-Based Rental Assistance

Covers housing, utility, and/or security deposit payments for LMI tenants, and allows households to move to neighborhoods of their choice up to three consecutive months. CDBG-DR Grantees can submit a waiver request with good cause to provide additional assistance.

Small Rental / Landlord Incentives

Assist small landlords (typically one to four units) to repair and replace damaged units or develop new residential rental housing in exchange for making units available to LMI renters.

Using CDBG-DR as Gap Financing

Leverage CDBG-DR with existing and established federally funded programs such as Low-Income Housing Tax Credits (LIHTC) and Department of Agriculture Rural Rental Housing Loans (Section 515) to address gaps and maximize funding to create affordable housing units.

Middle Market Loans

Provide gap financing to support rehab and construction of multifamily buildings in higher-income areas.

Construction and Rehabilitation of Multifamily Housing

Rehab existing or create new affordable multifamily rental housing; acquire/rehab/convert market-rate multifamily rental housing to affordable multifamily rental housing; and/or acquire/rehab/convert previously non-residential structures to affordable multifamily rental housing.

Permanent Supportive Housing

Acquire, rehab, or convert existing or new multifamily housing to create housing for people who require supportive services.

Affordability Period Requirements

In the 2020, 2021, and 2022 Appropriations, HUD requires that new construction of affordable rental housing of Five or More Units have a minimum affordability period of 20 years, mirroring the HOME Investment Partnerships Program (HOME) requirements at 24 CFR 92.252(e).