



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

PRINCIPAL DEPUTY ASSISTANT SECRETARY  
FOR COMMUNITY PLANNING AND DEVELOPMENT

MEMORANDUM FOR: Sarasota County, FL and Volusia County, FL for Disasters Occurring in 2022 (Allocations announced in the May 2023 Notice); Community Planning and Development Field Office Directors, Deputy Directors, and Program Managers

FROM: Marrion M. McFadden, Principal Deputy Assistant Secretary for Community Planning and Development, D \_\_\_\_\_/s/\_\_\_\_

SUBJECT: Reimbursement Extension  
(Sarasota County and Volusia County Only)

APPLICABILITY DATE: August 13, 2024

PURPOSE

This alternative requirement memorandum governs Community Development Block Grant Disaster Recovery (CDBG-DR) funds allocated to Sarasota County, Florida and Volusia County, Florida pursuant to the Appropriations Act, 2023 (Pub. L. 117-328, Division L, Title II) approved December 29, 2022, (the “Appropriations Act”) for major disasters occurring in 2022.

WAIVER AUTHORITY

The Appropriations Act made available \$3,000,000,000 in CDBG-DR funds for major disasters that occurred in 2022 or later. The CDBG-DR funds made available by this act are for necessary expenses for activities authorized under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) (HCDA) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the “most impacted and distressed” areas resulting from qualifying major disasters.

The Appropriations Act authorizes the Secretary to waive or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary, or use by the recipient, of these funds, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment. HUD may also exercise its regulatory waiver authority under 24 CFR 5.110, 91.600, and 570.5. The waiver and alternative requirement included below is based upon a determination by the Secretary that good cause exists, and that the waiver and alternative requirement is not inconsistent with the overall purposes of Title I of the HCDA.

The Appropriations Act authorized the Secretary to publish any waiver or alternative

requirement via a *Federal Register* notice or on the Department's website, no later than 5 days before the effective date of such waiver or alternative requirement. For the waiver and alternative requirement included below, HUD is exercising its authority to publish on its website.

HUD announced CDBG-DR funds appropriated by Pub. L. 117-328 for major disasters occurring in 2022 in the *Federal Register* notice published on May 18, 2023 (the "May 2023 Notice") at 88 FR 32046.

The May 2023 Notice included the Consolidated Notice as Appendix B and made the Consolidated Notice applicable to the grants announced in the May 2023 Notice. The Department allocated \$201,535,000 to Sarasota County and \$328,910,000 to Volusia County for unmet disaster needs and mitigation activities in the most impacted and distressed areas resulting from 2022 disasters governed by the May 2023 Notice. This memorandum modifies the requirements for the CDBG-DR funds awarded to Sarasota County and Volusia County *only* under the Appropriations Acts by adding a new waiver and alternative requirement.

## REIMBURSEMENT EXTENSION WAIVER

### Background

In paragraph III.F.5 of the Consolidated Notice, HUD permits grantees to charge to the CDBG-DR grants the pre-award and pre-application costs of homeowners, renters, businesses, and other qualifying entities for eligible costs these applicants have incurred in response to an eligible disaster covered under a grantee's applicable Allocation Announcement Notice. For purposes of the Consolidated Notice, pre-application costs are costs incurred by an applicant to CDBG-DR funded programs before the time of application to a grantee or subrecipient.

In addition to other requirements, paragraph III.F.5 stipulates that grantees may charge the eligible pre-application costs to the grant only if: (1) the person or private entity incurred the expenses within one year after the applicability date of the grantee's Allocation Announcement Notice (or within one year after the date of the disaster, whichever is later); and (2) the person or entity pays for the cost before the date on which the person or entity applies for CDBG-DR assistance.

### Sarasota County, Florida

The Department received a request and justification from Sarasota County to extend the reimbursement deadline to May 23, 2025, for eligible pre-application costs. In the waiver request, the grantee explains that they seek a waiver to provide increased accessibility to additional homeowners who have made or will make repairs to their homes, prior to participating in the grantee's homeowner reimbursement program. Due to the significant impacts of the disaster, extended litigation with insurance carriers, and the limited availability of contractors and materials, many homeowners are only now beginning to make repairs as resources become available in the area. Extending the reimbursement deadline will support the recovery process by allowing more low- and moderate-income households to apply for reimbursement. As Sarasota County continues outreach for its homeowner reimbursement program, including an

outreach campaign to historically underserved communities, the grantee anticipates an increase in applicants. Extending the eligible reimbursement period for pre-application costs would allow the grantee to serve additional beneficiaries.

#### Volusia County, Florida

HUD also received a request and justification from Volusia County to extend the reimbursement deadline to May 23, 2025, for eligible pre-application costs. In the waiver request, Volusia County detailed the homeowner insurance crisis facing its residents and Floridians in general. Homeowners in Florida are facing policy cancellations and rising insurance rates, creating a situation where many residents fear that submitting an insurance claim will lead to a negative outcome in which they either lose or cannot afford their insurance. In addition, many homeowners in Volusia County who have filed claims with their insurance companies have had those claims denied or have received payouts that do not cover the total cost of repair. The insurance crisis, coupled with a shortage of contracting and material resources, has caused delays, leaving many home repairs incomplete and many homeowners yet to begin the needed repairs. To support its community in this time of continued need, the grantee expresses its desire to reimburse pre-application costs equitably, allowing a greater number of impacted homeowners to participate in the Single-Family Repair and Replacement Program. Volusia County has conducted extensive outreach to impacted areas within the community and anticipates additional participation in the program if the eligible period for reimbursement is extended.

#### Reimbursement Extension Waiver and Alternative Requirement (Sarasota County and Volusia County only)

After reviewing each grantee's request and based on the good cause provided above, the Department finds there is good cause to modify the alternative requirement in paragraph III.F.5 of the Consolidated Notice in the May 2023 Notice to change the reimbursement deadline of May 23, 2024, and extend the deadline to May 23, 2025, for all funds provided under the Appropriations Act for Sarasota County and Volusia County *only*. The counties may reimburse persons or private entities for disaster related costs incurred until May 23, 2025, for reimbursement programs funded under the Appropriations Act. Should the program application(s) be submitted prior to the reimbursement deadline of May 23, 2025, the eligible reimbursement period would be from the date of the qualified disaster to the date of the application for each applicant. When reimbursing eligible pre-award costs, the counties are reminded to follow all requirements described in paragraph III.F.5 of the Consolidated Notice. This waiver and alternative requirement shall expire on May 23, 2025.

Although the grantee had to stop reimbursing eligible pre-application costs requests after May 23, 2024, based on the requirement in the May 2023 Notice, as of the applicability date of this Memo, HUD is adopting an alternative requirement to the extent necessary to permit the grantee to reimburse beneficiaries who applied for reimbursement of pre-application costs between May 23, 2024 and the applicability date of this memo to the extent that they comply with the other requirements in paragraph III.F.5 of the Consolidated Notice. For those beneficiaries, the counties may use the date of the application for each applicant as the

reimbursement deadline, and not May 23, 2024.

**FOR FURTHER INFORMATION CONTACT**

Tennille Smith Parker, Director, Office of Disaster Recovery, U.S. Department of Housing and Urban Development, 451 7th Street SW, Room 7282, Washington, DC 20410, telephone number 202–708–3587. HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech and communication disabilities. To learn more about how to make an accessible telephone call, please visit:

<https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>. Facsimile inquiries may be sent to Ms. Parker at 202–708–0033. (Except for the “800” number, these telephone numbers are not toll-free.) Email inquiries may be sent to [Disaster\\_Recovery@hud.gov](mailto:Disaster_Recovery@hud.gov).