



NORTH CAROLINA OFFICE OF RECOVERY AND RESILIENCY

**NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY**

OFFICE OF RECOVERY AND RESILIENCY

# CDBG-MIT Citizen Advisory Committee Public Meeting

May 17, 2024



NORTH CAROLINA OFFICE OF RECOVERY AND RESILIENCY

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# CDBG-MIT Substantial Action Plan Amendment (SAPA) 5 | Summary Of Changes

# CDBG-MIT Overview

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- Community Development Block Grant – Mitigation (CDBG-MIT) is the funding approach from HUD intended to relieve the repetitive cycle of disaster relief allocations to often-impacted areas of the country.
- In Public Law 115-123 (February 9, 2018), the State of North Carolina was allocated \$168,067,000 in Community Development Block Grant – Mitigation (CDBG-MIT) funds.
- In Public Law 116-20 (June 6, 2019), the State was allocated an additional \$34,619,000 in CDBG-MIT funds.

# CDBG-MIT Activities

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The proposed CDBG-MIT funding allocation is to support the mitigation activities listed below:

- **Strategic Buyout Program**
- **Public Housing Restoration Fund**
- **Infrastructure Recovery Program**
- **Affordable Housing Development Fund**
- **Homeownership Assistance Program**
- **Housing Counseling – Homeownership Assistance**
- **Code Enforcement Compliance and Support Program**
- **Additional resilience planning**

These areas of focus address the risks identified in NCORR’s Mitigation Needs Assessment.

The activities must consider and target:

- At least 50% of funding spent in counties determined to be “most impacted and distressed” (MID counties).
- At least 50% of funding must benefit communities who are low-to-moderate-income (LMI).

# CDBG-MIT SAPA Defined

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NCORR has identified the following criteria for program/project actions which constitutes the need for a Substantial Action Plan Amendment (SAPA):

- A change in program benefit or eligibility criteria.
- The addition or deletion of an activity.
- An allocation or reallocation of \$15 million or more.
- The addition of a CDBG-MIT defined “covered project”.
- A covered project is an infrastructure project having a total project cost of a \$100 million or more with at least \$50 million of CDBG funds regardless of source (CDBG-DR, CDBG National Disaster Resilience [NDR], CDBG Mitigation, or CDBG).

## SAPA 5 - Key Changes (1 of 2)

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- Updated Unmet Needs Assessment in CDBG-MIT Action Plan to reflect the 2023 update to the State Hazard Mitigation Plan (HMP).
- Strengthened the CDBG-MIT Action Plan by including a comprehensive set of mitigation activities:
  - Affordable Housing Development Fund
  - Homeownership Assistance Program
  - Housing Counseling – Homeownership Assistance
  - Code Enforcement Compliance and Support Program

## SAPA 5 - Key Changes (2 of 2)

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- Retained NCORR's Strategic Buyout Program (SBP), Infrastructure Recovery, and Public Housing Restoration activities.
- Strengthened the Strategic Buyout Program with policy updates, including some related to recent HUD waivers.
- In recognition of higher costs to complete ongoing projects and fulfill the established commitment to local government sponsors, an additional \$8 million allocation is provided to the Infrastructure Recovery Program.
- Tailored programmatic and policy updates to reflect recent upgrades and changes to better serve mitigation goals.

# CDBG-MIT Activities: Updated Approach

NCORR determined that a strategic revision to the use of CDBG-MIT funds to add mitigation program activities was needed for meaningful investment in long-term hazard mitigation.

NCORR is taking a more comprehensive approach to mitigation and is committed to addressing the risks associated with long term recovery in a holistic way, by weaving in the Affordable Housing Development Fund, Homeownership Assistance Program, Housing Counseling – Homeownership Assistance, and the Code Enforcement Compliance and Support Program with existing CDBG-MIT Buyout activities.



# Updated CDBG-MIT Allocations

Program	SAPA 4 Total	SAPA 5 Total	% of Total Allocation	\$ to LMI	% to LMI	\$ to HUD-defined MID areas	% to HUD-defined MID areas
Administrative Costs	\$10,134,300	\$10,134,300	5%	\$0	0%	\$5,067,150	50%
Planning Costs	\$15,201,450	\$15,201,450	8%	\$0	0%	\$7,600,725	50%
Strategic Buyout	\$123,103,334	\$58,103,334	29%	\$29,051,667	50%	\$29,051,667	50%
Public Housing Restoration Fund	\$36,246,916	\$36,246,916	18%	\$36,246,916	100%	\$33,534,011	92%
Infrastructure Recovery Program	\$18,000,000	\$26,000,000	13%	\$25,480,000	98%	\$23,140,000	89%
Affordable Housing Development Fund	N/A	\$47,500,000	23%	\$47,500,000	100%	\$47,500,000	100%

# Updated CDBG-MIT Allocations (Continued)

Program	SAPA 4 Total	SAPA 5 Total	% of Total Allocation	\$ to LMI	% to LMI	\$ to HUD-defined MID areas	% to HUD-defined MID areas
Homeownership Assistance Program	N/A	\$4,400,000	2%	\$3,080,000	70%	\$4,400,000	100%
Housing Counseling – Homeownership Assistance	N/A	\$100,000	<1%	\$70,000	70%	\$100,000	100%
Code Enforcement Compliance and Support Program	N/A	\$5,000,000	2%	\$4,000,000	80%	\$3,500,000	70%
<b>Total</b>	<b>\$202,686,000</b>	<b>\$202,686,000</b>	<b>100%</b>	<b>\$145,428,583</b>	<b>72%</b>	<b>\$154,793,553</b>	<b>76%</b>

# Community Participation and Public Comment Section Update

The Community Participation and Public Comment Section was revised to clarify previous Community Participation activities and include summaries of previous public comments and related community participation activities.

These changes provide greater clarity into the evolution of the Action Plan over time, and greater transparency into the public comment process.



# Timeline of CDBG-MIT SAPA 5 Update

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- **SAPA Shared with Citizen Advisory Committee (CAC):** March 1, 2024
- **Publication of SAPA and Start of Public Comment Period:** March 15, 2024
- **End of Public Comment Period and CAC Feedback Deadline:** April 15, 2024
- **Completed SAPA Submitted for HUD Review:** April 26, 2024
- **HUD Approval:** Expected within 45 days of submittal (Mid-June 2024)
- **Program Implementation Follow Up:** TBD - Quarter 3 of 2024



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NCORR Strategic Buyout Program

CDBG-MIT

NCORR is a division of the North Carolina Department of Public Safety.





# STRATEGIC BUYOUT PROGRAM OVERVIEW

- Federal HUD CDBG-MIT funds.
- A voluntary program.
- Purchased properties are deed restricted and owned by the local government.
- Program goals:
  - Mitigate the impacts of future floods
  - Provide funding, incentives, and other services to applicants enabling a move to areas of lower flood-risk



# Offer Overview

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- Property is appraised (third party) to determine a current fair market value.
- If a structure is present, it will be assessed per current condition and comparables.
- Applicants may appeal the appraisal.





# Incentive Overview - Primary Resident Property Owners

**Risk Reduction Incentive:** if an applicant moves out of the floodplain or buyout zone.

- **\$20,000** within county, or
- **\$10,000** somewhere else in North Carolina

Based on income and housing counseling

**Affordable Homeownership Incentive:**  $\leq 80\%$  AMI, up to \$200,000.

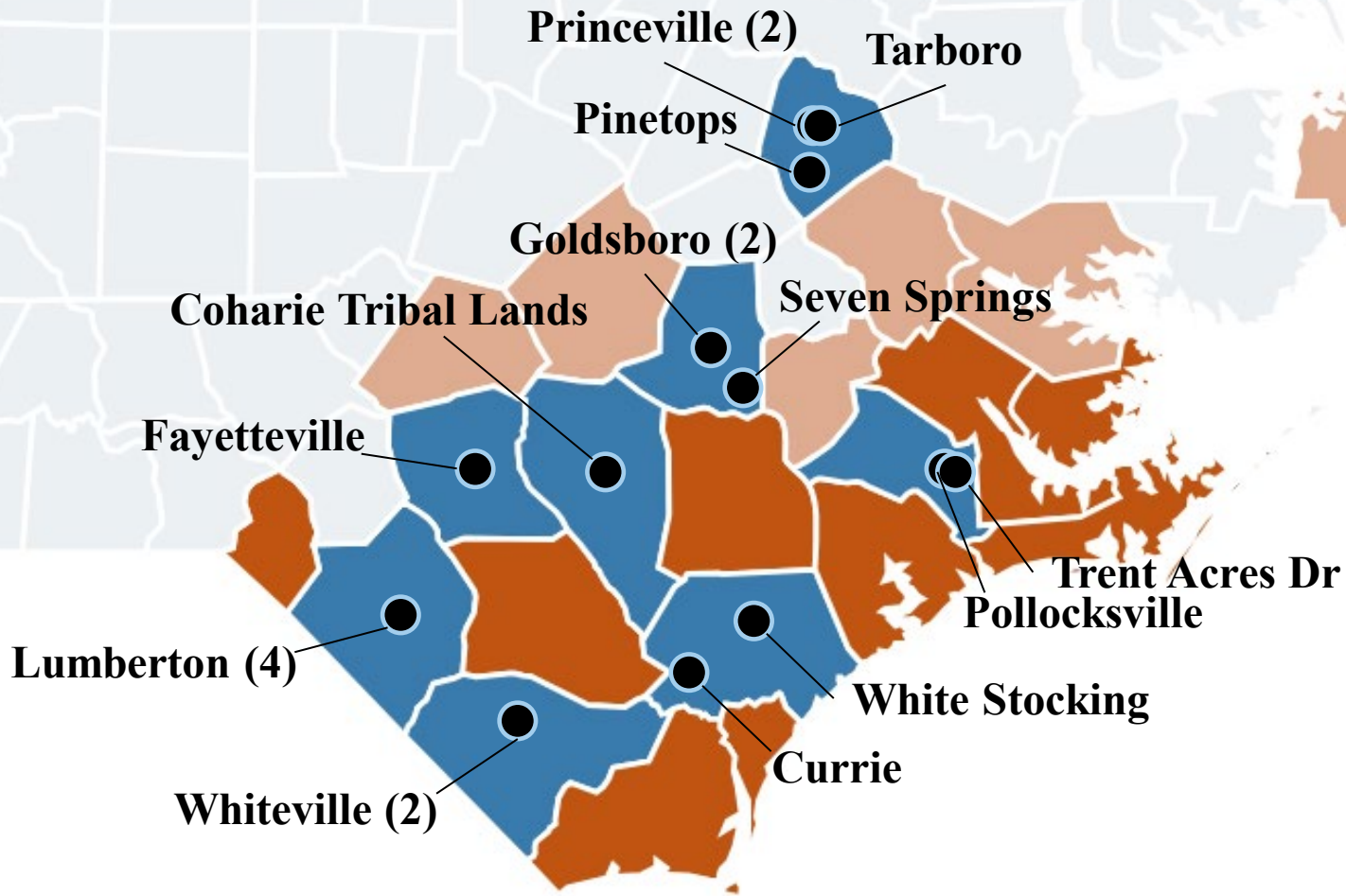
**Matching Down Payment Incentive:** 81-120% AMI, up to \$50,000.

— or —

**Affordable Rental Incentive:**  $\leq 80\%$  AMI, up to \$19,000 (Based on location and the program's occupancy guidelines).

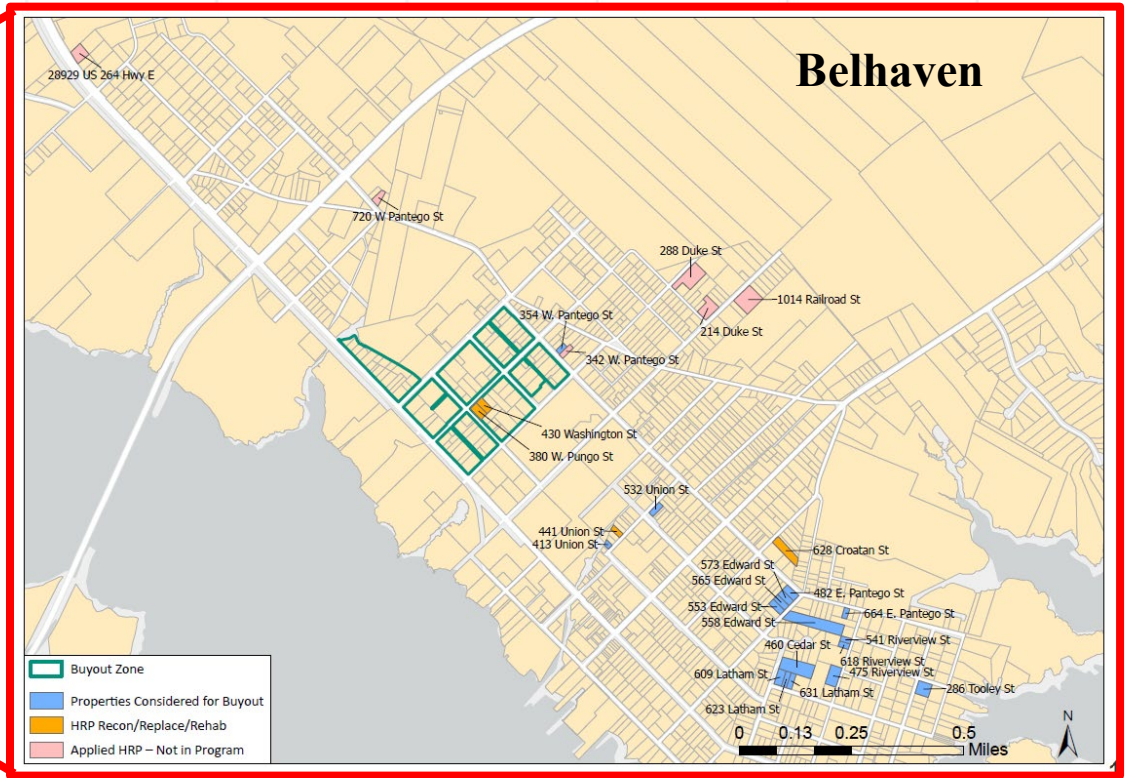
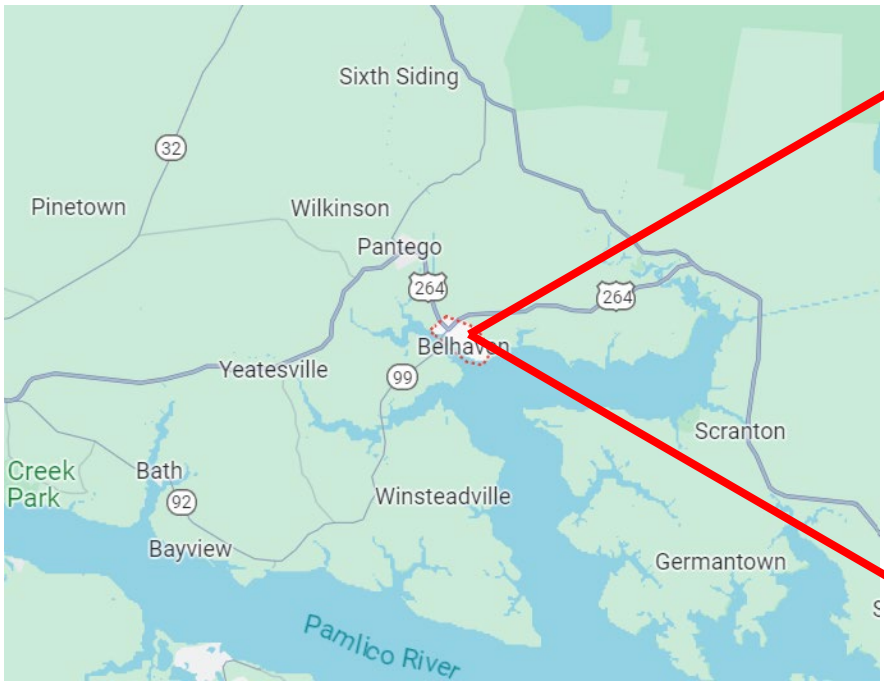






## Current SBP Locations

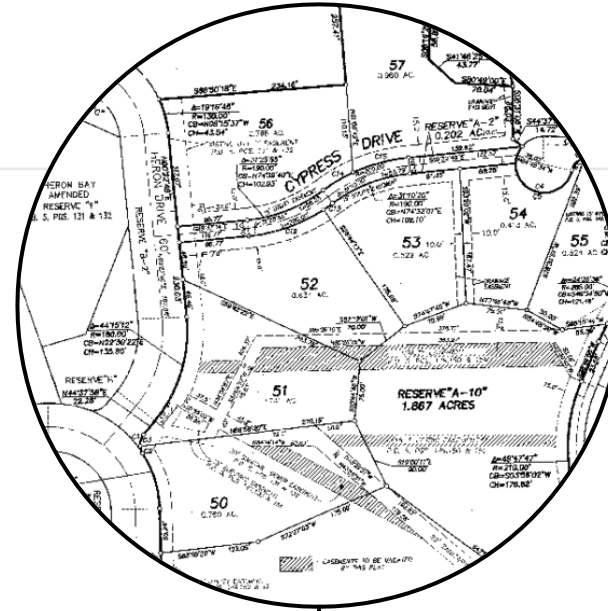
Edgecombe	61
Wayne	37
Jones	3
Cumberland	3
Samson	4
Pender	8
Robeson	48
Columbus	32
Hertford	1
<b>Total</b>	<b>197</b>







Facilitate nature-based flood control methods



Incorporate into development of greenspaces



Remove high flood risk and repetitive flooded properties – reduce EM costs

Coordinate with municipalities planning, easement needs.



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# Community Development Projects in Mitigation | Summary

# Community Development Projects in Mitigation

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- 29 projects addressing local needs
  - Affordable Housing Development
  - Public Housing Restoration
  - Infrastructure Recovery/Improvement
- \$114.2 million to projects in 11 of 16 counties designated most impacted and distressed (MID) by HUD plus Hyde, Pitt and Wilson as well as the Lumbee Tribal Boundary

# Dramatic Storm Impact on Public Facilities



Engelhard  
Community Center  
Hyde Co

Hilton Heights  
Public Housing  
City of Lumberton





# Existing Community Development Projects by County

County	Project	Description	Total Cost	NCORR Funds	% Complete
Bladen	Stormwater Drainage Study	Research on conditions/needs in seven Bladen Co communities	\$1,195,000	\$1,195,000	100%
Cumberland	Community Resource Center	Emergency shelter with wrap-around services for Fayetteville’s homeless	\$5,990,000	\$4,990,000	100%
	Fayetteville Metro PHA	Community Center for public housing tenants in Fayetteville	\$636,454	\$636,454	100%
Duplin	Demolition & Clearing	Removal of Magnolia Auditorium due to irreparability/public safety hazard	\$136,500	\$136,500	100%
Edgecombe	Levee/Floodgate Repair	Restoration of levee and four floodgates in Princeville	\$1,242,669	\$1,242,669	0%
	Water Infrastructure	Water, stormwater, drainage for 53-acre site in Princeville	\$16,802,790	\$3,152,363	0%
	Pioneer Court	50 units of public housing on 53-acre site in Princeville	\$10,800,000	\$9,900,000	0%
Hyde	Engelhard Community Center	New roof, mold remediation, window repair, securing envelope	\$867,773	\$601,744	0%
New Hanover	Wilmington PHA	Mold remediation and repairs on 41 units of public housing in Wilmington	\$2,036,241	\$2,036,241	50%
Robeson	Floodgates at CSX Railroad	New flood protection for I-95 in Lumberton	\$5,806,848	\$1,426,000	0%
	Stormwater Drainage	Improved flooding prevention in Pembroke with new drainage infrastructure	\$174,195	\$174,195	0%
	Sewage Plant Generator	Ensuring continuous operation of Parkton sewage plant in severe weather	\$98,300	\$98,330	0%

# Existing Community Development Projects by County

County	Project	Description	Total Cost	NCORR Funds	% Complete
Robeson	Wastewater Treatment Upgrade	Replacing equipment & elevating primary effluent tank at Fairmont WWTP	\$525,000	\$525,000	30%
	Access Rd/Parallel Force Main	Improving access to/capacity of Fairmont WWTP in heavy storm events	\$1,205,000	\$440,000	0%
	Lift Station Generators	Ensuring 4 Maxton lift stations can pump raw sewage despite power breaks	\$688,000	\$688,000	0%
	Stormwater Drainage	Improved flooding prevention in Rowland with new drainage infrastructure	\$210,000	\$210,000	0%
	Legend Road Water Tank	Ensuring water supply to Lumberton Emerg. Ops. Cntr., critical county facilities	\$4,334,000	\$1,241,000	0%
	Stormwater Drainage	Reducing frequent flooding to residents on Thurlow Street in Red Springs	\$573,998	\$573,998	0%
	Public Schools Fueling Station	Relocating Co. Schools' fuel facility out of floodplain due to storm damage	\$600,000	\$600,000	0%
	Stormwater Drainage	Installing new drainage infrastructure in Town of St. Pauls	\$801,500	\$451,000	0%
	Hilton Heights/Myers Park	72 units of replacement housing for Lumberton Public Housing Authority	\$12,755,463	\$5,931,531	0%
	Admin/Maintenance Facilities	Replacing Lumberton PHA facilities lost in Hurricanes Matthew and Florence	\$1,697,000	\$1,027,986	95%
	Additional replacement units	Replacing 36 units of Lumberton PHA housing lost in hurricane flooding	\$10,000,000	\$5,000,000	0%
Wilson	Whitfield Homes	32 units of replacement public housing for Wilson Housing Authority	\$5,465,869	\$2,712,905	100%



# Investment Produces Results



Community Resource  
Center Fayetteville

Affordable Housing  
Downtown  
Rocky Mount



# New Community Development Projects by County

County	Project	Description	Total Cost	NCORR Funds	% Complete
Duplin	Meadow Villas	40 units of new affordable rental housing in Beulaville	\$9,920,429	\$9,706,000	0%
Jones	White Oak Landing	40 units of new affordable rental housing in Maysville	\$10,016,796	\$9,725,000	0%
Pamlico	Pamlico Grove	56 units of new affordable rental housing in Grantsboro	\$13,575,566	\$6,688,212	0%
Scotland	I. Ellis Johnson	55 units of new affordable rental housing in Laurinburg	\$16,500,00	\$9,656,244	0%
Tribal Boundary	Candy Park	30 new affordable single family homeownership units on Lumbee tribal land	\$11,016,500	\$7,425,000	0%

# Homeownership Assistance Program (HAP)

## Two types of financial assistance

- Downpayment assistance – 3-year forgivable loan
  - Up to \$20k for first-time homebuyers
  - Up to \$30k if buyer’s parents aren’t homeowners (called “First Generation” in HAP)
- Up to 5% of sales price granted to cover closing costs



## \$4.5M program budget

- \$4.4M to fund down payment, closing costs, activity delivery
- \$100k for mandatory homebuyer education

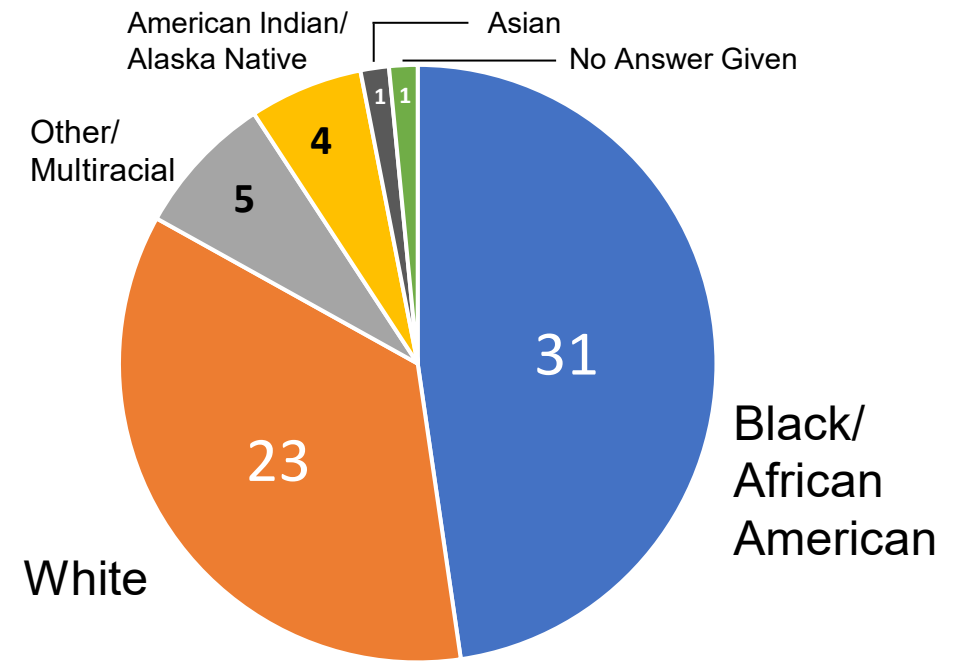
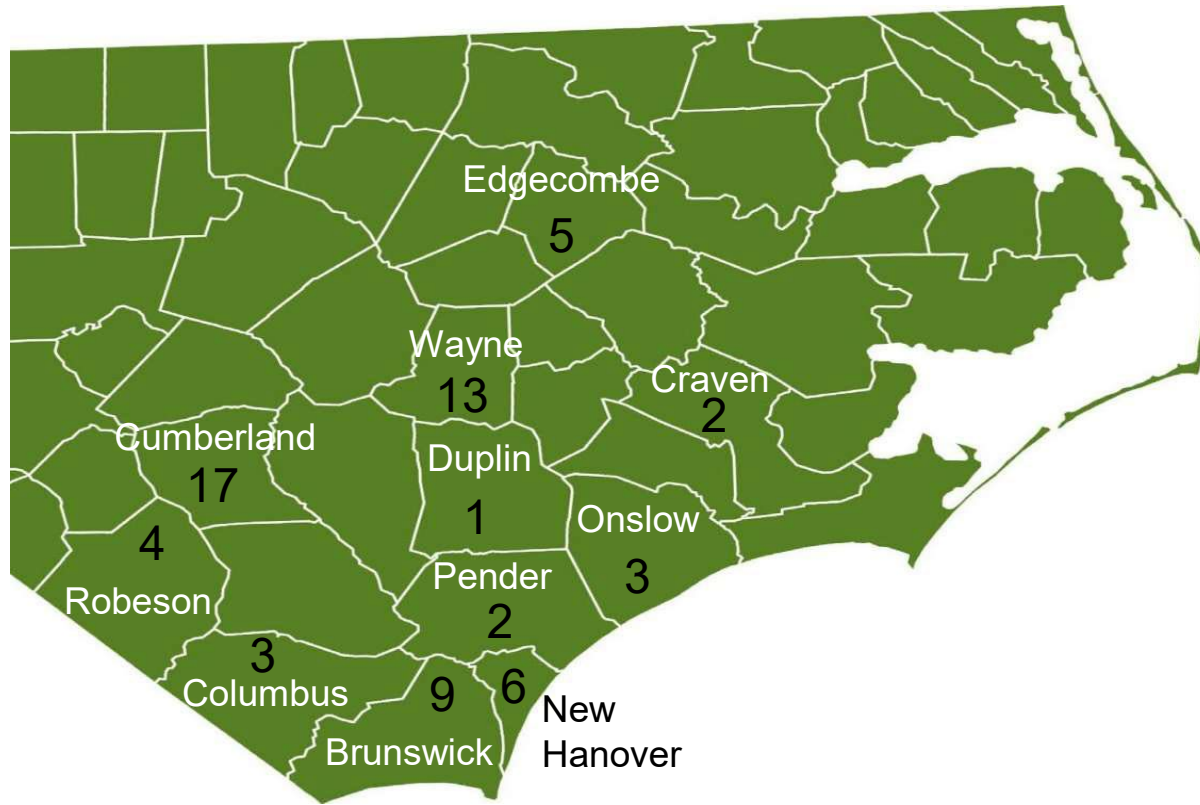
# 2023 Summary

- 235 applications
- 65 closed transactions
- Referrals from lenders
- \$2.06m spent on assistance (69% of program budget)
  - \$1.62m downpayment funding
  - \$0.38m closing cost help
- 48% Black or African American
- 66% women households
- 48% first generation
- Households averaging 2.6 ppl
- HAP funds averaging 58% of total downpayment

AMI %	# of Loans	% of Tot #	Loan \$(m)	% of Tot \$
Up to 80%	43	66%	\$1.294	64%
81-120%	22	34%	\$0.702	36%
<b>Total</b>	<b>65</b>	<b>100%</b>	<b>\$1.996</b>	<b>100%</b>

Averages Per Transaction	
House price	\$206,344
HAP Downpayment	\$24,923
Total Downpayment	\$43,105
Loan-to-Value Ratio	79.1%
Activity Delivery	\$1,031
Homebuyer Education	\$77

# Geography and Racial Identification



# CAC Input Requested

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Some local governments NCORR funds are facing challenges in making progress on their projects due to capacity issues. What is the best way for us to offer support with respect and consideration?

Given the strong popularity of downpayment assistance programs, how can NCORR help would-be homebuyers in addition to the grant dollars we have available to award? If we can only fund 100-150 home purchases due to limited funding, how can we support others who are seeking to become homeowners?

NCORR Community Development works closely with local governments and public housing authorities on projects but we would like to provide additional value to communities in Eastern NC. Do you see ways we can make a difference using our experience with federal funding for infrastructure and affordable housing?





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Thank you

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