



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

September 20, 2024



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Action Plan Review

CDBG-MIT

CDBG-MIT Review

- 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

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).

Timeline of CDBG-MIT SAPA 5

- **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:** July 1, 2024
- **Program Implementation Follow Up:** Ongoing

Current CDBG-MIT Allocations

Program	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	5%	\$0	0%	\$5,067,150	50%
Planning Costs	\$15,201,450	8%	\$0	0%	\$7,600,725	50%
Strategic Buyout	\$58,103,334	29%	\$29,051,667	50%	\$29,051,667	50%
Public Housing Restoration Fund	\$36,246,916	18%	\$36,246,916	100%	\$33,534,011	92%
Infrastructure Recovery Program	\$26,000,000	13%	\$25,480,000	98%	\$23,140,000	89%
Affordable Housing Development Fund	\$47,500,000	23%	\$47,500,000	100%	\$47,500,000	100%

Current CDBG-MIT Allocations (Continued)

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

General Action Plan Updates and Philosophy

- NCORR will continue to amend its CDBG-DR and CDBG-MIT grants when needed.
- Generally, future action plan amendments will focus on aligning budgets with expenditures, especially as NCORR prepares for grant closeout.
 - While still possible, significant program changes are unlikely to occur in the CDBG-DR action plans moving forward.
- NCORR anticipates closing its CDBG-DR Hurricane Matthew grant this year.

CDBG-DR/MIT Funds for Future Disasters

- NCORR *does not* have federal funds available for future disasters.
- However, individuals participating in Strategic Buyout and Homeowner Recovery Programs that are not yet complete may be able to be served if they receive additional damage from a storm this year, funds permitting.
- MIT funds are NCORR's most flexible federal funding source and NCORR may be able to use those funds for future activities, provided those activities align with the CDBG-MIT Action Plan and the Hazard Mitigation Plan.

New Buyout Zones

- NCORR has a number of potential new buyout zones in development and is in discussions with communities about those zones.
- However, NCORR is pausing the establishment of any new buyout zones until after hurricane season to allow for potential new targets for buyout or changing mitigation priorities in the event of a significant storm impact this year.



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NCORR Strategic Buyout Program | CDBG-MIT

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

- 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 comparable.
- 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** elsewhere in North Carolina



Based on income and housing counseling

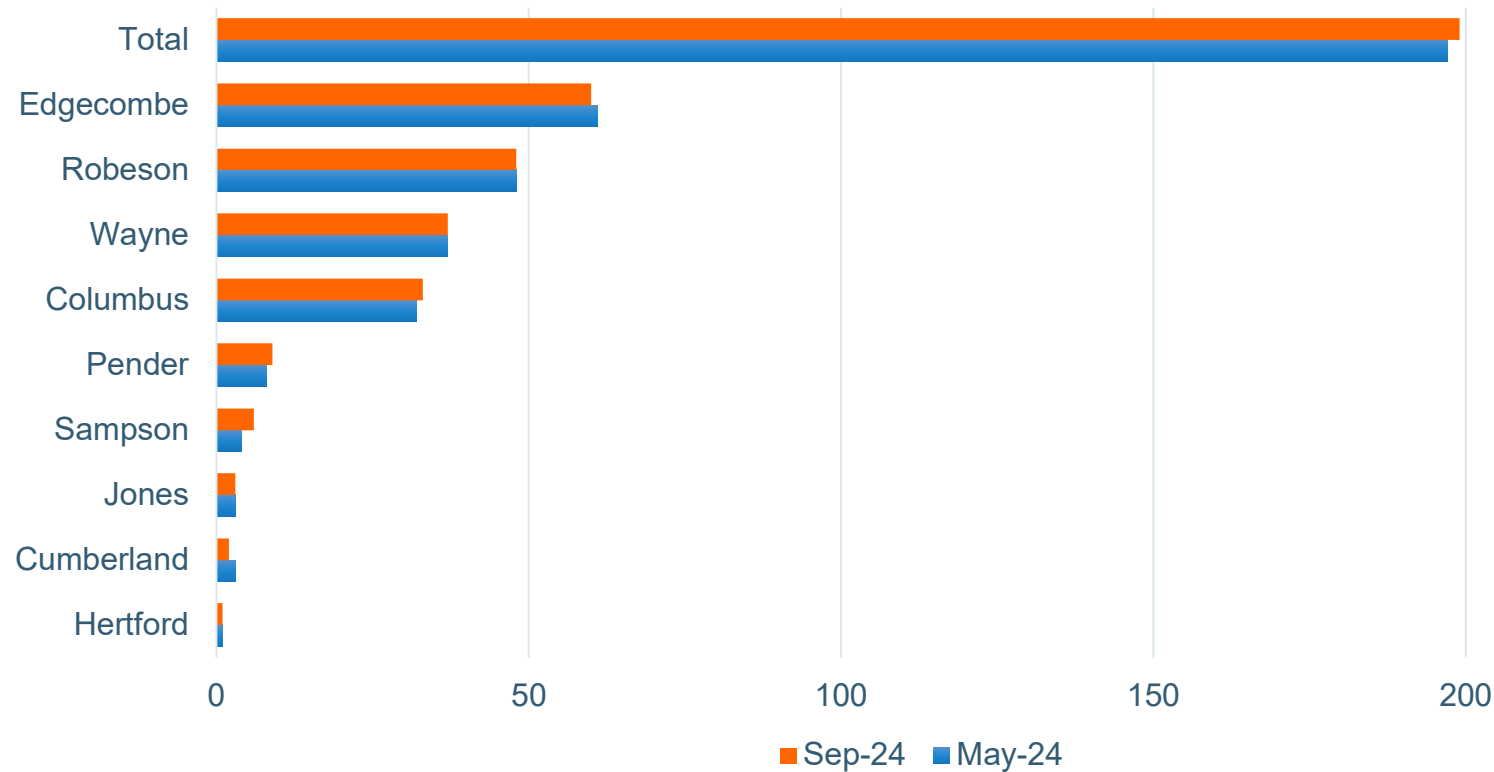
Affordable Homeownership Incentive: $\leq 80\%$ AMI, up to \$200,000.

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

— or —

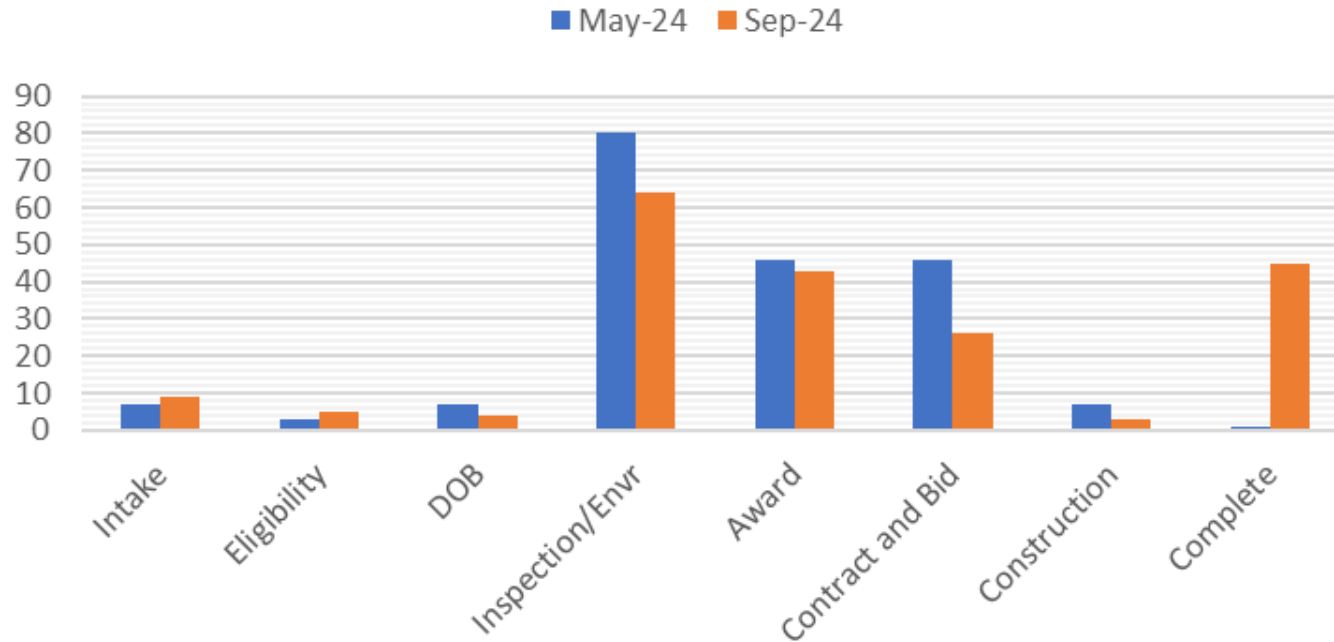
Affordable Rental Incentive: $\leq 80\%$ AMI, up to \$19,000 (Based on location and the program's occupancy guidelines).

Active Buyout Applications – May and September 2024



County	May-24	Sep-24
Hertford	1	1
Cumberland	3	2
Jones	3	3
Sampson	4	6
Pender	8	9
Columbus	32	33
Wayne	37	37
Robeson	48	48
Edgecombe	61	60
Total Applications	197	199

Active Buyout Application – by Step

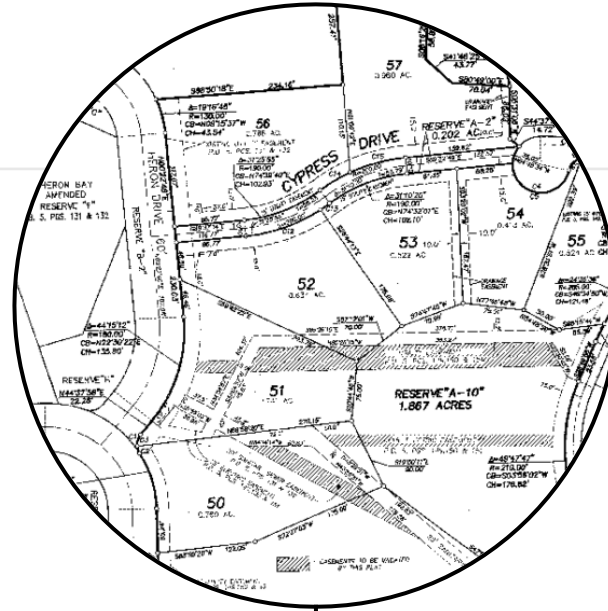


Step	May-24	Sep-24
Intake	7	9
Eligibility	3	5
DOB	7	4
Inspection/Envr	80	64
Award	46	43
Contract and Bid	46	26
Construction	7	3
Complete	1	45
Total Applications	197	199



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

Facilitate nature-based flood control methods.



Coordinate with municipalities planning, easement needs.

Incorporate into development of greenspaces.





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Community Development Projects in Mitigation | Summary

Community Development Project Update

- 29 infrastructure and housing projects totaling \$132 million, with Mitigation funds covering over 2/3 of costs (\$88.5 million)
- Providing vital infrastructure plus 452 apartments and homes affordable to families making below 80% AMI
- Infrastructure disbursements at 34% of total budget
- Most affordable housing projects not yet at milestones

Project Spotlight: Robeson County Parkton Generator



The 1957 generator on the left failed during Hurricane Matthew, leaving the entire Town of Parkton without Wastewater Treatment capacity. Robeson County utilized \$115,000 from NCORR to replace not only the antiquated generator, but also installed automatic transfer switching equipment to restore operations immediately when primary power is lost (see picture on right.)



Project Spotlight: Duplin County Demolition of Magnolia Auditorium

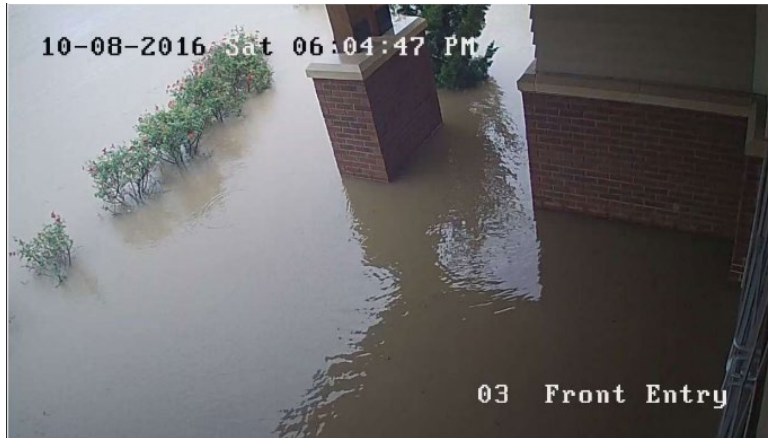


Hurricane Matthew destroyed the auditorium in Magnolia, NC. The town-owned damaged property made the surrounding neighborhood facilities, playgrounds and ballfields unsafe.

Duplin County utilized \$94,325 from NCORR to demolish and remove the debris and return the property to a safe and usable recreational area. Local softball league can resume.

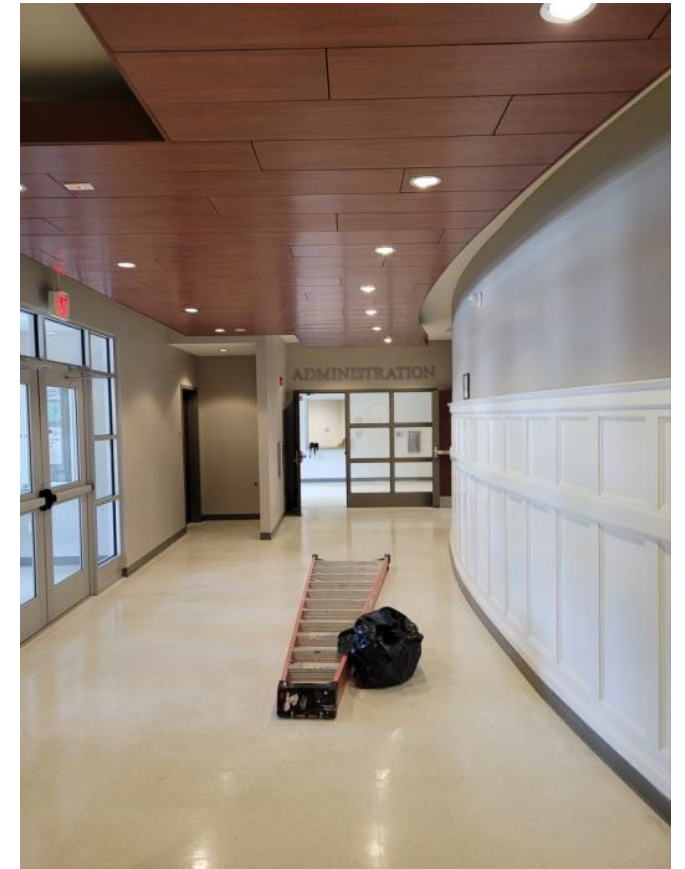


Project Spotlight: Fayetteville Metro Public Housing Authority



Fayetteville Metro Public Housing Authority lost the Community Center that serves 642 residents and surrounding community due to flooding from Hurricane Matthew and subsequent mold damage. This forced cancellation of afterschool programs, computer access, job training and other beneficial programs and resources.

With \$636,454 from NCORR, the facility has been repaired and is awaiting final inspection.



Other Project Progress

- Final walkthrough on Princeville Levee Floodgate Repair project scheduled for September 25th
- Additional \$400 thousand allocated to Pamlico Grove project in Grantsboro along with County Commissioner report
- Legend Road Water Tank pre-construction complete. Estimated to be operational in September of 2025
- Averted wastewater failure with Town of Fairmont's treatment plant. Newly fabricated slide gate being installed

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

Relaunched August 19th

- 71 closed transactions
- \$2.2m spent on assistance
 - 1.8m downpayment funding
 - \$0.4m closing cost help
- 51% Black or African American
- 69% female-headed households
- 51% first generation

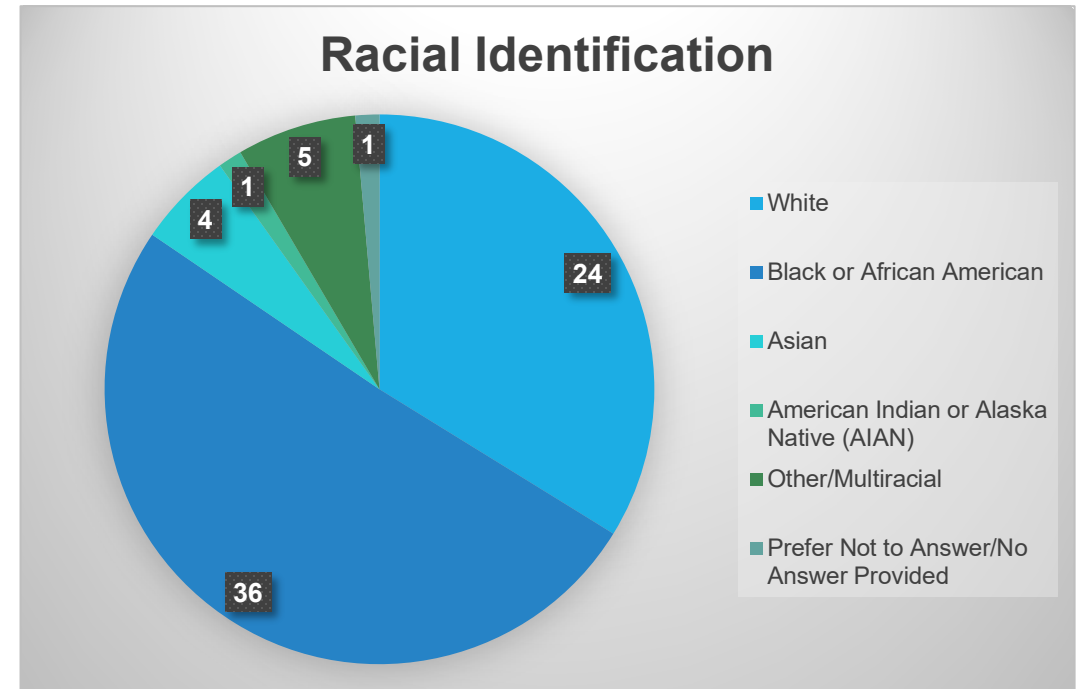
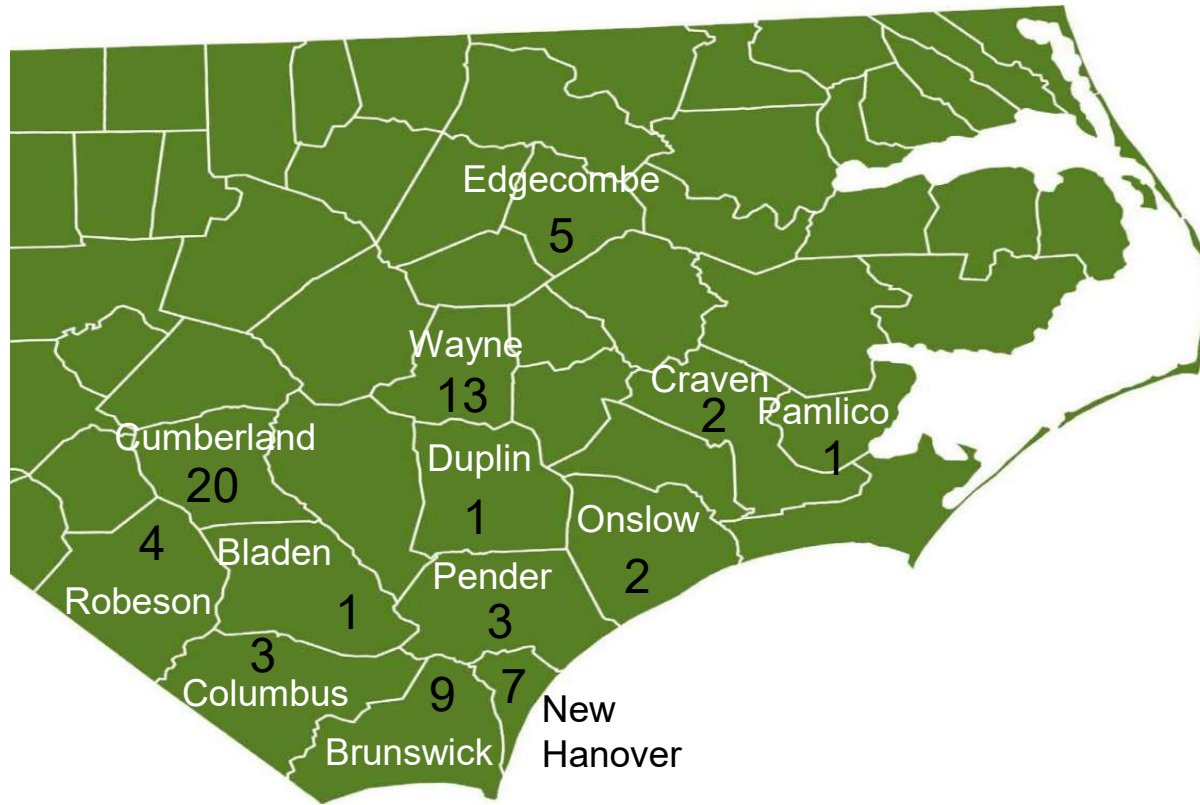


Program Participant Summary

AMI %	Number of Loans		Loan Amount	
	Count	% of Total	Dollars(m)	% of Total
Up to 80%	48	68%	\$1.473	67%
81-120%	23	32%	\$0.730	33%
Total	71	100%	\$2.203	100%

Averages Per Transaction	
HAP Downpayment	\$24,815
Total Downpayment	\$31,038
Monthly Payment	\$1,246
Interest Rate	5.836%
Loan Amount	\$160,635
Household size	2.6 people

Geography and Racial Identification



Appendix

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	\$94,325	\$94,325	100%
Edgecombe	Levee/Floodgate Repair	Restoration of levee and four floodgates in Princeville	\$1,242,669	\$1,242,669	66%
	Water Infrastructure	Force main 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	\$6,900,000	0%
Hyde	Engelhard Community Center	New roof, mold remediation, window repair, securing envelope	\$1,938,610	\$1,745,017	14%
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	\$98,300	100%

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	32%
	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	9%
	Stormwater Drainage	Reducing frequent flooding at Third Avenue and Cross 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	\$2,581,401	\$2,231,401	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%

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	\$7,088,212	0%
Scotland	I. Ellis Johnson	55 units of new affordable rental housing in Laurinburg	\$16,500,00	\$9,656,244	0%
Lumbee Tribal Boundary	Candy Park	30 new affordable single family homeownership units on Lumbee tribal land	\$11,016,500	\$7,425,000	0%



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Reflections from the Previous CAC Meeting 05/17/24

Considerations from the Previous CAC Meeting

NCORR heard from the CAC members during the last meeting about their concerns and considerations, particularly about how processes can be improved in the event of a future disaster. Some of the main themes that came across include:

- How to improve access to recovery resources
- How to reach individuals where they are
- How to coordinate with communities to assess their needs
- How to foster partnerships at the local and state level

1. Considerations from the Previous CAC Meeting

How can *local* efforts improve during disaster recovery and build greater community trust?

- Prepare to augment local code enforcement offices, inspection staff, and planning functions
- Identify what each county does and does not need from the state
- Ensure local communities are quickly and accurately cataloging losses from the disaster

2. Considerations from the Previous CAC Meeting

What are the best ways to directly engage and assess the needs of affected communities?

- The state is rarely in the best position to assess the local need
- Translate the need into the language of the entity that is asking
- Do not ignore or under appreciate the pre-existing conditions of the community

3. Considerations from the Previous CAC Meeting

How can we enhance collaboration with local and state partners to improve recovery efforts?

- Become familiar with your local and state partners
- Engage in blue sky planning and practice when the ground is dry
- Know (and document) where your communities' vulnerabilities might be

4. Considerations from the Previous CAC Meeting

How can we perform accurate damage assessments?

- Listen to people's stories about their property
- Focus on baseline needs that might be applicable to all damaged property
- Time is of the essence - Individuals should identify their losses as soon as it is safe to do so



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Thank you

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