Mr. Jeff Falcusan  
Policy Director  
National Association of Housing & Redevelopment Officials (NAHRO)  
630 I Street NW  
Washington, DC  20001  

Dear Mr. Falcusan:

Thank you for your letter of November 29, 2011, in which your organization recommends that HUD not allocate up to $300 million in Community Development Block Grant (CDBG) funding appropriated in FY 2012 to fund disaster recovery.

The legislation providing the Department’s FY 2012 appropriation directs that up to $300 million of the $3.308 billion provided under the Community Development Fund (CDF) may be used to make disaster recovery grants to assist in the recovery of the “most impacted and distressed areas” affected by major disasters declared in 2011. The Department acknowledges the approach embodied in the FY 2012 appropriation act is a departure from recent disaster recovery appropriations in that it reduces the amount of funding available for CDBG formula distribution purposes. CDBG disaster recovery funding has historically been provided through supplemental appropriations and has not had any notable effect on funding of the basic CDBG program.

The Department understands that using $300 million of the FY 2012 CDF appropriation for CDBG disaster recovery purposes has the effect of reducing the amount available for formula distribution in FY 2012. However, the appropriation language is clear to the Department and we have initiated a process to allocate $300 million in CDF funding, as well as the additional $100 million provided by the act, for disaster recovery purposes.

Questions regarding this matter may be directed to Yolanda Chávez, Deputy Assistant Secretary for Grant Programs at (202) 708-2111. As always, thank you for your interest and support of CPD’s programs.

Sincerely,

Mercedes Márquez  
Assistant Secretary