NCORR

NORTH CAROLINA OFFICE OF RECOVERY AND RESILIENCY

NORTH CAROLINA DEPARTMENT OF PUBLIC SAFETY

OFFICE OF RECOVERY AND RESILIENCY

Nonsubstantial Action Plan Amendment 9
September 26, 2024

Hurricane Florence CDBG-DR Action Plan

State of North Carolina

For U.S. Department of Housing and Development CDBG-DR Funds.

(Public Law 115-254 and 116-20)

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Revision History

Version	Date	Description
1.0	February 5, 2020	Initial Action Plan
1.1	March 13, 2020	Revised Action Plan – Public Comment Period and HUD Review
2.0	June 9, 2020	Amendment 1 - Establishment of an upper limit on income eligibility
3.0	January 11, 2021	Amendment 2 – Changes to programs, removal of the Strategic Buyout and Infrastructure funding allocations, updates to timeframes and some definitions.
4.0	January 18, 2022	Amendment 3 – Multiple allocation changes, including reallocating from the Small Rental Recovery Program and Construction Trades Training Program to the affordable housing effort and increasing the Homeowner Recovery Program allocation; programmatic eligibility and detail changes in several programs.
5.0	December 9, 2022	Amendment 4 – Reanalysis of Unmet Need specifically related to owner-occupied housing, rental housing and infrastructure. Multiple allocation changes, including: (1) increases to Homeowner Recovery Program and Affordable Housing Development Fund, (2) decreases in Planning and the Code Enforcement Compliance and Support Program. Removal of Public Housing Development Fund allocation which is being reallocated to CDBG-MIT under the State's CDBG-MIT Action Plan. Programmatic detail changes in several programs. General Requirements changes related to promissory notes, subsidized loans, procurement standards and displacement.
6.0	June 23, 2023	Amendment 5 – Nonsubstantial Amendment that includes technical clarifications to the Affordable Housing Development Fund program.
7.0	March 15, 2024	Amendment 6 – Multiple allocation changes, including the following: Allocation increases to the Homeowner Recovery Program and Planning. Decreases in allocation to the Affordable Housing Development Fund, reflecting a partial reallocation to State's CDBG-MIT Action Plan. Removal and complete reallocation to the State's CDBG-MIT Action Plan of three programs, the Code Enforcement and Compliance Support Program (CECSP), the Homeownership Assistance Program, and the Housing Counseling Fund. Programmatic updates to several programs. General Requirements updates related to elevation requirements, duplication of benefits, and application status. Updates to Appendices A and F.
8.0	August 23, 2024	Amendment 7- Nonsubstantial Amendment that includes minor allocation changes to the Affordable Housing Development Fund and Homeowner Recovery programs.
9.0	September 18, 2024	Amendment 8- Nonsubstantial Amendment that includes additional minor allocation changes to the Affordable Housing Development Fund and Homeowner Recovery programs.
10.0	September 26, 2024	Amendment 9 -Nonsubstantial Amendment to include minor allocations changes to the Affordable Housing Development Fund and Homeowner Recovery Programs.

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1.0 Summary of Action Plan Changes – Amendment 9

The following sections summarize the changes made in the Nonsubstantial Action Plan Amendment 9 (NSAPA 9).

1.1 Overview

This CDBG-DR Action Plan modification is classified as a Nonsubstantial Amendment. Nonsubstantial amendments to the Action Plan are generally defined as minor changes. For example, a nonsubstantial amendment should not be construed as allowing the general administrative budget to exceed the allowable limit or as a modification that materially changes the activities or eligible beneficiaries. Additionally, a Substantial Amendment is generally not required in cases where the grantee is providing additional technical clarifications to a program activity that already received approval from the U.S. Department of Housing and Urban Development (HUD). Nonetheless, HUD must be notified in advance of a Nonsubstantial Amendment becoming effective.

As outlined in Section 8 of the Action Plan, NCORR identifies the following criteria which constitute a substantial amendment:

- A change in program benefit or eligibility criteria.
- The addition or deletion of an activity.
- An allocation or reallocation of $15 million or more.

Only amendments that meet the definition of a Substantial Amendment are subject to the public notification, public comment procedures, and other general Action Plan expectations outlined in the Federal Register Notices by HUD. Based on Federal Register Notice guidelines (85 FR 4681 and 83 FR 5844), all amendments (nonsubstantial and substantial) will be posted on NCORR's website https://rebuild.nc.gov. Additionally, the CDBG-DR Action Plan will be revised to reflect the amendments (Nonsubstantial and Substantial) to the Action Plan. As with all amendments, hard copies of the Nonsubstantial Action Plan will also be made available upon request. Each amendment submitted to HUD will be numbered sequentially and is meant to supersede the earlier amendments in the published Action Plan.

1.2 Affordable Housing Development Fund

The Affordable Housing Development Fund allocation has decreased by $14,999,999 to account for additional projects with a pending commitment of alternative funding sources. The remaining allocation will continue to support projects in communities impacted by Hurricanes Matthew and Florence. This reallocation of funds seeks to leverage and maximize a variety of available funding resources to create resilient and affordable housing while shifting the funds to meet the remaining unmet needs of individual homeowners. Additional details on these changes are found at Section 7.4.

1.3 Homeowner Recovery Program

The allocation changes for the Affordable Housing Development Fund of $14,999,999 is added to the Homeowner Recovery Program. Additional details on these changes are found at Section 7.2.

1.4 Allocation Changes

The allocations for two CDBG-DR programs have been adjusted. Table 44 includes a breakdown of the allocations and a comparison to the allocation in the previous version of the Action Plan. This table is also found below in the Executive Summary of the plan, Section 2.0. A description and rationale for each change is included at Section 6.2.

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2.0 Executive Summary

Hurricane Florence made landfall near Wrightsville Beach, North Carolina on September 14, 2018. Florence, which struck North Carolina less than two years after its last major Hurricane declaration (Hurricane Matthew), heavily disrupted Hurricane Matthew recovery. Combined, the two storms impacted over half of the counties in the State. Many recovering homeowners, local jurisdictions, and other stakeholders currently face obstacles recovering from repeated storm impacts after two historic events.

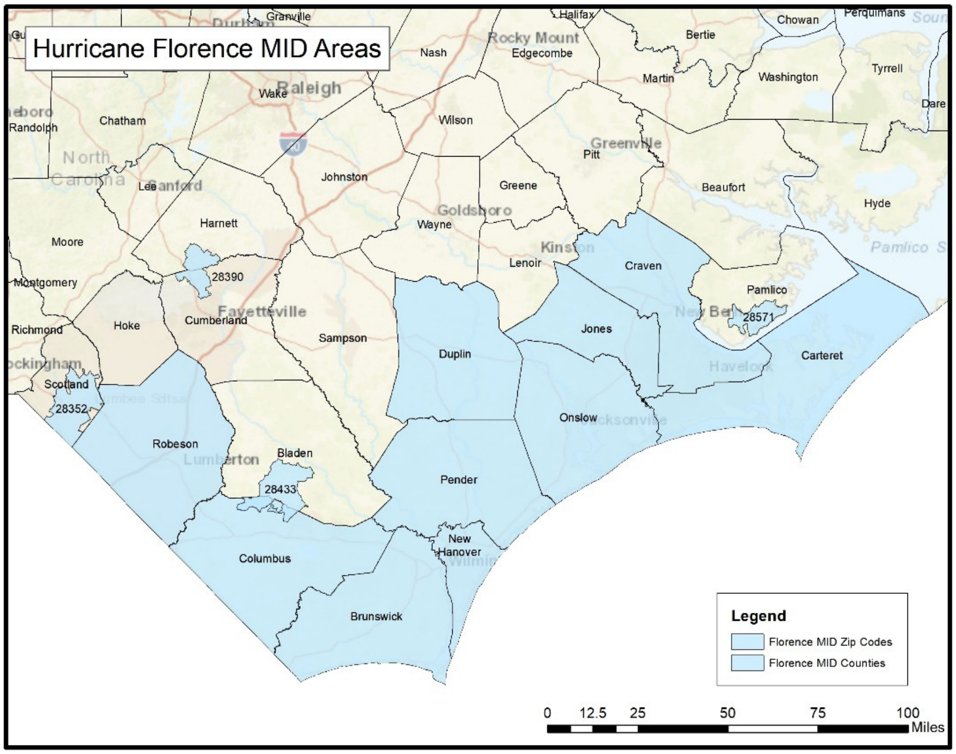
To better address the storm recovery, the North Carolina General Assembly created the North Carolina Office of Recovery and Resiliency (NCORR) through Session Law 2018-136, less than a month after Hurricane Florence made landfall. Since the creation of NCORR, the State has made tremendous strides in disaster recovery through the administration of $236,529,000 in Community Development Block Grant – Disaster Recovery (CDBG-DR) funds provided by the U.S. Department of Housing and Urban Development (HUD) to deliver programs to those recovering from the impacts of Hurricane Matthew. With the receipt of $542,644,000 in CDBG-DR funds to provide Hurricane Florence-specific recovery programs, NCORR seeks to continue to build on the successes of the existing programs for Hurricane Matthew recovery.

Generally, programs offered through Hurricane Florence recovery are similar in approach and consistent with those offered through the Hurricane Matthew recovery. This strategy allows NCORR to rapidly deliver recovery programming while capitalizing on lessons learned. NCORR will work to use already established processes, leverage existing systems, and quicken the pace of recovery – a major priority of NCORR given the significant time that has passed since Hurricane Florence impacted the state.

HUD specifies rules for the use of these funds in a Federal Register Notice (85 FR 4681). To use these funds correctly, NCORR must determine that projects and programs are eligible for funding under the Housing and Community Development Act of 1974 and its amendments (HCDA Part 105(a) includes a list of eligible activities) or otherwise specifically allowed in the Federal Register Notice, and that projects and programs respond to a disaster-related impact to infrastructure, housing, or economic revitalization.

In consideration of HUD requirements, NCORR will spend funds primarily on the housing recovery. NCORR must also spend 70 percent of all funds on activities that benefit LMI individuals and households. In addition, 80 percent of all funds must be spent in in HUD identified most impacted and distressed (MID) areas. HUD has reviewed the damage to North Carolina and determined that the following 10 counties and four zip codes are MID areas: Brunswick County, Carteret County, Columbus County, Craven County, Duplin County, Jones County, New Hanover County, Onslow County, Pender County, Robeson County, Zip Code 28433 (Clarkton, Bladen County), Zip Code 28352 (Laurinburg, Scotland County), Zip Code 28390 (Spring Lake, Cumberland County), and Zip Code 28571 (Oriental, Pamlico County). NCORR has reviewed these MID areas with HUD and has determined that recovery activities funded in counties with a MID zip code (Bladen, Scotland, Cumberland, and Pamlico Counties) will also meet the MID expenditure criteria regardless if the specific activity takes place in the identified ZIP code.

Hurricane Florence MID areas



NCORR has also identified seven counties which received significant damage combined from Hurricane's Matthew and Florence, and is considering those counties to be State-Identified MID areas. Those counties are reviewed in Section 4.5.1 below.

NCORR's primary focus is housing recovery for both homeowners and renters across the Hurricane Florence impacted area. $441.7 million is allocated directly to homeowners seeking to rehabilitate or reconstruct damaged homes or replace damaged modular home units. Other programs, such as the Affordable Housing Development Fund, address renter needs with a total of about $69.3 million allocated. These funds will build new, affordable rental housing through a variety of approaches, and will also work closely with activities in the CDBG-MIT Action Plan to provide down payment assistance to storm-impacted low- and moderate-income (LMI) renters to help them purchase a home.

The remaining grant funds will be spent on planning costs, which help NCORR and other stakeholders develop plans related to disaster recovery and resilience ($4.5 million allocated) and administrative costs, capped at 5 percent of the total grant funds ($27 million allocated). These allocations have changed since the original Action Plan to focus on the most urgent recovery needs.

Hurricane Florence CDBG-DR Programs

Program	PREVIOUS NSAPA 8 Allocation	CURRENT NSAPA 9 Allocation	CURRENT $ to LMI	CURRENT $ to HUD-defined MID
Administrative Costs	$27,132,200	$27,132,200	$0	$21,705,760
Planning Costs	$4,500,000	$4,500,000	$0	$3,600,000
Homeowner Recovery Program	$441,674,385	$456,674,384	$326,454,397	$365,339,508
Affordable Housing Development Fund	$69,337,415	$54,337,416	$54,337,416	$54,337,416
Homeownership Assistance	$0	$0	$0	$0
Housing Counseling Fund	$0	$0	$0	$0
Small Rental Recovery Program	$0	$0	$0	$0
Public Housing Restoration Fund	$0	$0	$0	$0
Construction Trades Training Program	$0	$0	$0	$0
Code Enforcement Compliance and Support Program	$0	$0	$0	$0
Total	**$542,644,000**	**$542,644,000**	**$380,791,813**	**$444,982,684**
% of Total	**100%**	**100%**	**70%**	**82%**

The development of programs is supported by an analysis of the unmet recovery need found in Part 4.0 below. Part 6.0 and Part 7.0 of the Action Plan outline how funds were allocated and delve into more detail about program specifics. Program implementation details not found in the Action Plan will be set forth in program-specific policies and procedures. Readers interested in the recovery need and how programs related to that need should focus on those parts of the Action Plan.

NCORR constantly seeks to hone its recovery programs, plans, policies, and procedures to better serve the recovering citizens of North Carolina. Significant public comment has contributed to the strengthening of this Action Plan in particular. NCORR has incorporated comments and adjusted the Action Plan to respond to those comments, within the framework provided for by CDBG-DR funding. Of special concern is the treatment of LMI individuals, limited English speaking individuals, disabled individuals, and other historically underrepresented or disparately treated groups. People with disabilities have been historically denied opportunities to participate on an equal basis due to discriminatory rules and policies; architectural, communication and transportation barriers; intentional exclusion; qualification standards; relegation to lesser services and opportunities, and lack of reasonable modifications or accommodations. NCORR commits to working with recovering individuals and stakeholders to affirm the rights of disabled people to have equal access to the recovery effort, and better serve the most vulnerable citizens of the State in their unique recovery conditions and needs.

NCORR is dedicated to continuing the mission of delivering recovery resources to recovering individuals, cities, counties, and other stakeholders across the impacted areas of the State. At all times, NCORR's focus is on a rapid, compliant, and comprehensive recovery approach that best serves the people and places of the State of North Carolina to help them rebuild and recover safer, stronger, and smarter.

2.1.0 Amendment 9 Update

See Section 2.0 for revised narrative incorporating allocation changes under Nonsubstantial Amendment 9. See Section 6.2 for summarization and rationale of allocation changes.

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3.0 Authority

Public Law 115-254, the "FAA Reauthorization Act of 2018", was enacted on October 5, 2018 and provided for an initial appropriation of $1.68 billion to HUD to address major disaster declarations for 2018. $336,521,000 of these funds were allocated to the State of North Carolina in CDBG-DR funds to assist in recovery needs due to Hurricane Florence. A subsequent law, Public Law 116-20, the "Additional Supplemental Appropriations for Disaster Relief Act, 2019" was enacted on June 6, 2019. In this appropriation, HUD was allocated $2.431 billion to continue to assist states and communities affected by 2018 and 2019 disasters. HUD allocated another $206,123,000 from this allocation in CDBG-DR funds to the State of North Carolina.

Federal Register Notice 85 FR 4681 includes allocations, common application, waivers, and alternative requirements for CDBG-DR grantees. HUD issued separate guidance for CDBG – Mitigation (CDBG-MIT) funds which were addressed in a separate Action Plan. Details on the use of those funds, and how they may intersect the use of CDBG-DR funds, may be found in that Action Plan. The CDBG-MIT Action Plan is available for review at https://rebuild.nc.gov/mitigation.

Prior to Public Law 115-254 and Public Law 116-20, North Carolina Session Law 2018-136 established NCORR as the administering agency for CDBG-DR funds specific to Hurricane Matthew recovery. NCORR is an office within the NC Department of Public Safety. NCORR will continue its role in administering CDBG-DR and CDBG-MIT funds.

To fulfill the requirements of this allocation, NCORR must submit an Action Plan for CDBG-DR activities that identifies unmet recovery needs to HUD and promotes programs to address those recovery needs. These activities primarily address *housing* recovery needs, but other activities are considered if they increase the State's ability to continue to meet its housing recovery obligations. This Action Plan provides a summary of the actions, activities, and resources used to address the State's priority recovery needs and goals. It is designed to help the State, local units of government, and other recovery partners assess current and future needs, and will be updated as new information or changing conditions warrant a change in recovery approach.

3.1 NCORR and ReBuild NC

While the state agency charged with CDBG-DR and CDBG-MIT funded operations is NCORR, the public-facing entity is branded "ReBuild NC". ReBuild NC is the common name for all recovery programs funded with CDBG-DR or CDBG-MIT funds, and is used when communicating with the public through public hearings or meetings, phone calls, applicant correspondence, social media, and other official communication lines.

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4.0 Recovery Needs Assessment

The State of North Carolina consulted multiple resources to better understand the unmet recovery needs relative to housing, infrastructure, and economic revitalization following the catastrophic impacts of Hurricane Florence. The following analysis identifies the effects, long-term recovery needs, and recovery priorities relative to the CDBG-DR allocation provided to the State to perform disaster recovery activities. The unmet recovery needs analysis considers the impacts of DR – 4393, the presidentially-declared disaster designation for Hurricane Florence. Where feasible, recovery programs are taken in context with the ongoing recovery needs relative to the impacts of Hurricane Matthew to find efficiencies in planning, program design, and eventual program implementation.

The foundation of the analysis of the unmet recovery need concerning housing is the State of North Carolina Housing Impact Assessment, completed by the Federal Housing Recovery Support Team (RSF) in coordination with HUD on March 12, 2019. The results of the Housing Impact Assessment were compared to the requirements set forth in 85 FR 4681 and previous Federal Register Notices. Where necessary, the Housing Impact Assessment assumptions were built upon or modified to better meet HUD guidance on the unmet housing recovery need methodology set therein.

Other data sources were necessary to complete the analysis of unmet infrastructure recovery needs and the analysis of economic impacts from the storm. The analysis is based on data provided by state and federal agencies, impacted areas, local nonprofits and other stakeholders, the U.S. Census Bureau, the U.S. Small Business Administration (SBA), The Federal Emergency Management Agency (FEMA), and other sources. The North Carolina State Office of Budget and Management (NCOSBM) drafted multiple reports in October 2018 that cataloged initial impacts and provided an estimate of the unmet recovery needs at that time. This groundwork was necessary to develop the current unmet recovery needs analysis. The full NCOSBM report is available at https://files.nc.gov/ncosbm/documents/files/Florence_Report_Full_rev20181016v10.pdf.

The analysis includes details specific to the HUD-identified most impacted and distressed (MID) areas as well as other impacted areas. The analysis provides details on the assistance received to date, catalogs any pre-existing challenges these impacted communities face, and provides the foundation for delivering recovery programming that seeks to cure the effects of the disaster while also preparing North Carolina for future disaster events.

NCORR is charged with administering CDBG-DR funds as Grantee to HUD. Therefore, NCORR has sought to develop an unmet needs analysis which is true to the conditions in the State using the best available data and resources to help inform the disaster recovery. NCORR understands that future information may become available that would adjust the findings of the unmet needs analysis. Changes to the Action Plan may result if additional funds become available or if new information is discovered during program planning, development, and delivery that informs a more beneficial recovery.

4.1 Hurricane Florence

On September 14, 2018 Hurricane Florence made landfall near Wrightsville Beach in New Hanover County, North Carolina. In the days prior to landfall, Florence had exhibited wind speeds typical of a Category 4 Hurricane but was downgraded to Category 1 before eventual landfall.

Despite the downgrade in intensity, Florence inundated parts of North Carolina and was the wettest tropical cyclone in the history of the Carolinas with rainfall totals greater than 25 - 35 inches in parts of the State. The rainfall intensity, combined with the slow-moving southwest track of the system and large wind field contributed to historic flooding across Southeastern and Central North Carolina. The rainfall fed the Cape Fear, Lumberton, and Waccamaw Rivers and lead to intense riverine flooding, damaging infrastructure, homes, and businesses in the surrounding area. More than nine river gauges registered flood conditions greater than a 500-year event. The majority of damage caused by Hurricane Florence is due to this extended rainfall as the storm trekked southwest slowly through coastal North Carolina for six days.

In addition to rainfall, Florence drove a record-breaking storm surge of 9 – 13 feet. The result of the storm surge, rainfall, and river overflow was catastrophic and life-threatening floods for a massive geographical extent of the State.[1]

[1] National Weather Service. *Historic Hurricane Florence, September 12-15, 2018*. https://www.weather.gov/mhx/Florence2018.

Figure 1 - Preliminary Rainfall Reports, Post-Storm, Hurricane Florence

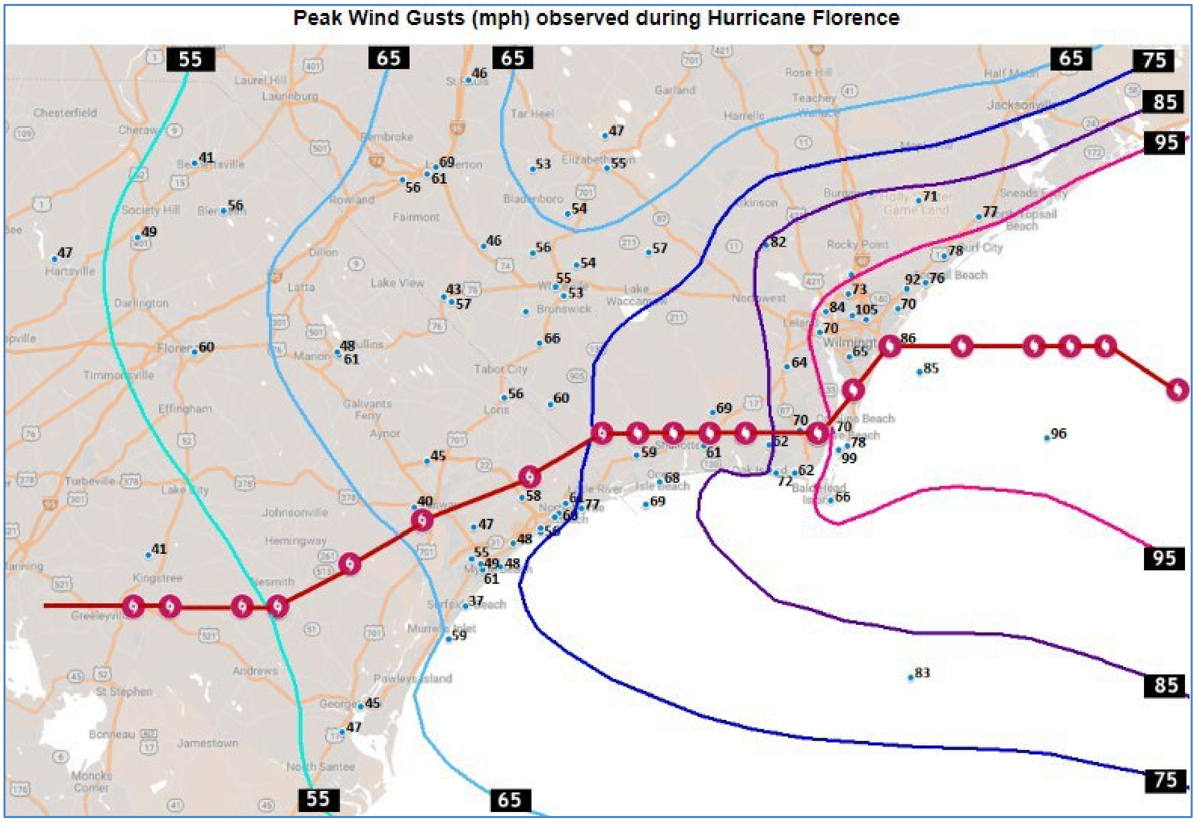
Hurricane Florence Preliminary Rainfall Reports
North Carolina - As of 2 pm September 17, 2018

Rainfall Total		Rainfall Total		Rainfall Total	
Elizabethtown NC	35.93"	Pink Hill NC	18.31"	Chapel Hill NC	9.18"
Swansboro NC	34.00"	Chadbourn NC	18.23"	Wilson NC	8.75"
Gurganus NC	30.38"	Wallace NC	18.08"	Clayton NC	8.57"
Hoffman Forest NC	29.62"	Clinton NC	17.85"	Fairview NC	7.86"
Hampstead NC	29.52"	Trent Woods NC	17.28"	Concord NC	7.62"
Sunny Point NC	27.44"	New Bern NC	16.65"	Aho NC	7.29"
Oak Island NC	26.98"	Stedman NC	16.38"	Garner NC	7.12"
Wilmington NC	26.58"	Cameron NC	16.36"	Greensboro NC	6.99"
Whiteville NC	25.91"	Pine Knoll Shores NC	16.32"	Raleigh NC	6.98"
Jacksonville NC	25.28"	Fayetteville NC	15.27"	Williamston NC	6.93"
Newport NC (NWS Office)	25.20"	Roseboro NC	15.15"	Washington NC	6.71"
		Linden NC	15.11"	Rocky Mount NC	6.33"
Mount Olive NC	25.04"	Goldsboro NC	14.39"	Charlotte NC	6.13"
Bolivia NC	23.33"	Rockingham NC	14.37"	Boone NC	6.07"
Wilmington ((ILM) NC	23.02"	Raeford NC	14.32"	Gastonia NC	6.06"
Emerald Isle NC	23.66"	Grantsboro NC	14.11"	Rocky Mount NC	6.33"
Maysville NC	23.14"	Burgaw NC	13.60"	Lawsonville NC	5.70"
Lumberton NC	22.76"	Fort Bragg NC	13.29"	Cape Hatteras NC	5.59"
Yaupon Beach NC	22.07"	Greenville NC	11.66"	Tarboro NC	5.16"
Supply NC	21.92"	Snow Hill NC	11.50"	North Wilkesboro NC	5.00"
Cedar Point NC	21.96"	Pittsboro NC	11.40"	Winston-Salem NC	4.85"
Croatan NC	21.70"	Burnsville NC	11.26"	Yadkinville NC	4.59"
Morehead City NC	21.20"	Ashboro NC	10.67"	Edenton NC	4.49"
Back Island NC	20.87"	Sparta NC	10.20"	Yanceyville NC	4.15"
Hope Mills NC	20.54"	Barrett NC	9.97"	Roanoke Rapids NC	3.92"
Dunn NC	20.41"	Durham NC	9.58"	Hickory NC	3.72"
Sandy Run NC	19.92"	Apex NC	9.52"	Asheville NC	3.29"
Kinston NC	18.88"	Ocracoke NC	9.29"	Elizabeth City NC	2.01"

Often overlooked by the historic flooding event is the extensive wind damage to the coastal regions of North Carolina, where wind gusts over 100 miles per hour were recorded.[2] The combined impact of rainfall, flooding, storm surge, and wind damage had devastating effects on housing and infrastructure. The total number of Hurricane Florence related deaths in North Carolina stands at 40.[3]

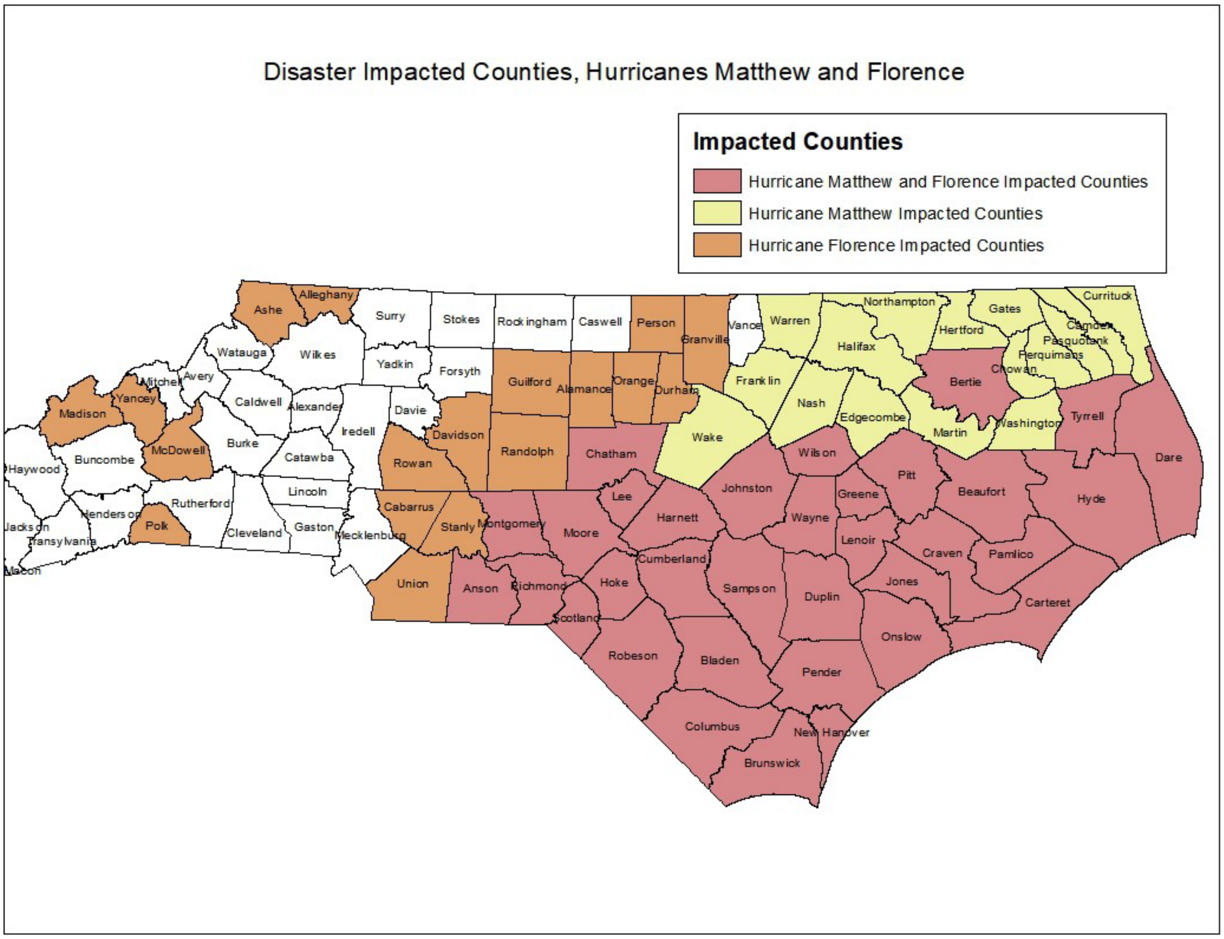
[2] National Weather Service. *Hurricane Florence: September 14, 2018*. https://www.weather.gov/ilm/HurricaneFlorence.
[3] North Carolina Office of State Budget and Management. *Building Communities Stronger and Smarter Based on Preliminary Damage and Needs Assessment*. https://files.nc.gov/ncosbm/documents/files/Florence_Report_Full_rev20181016v10.pdf

Figure 2 - Wind Gusts in MPH, September 14, 2018, Hurricane Florence (NWS)



The effects on housing and infrastructure by Hurricane Florence were worsened by the ongoing recovery effort statewide for Hurricane Matthew, which struck North Carolina in 2016. There are a total of 34 counties with overlapping disaster impacts from Matthew and Florence based on FEMA availability of Public Assistance (PA) and Individual Assistance (IA) for impacted areas. As the impacts of Hurricane Florence disrupted the progress of many impacted areas still recovering from Hurricane Matthew, the counties and municipalities with storm impacts from both disaster events are especially hard hit and in need of assistance.

Figure 3 - Impacted Counties, Hurricanes Matthew and Florence



To date, FEMA has made IA and/or PA applications available to 52 counties for Hurricane Florence. 34 of those impacted counties are eligible for IA, while another 18 are eligible for PA only. The final two counties to be eligible for PA, Guilford and McDowell, were granted PA funds in Amendment 10 to the FEMA Internal Agency Docket on DR-4393 on November 15, 2018, two months after Hurricane Florence made landfall.[4]

Unless otherwise specified, the term "impacted counties" in this analysis refers to the 34 counties which received IA funds, as those counties were hardest hit by Florence and this analysis seeks to identify areas where the recovery need is greatest. The maps above and below demonstrate all counties approved for FEMA PA funds.

[4] Federal Emergency Management Agency. *Internal Agency Docket No. FEMA-4393-DR.* https://www.fema.gov/disaster/notices/amendment-no-10-1

Figure 4 - Hurricane Florence Impacted Counties (FEMA PA)

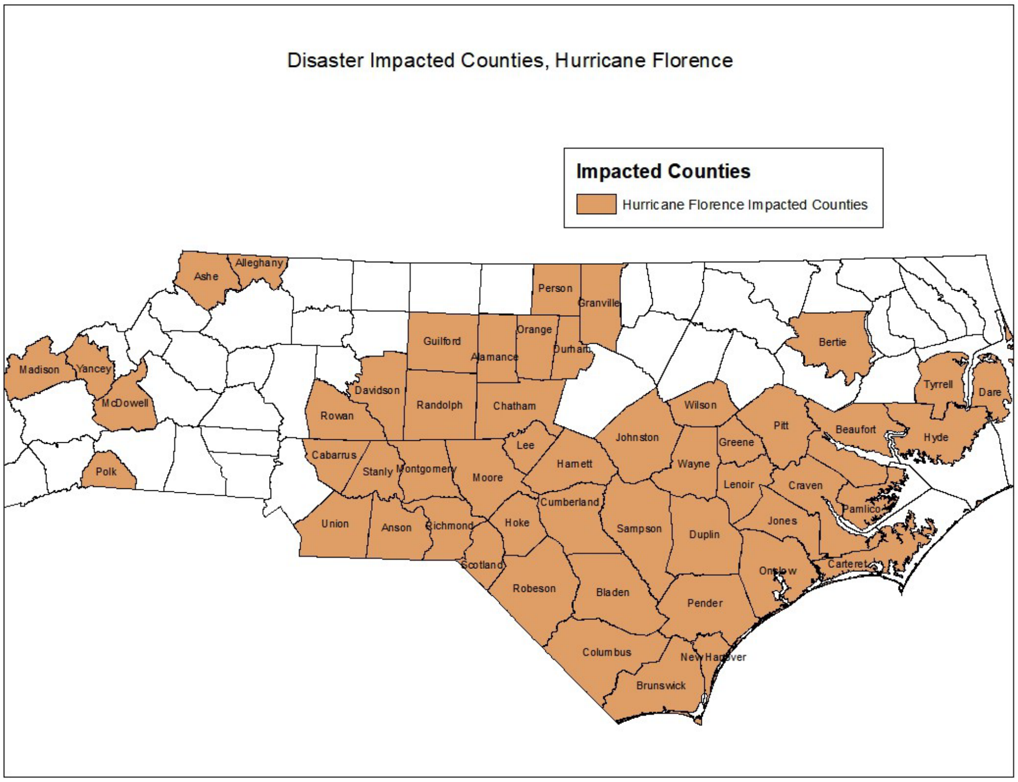
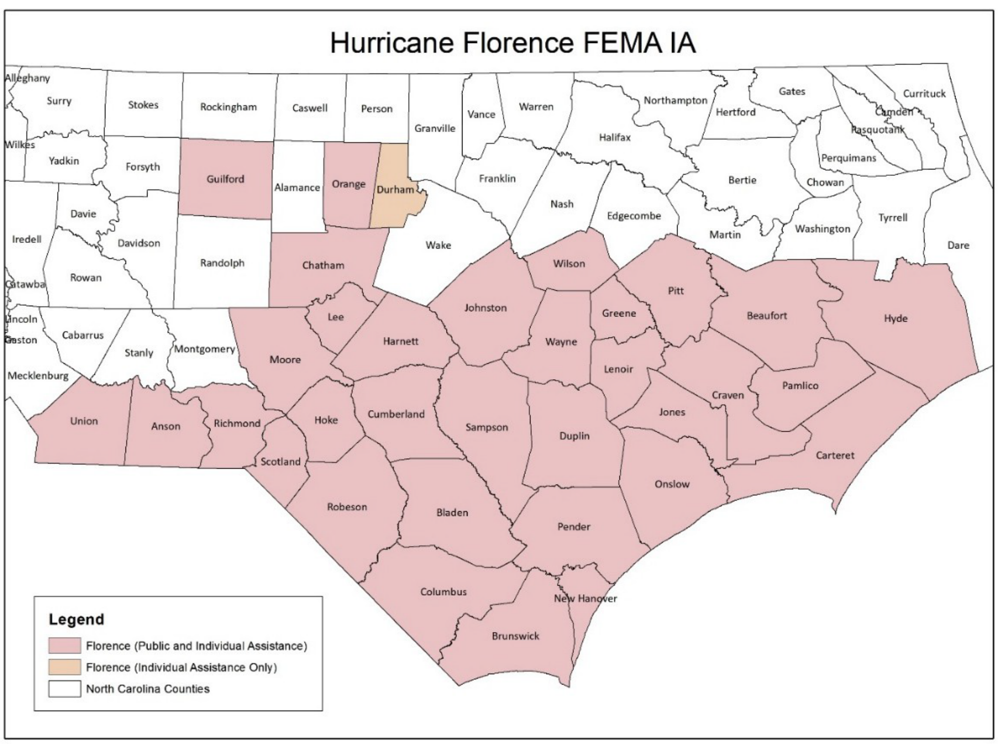


Figure 5 - Hurricane Florence Impacted Counties (FEMA IA)



4.2 Summary of Immediate Disaster Impacts

Immediately following Hurricane Florence, NCOSBM developed a preliminary Damage and Unmet Needs Assessment. The original report, completed on October 11, 2018 and later revised on October 26, 2018, broadly estimated the total costs of damages to the State of North Carolina at $17 billion.[3] Later reports provided by the National Oceanic and Atmospheric Administration estimate the total storm impact to be $24 billion, greater than the total damage caused by Hurricane Matthew and Hurricane Floyd (1999) combined.[5]

The conclusions drawn in this analysis will be difficult to directly compare to these initial estimates. The unmet recovery needs analysis primarily addresses the applicability and use of CDBG-DR funds to meet recovery objectives. Therefore, some unmet recovery needs are not able to be funded. Additionally, significant recovery funds have been made available to help close the gap from these initial figures, including private insurance, National Flood Insurance Program (NFIP) flood insurance, SBA loans, FEMA IA, FEMA PA, multiple agriculture recovery programs and insurance, and many other resources.

4.2.1 Preliminary Housing Impact

The initial reports on housing impacts were dire. NCOSBM estimates that more than 434,000 homes were impacted by the storm, a combination of rental and owner-occupied property that took either wind or flood damage. The total estimated cost to repair damaged residential property was $4.8 billion. The true cost of repairing this damage is estimated to be 10 percent higher due to higher than average expected construction costs. NCOSBM also considered damages to personal property such as automobiles, however that analysis is not included in this assessment.

Figure 6 - NCEM Flood Damages to Properties

SUMMARY OF NCEM ESTIMATED FLOOD DAMAGES TO RESIDENTIAL PROPERTIES

		All Flood Hazards		Surge Flooding		Riverine Flooding	
FLOOD DEPTH	DAMAGE LEVEL	Estimated Damages (M)	Building Count	Estimated Damages (M)	Building Count	Estimated Damages (M)	Building Count
Substructure	Minor	$142	37,391	$52	8,900	$91	28,491
0 - 2 ft	Minor	$563	15,474	$341	8,552	$222	6,922
2 - 4 ft	Moderate	$766	10,712	$550	7,617	$215	3,095
4 - 6 ft	Major	$624	6,711	$467	4,880	$157	1,831
6+ ft	Destroyed	$435	4,275	$321	2,938	$114	1,337
Total		**$2,530**	**74,563**	**$1,730**	**32,887**	**$799**	**41,676**

Source: NC Division of Emergency Management; estimates include temporary lodging, nursing homes, and institutional dormitories, which are otherwise excluded from housing damage estimates.

NCOSBM's methodology primarily used the North Carolina Department of Public Safety's (NCDPS) Division of Emergency Management (NCEM) data on flood modeling as well as

[5] National Oceanic and Atmospheric Administration. *U.S. Billion-Dollar Weather & Climate Disasters 1980-2019*. https://www.ncdc.noaa.gov/billions/events.pdf.

insurance claim information gathered from the North Carolina Department of Insurance (NCDOI). NCEM used GIS data to model storm surge and combined that data with NOAA data on riverine flooding to develop an accurate model of impacts to housing in disaster affected areas. NCEM's modeling estimate is included to provide a foundation for NCEM's estimate of damages. Note that NCEM's estimate includes temporary housing, nursing homes, and dormitories. That damage estimate is included elsewhere in the analysis and not in the residential housing analysis.

Table 1 - Preliminary Damage Estimate, Housing (NCOSBM)

Preliminary Cost of Housing Needs		
Item	Cost Estimate	
Residential (single family, multi-family, rental residences, and supportive housing)	**$**	**4,820,000,000**

4.2.2 Preliminary Infrastructure Impact

NCOSBM also assessed losses to utilities, water and sewer services, and transportation systems statewide. Information on utility damage was provided by the North Carolina Electrical Cooperatives Association, the Public Works Commission of Fayetteville, Greenville Utilities Commission, and Duke Progress Energy. These agencies (Duke Progress Energy excluded) are non-profit organizations and have coordinated with FEMA on the extent of the damage to utility systems. The total cost estimated to restore gas and electric service to impacted areas of the State is $691 million.

For water and sewer system information, NCOSBM released a survey to local governments to catalog disaster impacts to these systems. The survey results reveal an estimated $88 million in damage to water and sewer systems such as wastewater treatment facilities, as well as damage to systems which are used to manage stormwater.

Preliminary estimates provided by NCOSBM reflect $320 million in damage to public infrastructure such as bridges and roads, public transportation, rail systems, ports, and aviation. Another $9.82 million in damage was done to local and private roads.

Table 2 - Preliminary Damage Estimate, Infrastructure (NCOSBM)

Preliminary Cost of Infrastructure Impacts		
Item	Cost Estimate	
Gas and electric	$	691,000,000
Water, sewer, and stormwater management systems	$	88,000,000
State bridges and roads	$	260,000,000
Public transportation	$	1,700,000

Preliminary Cost of Infrastructure Impacts		
Rail and rolling stock	$	1,100,000
Ports	$	54,000,000
Aviation	$	4,000,000
Local roads	$	5,460,000
Private roads	$	4,360,000
Total	**$**	**1,109,620,000**

4.2.3 Preliminary Economic Impact

The economic impact on the State was immense. The 31 counties FEMA originally declared eligible for FEMA IA assistance account for 23 percent of the State's total Gross Domestic Product (GDP).[3] The impact on GDP would only be increased as additional counties became eligible for IA after NCOSBM's report was complete. Based on reports from the NCDOI, the initial estimate is that approximately 27,900 businesses and nonprofits experienced damage to vehicles, equipment, or property from flooding or wind. NCOSBM's estimate for the cost of these damages exceeds $1 billion.

Damages to commercial and nonprofit businesses sent ripple effects through the impacted counties. Losses contributed to decreased economic output for these impacted businesses, resulting in lost production and decreased sales in certain sectors. As employees and business owners focused on recovery, they remained out of work and experienced lost wages or lost revenue as businesses and nonprofits worked to get back on their feet. The true cost of these impacts is difficult to quantify and unevenly distributed across economic sectors and impacted geographies. However, NCOSBM estimates that the direct economic loss is as much as $3.78 billion.

An additional $1.9 billion in induced losses was considered by NCOSBM, however accurately estimating induced losses and recovering from induced loss is beyond the scope of the unmet recovery needs analysis as it relates to funding opportunities for CDBG-DR funds.

Table 3 - Preliminary Damage Estimate, Economic Recovery (NCOSBM)

Preliminary Cost of Economic Impacts		
Item	Cost Estimate	
Commercial real estate and equipment	$	1,080,000,000
Economic losses	$	2,700,000,000
Total	**$**	**3,780,000,000**

4.2.4 Other Impacts

NCOSBM identified multiple other significant impacts. Primarily extensive damage was done to the agriculture sector, with significant loss of crops and livestock, damage to agricultural buildings and equipment, damage to fishing and aquaculture, loss of commercial forestry and timber, and other adverse environmental conditions which otherwise impacted agricultural output.

Table 4 - Preliminary Damage Estimate, Agriculture (NCOSBM)

Preliminary Cost for Agriculture Impacts	
Category	Cost Estimate
Crops and livestock	$ 2,031,900,000
Cooperatives and growers' association	$ 9,700,000
Emergency livestock disposal	$ 20,000,000
Agricultural buildings & equipment	$ 61,800,000
Agricultural infrastructure	$ 55,900,000
Commercial fishing and aquaculture	$ 33,300,000
Forestry	$ 84,900,000
Stream restoration and stream debris removal (agriculture)	$ 57,500,000
Total	**$ 2,355,000,000**

Hurricane Florence also produced other environmental impacts. The North Carolina Department of Environmental Quality (NCDEQ) assessed damage to underground commercial petrochemical storage tanks and found that flood water caused some tanks to shift, float to the surface, or fill with water. There are 78 reported damaged storage tanks that require remediation at an estimated cost of $3 million.

DEQ also collected preliminary information from impacted counties to better understand the impacts to beaches and river systems. According to DEQ estimates from these polls, the cost of dredging is approximately $89.8 million while beach renourishment is expected to cost $287.9 million. DEQ reports dam and dike impacts of approximately $29.2 million at 19 dam sites, including damages at Boiling Spring Lakes and Sutton Lake which account for $20 million of that total alone. As these dams were built in the 1960s and may not have met state or federal requirements for dams, any rebuilding would require improvements to bring these dams in compliance with both state and federal requirements.

Table 5 - Preliminary Damage Estimate, Environmental Considerations (NCOSBM)

Preliminary Cost for Environmental Impacts	
Item	Cost Estimate
Hazardous waste/waste management	$ 3,000,000
Dredging	$ 89,800,000
Beach renourishment	$ 287,900,000
Dams, dikes, and levees	$ 29,200,000
Total	**$ 409,900,000**

Governmental and publicly-owned facilities were also damaged by Hurricane Florence. NCEM flood mapping data was used to estimate the damage to local governmental property. The estimated damage to local and state government buildings is $323.9 million combined. These estimates include damage suffered by the University of North Carolina (UNC) system buildings. State attractions, such as State parks and State-owned recreational facilities, suffered an estimated $4.5 million in damage. State owned timber suffered $4.2 million in damage, with an expected further loss of $7.2 million in future lost revenue from timber production. While there is an expectation that revenue sources for state and local governments were also stunted by the storm (such as state and local fees and tax revenue lost). Those considerations are not included in this analysis.

The K-12 public school system and community college system was also damaged by the storm. 13 Local Education Agencies (LEAs) in disaster areas estimated the damage to local schools. That estimate was applied to the schools located throughout the disaster impacted area. The result is an estimated $267 million in direct damage to school facilities. Community colleges were contacted by NCOSBM to provide their damage estimates. The result of that survey was approximately $4.9 million in damage to facilities and another $500,000 in equipment damage to 21 of the 58 colleges across the State.

Table 6 - Preliminary Damage Estimate, Public Buildings and Education

Preliminary Cost for Public Buildings and Education	
Item	Cost Estimate
Local Government Buildings	$ 143,500,000
State Government Buildings	$ 180,400,000
State Attractions	$ 4,500,000
State Owned Timber	$ 11,400,000
Public K-12 Schools	$ 267,000,000

Preliminary Cost for Public Buildings and Education	
Community Colleges	$ 4,900,000
UNC System	$ 300,000
Total	**$ 612,000,000**

Another $50.5 million in direct damage was estimated to have occurred to private health care facilities serving the impacted areas of the State. This estimate was developed by comparing the physical damage to hospital systems against the costs to repair these facilities due to Hurricane Sandy in New York. This method was used to calculate an average cost of damage per bed. The final estimate was scaled down according to the severity of damage classifications developed after Hurricane Sandy as well as a 56 percent reduction in cost to account for reduced construction costs compared to New York. NCOSBM goes on to estimate expected costs for mosquito abatement, mold remediation, social and child services, food and health needs, and mental health services. However, as the unmet recovery needs analysis primarily considers direct impacts and damage, these calculations are omitted.

4.2.5 Summary

The work done by NCOSBM in cataloging immediate impacts is instrumental in the current understanding of the remaining recovery need. Where better data is unavailable, NCOSBM assumptions are adopted as the best available measure of the impacts of Hurricane Florence. Where more accurate data exists, NCOSBM assumptions are modified or replaced by that data. In summary, NCOSBM has identified $13 billion in damages caused by Hurricane Florence outlined in Table 7.

Table 7 - NCOSBM Impact Estimates Applicable to the Unmet Needs Assessment

Category	Cost Estimate
Housing	$ 4,820,000,000
Infrastructure	$ 1,109,620,000
Economic Impacts	$ 3,780,000,000
Agriculture	$ 2,355,000,000
Environmental	$ 409,900,000
Public Buildings & Education	$ 612,000,000
Health Care	$ 50,500,000
Total:	**$ 13,137,020,000**

Reviewing NCOSBM’s analysis, the most significant unmet need is found in 1) housing, 2) economic revitalization needs, 3) agriculture, and 4) infrastructure. Further analysis on the current amount of the unmet need, including revised estimates of the total damage, is included in this unmet recovery needs analysis.

As previously indicated, this unmet recovery needs analysis will differ from the NCOSBM analysis. Primarily the unmet recovery needs analysis seeks to identify items which can be addressed by CDBG-DR funds using best practices for successful recoveries throughout the country. Therefore, total estimated impacts may be less than this initial estimate. The unmet recovery needs analysis also primarily focuses on the unmet needs relative to housing, infrastructure, and economic revitalization in accordance with the Notice.

4.3 Resilience Solutions and Mitigation Needs

As evidenced by the establishment of CDBG-MIT funds, practical application of effective resilience solutions and mitigation components for CDBG funds has become a critical component to the recovery effort. A review of housing and infrastructure resilience needs helps NCORR prepare to fund activities which provide substantial resilience and long-term benefit for CDBG funded projects.

4.3.1 Housing Resilience Needs

The increased cost to build or rehabilitate single or multi-family residential structures to a green building standard is considered an unmet need for the housing recovery in North Carolina.

In its early stages, green building techniques were thought to cost a significant premium over traditional building techniques. A 2017 study performed by Dodge Data & Analytics in coordination with the National Association of Home Builders asked homebuilders and remodelers what the additional cost of implementing green building techniques was. The result of the survey was that 49 percent of builders and 44 percent of remodelers believed that green construction methods cost 5 – 10 percent more than traditional building methods in a single-family home. When asked the same question for a multi-family structure, 36 percent of builders and remodelers answered that costs increased 5 – 10 percent and another 29 percent answered that it only added 1 – 4 percent to the total cost of the work.[6] Therefore, there is some cost savings to implementing green building techniques in larger, multi-family residences.

Green building techniques result in fewer greenhouse gas emissions and cost savings to homeowners and renters due to deceased utility bills. As a condition of expending CDBG-DR funds, the needs of LMI individuals and areas must be prioritized. Green building techniques may prove beneficial to low-income households due to these operational cost savings.
In consideration of this survey data, for the purpose of unmet needs calculation a 5 percent increase in cost is expected on average for residential construction work to comply with E.O. 80. The 5 percent factor is used to balance different expected costs for single family and multi-family construction, and to account for cost savings in economies of scale given the large

[6] National Association of Home Builders, Green Multifamily and Single Family Homes 2017. https://www.nahb.org/-/media/Sites/NAHB/research/priorities/green-building-remodeling-development/green-multifamily-and-sf-homes-2017-smartmarket-brief-fff.

number of builders expected to enter the market to perform reconstructions and repairs. The 5 percent factor is also reliable as it is derived from a recent survey and does not need to be adjusted for inflation or other market factors other than those already captured in the market analysis following Hurricane Florence.

Housing resilience elements must also consider the accessibility needs of those with disabilities. Access needs such as ramps and lifts, accessible bathrooms, and widened hallways are considered in the design and construction of new or repaired housing. These accessibility items are covered by program funds above the standard award cap.

4.3.2 Infrastructure Resilience Needs

Estimated unmet infrastructure recovery needs in relation to climate change is difficult to assess due to the variety of infrastructure projects which require recovery funding. NCORR commits to complying with E.O. 80 by assessing potential climate change impacts on vulnerable infrastructure projects as it relates to reconstruction. Further, NCORR commits to implementing recommendations provided by state reports on climate change impacts, including the 2020 NC Climate Risk Assessment and Resilience Plan and other recommendations put forth by the North Carolina Climate Change Interagency Council. Recommendations from the Council will be implemented to the greatest extent feasible in that they align with the unmet needs identified herein, comply with the Action Plan, meet a CDBG National Objective, and costs for those measures are determined to be reasonable.

Infrastructure, including public buildings, must be made accessible to those with disabilities, including sloped curbs, ramps, lifts, and elevators. The removal of architectural barriers for those with disabilities will be covered by CDBG-DR funds.

4.4 Housing Impact Assessment

On March 12, 2019, The Housing Recovery Support Function, in coordination with FEMA and HUD, provided a final Housing Impact Assessment. The Housing Impact Assessment is the foundation of the unmet recovery need analysis specific to housing.

4.4.1 Limitations of the Data

Both the unmet needs analysis and the housing impact assessment rely on accurate data. To better understand the housing impact analysis, it is critical to understand the limitations of the data therein. The analysis used a combination of data, including FEMA IA inspection data, redevelopment plans, NCOSBM data, community stakeholder information, and lessons learned from the Hurricane Matthew recovery. The following provides some pros and cons for the major data sources to lend context to the analysis:

- **FEMA Individual Assistance.** Registration for FEMA IA is voluntary, and therefore limited to those with the means and resources to seek aid. Because it is not the entire damaged population it is only an approximation of the total damage. FEMA IA data also evolves over time as inspections occur and awards are made. Generally the inspections conducted by FEMA IA registrants are basic and not as comprehensive as the Small Business Administration (SBA) inspections. However, those familiar with disaster such as households that also went through the Hurricane Matthew recovery process are accustomed to the FEMA IA process and may more readily seek assistance than those unaccustomed to receiving disaster recovery assistance.

- **Redevelopment plans.** Redevelopment plans provide a best-case scenario relative to long term disaster recovery and are an excellent foundation from which to begin recovery planning. The weakness of redevelopment plans is that some concepts contained in the plans can be technically infeasible with the resources available. Implementing redevelopment plans includes architecture and engineering, environmental review, and acquisition phases which may not provide immediate benefit to the impacted community. Additionally, large-scale infrastructure implementation may require coordination with adjacent municipalities and counties as well as interagency coordination at the local and state level which could further add time to the implementation of some redevelopment plans. Some elements of the redevelopment plans could also be unpopular with stakeholders and citizens of impacted communities if they appear to disrupt the neighborhood "way of life" or status quo. Additional outreach may be required to explain the potential benefits of redevelopment plans.
- **NCOSBM data.** NCOSBM's initial review of disaster impacts was critical groundwork to begin the unmet needs analysis. Other data sources were used to clarify and refine the NCOSBM assumptions on the impact of the storm. It is well documented that the NCOSBM assumptions were preliminary and the plan is rightfully used as a starting point for a deeper analysis.
- **Community stakeholders.** Community stakeholders are most in touch with real disaster impacts, understand constituent's specific needs, and are the first place many impacted households or individuals turn with their recovery concerns. However, the community level can lack the full scale or scope of the recovery unfolding statewide and the unmet recovery needs of the impacted communities must be balanced with the resources available to provide an equitable but comprehensive plan for recovery.

NCORR recognizes the weaknesses and strengths inherent in the data collected to complete the unmet needs analysis. It has reviewed the data made available from NCEM and NCOSBM and incorporated into the unmet recovery needs analysis the elements which best inform a complete, comprehensive understanding of the unmet recovery need.

4.4.2 Housing Impact Assessment Methodology

The Housing Impact Assessment was completed in coordination with HUD and used FEMA data to develop a comprehensive analysis of housing needs post-Florence. The Housing Impact Assessment builds upon the work done by NCOSBM in their initial findings. Excerpts of the analysis constitute the majority of the unmet housing needs analysis.

To complete the analysis, the Housing Recovery Support Function:

- Analyzed FEMA IA inspection data as of January 3, 2019 for Hurricane Florence.
- Reviewed the NC Resilient Redevelopment Plans for 34 of the 50 counties impacted by both Hurricane Matthew and Hurricane Florence.
- Reviewed the 50 Resilient Redevelopment Plans funded after Hurricane Matthew.
- Reviewed the existing Consolidated Plan, including the Analysis of Impediments to Fair Housing Choice.
- Reviewed the housing section of the Hurricane Florence Recovery Recommendations – Building Communities Stronger and Smarter.
- Given the likely overlap in recovery between Hurricane Florence and Hurricane Matthew, the staff reviewed the relevant materials related to recovery from Hurricane Matthew including the:
    - Mission Scoping Assessment;
    - Recovery Support Strategy; and
    - Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan.
- Conducted community site visits, stakeholder interviews with several recovery stakeholder organizations' representatives, and attended community informational meetings.

4.4.3 Analysis of FEMA Inspection Data

FEMA IA claims and inspection data were used by the Housing Recovery Support Function to catalog the total damage. As of January 4, 2019, FEMA inspections in the 34 counties eligible for FEMA IA revealed that at least 64,581 housing units sustained some level of damage as a result of Hurricane Florence.

HUD interprets FEMA IA inspections into 5 broad damage categories for homeowners:

- **Minor-Low.**
    - Homeowners: Less than $3,000 of FEMA inspected real property damage, or less than $2,500 in personal property damage.
    - Renters: Less than $1,000 of FEMA inspected personal property damage.
- **Minor-High.**
    - Homeowners: Between $3,000 and $7,999 of FEMA inspected real property damage, or $2,500 to $3,499 in personal property damage.
    - Renters: Between $1,000 and $1,999 of FEMA inspected personal property damage.

- **Major-Low.**
  - Homeowners: Between $8,000 and $14,999 of FEMA inspected real property damage, and/or 1 to 4 feet of flooding in the first floor, or $3,500 to $4,999 in personal property damage.
  - Renters: Between $2,000 and $3,499 of FEMA inspected personal property damage or 1 to 4 feet of flooding in the first floor.
- **Major-High.**
  - Homeowners: Between $15,000 and $28,800 of FEMA inspected real property damage, and/or 4 to 6 feet of flooding on the first floor, or $5,000 to $9,000 in personal property damage.
  - Renters: Between $3,500 and $7,500 of FEMA inspected personal property damage or 4 to 6 feet of flooding on the first floor.
- **Severe.**
  - Homeowners: Greater than $28,800 of FEMA inspected real property damage or the structure is determined to be destroyed, and/or 6 or more feet of flooding on the first floor, or $9,001 or more of personal property damage.
  - Renters: Greater than $7,500 of FEMA inspected personal property damage or the structure is determined to be destroyed and/or 6 or more feet of flooding on the first floor.

Note that HUD considers properties with Minor-Low or Minor-High damage to be able to sufficiently recover through a combination of other benefits received, such as insurance or FEMA assistance. The extent of the damage also makes it likely that private resources are enough to recover. Therefore, Minor-Low and Minor-High damage categories are excluded from the unmet needs analysis.

Rental damage is approximated by using personal property damage as a proxy for real property damage, as most rental property is not inspected for real property damage by FEMA. Therefore rental property unmet need must be augmented with existing information about the rental conditions prior to storm impacts. This information has been provided by the North Carolina Housing Finance Agency, North Carolina Housing Coalition, and North Carolina Coalition to End Homelessness. This data is included in Sections 4.10.3, 4.10.4, and 4.10.5 below.

The Major-Low, Major-High, and Severe categories (“Serious” damage categories), may not have the resources to recover. Homeowners and renters without insurance will require other assistance to recover, such as CDBG-DR funds. Those with insurance may also have a remaining unmet recovery need after FEMA assistance, SBA loans, flood insurance, and other benefits received are applied to the recovery effort.

The breakdown of FEMA inspections in the impacted counties are detailed below. The FEMA damage inspections support that 71 percent of the FEMA inspections that made damage determinations were to owner occupied structures. 68 percent of the serious damage classification impacted owner occupied structures. 82 percent of damaged homes were single family homes.

Table 8 -FEMA IA Inspections (from Housing Impact Assessment)

<table>
<tr><th colspan="2" rowspan="2">HUD Categorization of FEMA Damage Inspections</th><th rowspan="2">All units with FEMA Inspection showing any damage</th><th colspan="3">Owner Occupied</th><th colspan="3">Renter Occupied</th></tr>
<tr><th>Total Owners</th><th>% Low-Income</th><th>% Uninsured</th><th>Total Renters</th><th>% Very Low-Income</th><th>% Single-Family Homes</th></tr>
<tr><td>Minor-Low</td><td rowspan="2">Minor Damage</td><td>42,914</td><td>37,974</td><td>58%</td><td>53%</td><td>4,940</td><td>62%</td><td>82%</td></tr>
<tr><td>Minor-High</td><td>10,017</td><td>3,914</td><td>53%</td><td>56%</td><td>6,103</td><td>57%</td><td>83%</td></tr>
<tr><td>Major-Low</td><td rowspan="3">Serious Damage</td><td>5,373</td><td>3,879</td><td>47%</td><td>67%</td><td>1,494</td><td>51%</td><td>79%</td></tr>
<tr><td>Major-High</td><td>4,486</td><td>2,671</td><td>38%</td><td>53%</td><td>1,815</td><td>48%</td><td>81%</td></tr>
<tr><td>Severe Damage</td><td>1,791</td><td>1,373</td><td>36%</td><td>52%</td><td>418</td><td>43%</td><td>94%</td></tr>
<tr><td>Total Serious Damage</td><td></td><td>11,650</td><td>7,923</td><td>42%</td><td>60%</td><td>3,727</td><td>49%</td><td>82%</td></tr>
<tr><td>Total All Damage</td><td></td><td>64,581</td><td>49,811</td><td>55%</td><td>54%</td><td>14,770</td><td>57%</td><td>82%</td></tr>
</table>

In addition to the damage classification, FEMA inspections also determined the primary source of the damage. While only 31 percent of structures inspected were damaged primarily by flooding, the majority of serious damage was done by flood impacts and not by other factors. Conversely, while precipitation damage such as hail and rain damage were the primary source of damage for 44 percent of residences inspected, the amount of serious damage from these conditions is low.

Table 9 - Primary Source of Damage

Damage Category	Homes with a Real Property Inspection	Flood Damage	Hail/Rain/Wind Driven Rain Damage	Tornado/Wind Damage
Minor-Low	42,914	18%	51%	31%
Minor-High	10,017	27%	53%	20%
Major-Low	5,373	76%	18%	6%
Major-High	4,486	85%	10%	6%
Severe	1,791	94%	2%	4%
Overall	**64,581**	**31%**	**44%**	**24%**

FEMA inspects each property to ascertain the flood height. FEMA's flood height determinations confirm the assumption that the majority of serious damage was sustained by significant flood heights in the first floor of the property. Properties which had greater than one foot of flood depth in the first floor comprise the majority of serious damage designations. As to be expected, properties with flood depths greater than four feet all sustained serious damage.

Table 10 - Flood Depth and Damage Category (Housing Impact Assessment)

Damage Category	Damaged Homes	No Flood	Basement	1st floor <1 foot	1 to 4 feet	4 to 6 feet	Over 6 feet	Total
Minor-Low	42,914	72%	1%	16%	10%	0%	0%	100%
Minor-High	10,017	66%	2%	26%	5%	0%	0%	100%
Major-Low	5,373	16%	1%	29%	54%	0%	0%	100%
Major-High	4,486	14%	0%	20%	55%	11%	0%	100%
Severe	1,791	5%	0%	4%	45%	21%	25%	100%
Total	**64,581**	**61%**	**1%**	**18%**	**17%**	**2%**	**1%**	**100%**

4.4.4 Impacts on Housing with Insufficient Insurance

The Hurricane Florence impacted areas face additional challenges recovering from disaster due to a lack of insurance or underinsurance – including insufficient flood insurance participation from the NFIP.

Of 86,225 total FEMA IA registrants, only 60,247 or 69.9 percent report having homeowners' insurance. For flood insurance provided through the NFIP, only 10,199 or 11.8 percent of owners report carrying flood insurance. Renters carried flood insurance even less frequently, with only 2.1 percent reporting flood insurance coverage.

Examining the North Carolina owner-occupants without insurance covering structural damage experiencing Major-High or Severe damage, there were 1,207 owner-occupants with Major-High damage and 469 with Severe damage. The uninsured group constituted about half (53 percent for Major-High damage and 49 percent for Severe damage) of the owners experiencing those levels of damage. For renter-occupants that were both very low income and experienced Major-High and Severe damage, there were 837 with Major-High damage and 186 with Severe damage. For renters, the dollar thresholds are both lower and considered personal property losses rather than real property losses.

Owners without insurance present a challenge to recovery. In the absence of a potential insurance settlement, these owners may have fewer financial resources to support the necessary repairs.

While renters often possess the ability to respond to changed property conditions (such as disaster damage) with relocation, renters at the lowest end of the income spectrum may experience more limited options. As a result, they may remain in disaster damaged housing due to their lack of resources. Landlords operating rental stock catering to low income families, particularly unassisted housing, may lack the resources to repair the damaged stock. As a result, the units may simultaneously remain damaged and occupied. Target investments by the communities in establishing an effective rental market (both assisted and unassisted) may permit residents in the bottom of the income spectrum to remain in the community and engage in employment necessary for the economic recovery of the community. This would simultaneously satisfy part of the Section 3 requirements for CDBG-DR assisted undertakings.

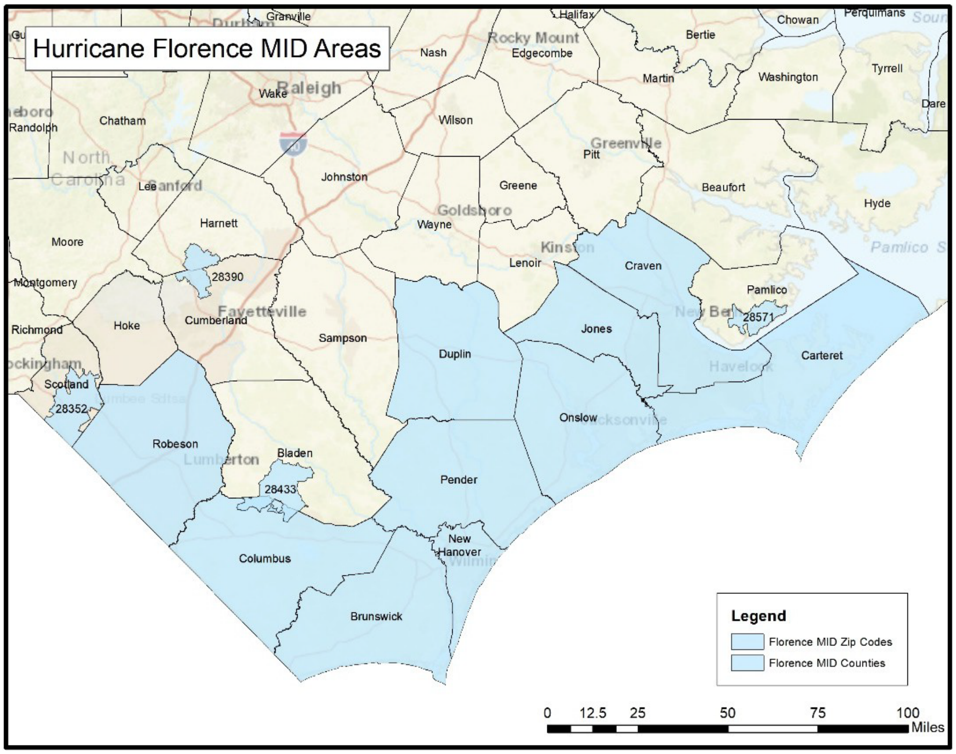
4.5 HUD Designated Most Impacted and Distressed Areas (MID)

To align recovery efforts with the Most Impacted and Distressed Areas (MID), HUD requires that 80 percent of CDBG-DR funds are spent within areas designated by HUD to be MID areas. HUD determines MID areas using the following factors:

- Areas where FEMA has allocated FEMA Individual Assistance/Individual Household Program funds.
- Areas with concentrated damage defined as:
  - Counties exceeding $10 million in serious unmet housing needs.
  - Zip codes with $2 million or more in serious unmet housing needs.

Pursuant to this calculation, HUD identified 10 counties and four zip codes as MID areas. The areas are: Brunswick County, Carteret County, Columbus County, Craven County, Duplin County, Jones County, New Hanover County, Onslow County, Pender County, Robeson County, Zip Code 28433 (Clarkton, Bladen County), Zip Code 28352 (Laurinburg, Scotland County), Zip Code 28390 (Spring Lake, Cumberland County), and Zip Code 28571 (Oriental, Pamlico County).

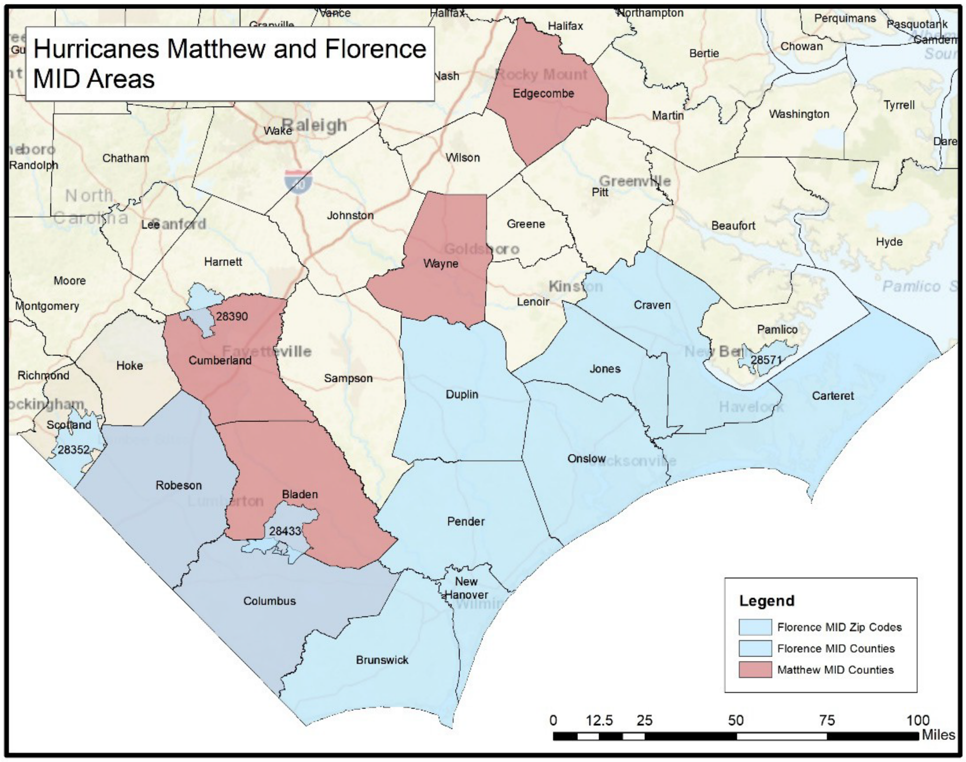
Figure 7 - HUD Designated MID areas



Because of the impact of two major storms in quick succession, the State of North Carolina is able to use funds allocated in response to Hurricane Matthew interchangeably and without limitation for the same activities in the most impacted and distressed areas related to Hurricane Florence, and vice versa[7]. In consideration of this unique condition, NCORR considers the full MID area for both Hurricane and Florence to include the entirety of Bladen County and Cumberland County, Edgecombe County, and Wayne County. HUD has supported this approach. Note that of particular concern are Robeson, Columbus, and parts of Cumberland and Bladen Counties, which are considered MID areas for both storms.

[7] "Public Law 116-20: Additional Supplemental Appropriations for Disaster Relief Act, 2019." (Sec. 1101(a); Date: 06/06/2019). https://www.congress.gov/bill/116th-congress/house-bill/2157/text.

Figure 8 - HUD Designated MID areas, Matthew and Florence



For Hurricane Florence, based on FEMA damage inspections showing some level of damage to residential property, these areas account for 78 percent of all homes with a FEMA inspection documenting damage and 90 percent of homes with serious damage. The table below breaks down damage by MID area along with owner or renter status. Note that zip code MID areas are displayed at the county level to help with data consistency and comparisons across geographic areas. To the greatest extent possible, recovery efforts will be focused in MID zip codes but according to HUD guidance, recovery effort outside of the MID zip code but within the county the zip code is located will be considered to meet the recovery need of the MID area. Therefore NCORR considers activities within the counties of Bladen, Cumberland, Pamlico, and Scotland to satisfy the MID criteria.

Table 11 - MID areas, Any Damage by Owner and Renter

County	Owner, Any Damage	Renter, Any Damage	Total, Any Damage
Bladen (County)	1,608	304	1,912
Brunswick (County)	3,648	644	4,292
Carteret (County)	3,710	879	4,589
Columbus (County)	2,541	720	3,261
Craven (County)	4,341	1,570	5,911

County	Owner, Any Damage	Renter, Any Damage	Total, Any Damage
Duplin (County)	2,185	545	2,730
Jones (County)	932	175	1,107
New Hanover (County)	4,782	2,707	7,489
Onslow (County)	5,205	2,236	7,441
Pender (County)	3,697	773	4,470
Robeson (County)	5,444	1,174	6,618
Scotland (County)	728	301	1,029
Cumberland (County)	201	158	359
Pamlico (County)	261	28	289
Total	**39,283**	**12,214**	**51,497**

Table 12 - MID Areas, Serious Damage by Owner and Renter

County	Owner, Serious Damage	Renter, Serious Damage	Total, Serious Damage
Bladen (County)	192	78	270
Brunswick (County)	396	126	522
Carteret (County)	630	225	855
Columbus (County)	353	172	525
Craven (County)	1,708	771	2,479
Duplin (County)	684	250	934
Jones (County)	346	75	421
New Hanover (County)	450	411	861
Onslow (County)	521	534	1,055
Pender (County)	1,036	329	1,365
Robeson (County)	596	213	809
Scotland (County)	63	128	191
Cumberland (County)	49	81	130
Pamlico (County)	86	5	91
Total	**7,110**	**3,398**	**10,508**

Within the MID areas, Craven, Duplin, and Pender counties have 50 percent of the total FEMA Verified Loss (FVL). However, 59 percent of National Flood Insurance Program (NFIP) paid claims were from Carteret, Craven, and New Hanover, which also accounted for 51 percent of the total dollar amount of claims paid in the MID areas. Analyzing the FEMA estimated flood depths indicates that Craven, Duplin, Jones, and Pender experienced deeper flooding than the remainder of the impacted counties, with 33 percent to 47 percent of the homes flooding, receiving more than 24 inches of flood water.

Table 13 - Selection of top 10 Most Impacted Counties, by FEMA Registrations

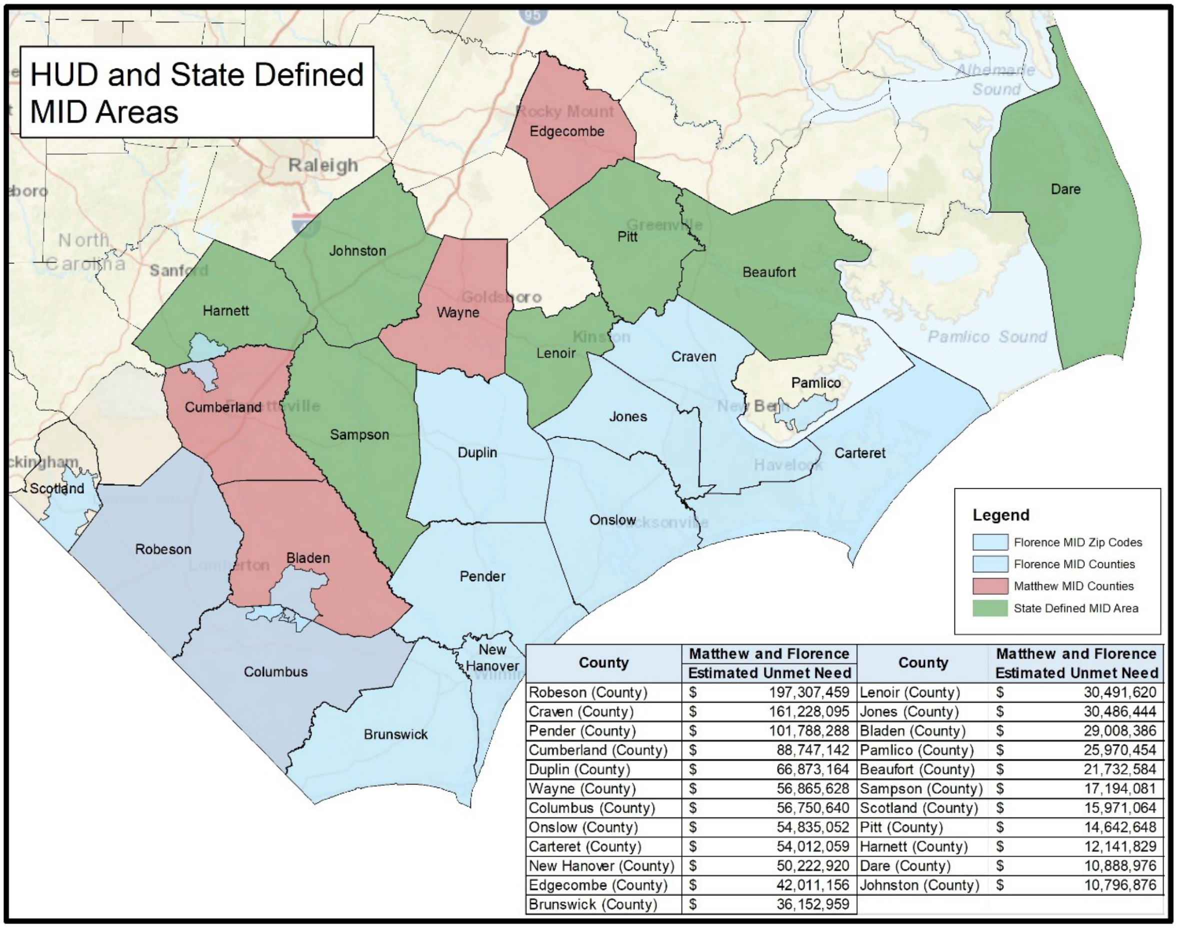
All Real Property Damage		Real Property Damage >$17k	
County	**FEMA Registrants**	**County**	**FEMA Registrations**
Onslow	6,587	Pender	764
New Hanover	6,125	Craven	601
Robeson	6,020	Duplin	548
Craven	5,539	Onslow	232
Carteret	4,311	Carteret	176
Pender	4,243	Jones	166
Brunswick	3,961	Brunswick	149
Cumberland	3,008	Robeson	112
Columbus	2,897	New Hanover	109
Duplin	2,524	Cumberland	90

4.5.1 State-Designated MID Areas

In consideration of the unique recovery needs created by the large area of the State that was impacted by both Hurricane Matthew and Hurricane Florence, NCORR conducted an analysis of damage to areas that were impacted by both storms. In adherence with the allocation methodology outlined in Appendix A for both 82 FR 5591 for Hurricane Matthew and 85 FR 4681 for Hurricane Florence, NCORR calculated an estimated unmet need for both events combined. This analysis used the Major-Low, Major-High, and Severe damage categories for both events and multiplied those damage categories by the repair estimation factors included in Appendix A for each respective notice. The threshold to be considered a State-identified MID is greater than $10 million in combined losses at the county level.

The result is the addition of seven counties which are considered the State-identified MID areas. These counties are Beaufort, Dare, Harnett, Johnston, Lenoir, Pitt, and Sampson.

Figure 9 - State-Identified Most Impacted and Distressed Areas



County	Matthew and Florence Estimated Unmet Need	County	Matthew and Florence Estimated Unmet Need
Robeson (County)	$ 197,307,459	Lenoir (County)	$ 30,491,620
Craven (County)	$ 161,228,095	Jones (County)	$ 30,486,444
Pender (County)	$ 101,788,288	Bladen (County)	$ 29,008,386
Cumberland (County)	$ 88,747,142	Pamlico (County)	$ 25,970,454
Duplin (County)	$ 66,873,164	Beaufort (County)	$ 21,732,584
Wayne (County)	$ 56,865,628	Sampson (County)	$ 17,194,081
Columbus (County)	$ 56,750,640	Scotland (County)	$ 15,971,064
Onslow (County)	$ 54,835,052	Pitt (County)	$ 14,642,648
Carteret (County)	$ 54,012,059	Harnett (County)	$ 12,141,829
New Hanover (County)	$ 50,222,920	Dare (County)	$ 10,888,976
Edgecombe (County)	$ 42,011,156	Johnston (County)	$ 10,796,876
Brunswick (County)	$ 36,152,959		

These state-identified areas are for recovery planning purposes and for a deeper understanding of the hardest hit dual impacted areas of the State. While expenditures in these state-identified MID areas do not meet the 80 percent expenditure requirement set by HUD, they do satisfy the requirement set at 85 FR 4686 which reiterates that "CDBG–DR grants in response to Hurricane Matthew may be used interchangeably and without limitation for the same activities that can be funded by CDBG–DR grants in the most impacted and distressed areas related to Hurricane Florence. Additionally, all CDBG–DR grants under the 2018 and 2019 Appropriations Acts in response to Hurricane Florence may be used interchangeably and without limitation for the same activities in the most impacted and distressed areas related to Hurricane Matthew."

4.5.2 Substantial Damage Determinations

After disaster, local building code officials inspect damaged dwellings to determine if they were substantially damaged. Substantial damage is when the value of the proposed work to repair equals or exceeds 50 percent of the fair market value of the building or structure before the damage has occurred or the improvement is started. If it is determined that the proposed work is a substantial improvement or restoration of substantial damage, the building official shall require existing portions of the entire building or structure to meet the requirements of Section R322 of the residential building code, which addresses flood-resistant construction.

According to the Housing Impact Study, FEMA conducted inspections of 6,566 owner-occupied property in the MID counties and identified 979 properties that were substantially damaged. In a parallel effort, impacted communities conducted similar inspections of both owner-occupied and rental property, and 1,100 additional properties are expected to be identified (for a total of approximately 2,080 substantially damaged properties). To normalize these inspection results, the substantially damaged properties were compared to the number of registrations as well as properties where the FVL exceeded $5,000. In the first comparison, Pender County was identified with 7 percent of the number of substantially damaged properties compared to registrations. For the latter comparison, Pender County (49 percent), Lumberton (Robeson County, 18 percent), and Pamlico County (13 percent) were identified as having the largest portion of the damaged housing declared substantially damaged. As expected, these inspections are well correlated with the MID areas.

It is important to note that this analysis only considers the substantial damage incurred by FEMA IA registrants, and not substantial damage to the entire area (i.e. those that did not register for FEMA assistance). The analysis also may not consider dual-impacted structures or those already damaged recently by Hurricane Matthew, which means the full count of substantially damaged structures in the impacted area may be far higher. Ultimately the local jurisdiction determines substantial damage, and therefore the analysis may be underrepresenting the full extent of the substantially damaged property.

Table 14 – FEMA-based Substantial Damage Determinations

Community	County	Inspections	Substantial Damage Properties	FEMA Registrations	Substantial Damage, % of Registrations with FVL
Belhaven	Beaufort	157	2	330	11%
Bladen	Bladen	81	15	3,102	7%
Brunswick County	Brunswick	604	11	10,156	2%
Carteret County	Carteret	733	23	8,941	3%
Columbus County	Columbus	509	37	5,475	9%
Bridgeton	Craven	80	3	150	7%
Havelock	Craven	42	3	2,624	2%
New Bern	Craven	614	110	7,380	7%
Riverbend	Craven	309	16	1	N/A
Jones County	Jones	64	41	1,692	11%

Community	County	Inspections	Substantial Damage Properties	FEMA Registrations	Substantial Damage, % of Registrations with FVL
New Hanover County	New Hanover	302	27	20,955	5%
Pamlico County	Pamlico	891	39	1,449	13%
Pender County	Pender	1,531	586	7,817	49%
Lumberton	Robeson	649	66	5,683	18%

Section R322 requires that substantially damaged structures within a FEMA designated Special Flood Hazard Area (SFHA) must elevate above the base flood elevation (BFE) as part of the rehabilitation or reconstruction scope of work. Previous recovery efforts for Hurricane Matthew recovery required two feet of freeboard above the BFE. Elevating existing structures or reconstructed buildings to meet the freeboard requirement adds cost to the rehabilitation or reconstruction effort but is necessary to mitigate future losses and protect vulnerable structures in SFHAs.

4.6 Demographic Profile of Impacted Counties

The Housing Impact Assessment cataloged the demographics of the impacted counties. The primary data source for the demographic analysis was the U.S. Census Bureau's American Community Survey.[8]

Several demographic factors were highlighted during the analysis to draw attention to recovery concerns that may affect how an impacted county may recover. These criteria are highlighted to provide context to the recovery activities in these counties and help inform the Action Plan to better respond to the unique challenges of each impacted area.

Table 15 - MID Key Demographics

County	Age		Family Size	Income	Education		Disability	Race		Latino	LEP
	Under 18	65 and over			No HS Grad	BA/BS or higher		White	Minority		
Bladen	21.80%	18.40%	2.92	$30,408	20.80%	14.50%	21.60%	58%	42%	7.50%	3.00%
Brunswick	17.20%	26.90%	2.73	$49,356	10.90%	28.00%	17.20%	84%	17%	4.70%	2.10%
Carteret	18.50%	21.80%	2.77	$50,599	9.20%	26.70%	19.90%	89%	11%	4.20%	1.80%
Columbus	22.20%	17.80%	2.99	$35,847	19.40%	12.50%	20.10%	62%	38%	5.00%	2.60%
Craven	22.50%	17.10%	2.92	$47,957	12.30%	24.30%	17.40%	71%	30%	7.00%	3.60%

[8] U.S. Census Bureau. *American Community Survey*. https://www.census.gov/programs-surveys/acs.

County	Age		Family Size	Income	Education		Disability	Race		Latino	LEP
	Under 18	65 and over			No HS Grad	BA/BS or higher		White	Minority		
Cumberland	25.00%	11.00%	2.56	$44,737	11.00%	22.40%	14.00%	51%	49%	11.20%	3.20%
Duplin	24.80%	15.80%	3.28	$35,364	26.70%	10.80%	19.00%	65%	36%	21.30%	12.10%
Jones	19.00%	22.00%	2.79	$34,080	18.20%	14.20%	23.80%	66%	34%	4.20%	2.40%
New Hanover	19.40%	15.70%	2.95	$51,232	7.70%	38.90%	12.60%	81%	19%	5.30%	2.80%
Onslow	25.40%	8.50%	3.20	$46,786	8.60%	20.20%	16.90%	74%	26%	11.80%	2.00%
Pamlico	16.00%	26.80%	2.88	$45,211	15.00%	18.10%	20.80%	76%	24%	3.60%	0.50%
Pender	22.40%	17.10%	3.37	$46,580	13.20%	25.60%	16.70%	77%	23%	6.40%	3.00%
Robeson	26.00%	13.00%	3.49	$31,298	22.90%	12.80%	16.60%	29%	71%	8.30%	3.60%
Scotland	23.30%	16.20%	3.06	$32,739	18.40%	15.90%	19.50%	45%	55%	2.80%	0.40%
Statewide	22.10%	16.30%	3.10	$53,855	11.80%	31.90%	13.30%	68%	32%	9.60%	4.50%

4.6.1 Education

In this analysis, education is split between adults without a high school degree and those with a bachelor's degree or higher. Of the most impacted counties, Bladen, Columbus, Duplin, Jones, Robeson, and Scotland have a significant portion of the population without high school degrees, ranging from 18 – 27. This compares unfavorably with the North Carolina State average, where 13 percent of residents lack a high school degree.

A lack of education affects the recovery in many ways. Less educated individuals experience greater difficulty securing jobs and are at a greater risk of losing their jobs due to the disaster. Impediments to accessing programs is more frequent among this demographic. Recovery planning and programs must be carried out differently in counties with lower education levels to mitigate these barriers.

4.6.2 Disability

Individuals with disabilities face additional challenges with respect to disaster recovery. The U.S. Census Bureau American Community Survey (ACS) data presents disability information for three age groups, under 18, 18 - 64, and 65 years of age and over. The proportion of the most impacted counties with individuals with disabilities is similar to that for the declared counties and North Carolina as a whole. Among the working age groups, the disability percentages are higher in Bladen, Carteret, Columbus, Duplin, and Jones Counties. The disability rate statewide is 7.0 percent. For the older group, the disability percentages are higher in Brunswick, Carteret, Columbus, Duplin, and Jones Counties, where older group disability rates range from 7.5 - 9.2 percent, compared to 5.4 percent for the State.

Planning for individuals with disabilities is essential as they often need additional housing considerations, particularly individuals with mobility challenges. In areas prone to flooding, the challenge is to balance requisite elevation while considering Americans with Disabilities Act/Section 504 standards in design and its applicability and feasibility by site. While mechanical lifts may be a solution for elevated units, the long-term maintenance as well as the required generators to act as back-up power must be considered. Disabled individuals by HUD definition are presumed to be low- and moderate-income and may not have the resources to maintain these features.

Chapter 3 of the HUD Relocation Assistance Handbook includes information on serving the needs of disabled individuals during relocation activities, including eligible costs and activities for relocating individuals with disabilities as well as guidance on Section 504 compliance for those individuals.

4.6.3 Race

Race must be considered when looking at individual communities when understanding specific needs, historical context, identity, and aspirations. According to the ACS, while 68 percent of the State population identifies as White, in the most impacted counties the percentage of individuals that identify as White ranges dramatically, from 29 – 89 percent. 29 percent of Robeson County identifies as White, with Cumberland next highest at 51 percent. Black or African American populations range from 5.7 percent of the population of Carteret County to 36.6 percent in Cumberland County. The Native American population is concentrated in Robeson County, where they represent 38.9 percent of the population. Latino or Hispanic populations are particularly high in Cumberland (11.2 percent), Onslow (12.2 percent), and Duplin (21.7 percent) Counties, compared to the North Carolina average of 9.1 percent. Latino or Hispanic populations are comparatively low in Brunswick, Carteret, Columbus, Jones, New Hanover, and Scotland Counties.

CDBG-DR allocations cannot fully relieve disparities caused by historic inequalities based on race and income. However, CDBG-DR funds can be expended in communities based on the unique needs of the community, including different rental programs to address the rental need, an emphasis on job training in lower-income and areas with depressed jobs outlook because of storm impacts, and local capacity support for jurisdictions and municipalities attempting to recover after multiple storm impacts. To the greatest extent possible, CDBG-DR funds will work to address each community's recovery needs without disrupting community fabric or the vital way of life, and further the resilience and longevity of these recovering communities.

4.6.4 Limited English Proficiency

In the most impacted counties, only one, Duplin County, stands out with a larger number of residents with Limited English Proficiency (LEP), with 12.1 percent of the individuals 5 years or older speaking English less than "very well" at home. The ACS data further shows that these are largely Spanish language speakers. LEP presents barriers to communication and understanding between disaster recovery programs and impacted communities. A significant Spanish speaking population of disaster survivors warrants specific planning and coordination to ensure that disaster programming is messaged correctly to impacted individuals and households. Title VI of the 1964 Civil Rights Act requires that no person is discriminated against, excluded from participation, or denied benefits under any program or activity receiving federal financial assistance based on race, color, or national origin. Therefore, NCORR commits to assisting LEP households and communities in accordance with state and federal requirements. More information on LEP and the Language Access Plan (LAP) are found in Part 5.7 below.

4.7 Impacts on Low- and Moderate-Income (LMI) Population

Low- and moderate-income (LMI) individuals are some of the most vulnerable populations impacted by major disasters. LMI individuals do not have the same financial resources to rebuild and may experience difficulty seeking disaster assistance.

HUD defines LMI as individuals that earn less than 80 percent of the Area Median Income (AMI). The requirement set forth in the Notice require that 70 percent of all CDBG-DR funds allocated must be spent to assist LMI individuals or areas. In consideration of this requirement, the unmet needs analysis sought to determine the extent to which LMI areas were impacted.

Of the 2,407 block groups in the disaster impacted areas, 873 are LMI block groups. The total population of the areas receiving FEMA IA funds, based on ACS data for LMI estimates[9], is 3,660,890. Of that total population, 43 percent or 1,574,083 of those individuals qualify as LMI.

Table 16 - LMI Population in FEMA IA Counties

County	MID Area	LMI Population	Total Population	% LMI
Robeson County	Yes	70,970	131,455	53.99%
Scotland County	Yes	17,835	33,675	52.96%
Johnston County	-	92,715	176,620	52.49%
Duplin County	Yes	29,900	58,775	50.87%
Anson County	-	12,005	24,295	49.41%
Bladen County	Yes	16,735	34,105	49.07%
Durham County	-	134,820	275,290	48.97%
Richmond County	-	21,705	44,665	48.60%
Lenoir County	-	27,790	57,525	48.31%
Greene County	-	9,090	19,235	47.26%
Sampson County	-	29,415	62,945	46.73%

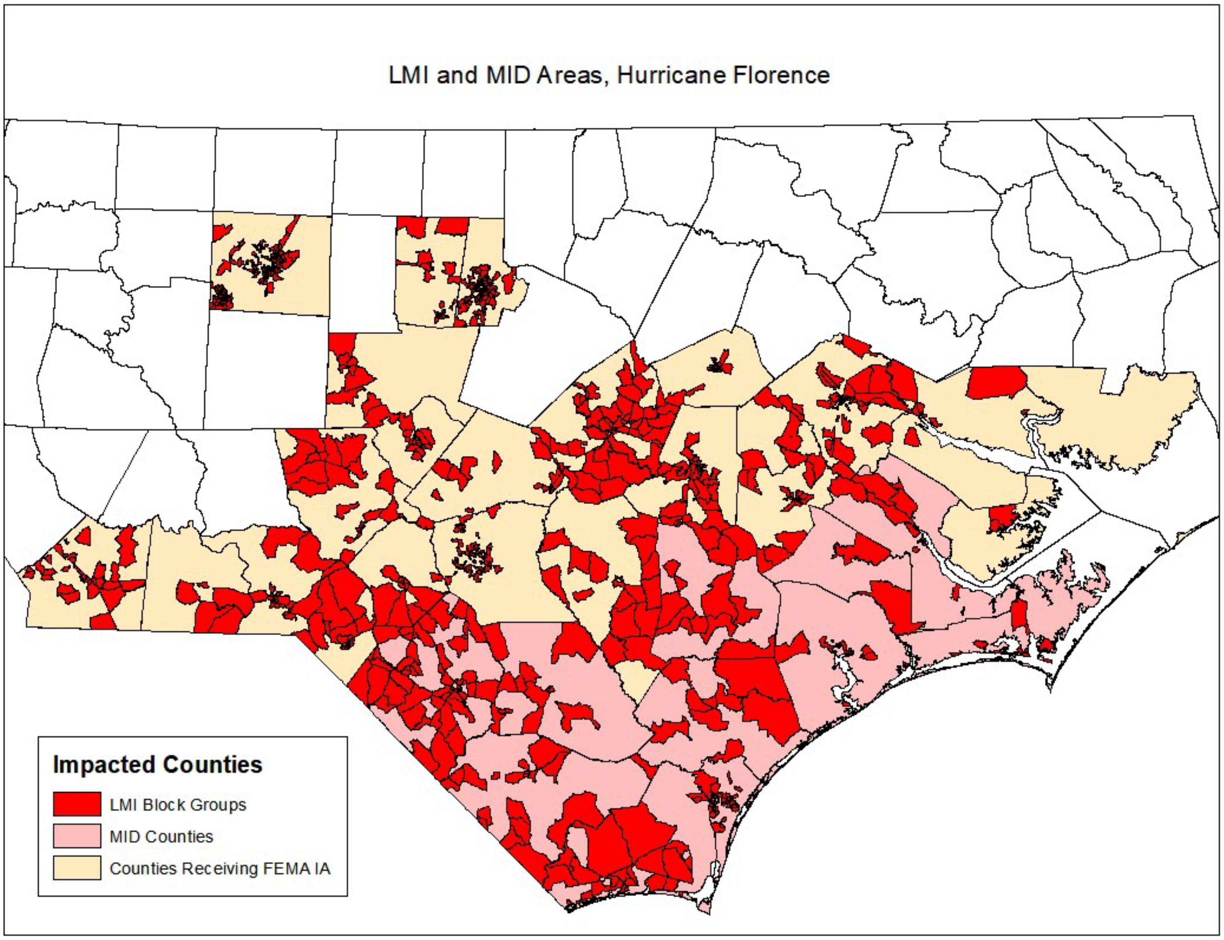
[9] U.S. Census Bureau. *ACS 5-Year 2011-2015 Low- and Moderate-Income Summary Data.* https://www.hudexchange.info/programs/acs-low-mod-summary-data/

County	MID Area	LMI Population	Total Population	% LMI
New Hanover County	Yes	94,235	206,370	45.66%
Jones County	Yes	4,565	10,040	45.47%
Columbus County	Yes	24,610	54,415	45.23%
Pitt County	-	75,519	167,660	45.04%
Wayne County	-	52,850	121,450	43.52%
Wilson County	-	34,285	80,005	42.85%
Chatham County	-	28,425	66,565	42.70%
Orange County	-	54,145	128,180	42.24%
Guilford County	-	205,120	490,610	41.81%
Hoke County	-	20,520	49,850	41.16%
Brunswick County	Yes	47,235	115,025	41.06%
Pender County	Yes	22,025	53,820	40.92%
Beaufort County	-	19,205	47,075	40.80%
Moore County	-	36,635	90,530	40.47%
Pamlico County	Yes	4,965	12,350	40.20%
Lee County	-	23,400	58,375	40.09%
Harnett County	-	48,490	121,000	40.07%
Carteret County	Yes	26,895	67,125	40.07%
Cumberland County	Yes	117,930	314,220	37.53%
Craven County	Yes	36,490	100,565	36.28%
Union County	-	73,680	211,280	34.87%
Onslow County	Yes	58,239	170,790	34.10%
Hyde County	-	1,640	5,005	32.77%
Total		**1,574,083**	**3,660,890**	**43.00%**

Geographically, there is a concentration of LMI areas in the MID counties, specifically in Columbus (45.23 percent), Jones (45.47 percent), New Hanover (45.66 percent), Bladen (49.07 percent), Duplin (50.87 percent), Scotland (52.96 percent) and Robeson (53.99 percent).

Non-MID counties with a high proportion of LMI populations include Durham County (48.97 percent), Anson County (49.41%), and Johnston County (52.49 percent).

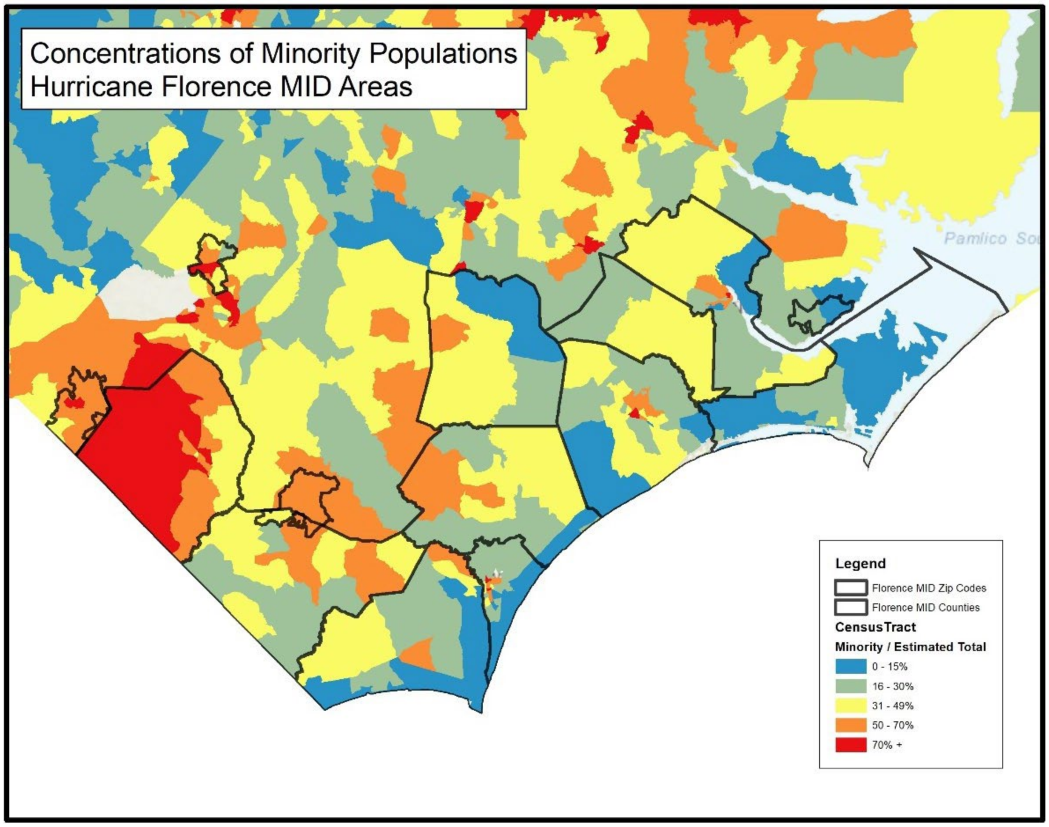
Figure 10 - LMI Block Groups, FEMA IA Counties and MID Counties, Hurricane Florence



Concentrations of minority groups also face unique recovery challenges. A comparison of the MID areas with census tract data overlaid for minority groups reveals that significant minority concentrations exist in some impacted areas. For the purpose of this analysis, a minority is an individual that identifies as Black or African American, American Indian or Native Alaskan, Native Hawaiian or Pacific Islander, Asian, or more than one race.

Of significant concern is the ongoing recovery of Robeson County, which has the largest concentration of minorities in the Florence impacted area. Other concentrated areas include parts of Scotland County, Onslow County, Craven County, and New Hanover County. NCORR recognizes the historically underserved populations present in these areas and acknowledges that special consideration must be made to the preexisting conditions and barriers to recover that some of these communities face. There is also some spatial correlation between LMI block groups and a higher percentage of minority groups within a census tract.

Figure 11 - Minority Concentrations in the MID Area



4.8 Public Housing Impact

The Housing Impact Assessment also analyzed the impact to HUD assisted housing. There are 53,387 HUD assisted housing units in the disaster declared counties, supported by HUD's Public and Multifamily Housing programs. Most of these impacted households are participants in the Housing Choice Voucher program where voucher holders reside in privately owned rental units, with a total of 25,826 units (48.4 percent of the total assisted units). There are 11,260 (21.1 percent) Project Based Section 8 units where families reside in privately owned multifamily rental buildings receiving a subsidy. There are also 14,405 (27.0 percent) Public Housing units operated by Housing Authorities as well as smaller numbers (1,894) of units providing supportive housing for the elderly and disabled.

Within the Public Housing assets in the declared counties, 38 Public Housing Authorities experienced damage to 1,804 dwelling units. The repair work from one public housing authority is estimated to take 15 - 22 months. These damages have resulted in the displacement of 261 families from public housing sites and another 523 families previously residing in Housing Choice Voucher units. As of December 21, 2018, the HUD assisted multifamily portfolio in the impacted counties reported 138 properties that suffered minor damage, 18 with modest damage and 21 with severe damage. HUD continues to work directly with the housing providers to return the affected families to a permanent, stable housing solution.

HUD assisted households that remain displaced are in temporary housing, including staying with friends and family, participating in FEMA's Transitional Sheltering Assistance (TSA) program, and other temporary housing options. HUD conducts a comparison of FEMA TSA data with HUD client data, which permits HUD staff to work with available housing providers to expedite the displaced family's transition out of the TSA program and their return to permanent housing.

The unmet public housing need after Hurricane Matthew was estimated to be 152 units at a cost of approximately $9.5 million.[10] On a per unit cost basis, the average cost to repair is $62,214. To repair the damaged 1,804 dwelling units, NCORR estimates a cost of repair as high as $112 million. Currently, $46,221,000 in project costs were requested by Public Housing Authorities from FEMA Public Assistance (PA). However, many PHAs were unfamiliar with FEMA PA, were already recovering from Matthew and did not seek additional assistance, or saw their unmet recovery needs evolve since the filing deadline. Other funds are needed to address this need, and funds from other programs are available. NCORR will continue to review the need to determine how CDBG-DR funds can maximize public housing repair.

4.9 Pre-Existing Housing Conditions

A review of the pre-existing housing conditions informs the unmet recovery needs for the impacted areas. While disaster recovery funds cannot fully cure pre-existing conditions (such as pre-existing limitations in affordable housing availability), an understanding of pre-existing housing conditions provides greater context in the development of housing recover plans and programs. The analysis of the housing stock in the declared counties is largely drawn from estimates from the American Community Survey (ACS), and further distilled in the Housing Impact Assessment.

4.9.1 Housing Stock

There are 1.72 million housing units in the declared counties, with 1.47 million occupied and 250,000 vacant. Many of the vacant homes are not available for rent for several reasons including the fact that the properties are kept vacant during vacations or for summer homes, are in un-rentable condition, or other reasons. In the most impacted counties, there are 648,781 housing units, with 518,436 units occupied. The vacant units are concentrated in those counties. While those counties have 38 percent of the housing, they are home to 52 percent of the vacant units (130,345 vacant or 20 percent of the housing stock) in the most impacted counties compared to 251,543 vacant (15 percent of housing stock) in all declared counties. The highest vacancy rate is estimated to be 39 percent in Carteret County, 37 percent in Brunswick County, and 25 percent in Pender County.

In the declared counties, 63 percent of the housing stock is single-family detached. This proportion is similar to the most impacted counties. About six percent of the housing units are

[10] ReBuild NC CDBG-DR Action Plan for Hurricane Matthew, Amendment 5. Section 3.1.7.1.

single-family attached and other two-unit buildings. Larger multi-family (three units or more) constitute 16 percent of the housing stock, with the greatest number in Carteret, Cumberland, and New Hanover Counties; with multi-family stock being 16 – 24 percent of the total. Manufactured housing comprises 17 percent of the most impacted counties and ranges from 5 percent of the housing stock in New Hanover to greater than 30 percent of the stock in Columbus County (32 percent), Jones County (34 percent), Duplin County (36 percent) and Robeson County (39 percent). High proportions of manufactured housing may indicate lower income and possibly housing which is in disrepair, as poorly maintained manufactured housing will deteriorate at an accelerated rate and cannot withstand serious storm damage as well as stick-built housing.

4.9.2 Tenure and Age

In the most impacted counties, the owner-occupied portion of housing stock ranges from 51 – 79 percent, with the lowest portion of owners in Cumberland, New Hanover, and Onslow Counties. Among the owner-occupied homes, those that are owned without mortgages are generally represented in greater rates in the most impacted counties when compared to the State or declared counties, where both have 36 percent of owner-occupied homes owned without a mortgage. In Columbus, Duplin, and Robeson Counties, the rate of homes owned without a mortgage is 55 – 59 percent. Those three counties also have the lowest median home value and greatest number of homes built before 1980.

A reliable measure of the condition of the housing stock is its age. Older housing is often in increased disrepair, showing the effects of deferred maintenance. In the most impacted counties, 35 percent of the housing stock was built before 1980. This ranges from 18 percent in Brunswick County to 44 – 51 percent in Robeson, Jones, Duplin and Columbus Counties. In areas of comparatively low income, older housing stock is often deteriorated and may be prone to increased disaster damage.

4.9.3 Housing Cost

The median value of an owner-occupied home in North Carolina is $161,000. In the most impacted counties, the range of the median value is $72,100 to $225,600. The four counties with the lowest median value (Columbus, Duplin, Jones, and Robeson, with values ranging from $72,100 to $92,700) also have the highest portion of pre-1980 housing.

A commonly used metric for housing cost is the concept of rent burden. A renter paying more than 30 percent of their household income is considered rent burdened and may be limited in their ability to afford other necessities. Statewide, 49 percent of renters are considered rent burdened and in both the declared and most impacted counties, the estimate is 51 percent. Jones County stands out, with 61 percent of the renters considered rent burdened, even though the median rent in the county ($621) is among the lowest in the most impacted counties. The repair or reconstruction cost may quickly exceed the fair market value for lower valued properties. For affordable rental properties, this may delay repairs as the cash-flow for the rental units may not permit rapid or comprehensive repairs.

The conditions of the housing stock before Hurricane Florence provide some indication of the challenges those counties will face with recovery. Older, cheaper stock may be deteriorated and is almost certainly less energy efficient than homes which are newer and more valuable. To that end, reconstruction may be considered a more cost-effective strategy than repairing older housing which was in poor condition prior to the storm event.

North Carolina's challenge to increase the availability of affordable housing for low- to moderate-income and special needs populations is not different from what communities across the country face. Local income and number of households seeking housing may vary, as well as the cost of land, labor and materials, but not substantially enough to alter the methods for creating new affordable housing opportunities.

4.9.4 Affordable Housing

A report by the National Low-Income Housing Coalition (NLIHC), finds a national shortage of 7.2 million available affordable rental homes for extremely low income (ELI) renter households. The report calls for increasing investments in affordable housing programs that serve those with low incomes.[11]

As of 2013, North Carolina had over 292,000 households that were severely rent burdened, more than 65,000 rental units that were overcrowded, and more than 20,000 rental units that lacked either complete kitchen and/or complete bathroom facilities.

The table below shows the cost burden for homeowners and renters as reported on the North Carolina Housing Coalition website.[12]

Table 17 - Cost Burdened Households, MID areas

County	# Cost-Burdened Households	% of cost-burdened households	# Cost Burdened Homeowners	# Families facing Foreclosure	# Cost Burdened Renters	# Families facing eviction
Onslow	24,303	39%	9,709	1,036	14,594	2,274
New Hanover	33,366	38%	14,390	489	18,976	3,419
Cumberland	44,302	36%	16,907	1,163	27,395	8,857
Scotland	4,607	35%	2,090	45	2,517	433
Bladen	4,681	33%	2,945	41	1,736	268
Craven	13,370	33%	6,619	258	6,751	1,066
Pender	6,549	33%	4,721	149	1,828	302
Brunswick	16,429	33%	10,742	438	5,687	611

[11] National Low-Income Housing Coalition. *March 13, 2018 Press Release*. https://nlihc.org/press/releases/9493.
[12] North Carolina Housing Coalition. *County Profiles.* https://nchousing.org/county-fact-sheets/

County	# Cost-Burdened Households	% of cost-burdened households	# Cost Burdened Homeowners	# Families facing Foreclosure	# Cost Burdened Renters	# Families facing eviction
Columbus	6,939	32%	4,188	121	2,751	324
Robeson	14,028	31%	6,913	213	7,115	1,900
Duplin	6,766	31%	3,793	87	2,973	300
Jones	1,270	31%	783	14	487	44
Carteret	8,883	30%	5,293	185	3,590	354
Pamlico	1,419	27%	939	15	480	31

The data reflects a need for affordable housing to service all income levels and with additional focus on:

- Single-family housing that is resilient to storms, energy efficient, and right-sized for larger families as needed.
- Multi-family rental and ownership.
- Multi-family housing for young professionals and civil servants (e.g. teachers, uniformed) that are first-time homebuyers.
- Housing to accommodate aging and disabled populations.
- New neighborhoods with affordable housing that reflects community preferences in design and siting, such as space between homes for gardens or town center designs geared toward urban convenience and less maintenance.
- New opportunities for homeownership for renters.

4.9.5 Construction Activity and Capacity

The State of the Cities Data System[13] reports that for 2018, there were a total of 16,509 building permits issued in the declared counties. This tracking system tracks only permits issued for new construction, as opposed to rehabilitation or remodeling. Construction permits serve as a good proxy for construction starts, as significant planning and investment is necessary to reach the point where a permit application is submitted.

Of the construction activity, 82 percent was characterized as single-family construction and 85 percent of the permits or 11,504 were issued in 10 counties. In the 20 declared counties with the lowest number of single-family permits, only 688 permits were issued, just 5 percent of the total. This is not well correlated to the number of homes, in that the top 10 counties had 58 percent of the existing housing stock in the 34 declared counties and the bottom 20 had 30 percent of the stock.

[13] HUD Office of Policy Development and Research. *State of the Cities Data Systems.* https://www.huduser.gov/portal/datasets/socds.html

Normalizing the permitting activity as a function of the number of housing units shows the relative level of construction activity. Expressing activity as permits for 2018 per 1,000 housing units provides insight to the construction activity in the declared counties. For all declared counties, there were an average of 9.6 permits issued for every 1,000 existing homes. This varied widely, with 15 counties having very low construction activity (less than one permit per 1,000 homes) and 10 counties with more than the average.

There were four counties where the permitting activity was greater than double the average for the declared counties. They were Durham, Chatham, Orange, and Johnston Counties, with about 41 percent of the permitting activity in the declared counties.

In 2018, 83 percent of the permits issued were for the construction of one to four-unit homes, work that is often done by the same type of builders. The remainder (17 percent) are for buildings with five or more units with work done by commercial builders. There is no significant overlap between these two types of builders, therefore construction activity in one of those sectors would likely have comparatively little impact on the other.

There were 24 counties with construction activity that was below the average, which suggests the housing market in those counties is relatively sluggish. While the permitting numbers suggest a general lack of housing demand, they may not indicate a lack of construction capacity. In rural areas where production builders are not generally active, many builders operate in a wider range of projects than in urban areas. This may result in the residential capacity becoming dormant during periods of low demand, often working on other construction projects or shifting to non-construction employment.

In times of low demand, small homebuilders in urban areas often shrink their workforce and focus on related work, such as remodeling. As the workforce for those builders often function as subcontractors, the cost of this strategy to the builder is comparatively small. The actual workers will typically take other jobs in the area, awaiting the opportunity to return to residential construction. Because construction is generally more lucrative than other employment, inducing the workers to return to building is not difficult. Production builders in the urban areas may reduce their construction activity and may leave the market. Because those production builders often rely on subcontractors for much of the work, the capacity may remain in the community even if the actual builder leaves the market.

While it is expected that significant residential construction capacity remains in areas where there is little physical construction, there may be additional strategies to magnify the capacity. These could include the use of a variety of factory-built construction strategies ranging from panelized to modular. In those approaches, much of the work would be done off-site in a factory. This approach has advantages by reducing the demands for on-site labor as well as the other aspects of the construction supply chain. These homes are also cost effective for the recovery program and would allow for realized savings. Workers can reside closer to the factory so their availability as well as travel expenses can be reduced. Construction workers often must travel some distance to the job site when performing site building, a situation that increases the costs to the workers, their employer, or the customer.

NCORR anticipates strains on capacity due to multiple disasters throughout the state (including Hurricanes Michael and Dorian, which do not currently have CDBG-DR allocations), and other disasters nationwide which may limit the pool of contractors even further.

4.10 Analysis of Housing Unmet Need

North Carolina's number one priority is to allow families to return to their homes and to ensure those homes are in safe and sanitary conditions. For this reason, the Unmet Needs Assessment focuses on housing recovery programs and supportive services to families and persons in need.

As part of the Substantial Action Plan Amendment 4 process, the State reanalyzed unmet need data, specifically as it relates to owner-occupied and rental housing. This revised Housing Unmet Needs Assessment updates the previous analysis conducted by the State for the initial Florence Action Plan and subsequent Substantial Action Plan Amendments. The State's revised Housing Unmet Needs Assessment is based on the most recent disaster recovery data sets, applying the methodology and assumptions outlined in Appendix B.

Based on the most recent data sources consistent with HUD methodology for estimating serious housing unmet need for owner-occupied and rental housing, the State observed a roughly 26 percent increase for serious housing unmet need when compared to the previous assessment. The reanalysis outlined in this section of the Action Plan revalidates the State's plan to allocate most of the CDBG-DR funding to address continuing housing unmet need.

This Housing Unmet Need Assessment also relies on the work that was conducted in the original Florence Action Plan and subsequent Substantial Action Plan amendments. The analysis and resulting recovery programs also account for long-term sustainability, with a priority placed on the homeowner and renter finding safe and suitable housing rather than simply rebuilding a damaged unit. Therefore, North Carolina will conduct an analysis when rebuilding a severely damaged home versus constructing a new home in an area safe from repetitive flood loss, which will consider the cost of repairing versus replacement and estimated long-term losses due to repeat flood events.

It is important to note that previous analyses related to housing unmet need point to a large unmet need for homeowners who wish to sell their homes and relocate to higher and safer ground, and additional damages and unmet need for Public Housing Authorities in storm-impacted counties. Substantial Amendment 4 and previous amendments outline that funding related to Strategic Home Buyout and the Public Housing Restoration Fund activities have been reallocated from CDBG-DR to CDBG-MIT. Please refer to the State's CDBG-MIT Action Plan for more details on these activities and related unmet needs analyses.

4.10.1 Owner-Occupied and Rental Housing

The State conducted an Housing Unmet Needs Assessment by examining the estimated post-disaster total loss (need) and resulting unmet needs for owner-occupied and rental housing. As previously noted, the Assessment is aligned to HUD's own standard approach to analyzing housing unmet need, with slight modifications to the original methodology and assumptions based on reanalysis of the most recent data sets under Substantial Amendment 4. The reanalysis uses the most recent FEMA Individual Assistance (IA) data, SBA loan data for homeowners, NFIP data, damage inspections performed by the State and NC Step program data. See Appendix B for the detailed source data, methodology and assumptions used to estimate housing unmet need for owner-occupied and rental housing.

To estimate unmet needs for owner-occupied and rental housing, the Assessment subtracts the estimated funds received from FEMA, SBA, NFIP and NC Step from the total estimated loss (need). Through reanalysis of the most recent data sets summarized in Table 18, the State has determined that the ***total*** owner-occupied and rental housing unmet need is $1,397,557,176.

Table 18 - Hurricane Florence Owner-Occupied and Rental Housing Unmet Need Summary (Total)

Category	Estimated Total Loss (Need)	Estimated Resources Available/Received	Estimated Unmet Need (Estimated Total Loss less Estimated Resources Available/Received)
Owner-Occupied Housing Loss	$1,877,390,856		$1,877,390,856
Rental Housing Loss	$132,489,773		$132,489,773
FEMA Individual Assistance		$151,492,435	($151,492,435)
SBA Loans: Residential		$201,854,077	($201,854,077)
NFIP Assistance		$240,587,785	($240,587,785)
NC Step		$18,389,156	($18,389,156)
Total Owner-Occupied & Rental Housing	**$2,009,880,629**	**$612,323,453**	**$1,397,557,176**

Source(s): See Appendix B for data sources, detailed methodology and assumptions

The previous Housing Unmet Needs Assessment in late 2019 (outlined in Appendix C) estimated serious housing unmet in concert with HUD's guidance provided in 85 FR 4681 for Hurricane Florence. To provide a point of comparison to the previous assessment, the State also estimated the serious housing unmet need based on analysis of the most recent data sets and following a similar approach as the previous assessment (outlined in Appendix B, Section B2). The assessment of serious housing unmet need quantifies the unmet need for properties estimated to have major or severe damage, and excludes properties estimated to have minor damage.

Through reanalysis of the most recent data sets summarized in Table 19, the State has determined that the total owner-occupied and rental housing serious unmet need has increased, with an estimated serious unmet need of $1,082,331,589 for owner-occupied and rental housing. The previous assessment estimated a serious housing unmet need of $860,255,361 related to owner/renter repair damages (FEMA IA) and elevation/buyout, representing a roughly 26 percent increase when compared to the reanalysis.

Table 19 - Hurricane Florence Owner-Occupied and Rental Housing Unmet Need Summary (Serious)

Category	Estimated Total Loss (Need)	Estimated Resources Available/Received	Estimated Unmet Need (Estimated Total Loss less Estimated Resources Available/Received)
Owner-Occupied Serious Housing Loss	$1,395,879,885		$1,395,879,885
Rental Serious Housing Loss	$93,014,113		$93,014,113
FEMA Individual Assistance		$115,260,692	($115,260,692)
SBA Loans: Residential		$107,224,025	($107,224,025)
NFIP Assistance		$184,077,693	($184,077,693)
NC Step		$0	$0
Total Owner-Occupied & Rental Housing (Serious)	**$1,488,893,999**	**$406,562,410**	**$1,082,331,589**

The previous assessment completed in late 2019 utilized only FEMA IA and SBA data to calculate an estimate of serious housing unmet need, using the best data available at the time. The availability of additional data (i.e., state damage inspections and NC Step program data) is what prompted the State to reevaluate the previous estimates of serious housing unmet need, and slightly modify the previous methodology to account for the both the additional data sets and most recent data sets.

Taking into account all of data that is now available, the State has verified what is anecdotally heard in communities across the State; there is a significant unmet need for both homeowners and renters as it relates to housing recovery due to the impacts of Hurricane Florence. The reanalysis of housing unmet need under Substantial Amendment 4 highlights not only an increase in estimated serious housing unmet need, but also shows that roughly 77 percent of estimated total housing unmet need is related to serious housing unmet need.

4.10.2 LMI Owner-Occupied Households

HUD requires that the State must spend a minimum of 70 percent of the total CDBG-DR grant to benefit LMI populations.

Based on the self-reported FEMA IA data from late 2019, for owner-occupied households, 7,923 owner-occupied households (42 percent of owner-occupied households), are below the 80 percent Area Median Income threshold. Based on the HUD methodology, the owner-occupied household unmet need is approximately $234 million as of late 2019. This is before considering the elevation costs that may be required to to elevate damage properties located in floodplains.

4.10.3 Renter Occupied Households

Renter-occupied households often have obstacles to recovery that differ from owner-occupied households. Renters are not as likely to carry insurance against losses, and are at the mercy of a landlord when it comes to returning to their damaged homes.

In MID counties, approximately six percent (6%) of the total rental stock was damaged based on FEMA inspection data from late 2019. Table 25 shows damage to market rate rental units in the impacted area:

Table 18 - Renter Damage, All Units, and Rental Income

County	Any Damage[14]	Renter Occupied	Cost-Burdened Renters	Fair Market Rent (2BR)	Income Needed for 2BR	Median Household Income
Anson		3,380 (35%)	1,377 (41%)	$679	$27,160	$38,123
Beaufort		5,539 (29%)	2,347 (42%)	$679	$27,160	$41,101
Bladen	304 (7%)	4,481 (31%)	1,681 (38%)	$679	$27,160	$32,396
Brunswick	644 (5%)	12,121 (23%)	5,637 (47%)	$852	$34,080	$51,164
Carteret	879 (11%)	8,199 (27%)	3,206 (39%)	$869	$34,760	$51,584
Chatham		6,696 (24%)	2,500 (37%)	$1,055	$42,200	$59,684
Columbus	720 (11%)	6,541 (29%)	2,644 (40%)	$679	$27,160	$36,261
Craven	1,570 (11%)	14,902 (37%)	6,500 (44%)	$894	$35,760	$49,391
Cumberland	158 (<1%)	60,967 (49%)	29,216 (48%)	$893	$35,720	$44,737
Duplin	545 (8%)	6,570 (30%)	2,622 (40%)	$679	$27,160	$36,679
Durham		56,268 (47%)	25,768 (46%)	$1,055	$42,200	$56,393
Greene		2,254 (31%)	957 (42%)	$679	$27,160	$36,989
Guilford		82,586 (41%)	39,163 (47%)	$769	$30,760	$49,253
Harnett		15,582 (35%)	6,493 (42%)	$787	$31,480	$50,323
Hoke		5,736 (33%)	2,622 (46%)	$742	$29,680	$45,713
Hyde		435 (24%)	142 (33%)	$908	$36,320	$40,532
Johnston		18,524 (28%)	8,563 (46%)	$1,086	$43,440	$54,610
Jones	175 (15%)	1,139 (27%)	503 (44%)	$679	$27,160	$37,256
Lee		7,091 (33%)	2,938 (41%)	$737	$29,480	$49,272

[14] FEMA damage inspection data: number and percent of renters in MID counties where FEMA damage inspections reported any damage. In MID counties, FEMA damage inspections found 11,441 (< 6%) out of 204,491 renter-occupied units had Florence-related damage.

County	Any Damage[14]	Renter Occupied	Cost-Burdened Renters	Fair Market Rent (2BR)	Income Needed for 2BR	Median Household Income
Lenoir		9,271 (40%)	3,981 (43%)	$703	$28,120	$37,515
Moore		9,783 (26%)	3,813 (39%)	$777	$31,080	$54,468
New Hanover	2,707 (7%)	39,062 (43%)	19,369 (50%)	$1,003	$40,120	$51,457
Onslow	2,236 (8%)	29,958 (47%)	13,604 (45%)	$843	$33,720	$48,162
Orange		19,910 (38%)	8,955 (45%)	$1,055	$42,200	$65,522
Pamlico	28 (2%)	1,355 (25%)	524 (39%)	$725	$29,000	$45,211
Pender	773 (18%)	4,395 (21%)	1,905 (43%)	$794	$31,760	$49,357
Pitt		32,848 (48%)	17,184 (52%)	$774	$30,960	$43,526
Richmond		6,346 (35%)	3,233 (51%)	$679	$27,160	$33,607
Robeson	1,174 (7%)	16,304 (35%)	6,510 (40%)	$679	$27,160	$32,407
Sampson		7,129 (30%)	3,404 (48%)	$679	$27,160	$37,765
Scotland	301 (6%)	5,038 (38%)	2,557 (51%)	$696	$27,840	$32,739
Union		14,370 (19%)	6,052 (42%)	$1,028	$41,120	$70,858
Wayne		18,623 (39%)	8,360 (45%)	$753	$30,120	$41,766
Wilson		12,677 (40%)	6,004 (47%)	$730	$29,200	$42,095
Total MIDs	**11,441**	**204,491**				

On average, renters occupy 33 percent of units and homeowners occupy 67 percent in FEMA IA declared counties. The average proportion of renters to owners is similar across MID counties.

Renter occupied households with FVL greater than $0 account for 3,727 registrants. 49 percent of those registrants met the LMI criteria. Based on the FEMA IA data for renter occupied households, the total renter occupied household unmet need is approximately $87 million. This is before considering the elevation costs that may be required to to elevate damage properties located in floodplains.

4.10.4 Public, Affordable Housing, and Transitional Housing

Public and affordable housing provides a valuable service for the impacted area. Some Public Housing Authorities (PHAs) continue to grapple with the effects of Hurricane Matthew while dealing with Hurricane Florence-specific recovery needs. The total FEMA Public Assistance claims for Hurricane Florence related to Public Housing is over $46 million. This includes significantly dual-impacted areas such as Fayetteville, Laurinburg, and Lumberton. However, the true unmet need is expected to be closer to the $112 million figure quoted in Section 4.8.

Table 19 - FEMA PA Claims for Public Housing

Preliminary Cost for Public Housing Authorities	
Public Housing Authority	FEMA Damage Claim
Bladenboro	$ 220,000
Fayetteville	$ 404,000
Laurinburg	$ 2,408,000
Lumberton	$ 21,531,000
New Bern	$ 20,867,000
Pender County	$ 764,000
Robeson County	$ 27,000
Total	**$ 46,221,000**

Further, there is a need to assist individuals in transitional housing. Transitional housing is supportive housing that helps fight the homelessness problem. Transitional housing is generally for a limited time period - stays can be from two weeks to 24 months. Transitional housing also provides people with help after a crisis such as homelessness or domestic violence.

The North Carolina Coalition to End Homelessness reports a total of 142 beds offline after Hurricane Florence. Availability of these beds are critical to maintaining effective transitional housing service. The loss of even a small number of beds can have significant consequence to the homeless population in the recovering area. Of critical concern is the bed stock in New Hanover, Pender, and Brunswick, which combine their bed count and total a loss of 52 beds.

County	People in shelters or transitional housing	Children in homeless shelters or transitional housing	Adults in homeless shelters	Total people experiencing homelessness	Bed Capacity 2019	Beds reported offline after Florence
Anson	-	-	-	-	-	-
Beaufort	8	0	8	13	20	12
Bladen	0	0	0	0	-	
Carteret	39	12	27	41	48	18
Chatham	-	-	-	-	-	-
Columbus	0	0	0	0	10	17
Craven	35	9	26	49	43	-
Cumberland	103	60	43	329	-	-
Duplin	5	3	2	8	8	-

County	People in shelters or transitional housing	Children in homeless shelters or transitional housing	Adults in homeless shelters	Total people experiencing homelessness	Bed Capacity 2019	Beds reported offline after Florence
Durham	-	-	-	-	-	-
Greene	0	0	0	1	-	-
Guilford	-	-	-	-	-	-
Harnett	20	7	13	26	45	-
Hoke	48	0	48	48	48	-
Hyde	0	0	0	0	-	-
Johnston	16	1	15	16	56	-
Jones	0	0	0	0	-	-
Lee	83	15	68	163	103	-
Lenoir	12	4	8	50	46	-
Moore	18	10	8	18	50	-
New Hanover, Pender, Brunswick	269	58	211	431	371	52
Onslow	20	0	20	45	36	28
Orange	-	-	-	-	-	-
Pamlico	0	0	0	0	-	-
Pitt	106	18	88	121	130	-
Richmond	24	2	22	36	56	-
Robeson	29	3	26	42	63	-
Sampson	0	0	0	0	-	15
Scotland	0	0	0	0	14	-
Union	-	-	-	-	-	-
Wayne	19	0	19	57	24	-
Wilson	34	6	28	52	**37**	**-**

To the extent possible, the Affordable Housing Development Fund (see Section 7.4 below) will seek to fund projects that interface or augment the affordable and transitional housing need.

4.10.5 Funds Directed toward MID Areas and LMI Individuals and Households

In accordance with the HUD directive to expend 1) 80 percent of all CDBG-DR funds in MID areas, and 2) 70 percent of all CDBG-DR funds to benefit LMI individuals, NCORR believes that the unmet need in MID areas and with LMI individuals is sufficient to meet these requirements. The total allocation for housing recovery reflects the unmet need for LMI individuals and MID counties.

The table below summaries housing needs for owner-occupied, renter-occupied, and unit type (single or multi-unit). Conditions widely differ across the impacted area, and this analysis will inform the method of housing recovery to be considered in each impacted area. Areas of significant concern for rental housing include Cumberland, Onslow, Pitt, and Durham Counties which have significant renter populations compared to the total occupancy of units. Durham, Guilford, and New Hanover also have significant multi-family units, which may mean that a multi-family housing solution may be more appropriate in those areas.

Table 20 - Owner Occupied and Rental Need by County and Housing Type

County	Total Housing Units	% occupied	% renter occupied	% owner occupied	Single Units % of total	Multi-units % of total	Mobile Homes % of total
Anson	11,594	9,516 (82%)	3,146 (33%)	6,370 (67%)	7,816 (67%)	834 (7%)	2,929 (25%)
Beaufort	25,930	19,325 (75%)	5,711 (30%)	13,614 (71%)	16,994 (66%)	1,946 (8%)	6,963 (27%)
Bladen	17,877	13,968 (78%)	4,082 (29%)	9,886 (71%)	10,099 (56%)	1,154 (7%)	6,624 (37%)
Brunswick	92,284	56,752 (62%)	9,024 (16%)	47,728 (84%)	63,758 (69%)	10,259 (11%)	18,188 (20%)
Carteret	50,719	28,720 (57%)	7,282 (25%)	21,438 (75%)	32,333 (64%)	9,309 (18%)	9,015 (18%)
Chatham	33,007	28,343 (86%)	6,185 (22%)	22,158 (78%)	25,596 (78%)	2,291 (7%)	5,120 (16%)
Columbus	26,250	22,306 (85%)	6,265 (28%)	16,041 (72%)	16,381 (62%)	1,589 (6%)	8,234 (31%)
Craven	47,453	40,412 (85%)	16,317 (40%)	24,095 (60%)	35,036 (74%)	6,116 (13%)	6,301 (13%)
Cumberland	147,123	127,911 (87%)	61,922 (48%)	65,989 (52%)	97,982 (67%)	35,560 (24%)	13,475 (9%)
Duplin	25,876	21,781 (84%)	6,529 (30%)	15,252 (70%)	15,006 (58%)	1,510 (6%)	9,346 (36%)
Durham	138,960	127,527 (92%)	56,998 (45%)	70,529 (55%)	91,656 (66%)	45,040 (32%)	2,264 (2%)
Greene	8,316	7,259 (87%)	2,129 (29%)	5,130 (71%)	4,799 (58%)	318 (4%)	3,191 (38%)

County	Total Housing Units	% occupied	% renter occupied	% owner occupied	Single Units % of total	Multi-units % of total	Mobile Homes % of total
Guilford	230,468	209,842 (91%)	89,654 (43%)	120,188 (57%)	156,846 (68%)	67,282 (29%)	6,319 (3%)
Harnett	52,561	46,015 (88%)	16,056 (35%)	29,959 (65%)	36,770 (70%)	4,397 (8%)	11,278 (22%)
Hoke	20,709	17,722 (86%)	5,734 (32%)	11,988 (68%)	15,331 (74%)	1,238 (6%)	4,120 (20%)
Hyde	3,249	1,769 (55%)	565 (32%)	1,204 (68%)	2,522 (78%)	181 (6%)	546 (17%)
Johnston	77,354	70,001 (91%)	20,862 (30%)	49,139 (70%)	55,667 (72%)	7,243 (9%)	14,444 (19%)
Jones	4,958	4,137 (83%)	1,125 (27%)	3,012 (73%)	3,138 (63%)	184 (4%)	1,628 (33%)
Lee	24,463	21,744 (89%)	7,255 (33%)	14,489 (67%)	17,294 (71%)	3,610 (15%)	3,531 (14%)
Lenoir	27,550	23,121 (84%)	9,382 (41%)	13,739 (59%)	16,744 (61%)	4,217 (15%)	6,497 (24%)
Moore	47,931	40,756 (85%)	9,526 (23%)	31,230 (77%)	34,703 (72%)	5,597 (12%)	7,631 (16%)
New Hanover	113,231	98,151 (87%)	43,299 (44%)	54,852 (56%)	72,583 (64%)	37,367 (33%)	3,243 (3%)
Onslow	80,259	66,834 (83%)	31,017 (46%)	35,817 (54%)	55,673 (69%)	13,569 (17%)	11,017 (14%)
Orange	59,198	53,959 (91%)	19,749 (37%)	34,210 (63%)	39,686 (67%)	13,673 (23%)	5,839 (10%)
Pamlico	7,721	5,352 (69%)	1,332 (25%)	4,042 (75%)	5,339 (69%)	406 (5%)	1,970 (26%)
Pender	28,601	21,766 (76%)	4,246 (20%)	17,520 (81%)	20,217 (71%)	1,584 (6%)	6,773 (24%)
Pitt	80,244	69,288 (86%)	32,296 (47%)	36,992 (53%)	48,584 (61%)	23,261 (29%)	8,399 (11%)
Richmond	21,380	18,546 (87%)	6,286 (34%)	12,260 (66%)	13,716 (64%)	2,090 (10%)	5,574 (26%)
Robeson	53,186	46,026 (87%)	16,336 (36%)	29,690 (65%)	28,888 (54%)	5,005 (9%)	19,254 (36%)
Sampson	27,610	23,537 (85%)	7,346 (31%)	16,191 (69%)	16,063 (58%)	1,395 (5%)	10,152 (37%)
Scotland	15,295	13,113 (86%)	5,079 (39%)	8,034 (61%)	9,599 (63%)	2,097 (14%)	3,599 (24%)
Union	82,559	77,696 (94%)	14,824 (19%)	62,872 (81%)	73,334 (89%)	4,498 (6%)	4,727 (6%)

County	Total Housing Units	% occupied	% renter occupied	% owner occupied	Single Units % of total	Multi-units % of total	Mobile Homes % of total
Wayne	54,467	49,019 (90%)	18,840 (38%)	30,179 (62%)	32,160 (59%)	9,952 (18%)	12,355 (23%)
Wilson	36,316	31,817 (88%)	12,677 (40%)	19,140 (60%)	24,899 (69%)	6,703 (19%)	4,714 (13%)

Based on data as of May 2020, NCORR conducted an analysis of damage to counties that were impacted by both Hurricane Matthew and Hurricane Florence to identify and define consideration of the unique recovery needs created by the large area of the State that was impacted by both hurricanes. The threshold to be considered a State Defined MID area is greater than $10 million in combined estimated housing unmet need at the county level for both hurricanes.

The result is the addition of seven counties which are considered the State Defined MID areas. These counties are Beaufort, Dare, Harnett, Johnston, Lenoir, Pitt, and Sampson and are in **bold** font in Table 4 below. The map of state identified MID areas are located at Section 4.5.1.

See Appendix D for the Methodology & Detailed Data to Identify State Defined MID areas for Hurricane Matthew and Hurricane Florence, including Tables 28 - 30.

Table 31 – Estimated Combined Housing Unmet Need, State and HUD Defined MID Areas

County	Estimated Combined Housing Unmet Need	MID Area
Robeson (County)	$ 197,307,459	Matthew, Florence
Craven (County)	$ 161,228,095	Florence
Pender (County)	$ 101,788,288	Florence
Cumberland (County)	$ 88,747,142	Matthew, Florence (Zip Code 28390)
Duplin (County)	$ 66,873,164	Florence
Wayne (County)	$ 56,865,628	Matthew
Columbus (County)	$ 56,750,640	Matthew, Florence
Onslow (County)	$ 54,835,052	Florence
Carteret (County)	$ 54,012,059	Florence
New Hanover (County)	$ 50,222,920	Florence
Edgecombe (County)	$ 42,011,156	Matthew
Brunswick (County)	$ 36,152,959	Florence
Lenoir (County)	**$ 30,491,620**	**State Defined**
Jones (County)	$ 30,486,444	Florence

County	Estimated Combined Housing Unmet Need	MID Area
Bladen (County)	$ 29,008,386	Matthew, Florence (Zip Code 28433)
Pamlico (County)	$ 25,970,454	Florence (Zip Code 28571)
Beaufort (County)	**$ 21,732,584**	**State Defined**
Sampson (County)	**$ 17,194,081**	**State Defined**
Scotland (County)	$ 15,971,064	Florence (Zip Code 28352)
Pitt (County)	**$ 14,642,648**	**State Defined**
Harnett (County)	**$ 12,141,829**	**State Defined**
Dare (County)	**$ 10,888,976**	**State Defined**
Johnston (County)	**$ 10,796,876**	**State Defined**

4.10.6 Amendment 4 Update

See Sections 4.10 and 4.10.1 for the revaluation of Housing Unmet Need based on the most recent data sets. Reference Appendix B for the Methodology and Assumptions for Estimating Housing Unmet Need under the revaluation. Reference Appendix C for the Previous Housing Unmet Need Assessment (late 2019) including Tables 20 – 24. Reference Appendix D for the Methodology & Detailed Data to Identify State Defined MID Areas. With Substantial Amendment 4, the Public Housing Restoration funds are being reallocated from CDBG-DR to CDBG-MIT. Refer to the State's Mitigation Action Plan for more details on these activities and any additional unmet needs analyses.

4.11 Analysis of Infrastructure Impact and Unmet Need

4.11.1 Initial Infrastructure Impact Assessment

Hurricane Florence caused significant infrastructure damage in many impacted counties statewide. Florence damaged roads, bridges, schools, landfills and sanitation facilities, public parks and recreational assets, and other infrastructure systems which are in need for repair to return them to service. Following is an analysis of FEMA Public Assistance (PA) and FEMA Hazard Mitigation Grant Program (HMGP) data to provide an initial assessment of the impact of Hurricane Florence on infrastructure.

4.11.1.1 FEMA Public Assistance (PA)

The primary method by which unmet needs are assessed for infrastructure impacts from the storm are through the FEMA Public Assistance (PA) Program. PA funds a portion of recovery work to public infrastructure, such as bridges, roads, and public buildings. PA applicants may be the State, a local municipality, or other entity. FEMA processes PA grant funding according to the type of work the applicant plans to undertake. Work must be required as a result of the declared incident (Hurricane Florence), be located in the designated area, be the legal responsibility of the applicant, and be undertaken at a reasonable cost.

Eligible work is classified into the following categories:

- **Emergency Work.**
  - Category A: Debris removal.
  - Category B: Emergency protective measures.
- **Permanent Work.**
  - Category C: Roads and bridges.
  - Category D: Water control facilities.
  - Category E: Public Buildings and Contents.
  - Category F: Public utilities.
  - Category G: Parks, recreational, and other facilities.

The State suffered significant impacts which resulted in category A and B projects. In total, 923 unique projects were identified across all impacted counties. The total approximate cost of the debris removal and emergency protective measures is $407 million across all counties. The cost of FEMA PA projects is split between federal and non-federal share, with the federal share contributing 75 percent of the cost and the non-federal share contributing 25 percent of the cost.

Table 21 - FEMA PA Categories A and B

Category A		
Total Approx. Cost	Approx. Federal Share	Approx. Non-Federal Share
$ 182,491,841	$ 137,118,961	$ 45,372,880
Category B		
Total Approx. Cost.	Approx. Federal Share	Approx. Non-Federal Share
$ 224,675,886	$ 168,506,915	$ 56,168,972
Total		
$ 407,167,727	$ 305,625,876	$ 101,541,852

State resources were engaged to fund these projects. North Carolina Session Law 2018-134, passed on October 3, 2018, allocated $50 million in State funds to meet the match requirements for these projects. Other allocations were provided in subsequent bills for other recovery priorities, but not specifically to fund infrastructure costs. However, it is expected that the infrastructure recovery need will be funded by existing State resources.

For the purpose of assessing ongoing, long-term recovery needs, FEMA PA categories C – G are used as the foundation of the analysis. FEMA PA projects include a non-federal cost share or a percentage of total costs which must be paid by the applicant in order to fully fund the necessary work. For Categories C – G, the non-federal cost share is 25 percent.[15]

As of June 2019, $859.7 million in PA projects in categories C – G had been identified and submitted to FEMA for DR – 4393. This includes an approximate federal share of $644.8 million and a non-federal share of $214.9 million.

The following data was collected on PA applicants for DR – 4393 on June 17, 2019 for FEMA PA categories C – G, the anticipated total costs of those projects, and the total amount of federal and non-federal share. It is important to note that FEMA's priority is to restore damage structures to service, while CDBG-DR funds work to develop a long-term recovery need, including implementing resiliency measures where appropriate to safeguard against future losses.

Table 22 - FEMA PA Projects Categories and Total Costs

FEMA PA Categories	Total Approximate Cost	Total Approximate Federal Share	Total Approximate Non-Federal Share
C - Roads and Bridges	$ 104,008,244	$ 78,006,183	$ 26,002,061
D - Water Control Facilities	$ 36,803,374	$ 27,602,531	$ 9,200,844
E - Buildings and Equipment	$ 359,648,098	$ 269,736,074	$ 89,912,025
F - Utilities	$ 109,413,474	$ 82,060,105	$ 27,353,368
G - Parks, Recreational Facilities, and Other Items	$ 249,894,668	$ 187,421,001	$ 62,473,667
Total	**$ 859,767,859**	**$ 644,825,894**	**$ 214,941,965**

The two most damaged category types are 1) public buildings and equipment, and 2) parks, recreational facilities, and other items. By percent of total projects, 56 percent of all projects were for repairs to buildings and equipment. Another 16 percent of all projects were for parks, recreational facilities, and other items. This is similar to the percent of all projects that were for utility repairs (17 percent). However, by percent of all anticipated PA project cost, 42 percent of PA project costs are for damage to public buildings and equipment and 29 percent of PA project costs are for repairs to parks, recreational facilities, and other items.

[15] Federal Emergency Management Agency. *Public Assistance Fact Sheet.* https://www.fema.gov/media-library-data/1534520705607-3c8e6422a44db5de4885b516b183b7ce/PublicAssistanceFactSheetJune2017_Updated2018.pdf.

Table 23 - Number of Projects and, % of Total Projects, and % of Total Cost of PA Projects

FEMA PA Categories	# of Projects	% of Total # of Projects	% of Cost of All PA Projects
C - Roads and Bridges	116	7%	12%
D - Water Control Facilities	64	4%	4%
E - Buildings and Equipment	953	56%	42%
F - Utilities	293	17%	13%
G - Parks, Recreational Facilities, and Other Items	264	16%	29%
Total	**1690**	**100%**	**100%**

MID counties experienced a disproportionate amount of damage based on both the number of PA projects and anticipated total cost. The tables below show the count of PA projects in FEMA categories C – G for the 11 MID counties as well as the total approximate cost of PA projects in those categories.

Table 24 - PA Projects in select MID Counties

FEMA PA Category	Bladen	Brunswick	Carteret	Columbus	Craven	Duplin
C	3	13	11	1	8	2
D	1	12	11	2		1
E	4	73	121	46	25	49
F	5	41	29	3	33	7
G	5	20	48	11	19	5
Total	*18*	*159*	*220*	*63*	*85*	*64*
FEMA PA Category	**Jones**	**New Hanover**	**Onslow**	**Pender**	**Robeson**	**Total**
C	5	17	2	1	4	67
D		16	1		1	45
E	26	89	114	34	68	649
F	6	13	10	5	22	174
G	3	22	40	7	3	183
Total	**40**	**157**	**167**	**47**	**98**	**1118**

Of the total 1690 PA projects in categories C – G as of June 2019, 1118 or 66 percent of all PA projects were in a MID county. However, 74 percent of the total approximate cost of all PA projects in categories C – G occurred in MID counties.

Table 25 - PA Projects in select MID Counties, Total Approximate Cost

FEMA PA Category	Bladen	Brunswick	Carteret
C	$ 409,000.00	$ 1,276,285.84	$ 981,200.00
D	$ 591,838.17	$ 18,633,724.81	$ 46,000.00
E	$ 818,737.44	$ 3,864,565.71	$ 13,659,009.61
F	$ 538,324.80	$ 16,251,654.92	$ 9,477,323.92
G	$ 2,457,750.00	$ 18,161,711.43	$ 85,279,920.00
Total	**$ 4,815,650.41**	**$ 58,187,942.71**	**$ 109,443,453.53**
FEMA PA Category	**Columbus**	**Craven**	**Duplin**
C	$ 441,230.00	$ 5,541,991.00	$ 19,580.03
D	$ 308,500.00	$ 3,205,500.00	$ 540,000.00
E	$ 2,733,518.91	$ 53,701,603.91	$ 7,015,434.57
F	$ 278,751.00	$ 9,452,607.45	$ 1,138,553.06
G	$ 122,104.20	$ 3,483,071.00	$ 135,874.49
Total	**$ 3,884,104.11**	**$ 75,384,773.36**	**$ 8,849,442.15**
FEMA PA Category	**Jones**	**New Hanover**	**Onslow**
C	$ 84,000.00	$ 1,904,634.50	$ 150,736.00
D	$ -	$ 2,564,795.37	$ 170,000.00
E	$ 1,590,916.70	$ 147,193,722.41	$ 18,751,458.50
F	$ 255,000.00	$ 3,605,077.27	$ 15,260,749.50
G	$ 39,000.00	$ 3,473,246.61	$ 86,071,401.23
Total	**$ 1,968,916.70**	**$ 158,741,476.16**	**$ 120,404,345.23**
FEMA PA Category	**Pender**	**Robeson**	**Total**
C	$ 226,000.00	$ 816,346.72	*$ 11,851,004.09*
D	$ -	$ 6,539,544.75	*$ 32,599,903.10*
E	$ 7,541,051.70	$ 47,278,224.37	*$ 304,148,243.83*
F	$ 11,452,671.20	$ 4,089,754.69	*$ 71,800,467.81*
G	$ 19,361,500.00	$ 394,670.15	*$ 218,980,249.11*
Total	**$ 38,581,222.90**	**$ 59,118,540.68**	**$ 639,379,867.94**

4.11.1.2 FEMA Hazard Mitigation Grant Program (HMGP)

FEMA provides public assistance via a number of programs under the Hazard Mitigation Assistance (HMA) umbrella. The Hazard Mitigation Grant Program (HMGP), a sub-program of the HMA, serves as a resource to fund programs that reduce the risk of loss of life and property and is offered following a presidentially declared major disaster. HMGP funds, based on the amount of FEMA disaster recovery assistance under the presidential declaration, are allocated based on a sliding scale formula based on an appropriate percentage of the estimated total federal assistance (less administrative costs) wherein each individual activity is required to have at least a 25 percent non-federal cost share.

HMGP application data was requested from NCEM to evaluate impact and unmet needs based on local matching dollar amounts required. In total, 28 HMGP projects were submitted in a Letter of Interest (LOI) within disaster declared counties. These projects include infrastructure flood management, community safe rooms, early warning systems, and wind retrofits. The total approximate project cost for these mitigation measures is $62.8 million.

Table 26 - Proposed HMGP Projects, Disaster Impacted Areas

County	MID	Approximate Cost	Federal Share	Non-Federal Share
Beaufort County	No	$ 2,500,000	$ 1,875,000.00	$ 625,000.00
Brunswick County	Yes	$ 3,146,350	$ 2,359,762.50	$ 786,587.50
Carteret County	Yes	$ 1,403,366	$ 1,052,524.50	$ 350,841.50
Craven County	Yes	$ 250,000	$ 187,500.00	$ 62,500.00
Cumberland County	Yes	$ 1,458,160	$ 1,093,620.00	$ 364,540.00
Moore County	No	$ 2,310	$ 1,732.50	$ 577.50
New Hanover County	Yes	$ 15,298,060	$ 11,473,545.00	$ 3,824,515.00
Onslow County	Yes	$ 1,000,000	$ 750,000.00	$ 250,000.00
Robeson County	Yes	$ 37,755,000	$ 28,316,250.00	$ 9,438,750.00
Total	**-**	**$ 62,813,246**	**$ 47,109,935**	**$ 15,703,312**

It is critical to note that these are preliminary and approximate calculations that are subject to change as projects develop. Currently, NCORR expects the total unmet need to increase rather than decrease as additional infrastructure issues are uncovered. In consideration of the data currently available, the total need for infrastructure recovery is initially estimated as $282 million, corresponding to a combination of the non-federal share of both FEMA PA projects and proposed HMGP projects.

As stated above, it is expected that State resources are available to fund the recovery need for infrastructure. The recovery needs assessment considers that the project cost for infrastructure recovery is typically for repair only. CDBG-DR funds may be expended to complete upgrades for greater resiliency and long-term recovery as opposed to a repair of current damage. To estimate this need, NCORR applies a 15 percent factor to the total project cost to account for the increased cost of relocating vulnerable items out of the floodplain, funding improved design, using green building design and sustainable construction techniques. Therefore, NCORR estimates the initial unmet recovery need for infrastructure at $138.3 million.

4.11.2 Infrastructure Unmet Need Assessment

The State conducted a revaluation of the Infrastructure Unmet Need Assessment by examining the estimated total loss (need) and resulting unmet need using HUD's own standard approach to analyzing infrastructure unmet need. The Assessment is based on a reanalysis of the most recent FEMA Public Assistance (PA) data set under Substantial Amendment 4.

To estimate unmet needs for infrastructure, the reanalysis uses only a subset of the Public Assistance damage estimates reflecting the categories of activities most likely to require CDBG funding above the Public Assistance and State match requirement. Those activities are categories: C, Roads and Bridges; D, Water Control Facilities; E, Public Buildings; F, Public Utilities; and G, Recreational—Other. Categories A (Debris Removal) and B (Protective Measures) are largely expended immediately after a disaster and reflect interim recovery measures rather than the long-term recovery measures for which CDBG funds are generally used.

The total estimated loss (need) was based on the total FEMA PA Project Amount for damage categories C through G. To estimate total unmet need, the Assessment subtracts the total federal obligations (FEMA PA Federal Share Obligated amount) from the total estimated loss (need).

Through reanalysis of the most recent data set summarized in Table 37A, the State has determined that the infrastructure unmet need has decreased, with a total estimated unmet need of $111,195,540.

Table 37A - Hurricane Florence Infrastructure Unmet Need Summary by Damage Category

Damage Category	Estimated Total Loss (Need)	Federal Obligations (FEMA PA Federal Share Obligated)	Estimated Unmet Need (Estimated Total Loss less Federal Obligations)	Percent of Total Estimated Unmet Need
G - Recreational or Other	$143,399,315	$107,549,486	$35,849,828	32%
C - Roads and Bridges	$113,937,853	$85,453,390	$28,484,463	26%
F - Public Utilities	$104,687,505	$78,515,629	$26,171,876	24%
E - Public Buildings	$70,255,988	$52,691,992	$17,563,996	16%
D - Water Control Facilities	$12,501,503	$9,376,127	$3,125,376	3%
Total Infrastructure	**$444,782,165**	**$333,586,625**	**$111,195,540**	**100%**

Source(s): FEMA Public Assistance (PA) data as of 11/8/2022

The initial infrastructure unmet needs outlined in section 4.11.1 estimated a total infrastructure unmet need of $138.3 million, representing a roughly 20 percent decrease when compared to the reanalysis. The initial assessment utilized FEMA PA and HMGP to calculate a preliminary estimate of infrastructure unmet need using the best data available at the time. The latest FEMA PA data set shows that over $289 million in federal funds were obligated to projects in damage categories C through G since the last analysis in June 2019 (based on FEMA PA Obligated Date), which is what prompted the State to use the latest FEMA PA data to reevaluate the preliminary estimate of infrastructure unmet need aligned with HUD's standard methodology.

The reanalysis also highlights that 81 percent, or $90,506,168, of the total estimated infrastructure unmet need is related to damage categories: G, Recreational—Other; C, Roads and Bridges; and F, Public Utilities.

On February 26, 2020, the State made a considerable amount of funding available under the Local Government Infrastructure Fund with $84,168,000 in appropriations to address infrastructure recovery for Hurricane Florence and other disasters.[16] When accounting for these State funds, the total estimated infrastructure unmet need decreases further to $27,027,540.

Through the reanalysis of the most recent FEMA PA data set, the State also found that 92 percent of the estimated infrastructure unmet need, totaling to $102,438,770, is for statewide projects or for projects in counties that have been defined as MID areas by HUD. Table 37B summarizes the infrastructure unmet need by MID category.

Table 37B - Hurricane Florence Infrastructure Unmet Need Summary by MID Category

MID Category	Estimated Total Loss (Need)	Federal Obligations (FEMA PA Federal Share Obligated)	Estimated Unmet Need (Estimated Total Loss less Federal Obligations)	Percent of Total Estimated Unmet Need
HUD Defined MID	$246,339,415	$184,754,562	$61,584,853	55%
Statewide	$163,415,669	$122,561,752	$40,853,917	37%
Non-MID	$22,391,522	$16,793,642	$5,597,880	5%
State Defined MID	$12,635,559	$9,476,670	$3,158,890	3%
Total Infrastructure	**$444,782,165**	**$333,586,625**	**$111,195,540**	**100%**

Source(s): FEMA Public Assistance (PA) data as of 11/8/2022

4.11.3 Amendment 4 Update

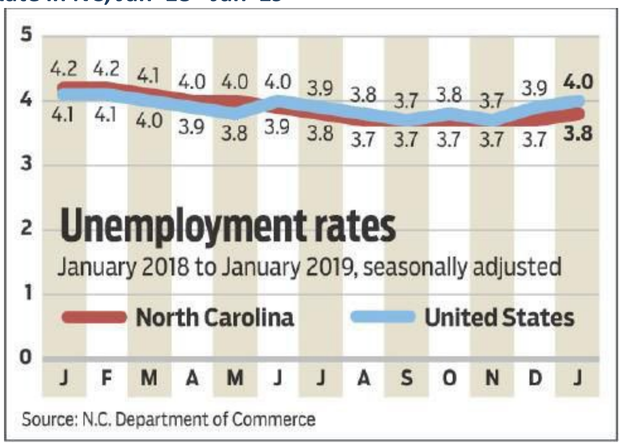
See Section 4.11.2 for the revaluation of the Infrastructure Unmet Need based on the most recent FEMA PA data set.

[16] https://www.osbm.nc.gov/media/1106/open, February 26, 2020, pages 10 and 11

4.12 Analysis of Economic Revitalization Unmet Need

Hurricane Florence struck the State at a time of economic strength. Unemployment had reached a post-recession low of 3.7 percent statewide in September 2018. That unemployment rate holds from the same level in August 2018 and was down significantly from the 4.1 percent in January 2018. Following the storm, unemployment rates continued to hold at 3.7 percent, with a slight uptick to 3.8 percent in January 2019.[17]

Figure 12 - Unemployment Rate in NC, Jan '18 - Jan '19



While the total unemployment rate appears unaffected by the storm, nonfarm employment fell by 21,900 jobs during September 2018. Hourly workers and the leisure and hospitality sector were hardest hit by the storm, with a loss of 14,600 jobs in that sector.[18]

A more accurate indicator of the impact to jobs after Hurricane Florence is the Disaster Unemployment Assistance (DUA) program. The DUA is administered by the North Carolina Department of Commerce (NCDOC) Division of Employment Security (DES) on behalf of FEMA. The program provides temporary unemployment benefits to jobless workers and self-employed people who have lost their job or work hours as a direct result of Hurricane Florence.

DUA applicants are vetted through a review process which determines if they qualify for DUA or regular unemployment services. If the applicant qualifies for regular state unemployment service, they are routed through that channel instead of continuing in the DUA program. If they do not qualify for state unemployment, DES works to determine eligibility for disaster unemployment benefits. DUA is available for weeks of employment beginning with the week starting September 9, 2018 (the week which Hurricane Florence made landfall in North Carolina) and may last for up to 27 weeks as long as the applicant is experiencing unemployment as a direct result of Hurricane Florence.

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[17] Craver, Richard. Winston-Salem Journal. *N.C. begins 2019 with slight uptick in jobless rate to 3.8 percent.* https://www.greensboro.com/rockingham_now/n-c-begins-with-slight-uptick-in-jobless-rate-to/article_828ef8bd-a34f-57a9-bdf7-264b8726dbda.html

[18] Craver, Richard. Winston-Salem Journal. *N.C. jobless rate slides to 18-year low; Hurricane Florence has effect on leisure, hospitality sector*. https://www.journalnow.com/business/n-c-jobless-rate-slides-to--year-low-hurricane/article_cf891b77-9084-5811-9289-1ee6dade3875.html

The deadline for applications to DUA is 30 days after the availability of funds is made to DES. The deadline to apply for assistance for Hurricane Florence was extended to October 31, 2018 for many impacted counties. The latest counties to be added to the DUA program – Chatham, Durham, and Guilford – had a deadline of November 28, 2018 for individuals to apply for assistance.

DUA tracks the county of residence for each applicant that applies. For this analysis, the loss is considered to be within the same county as the applicant's address. Some applicant data was removed from the analysis because the county listed by the applicant was out of state. Removing these applications from the analysis did not have a significant impact on the total DUA claims. As of June 20, 2019, a total of 2,170 claimants in North Carolina have applied and been approved for DUA for a total of $2.1 million. Only 8.5 percent of claimants and 10.6 percent of payments came from outside of the MID areas, indicating a heavy concentration of unemployment due to the storm in the MID areas. Especially hard hit were New Hanover, Carteret, and Onslow counties, which had the three highest totals of both payments and claimants. New Hanover in particular had over two times the number of claimants (508) than Carteret (241), which was the second highest county by number of claimants. However, both New Hanover and Carteret counties were the only two counties with DUA payments greater than $300,000.

As DUA claims are only payable for 27 weeks total, NCDOC data was used to calculate the average wage for 27 weeks of missed work.[19] The total wages expected over 27 weeks multiplied by the number of claimants was considered to be the impact to employment. By subtracting the DUA claims paid from the total impact for all claimants, there is approximately $38.4 million in unmet recovery need resulting from lost wages due to the storm.

Table 27 - DUA Claims and Payments Made

County	Payment ($)	# of Claimants	Average Wage, 27 weeks	Unmet Need
New Hanover	$ 386,394	508	$ 22,151.94	$ 10,866,793
Carteret	$ 348,133	241	$ 16,412.88	$ 3,607,372
Onslow	$ 244,986	281	$ 15,334.96	$ 4,064,138
Brunswick	$ 185,643	198	$ 19,471.67	$ 3,669,749
Craven	$ 169,235	126	$ 19,782.69	$ 2,323,385
Pender	$ 145,902	164	$ 16,940.94	$ 2,632,413
Robeson	$ 107,498	145	$ 16,842.81	$ 2,334,710
Cumberland	$ 85,299	108	$ 18,912.98	$ 1,957,303

[19] NC Dept. of Commerce, Labor & Economic Analysis Division. *Average Private Sector Wages.* https://files.nc.gov/nccommerce/documents/files/County_average_wages_Jan_2019.pdf

County	Payment ($)	# of Claimants	Average Wage, 27 weeks	Unmet Need
Duplin	$ 83,981	78	$ 17,791.44	$ 1,303,752
Lenoir	$ 45,300	36	$ 19,090.04	$ 641,941
Pamlico	$ 32,361	11	$ 14,158.38	$ 123,381
Beaufort	$ 30,833	13	$ 19,528.79	$ 223,041
Columbus	$ 28,458	56	$ 17,558.83	$ 954,837
Sampson	$ 25,234	20	$ 19,170.52	$ 358,177
Jones	$ 25,063	18	$ 17,210.94	$ 284,734
Bladen	$ 25,046	33	$ 18,390.63	$ 581,845
Pitt	$ 21,696	13	$ 20,545.44	$ 245,395
Wayne	$ 15,717	28	$ 18,424.90	$ 500,181
Scotland	$ 14,050	19	$ 18,540.17	$ 338,214
Hyde	$ 10,154	8	$ 14,312.60	$ 104,347
Wake	$ 10,034	4	$ 30,187.04	$ 110,714
Edgecombe	$ 9,697	3	$ 17,862.06	$ 43,889
Harnett	$ 9,405	17	$ 17,166.29	$ 282,422
Johnston	$ 6,500	4	$ 20,621.77	$ 75,987
Richmond	$ 6,422	4	$ 17,658.00	$ 64,210
Wilson	$ 5,525	5	$ 22,852.38	$ 108,737
Hoke	$ 3,358	4	$ 17,750.42	$ 67,644
Lee	$ 3,314	4	$ 21,582.87	$ 83,017
Forsyth	$ 3,181	2	$ 27,120.46	$ 51,060
Mecklenburg	$ 1,715	4	$ 34,637.37	$ 136,834
Moore	$ 1,690	2	$ 20,316.98	$ 38,944
Caswell	$ 876	2	$ 17,181.35	$ 33,487
Greene	$ 562	2	$ 16,068.63	$ 31,575
Other County	$ 10,844	9	$ -	$ 183,680
Total	**$ 2,104,102**	**2,170**	**$ -**	**$ 38,427,907**

The SBA offers Business Disaster Loans and Economic Injury Disaster Loans (EIDL) to businesses to repair or replace disaster damaged property owned by the business, including real estate, inventories, supplies, machinery, equipment and working capital until normal operations resume. Businesses of all sizes are eligible. Private, nonprofit organizations such as public service, faith-based, and private universities are also eligible. The law limits these business loans to $2 million and the amount cannot exceed the verified uninsured disaster loss.

A total of 20,198 commercial business loans were applied for through SBA in the impacted counties, totaling $435 million in total verified loss. Of that amount, 1,405 commercial SBA applications were approved for funding, representing a total of $112 million in damage verified loss. Therefore only 7 percent of applications and 26 percent of verified losses were funded. $110 million was loaned to impacted businesses total.

Guilford, Horry, and Wake County had businesses with SBA applications approved but without verified loss.

Table 28 - SBA Applications, Businesses

Counties	Approved SBA Applications	Total Verified Loss	Total SBA Loans
Craven	242	$ 21,435,692	$ 20,044,000
New Hanover	314	$ 20,678,018	$ 22,025,300
Carteret	146	$ 13,419,976	$ 13,146,100
Onslow	194	$ 13,092,461	$ 11,198,400
Cumberland	62	$ 7,439,385	$ 5,461,400
Pender	65	$ 6,673,123	$ 6,601,200
Scotland	16	$ 4,391,414	$ 4,570,200
Beaufort	29	$ 4,226,868	$ 3,634,700
Brunswick	82	$ 3,808,656	$ 6,651,600
Wayne	18	$ 3,491,468	$ 1,434,700
Duplin	46	$ 2,855,451	$ 4,459,600
Jones	18	$ 2,226,483	$ 2,115,500
Pamlico	16	$ 1,982,223	$ 1,761,000
Robeson	39	$ 1,862,101	$ 1,181,800
Columbus	23	$ 1,839,073	$ 1,879,000
Richmond	9	$ 807,665	$ 632,300
Bladen	16	$ 580,550	$ 598,100
Lenoir	14	$ 299,889	$ 889,300
Sampson	14	$ 268,991	$ 372,900
Durham	4	$ 234,707	$ 94,200

Counties	Approved SBA Applications	Total Verified Loss	Total SBA Loans
Harnett	8	$ 200,914	$ 217,900
Hyde	2	$ 87,545	$ 75,000
Orange	3	$ 72,723	$ 75,000
Hoke	4	$ 56,441	$ 41,800
Moore	3	$ 34,084	$ 54,600
Chatham	1	$ 27,585	$ 15,000
Pitt	8	$ 24,628	$ 575,400
Greene	2	$ 1,100	$ 21,300
Guilford	1	$ -	$ 10,600
Horry	4	$ -	$ 134,400
Wake	2	$ -	$ 312,000
Total	**1,405**	**$ 112,119,214**	**$ 110,284,300**

Craven and New Hanover had the largest number of approved disaster loans and payments. Guilford, Horry, and Wake County had businesses with SBA applications approved but without verified loss.

HUD calculates unmet need for economic impacts by using SBA disaster loans to businesses. HUD established a five category system based on real estate and content losses experienced by businesses. The categories are:

- Category 1. Real estate + content loss is less than $12,000.
- Category 2. Real estate + content loss is between $12,000 and $29,999.
- Category 3. Real estate + content loss is between $30,000 and $64,999.
- Category 4. Real estate + content loss is between $65,000 and $149,999.
- Category 5. Real estate + content loss is above $150,000.

For properties with real estate and content loss of $30,000 or more, HUD calculates the estimated amount of unmet needs for small businesses by multiplying the median damage estimates for the categories above by the number of small businesses denied an SBA loan, including those denied a loan prior to inspection due to inadequate credit or income (or a decision had not been made), under the assumption that damage among those denied at pre-inspection have the same distribution of damage as those denied after inspection.

A total of 3,326 applications were denied or in some other stage such as inactive which means the SBA funds are not available. The median of the damage for Categories 3, 4, and 5 is $85,903. Therefore, the unmet recovery need for impacts to businesses is $285 million.

To partially relieve the unmet recovery need, the $2.1 million in DUA payments are also included in the total funds received for economic revitalization. Additionally, Session Law 2018-138 provided $5 million to the Golden LEAF Foundation, a non-profit organization which provides small business assistance. As the specific purpose of this $5 million is to provide disaster recovery assistance to small businesses, this $5 million is included in the analysis to partially offset the unmet recovery need for economic revitalization.

In consideration of the extensive damage caused to the economic condition of the State and the total funds available to recover from other sources, the total unmet recovery need for economic revitalization is the sum of the unmet need for wages and the unmet recovery need for SBA. The total unmet recovery need is $320.9 million.

4.13 Analysis of Other Unmet Needs

Where applicable, the unmet needs for the environmental impacts and public buildings and education are captured in FEMA PA or FEMA HMGP projects. Additionally, Session Law 2018-136 allocated $111.5 million to public education recovery, including the University Of North Carolina Board of Governors, the Community Colleges System, and the Department of Instruction. $4 million was allocated to the Department of Environmental Quality to assist in debris removal specific to environmental impacts. NCORR acknowledges that there may be remaining unmet recovery needs specific to the environment and education. However, as significant State resources have been tapped for these issues, the unmet recovery needs analysis will continue to primarily focus on housing, infrastructure, and economic revitalization.

4.13.1 Amendment 4 Update

Reference Appendix E for the Previous Analysis of Other Unmet Needs (Agriculture) including Table 40.

4.14 Unmet Need Summary

The previous sections of the unmet needs analysis provide an overview of the State's current understanding of the impacts and remaining unmet needs related to Hurricane Florence. The impacted communities continue to face a daunting rebuilding and recovery process, and there remain significant unmet recovery needs. CDBG-DR funds will have a meaningful effect on the impacted counties and the implementation of programs supported by the unmet needs analysis will provide targeted, consequential, and meaningful assistance.

Reanalysis of the owner-occupied and rental housing serious unmet need under Substantial Amendment 4 indicates that serious housing unmet need has increased when compared to initial serious housing unmet need estimates. The increase is largely attributed to the availability of additional data sets and more recent data from FEMA, SBA and NFIP, which provides a better source for estimating housing unmet need.

Through reanalysis of the infrastructure unmet need under Substantial Amendment 4, the State found that the infrastructure unmet need has decreased when compared to the initial infrastructure unmet need estimates. The reanalysis highlights that additional Federal Obligations have been made through the FEMA Public Assistance (PA) program to address infrastructure unmet need since the initial estimates were calculated. Additionally, a considerable amount of funding from the State has been allocated to address the infrastructure recovery needs.

The reanalysis of owner-occupied housing, rental housing and infrastructure, and previous analyses of unmet need, are aligned to HUD's own standard approach to analyzing unmet need.

Based on the reanalysis of unmet need, North Carolina's current unmet recovery needs for Hurricane Florence total $1,626,737,384 summarized in Table 41. It is important to note that the previous unmet need estimate for Agriculture ($159,320,750) has been removed; CDBG-DR funding will not be used to address agricultural needs as significant State resources have been tapped to address these needs (see Section 4.13).

Table 29 - Hurricane Florence Unmet Need Summary

Category	Estimated Unmet Need	Percent of Total Unmet Need*
Owner-Occupied & Rental Housing (Serious)	$1,082,331,589	67%
Public Housing	$112,234,056	7%
Infrastructure	$111,195,540	7%
Economic (Small Business)	$320,976,199	20%
Total	**$1,626,737,384**	**100%**

**Percentages may not add to 100% due to rounding*

Under Substantial Amendment 4, funding allocated to CDBG-DR activities will address owner-occupied housing and rental housing, representing 67% of the total unmet recovery needs.

Public Housing and Infrastructure represent 14% of the total unmet need, totaling to $223,429,596. In consideration of the serious owner-occupied and rental housing unmet need, funding allocations for public housing and infrastructure are being reallocated to the State's CDBG-MIT program under Substantial Amendment 4. Refer to the State's Mitigation Action Plan for more details on these activities and any additional unmet needs analyses.

The Federal Register Notice allocated $542,644,000 in CDBG-DR funding. The total unmet needs are more than $1 billion greater than the available CDBG-DR funds. It remains the imperative of

NCORR to primarily address the housing recovery need. The State will use the unmet recovery needs analysis to produce programs which will be most impactful to storm affected individuals and communities and maximize the use of CDBG-DR funds available.

4.14.1 Amendment 4 Update

See Section 4.14 for revised Unmet Need Summary and Table 41 accounting for the reanalysis of unmet need related to owner-occupied housing, rental housing and infrastructure.

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5.0 General Requirements

According to federal regulations mandated under the National Flood Insurance Reform Act (NFIRA) of 1994, buildings and property which utilized financial assistance from the Federal Government following a Presidentially Declared disaster may have been required to have and maintain flood insurance coverage. In the event that flood insurance lapsed or was no longer in effect at the time of Hurricane Florence's impact, the owner of the building and/or property may not be eligible for additional federal assistance for rehabilitation or reconstruction.

5.1 Elevation Requirements

NCORR will establish reasonableness requirements when comparing elevation to other mitigation measures, such as buyout (in NCORR developed and community approved areas) or demolition and reconstruction of the structure. Based on a review of the costs of elevation and rehabilitation compared to reconstruction, NCORR favors reconstruction rather than rehabilitation and reconstruction given the significant cost of providing elevation along with rehabilitation, as seen with Hurricane Matthew CDBG-DR rehabilitation and elevation implementation. The method for determining cost reasonableness for elevation assistance is outlined in the ReBuild NC Homeowner Recovery Manual. The elevation assistance maximum for rehabilitation awards is a dollar-per-square foot ($/SF) cap and constrained to the actual cost of elevation. The cap is based on actual elevation cost data developed through implementation of the CDBG-DR programs for Hurricane Matthew recovery, and is found in the NCORR Construction Standard Operating Procedure (SOP). Elevation assistance costs are in addition to the program cap for rehabilitation, reconstruction, and Mobile/Modular Home Unit (MHU) replacement activities. Accessibility features such as ramps and lifts are required for those with disabilities. Accessibility requirements are further set for multifamily projects at Section 5.4.

NCORR requires that new construction, reconstruction, or substantially damaged residential structures are elevated two feet or more above the base flood elevation (BFE) or high water mark if outside the floodplain. Local requirements for elevations more than two feet above BFE prevail, where required. For MHUs, if the Program elevation standard makes it infeasible to elevate, the HUD requirement prevails. For new construction or reconstruction using CDBG-DR funds, NCORR will remain consistent with this requirement and depending on the facts and circumstances of the construction project, may require additional freeboard or other mitigation technique to ensure that new construction is sufficiently protected from future flood risk.

Nonresidential structures must be elevated or floodproofed to two feet above the BFE. Critical Actions, as defined at 24 CFR Part 55.2(b)(3), within the 500-year floodplain must be elevated or floodproofed to the higher of the 500-year floodplain elevation or three feet above the 100-year floodplain elevation. If the 500-year floodplain or elevation is unavailable, and the Critical Action is in the 100-year floodplain, then the structure must be elevated or floodproofed at least three feet above the 100-year floodplain elevation. Public nonresidential structures must incorporate access features such as ramps, lifts, and/or elevator access for those with disabilities in accordance with the ADA and the Architectural Barriers Act of 1968.

Critical Actions are defined as an ‘‘activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons or damage to property.’’ For example, Critical Actions include hospitals, nursing homes, police stations, fire stations and principal utility lines.

5.2 Flood Insurance Requirements

New requirements from HUD prohibit NCORR from providing CDBG–DR assistance for the rehabilitation or reconstruction of a house if (a) the combined household income is greater than 120 percent area median income (AMI) or the national median, (b) the property was located in a floodplain at the time of the disaster, and (c) the property owner did not maintain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.

When a homeowner located in the floodplain allows their flood insurance policy to lapse, it is assumed that the homeowner is unable to afford insurance and/or is accepting responsibility for future flood damage to the home. HUD established this alternative requirement to ensure that adequate recovery resources are available to assist lower income homeowners who reside in a floodplain but who are unlikely to be able to afford flood insurance. Higher income homeowners who reside in a floodplain, but who failed to secure or decided to not maintain their flood insurance, should not be assisted at the expense of those lower income households. Therefore, NCORR may only provide assistance for the rehabilitation or reconstruction of a house located in a floodplain if: (a) the homeowner had flood insurance at the time of the Hurricane Florence and still has unmet recovery needs; or (b) the household earns less than the greater of 120 percent AMI or the national median and has unmet recovery needs.

With respect to flood insurance, CDBG-DR funded homeowners of a property located in a Special Flood Hazard Area (SFHA) must obtain and maintain flood insurance in the amount and for the duration prescribed in FEMA’s National Flood Insurance Program. Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for CDBG-DR (a HUD-assisted property) within a SFHA, when CDBG-DR is used to finance acquisition or construction, including rehabilitation. NCORR will encourage the purchase of flood insurance outside of SFHA’s, to the greatest extent possible. NCORR will also provide educational literature to citizens and Buyout participants about the benefits of flood insurance and the risks of flooding during local meetings and at application. These materials will highlight the facts about flooding risks, including the risk that can occur outside of Special Flood Hazard Areas.

Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. In general, it provides that no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for "repair, replacement, or restoration" for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. This means that CDBG-DR assistance may not be provided for the repair, replacement, or restoration of a property to a person who has failed to meet this requirement.

Section 582 also imposes a responsibility on NCORR and its subrecipients to inform property owners receiving assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance in writing and to maintain such written notification in the documents evidencing the transfer of the property, and that the transferring owner may be liable if he or she fails to do so. These requirements are set at http://uscode.house.gov/view.xhtml?req=granuleid:U.S.C.-prelim-title42-section5154a&num=0&edition=prelim.

NCORR will detail a process for checking flood insurance compliance for CDBG-DR grant fund recipients in its policies and procedures to ensure compliance with this requirement. To the greatest extent possible, NCORR will provide educational materials and inform applicants (especially low-income and minority property owners) about the benefits of maintaining flood insurance, even when not required to maintain flood insurance as a condition of participating in a CDBG-DR funded recovery program.

5.3 Duplication of Benefits (DOB)

Applicants to recovery programs will be required to provide information regarding all assistance received for the recovery purposes as required by the HUD's Certification of Duplication of Benefits Requirements under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees (76 FR 71060, November 16, 2011). Any funds found to be duplicative will be deducted from the CDBG-DR award prior to the disbursement of the award amount. A review of potential DOB is necessary for all CDBG-DR funded activities.

On June 20, 2019, HUD published two Federal Register (FR) notices on the calculation of Duplication of Benefits (DOB): 84 FR 28836 (here after referred to as the *DOB Notice*) and 84 FR 28848 (here after referred to as the *DOB Implementation Notice*). After reviewing the notices, NCORR has updated its DOB policy to comply with the new guidance.

In review of the guidance on multiple storm impacts and DOB provided at 84 FR 28844 and clarifying guidance received from HUD, NCORR has developed a DOB policy that applies funds received to recover from the qualifying event (i.e. the event that the application for assistance is tied back to) rather than all assistance received for each disaster that impacted the recovering applicant. NCORR reviews assistance received for applicants in multiple disaster scenarios, such as those impacted by Hurricanes Matthew and Florence, and assesses which assistance is duplicative. Assistance received to recover from a disaster declaration other than the qualifying event is not considered duplicative. The application of assistance from multiple storms as a duplication of benefit is only applicable when an applicant is continuing to recover from multiple storms. NCORR establishes whether an applicant is recovering from Hurricane Florence and not recovering from Hurricane Matthew when storm tie-back is determined.

5.3.1 NCORR Subsidized Loans

In some instances, a homeowner may continue to face challenges reconciling other funds received to recover before receipt of CDBG-DR funds to recover. In lieu of receiving an escrow payment, NCORR may offer a subsidized loan for the DOB amount due from the applicant. These subsidized loans (sometimes referred to as promissory notes) are forgivable based on the terms included in the note. These conditions and other terms of the note are included in the subsidized loan agreement executed between the applicant and the disaster recovery program.

In recognition that some households may experience challenges making regular payments on the subsidized loan, in cases where a DOB analysis is performed and NCORR notes that there would be a duplication of benefits, NCORR will apply a forgivable loan structure that would allow the loan and loan payment to be forgiven over time as the applicant lives in the house and otherwise complies with the terms of the subsidized loan agreement. This approach would be exclusively available for LMI households and is only available for households that earn up to 120% area median income that can demonstrate hardship, as defined by the disaster recovery program. Other exceptions may be granted on a case-by-case basis to targeted populations, such as the elderly, persons with disabilities, families with children, or others that may face disproportional challenges in their disaster recovery. NCORR has determined that a set proportion of the subsidized loan will be forgiven on an annual basis after completion of the recovery work is a reasonable basis for loan forgiveness. Additional details on NCORR's mechanism for collecting any remaining balance of the loan will be included in the household's loan documents. NCORR shall identify any additional monitoring procedures in its monitoring process for these loans. NCORR will use its flexibility as a grantee to use a variety of sources for the forgivable loan, including CDBG-DR funds as part of the household's disaster recovery assistance or other available funding sources. This approach is allowable because a subsidized loan awarded before the amendment sunset on October 5, 2023 is not a duplication under the DRRA amendments to Section 312 of the Stafford Act for DRRA-covered disasters (84 FR 28842) if the funds were used for a disaster-related purpose. Hurricanes Matthew and Florence are DRRA-covered disasters.

A household unable to be assisted by NCORR may experience housing instability as they ultimately are unable to repair their damaged home or fully recover from disaster. If faced with housing instability, the household may require assistance from other sources, such as housing vouchers, subsidized housing, or public housing units. The preservation of housing for impacted households, particularly LMI households, is central of HUD's mission and the risk of losing housing for impacted households is real if a DOB issue is not able to be overcome. If not but for this concept, impacted households may be disproportionately affected and unable to participle in the recovery effort. Such considerations are central to this subsidized forgivable loan framework.

5.3.2 Other Subsidized Loans

For the purpose of this Action Plan, subsidized loans (including forgivable loans) are loans other than private loans. Both SBA and FEMA provide subsidized loans for disaster recovery. Subsidized loans may also be available from other sources. Subsidized loans are assistance that must be included in the DOB analysis, unless an exception applies.

The following policies regarding subsidized loans apply to housing recovery programs, including Reconstruction, Rehabilitation, MHU Replacement, and in some instances other housing benefit. The *DOB Notice* provided guidance on the treatment of subsidized loans in Duplication of Benefits analysis as follows: "The full amount of a subsidized loan available to the applicant for the same purpose as CDBG-DR assistance is assistance that must be included in the DOB calculation unless one of the exceptions [in the *DOB Notice*] applies including the exceptions in V.B.2 (i), V.B.2 (ii), and V.B.2 (iii), which were authorized in the DRRA amendments to section 312 of the Stafford Act (which applies to disasters occurring between January 1, 2016 and December 31, 2021, until the amendment sunsets October 5, 2023). A subsidized loan is available when it is accepted, meaning that the borrower has signed a note or other loan document that allows the lender to advance loan proceeds."

Declined loans are loan amounts that were offered by a lender in response to a loan application, but were turned down by the applicant, meaning the applicant never signed loan documents to receive the loan proceeds. NCORR will not treat declined loans as DOB. NCORR will request documentation for the declined loan only if the subsidized loan is not otherwise exempt for DOB considerations or the information received from the third party (SBA, FEMA, etc.) indicates that the applicant received an offer for the not exempted subsidized loan and NCORR is unable to determine from that available information that the applicant declined the loan. In such cases, the applicant must provide written certification that they did not receive the loan. The applicant will complete the Affidavit of Declined or Canceled Subsidized Loan form. NCORR will submit the Affidavit of Declined or Canceled Subsidized Loan to SBA (or other lender) and will re-verify DOB at project close-out.

Cancelled loans are loans (or portions of loans) that were initially accepted, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The cancelled loan amount is the amount that is no longer available. The loan cancellation may be due to the agreement of both parties to cancel the undisbursed portion of the loan, default of the borrower, or expiration of the term for which the loan was available for disbursement. The following documentation will be required to demonstrate that any undisbursed portion of an accepted not exempted subsidized loan is cancelled and no longer available to the applicant:

1. A written communication from the lender confirming that the loan has been cancelled and undisbursed amounts are no longer available to the applicant, OR;

2. A legally binding agreement between NCORR and the applicant indicating that the period of availability of the loan has passed and the applicant agrees not to take actions to reinstate the loan or draw any amounts in the future.

Without either of the two documents listed above, any approved but undisbursed portion of an otherwise not exempted for DOB considerations subsidized loan must be included in the DOB calculation of the total assistance unless another exception applies.

For not exempted canceled loans, NCORR will send the Affidavit of Declined or Canceled Subsidized Loan to the lender as notification that the applicant has agreed to not take any actions to reinstate the cancelled loan or draw down any additional undisbursed loan amounts.

In cases of cancelled loans not otherwise exempted for DOB considerations where partial disbursements were made prior to cancellation of the loan, the disbursed funds will be treated as funds disbursed for active loans below. As with not exempted declined loans, awards with not exempted canceled subsidized loans will have DOB re-verified at project close-out.

A subsidized loan is not a prohibited duplication of benefits under section 312(b)(4)(C) of the *Stafford Act*, as amended by section 1210 of the DRRA, provided that all Federal assistance is used towards a loss suffered as a result of a major disaster or emergency declared between January 1, 2016, and December 31, 2021 (DRRA Qualifying Disasters). As part of the DOB analysis, NCORR will exclude disbursed loan amounts as non-duplicative. The exception for DRRA Qualifying disasters no longer applies after October 5, 2023. NCORR will evaluate not exempted loans remaining open for non-duplicative activities. In cases where the undisbursed loan amount is for potentially duplicative activities, NCORR will notify the lender and will obtain a written agreement from the applicant that the applicant will not make additional draws from the subsidized loan without NCORR’s approval. Applicable program funding caps remain in effect for any award amount changes performed under this guidance.

NCORR reviews and confirms DOB calculations at project closeout if there is reason to believe that the DOB calculation has changed. If duplicative assistance was received, NCORR exercises the subrogation agreement in place with applicants for assistance to recapture duplicate assistance, if necessary. Specific policy on DOB review is found in each program manual as well as the *NCORR DOB Uniform Procedures.*

5.4 Construction and Green Building Standards

NCORR acknowledges the emphasis in the Notice to institute green building design, specifically when executing new construction or replacement of substantially damaged residential buildings and will follow the guidance located in 84 FR 4844 concerning green building design. Rather than be limited by a single green building design technique, NCORR will require that new construction meet the best fit for new construction from many possible approaches. For all new or replaced residential buildings, the project scope will incorporate Green Building materials to the extent feasible according to specific project scope. Materials must meet established industry-recognized standard that have achieved certification under at least one of the following programs:

- ENERGY STAR (Certified Homes or Multifamily High-Rise).
- Enterprise Green Communities.
- LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development).
- ICC-700 National Green Building Standard,
- EPA Indoor AirPlus (ENERGY STAR a prerequisite).
- Any other equivalent comprehensive green building program.

For each project subject to the above, the specific green building technique or approach used will be recorded. NCORR will implement and monitor construction results to ensure the safety of residents and the quality of homes assisted through the program. All new housing created in whole or in part with CDGB-DR funds will comply with current HUD Decent, Safe, and Sanitary (DSS) standards. Rehabilitation of non-substantially damaged structures must comply with the HUD CPD Green Building Retrofit Checklist available at https://www.hudexchange.info/resource/3684/guidance-on-the-cpdgreen-building-checklist/, to the extent that the items on the checklist are applicable to the rehabilitation. NCORR will consult FEMA P-798, Natural Hazards and Sustainability for Residential Buildings, to align green building practices with the increased sustainability and resiliency.

Contractor compliance will be maintained through the review and approval of monthly project performance reports, financial status reports, and documented requests for reimbursement throughout the contract period. The State will utilize the HUD-provided contract reporting template (for PL 113-2) for upload to the Disaster Recovery Grant Reporting (DRGR) on a quarterly basis: https://www.hudexchange.info/resource/3898/public-law-113-2-contract-reporting-template/.

New housing developed with CDBG-DR funds will comply with accessibility standards set at 24 CFR Part 40. NCORR will utilize the UFAS Accessibility Checklist as a minimum standard for structures with five or more units to assist in the compliance of Section 504 of the Rehabilitation Act. The checklist will be used when reviewing the design of all newly constructed residential structures (other than privately owned residential structures). The Fair Housing Act (including the seven basic design and construction requirements set in the Fair Housing Act)[20] also applies to buildings with four or more units. Titles II and III of the Americans with Disabilities Act also applies to public housing.

[20] Fair Housing Accessibility First. *Fair Housing Requirements.* https://www.fairhousingfirst.org/fairhousing/requirements.html

5.4.1 Construction Performance

Construction contractors performing work funded with CDBG-DR funds shall be required to be a licensed contractor with the State of North Carolina and to possess all applicable licenses and permits from applicable jurisdictions where work will be performed, prior to incurring any costs to be CDBG-DR reimbursed. Permits will be the required registration and documentation of county, city, and/or town code to be secured prior to any construction work commences. It will be the obligation of the contractor to secure all such permits, provide copies to NCORR or the subrecipient administering the contract prior to commencing work.

This requirement will be included as a standard provision in any applicable subrecipient agreement and will need to be enforced by the subrecipient involving housing or infrastructure recovery programs and or projects. All CDBG-DR-funded contracts involving construction contractors shall be required to have in the contract work a one-year warranty on all work performed. The contractor is required to provide notice six months and one month prior to the end of the one-year warranty to the owner with a copy of each notice to the state agency and/or subrecipient administering the applicable activity.

Each homeowner shall be provided prior to the commencement of any work involved through such contracts a written notice of their right to appeal the work being performed when it is not to the standards set forth or the scope established. The homeowner shall be provided an appeal contact person within the state agency or subrecipient responsible for managing the activity. Policies and procedures will be established as part of the activity setting forth timelines and step-by-step process for resolving appeals and said policies and procedures shall be provided to each homeowner prior to the start of any work and shall be included in the contract with each participating contractor as an enforceable part of the contract.

5.4.2 Broadband

Any substantial rehabilitation, as defined by 24 CFR Part 5.100, or new construction of a building with more than four rental units must include installation of broadband infrastructure, except where it is documented that:

1. The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible, or
2. The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden, or
3. The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

5.4.3 Cost Verification

At all times, construction costs must remain reasonable and consistent with market costs at the time and place of construction. NCORR uses an internal team of experts to determine that construction costs are reasonable and necessary and uses this data to conduct an evaluation of the cost or price of a product or service. The primary mechanism for these cost controls is the use of Xactimate, an industry standard construction cost estimating tool used by NCORR and its vendors to determine that construction costs are reasonable.

Some projects, such as infrastructure projects or larger multi-family projects, do not have clearly defined items in the Xactimate software. For these projects, NCORR will perform independent cost estimates prior to project start and evaluate the cost using a cost or price analysis when bids or proposed construction costs are received. NCORR will use qualified third parties to determine that costs are necessary and reasonable for the completion of the intended project. The requirement that costs remain reasonable extends to potential change orders. Ensuring that construction costs are reasonable is a part of the *NCORR Procurement Manual*. Note that per 2 CFR § 200.317, Subrecipients utilizing Program funds must follow all procurement guidelines contained in 2 CFR §§ 200.318-327.

Additionally, costs are controlled on housing projects with eight or more units through a competitive selection process and project selection criteria that favors lower costs-per-unit as a significant contributor in the selection of projects. Further cost controls and selection criteria for residential projects will be included in the selection criteria provided to potential applicants for those funds as defined in the Affordable Housing Development Fund in Section 7.4.

Any NCORR selected subrecipient must establish a similar process to those outlined above to ensure proper cost controls. These controls will be reviewed during a capacity and risk assessment prior to subrecipient selection.

NCORR will review projects and test for compliance with financial standards and procedures including procurement practices and adherence to cost reasonableness for all operating costs and grant-funded activities. All program expenditures will be evaluated to ensure they are:

- Necessary and reasonable.
- Allocable according to the CDBG contract.
- Authorized or not prohibited under state/local laws and regulations.
- Conform to limitations or exclusions (laws, terms, conditions of award, etc.).
- Consistent with policies, regulations and procedures.
- Adequately documented.

- Compliant with all Cross Cutting Federal Requirement including Uniform Administrative Requirements at 2 CFR 200. Per 2 CFR § 200.317, Subrecipients utilizing Program funds must follow all procurement guidelines contained in 2 CFR §§ 200.318-327.

In compliance with 83 FR 5850, NCORR has evaluated alternative strategies to elevation, such as reconstruction or buyout. An analysis of current applicants for CDBG-DR assistance located in floodplains indicates that when considering the cost of rehabilitation, green building retrofit design, lead based paint and asbestos containing material abatement and removal, and other costs to properly rehabilitate as well as safely elevate, reconstruction is typically the more cost-effective approach. Therefore NCORR is de-emphasizing the rehabilitation and elevation approach in favor of reconstruction. In such instances where an alternative recovery strategy is determined to be more cost reasonable and/or feasible, NCORR will document the decision making process and ensure that the recovering homeowner is permitted to choose between similarly effective options, in consideration of cost and feasibility.

Proposed construction projects will be evaluated to determine adequate compliance with modern and resilient building codes and mitigation of hazard risk, including sea level rise, high winds, storm surge, and flooding.

Contractor compliance will be maintained through the review and approval of monthly project performance reports, financial status reports, and documented requests for reimbursement throughout the contract period.

NCORR will also require Section 3 plans from both subrecipients and contractors, when applicable, and monitor for compliance with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

The State will utilize the HUD-provided contract reporting template (for PL 113-2) for upload to the Disaster Recovery Grant Reporting (DRGR) on a quarterly basis: https://www.hudexchange.info/resource/3898/public-law-113-2-contract-reporting-template/.

5.4.4 Timely Expenditure of Funds

NCORR has adopted procedures to ensure the timely expenditure of funds, track expenditures in each month, monitor expenditures of recipients, reprogram funds in a timely manner, and project expenditures over time.

Subrecipients must be able to report expenditures for each approved activity. A record of the account balances is maintained for each approved activity that accounts for expenses accrued as well as obligations that have been incurred but not yet been paid out. As part of those controls, the system of record (Salesforce) includes the submission of Requests for Payment to track expenditures against pre-established activity budgets as well as for retention of records related to expenditures. Monthly expenditures are recorded in Salesforce as well as through the reporting mechanisms established by the Reporting and Business Systems team. The

Reporting and Business Systems team also ensures that actual and projected expenditures of funds are reported in the Disaster Recover Grant Reporting system (DRGR) quarterly performance report (QPR). The use of these systems will ensure that contracts and bills are paid timely.

To further monitor and ensure timeliness of expenditures, subrecipients will be required to attend training to assist in defining clear roles and responsibilities and the expectations for timely performance under all Subrecipient Agreements (SRA).

NCORR establishes strict timelines and milestones within each of the SRA agreements entered into with subrecipients, contractors, consultants and recipients of funds. These requirements and milestones will be specifically outlined in each agreement and will be designed to be specific to categories of funding. All grantees are required to expend all funds within a certain timeframe as outlined in the Public Law and Federal Register Notices that govern the obligation of funds.

At times, it may be necessary for NCORR to reprogram grant funds. Funds may need to be reprogrammed for many reasons, including but not limited to:

- The Activity did not expend all funds awarded.
    - The grant time period expired.
    - Projects or programs were completed under budget and funds were remaining.
- A grant agreement expired, with no amendment necessary.
- A projected award is unable to be contracted.
- A project is determined to be ineligible.
- Slow or untimely project start date.
- An additional mitigation need is identified.

NCORR will review the use of funds quarterly as a part of the quarterly expenditure reports and may use those reports as a foundation to approach reallocation. Alternatively, changes in program design which necessitate a substantial Action Plan amendment may present an opportunity for NCORR to expediently reprogram funds. Through the grant cycle, subrecipients and contractors may request additional funds. These requests for funds will be evaluated as they are received. If the facts and circumstances of the request warrant additional funds, and additional funds are available, NCORR may reprogram funds at that time. Any funds reprogrammed which exceed the threshold criteria for a substantial Action Plan amendment will be formalized through the substantial Action Plan amendment process.

NCORR has adopted a Program Income Policy and adheres to this policy in the generation of any program income from NCORR administered or subrecipient administered programs. Subrecipients that generate more than $35,000 in program income must report such income to

NCORR. Subrecipients will generally be permitted to use program income to reimburse operation, repair, and maintenance expenses of a CDBG-DR funded project, must otherwise follow the rules and requirements for CDBG-DR funds, and must seek permission from NCORR before expending program income. Subrecipient agreements contain provisions for the treatment of program income, if applicable, and require notification and approval from NCORR prior to the generation of program income.

HUD established new requirements for the procurement of contracts which provide discrete services or deliverables, including:

- Requiring an establishment of the period of performance or date of completion in all contracts.
- Requiring performance requirements and liquidated damages into each procured contract.
    - Contracts that describe work performed by general management consulting services need not adhere to this requirement.
- Prohibiting the delegation or contract to any other party any inherently governmental responsibilities related to management of the grant, such as oversight, policy development, monitoring, internal auditing, and financial management.

NCORR agrees to align future procurements for Hurricane Florence recovery with these requirements. NCORR will follow all guidelines contained within the North Carolina Procurement Manual. Per 2 CFR § 200.317, Subrecipients utilizing Program funds must follow all procurement guidelines contained in 2 CFR §§ 200.318-327.

5.4.5 Operation and Maintenance Plans

To sustain CDBG-DR funded investments, NCORR requires that certain infrastructure projects include a projection of revenue for the operation and maintenance costs in the outyears. CDBG-DR funds may not be applied to the operation and maintenance of those facilities, and instead NCORR will require these projects to include a plan for operation and maintenance prior to funding. Operation and maintenance costs may be funded through reserve funds, borrowing authority, new tax or service fee, or retargeting of existing resources, amongst other approaches. NCORR will evaluate operations and maintenance plans to ensure that plans appear reasonable and feasible to fund the long-term use of the facility, with the understanding that some operations and maintenance plans must be more robust than others.

5.5 Long Term Planning and Risk Considerations

With the allocation of multiple grants from two major disasters, NCORR has significant planning funds available to pursue various sound, sustainable long-term recovery planning efforts. Principally planning may focus on construction standards and land-use decisions that reflect responsible floodplain and wetland management and consider continued sea level rise and coordinate with local and regional planning efforts.

On October 29, 2018, Governor Roy Cooper signed Executive Order No. 80, "North Carolina's Commitment to Address Climate Change and Transition to a Clean Energy Economy." E.O. 80 requires the following actions specific to NCORR activities:[21]

- **E.O. 80, Part two.** Requires that cabinet agencies shall evaluate the impacts of climate change on their programs and operations and integrate climate change mitigation and adaptation practices into their programs and operations.
- **E.O. 80, Part nine.** Requires that cabinet agencies shall integrate climate adaptation and resiliency planning into their policies, programs, and operations:
    - To support communities and sectors of the economy that are vulnerable to the effects of climate change; and
    - To enhance the agencies' ability to protect human life and health, property, natural and built infrastructure, cultural resources, and other public and private assets of value to North Carolinians.

As NCDPS is a cabinet agency and NCORR is an office operating within NCDPS, the requirements of E.O. 80 apply to NCORR activities. To comply with E.O. 80, the unmet needs analysis must evaluate changes in need based on the requirement to anticipate and respond to climate change in disaster impacted areas. This analysis will inform the Action Plan so that proposed programs contained therein are responsive to this executive order.

Aside from the vertical flood elevation height requirements discussed in Part 5.1 above, NCORR commits to ensuring responsible floodplain and wetland management based on the history of flood mitigation efforts and the frequency and intensity of precipitation events.

5.5.1 High Wind

In addition to this vertical height requirement, NCORR will take into consideration high wind considerations for new or rehabilitated buildings. There are many informational resources available to safeguard against high wind conditions, including *FEMA 543: Risk Management Series Design Guide for Improving Critical Facility Safety from Flooding and High Winds*. FEMA 543 recommends incorporating hazard mitigation measures into all stages and at all levels of critical facility planning and design, for both new construction and the reconstruction and rehabilitation of existing facilities.[22] While the guidelines in FEMA 543 are applicable to critical facilities, they may also be applied to new construction of other buildings and infrastructure. In all instances, NCORR will defer to engineering and design experts to ensure that high wind hazards are addressed.

[21] Executive Order No. 80. *North Carolina's Commitment to Address Climate Change and Transition to a Clean Energy Economy.* https://governor.nc.gov/documents/executive-order-no-80-north-carolinas-commitment-address-climate-change-and-transition.

[22] Federal Emergency Management Agency. *Risk Management Series Design Guide for Improving Critical Facility Safety from Flooding and High Winds.* https://www.fema.gov/media-library-data/20130726-1557-20490-1542/fema543_complete.pdf

NCORR shall also consider resources and lessons learned from other states in the implementation of their recovery programs. The State of Florida has adopted the Hurricane Michael FEMA Recovery Advisory (RA) 2 Best Practices for Minimizing Wind and Water Infiltration Damage[23] as a guiding principle in its recovery programs. This advisory describes specific issues observed in newer residential buildings after Hurricane Michael. The buildings observed were built after the adoption of the first edition of the Florida Building Code (FBC) (March 2002). The advisory provides key points for consideration during rebuilding and mitigation activities. The references cited in the advisory contain additional best practices and guidance for issues commonly observed after storm events. NCORR shall apply the guidance in this document where feasible in the development of new construction funded with CDBG-DR funds.

5.5.2 Sea Level Rise

In addressing flood mitigation, it is essential to the long-term planning process to also consider the effects of sea level rise on the coastal communities of the State. According to National Oceanic and Atmospheric Administration (NOAA) data, the sea level off of the coast of North Carolina has risen 11 inches higher than its 1950 level.[24] Sea level rise is of increasing concern to vulnerable coastal areas of the State because sea level rise has been accelerating over the past 10 years and is now rising an average of one inch every two years. These measurements are conducted with sound methodology and have become increasingly accurate, leading to the conclusion that sea level rise is a significant threat to coastal areas of the State.[25]

NCORR commits to using the best available data to determine whether structures would be at risk of sea level rise and avoid construction or rehabilitation of structures which may be subject to increased risk due to sea level rise and coastal erosion.

5.5.3 Stakeholder Engagement

NCORR is committed to developing and implementing recovery programs which best suit the needs of recovering individuals, households, local jurisdictions, and other public or private stakeholders. While NCORR generally administers programs at the state-level, frequent and transparent communication with stakeholders is a key component of program design and a necessity for a successful recovery program. The feedback received from local, regional, and state-level stakeholders will be critical to program design and planning. Feedback is incorporated from the public comment period, occasional meetings with local jurisdictions by phone or face-to-face, and can be provided by email at info@rebuild.nc.gov.

[23] Federal Emergency Management Agency. Risk Management Series Design Guide for Improving Critical Facility Safety from Flooding and High Winds. https://www.fema.gov/media-library-data/20130726-1557-20490-1542/fema543_complete.pdf

[24] National Oceanic and Atmospheric Administration. *Tides and Currents Data, Wilmington, NC.* https://tidesandcurrents.noaa.gov/waterlevels.html?id=8658120&units=standard&bdate=19500101&edate=20171231&timezone=GMT&datum=MSL&interval=m&action=data

[25] National Oceanic and Atmospheric Administration. *FAQ – Tide Predictions and Data.* https://tidesandcurrents.noaa.gov/sltrends/faq.html

5.6 Assessment of Public Services Required

The primary focus of CDBG-DR funds is to address the unmet housing recovery need. However, CDBG-DR funds may be used to fund public services which complement the housing need. Public services include activities which provide a benefit to employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, certain welfare activities, or recreational needs. The Housing and Community Development Act of 1974, as amended (HCDA) permits the use of CDBG funds for the purpose of public services under HCDA 105(a)(8). In accordance with HCDA 105(a)(8), no more than 15 percent of the allocation will be directed to the provision of public service.

After an assessment of the unmet recovery needs related to housing, it is evident that some public services would provide a benefit to the housing recovery. The greatest complementary need are public services to increase construction capacity. NCORR will address this capacity issue by funding education programs intended to increase the stock of construction labor.

In an annual survey of construction firms conducted in August 2019, 33 firms that listed North Carolina as their principal state of operations said they plan to hire for replacement or expansion - 97 percent want craft personnel and 77 percent seek salaried workers. At the same time, 91 percent of the North Carolina contractors said they are having a difficult time filling craft positions and 73 percent said the same about salaried jobs. Construction employment in the state has fallen in 2019, attributed to retirement of qualified workers and a lack of new qualified individuals entering the job market[26]. Disaster recovery does not happen in a vacuum, and as the State's population grows and as demand for new housing increases, disaster recovery programs will be challenged by the market demand for new housing in growing areas. To the extent possible, these programs will include accommodations for individuals with wide-ranging disabilities, including mobility, sensory, developmental, emotional, and other impairments.

5.7 Minimizing Displacement and Ensuring Accessibility

NCORR is continuing to make every effort to minimize temporary and permanent displacement of persons due to the delivery of the HUD's CDBG-DR and CDBG-MIT programs it administers. NCORR has agreed to follow the plan described in the NCORR Residential Anti-Displacement and Relocation Assistance Plan, available at https://www.rebuild.nc.gov/media/2626/open, Appendix 38. NCORR has and will continue to minimize adverse impacts on persons of low-and-moderate income resulting from acquisition, rehabilitation, and/or demolition activities assisted with funds provided under Title 1 of the Housing and Community Development (HCD) of 1974, as amended, as described in 24CFR 570.606 (b-g).

[26] GroundBreak Carolinas, LLC. *North Carolina Construction Outlook.* https://groundbreakcarolinas.com/north-carolina-construction-outlook/

Further, NCORR, continues to provide comprehensive training to its subgrantees and subrecipients to adopt the State's Residential Anti-Displacement and Relocation Assistance plan or develop and adopt their own plan regarding any activity assisted with funding from the CDBG-MIT grant. NCORR will provide guidance and approval to its sub-recipients that develop their own plan. Subrecipients that develop their own plans, must subsequently adhere to and comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601 et seq.) ["URA"], for any household, regardless of income which is involuntarily and permanent displaced.

The Uniform Relocation Assistance and Real Property Acquisition Act (URA), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

- 49 CFR Part 24 is the government-wide regulation that implements the URA.
- HUD Handbook 1378 provides HUD policy and guidance on implementing the URA and 49 CFR Part 24 for HUD funded programs and projects.

As part of condition of compliance with programs subject to URA, NCORR will:

- Provide uniform, fair and equitable treatment of person whose real property is acquired or who are displaced in connection with federally funded projects as well.
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement
- To ensure that no individual or family is displaced unless decent, safe and sanitary (DSS) housing is available with the displaced person's financial means
- To help improve the housing conditions of displaced persons living in substandard housing
- To encourage and expedite acquisition by agreement and without coercion.

In practice, when a tenant is displaced by a CDBG-DR activity, relocation case managers are assigned to both owners and tenants work with applicants to coordinate activities and communicate updates in real time concerning when to expect to move out of their residences, assist the displaced individuals with securing temporary housing arrangements, and all other aspects of moving belongings. One of the case manager's primary goals is to minimize the time that the tenant/owner will be impacted by coordinating the construction calendar in real time and during construction, keeping the displaced individual updated on the construction progress and communicating an expected timeline for construction completion and eventual move in.

NCORR's Strategic Buyout Program is voluntary and NCORR will not utilize the power of eminent domain. While NCORR has no direct authority to perform eminent domain, it could request the Division of Administration to execute eminent domain on its behalf. Although NCORR does not intend to use the State's eminent domain authority, NCORR will follow the four-part criteria required of eminent domain under 49 CFR 24.101(b)(1) (i-iv) when presenting buyout as an option for buyout program applicants.

Under the reasonable accommodation policy, case managers shall assess the specific needs of each program beneficiary and determine if a 504/ADA modification is required based on the unique facts and circumstances presented by the applicant. To ensure accessibility for applicants, NCORR has adopted a Section 504/Americans with Disabilities Act (ADA) policy which ensures the full right to reasonable accommodations by all program participants. No otherwise qualified individual with disabilities shall solely by reason of his or her disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded with CDBG-DR funds provided by NCORR.

To the maximum extent feasible, alterations made to existing non-housing facilities shall be made to ensure that such facilities are readily accessible to and usable by individuals with disabilities. Any new non-housing facilities constructed by NCORR shall be designed and constructed to be readily accessible to and usable by persons with disabilities.

New housing developed with CDBG-DR funds will comply with accessibility standards set at 24 CFR Part 40. NCORR will utilize the UFAS Accessibility Checklist as a minimum standard for structures with five or more units to assist in the compliance of Section 504 of the Rehabilitation Act. The checklist will be used when reviewing the design of all newly constructed residential structures (other than residential structures that do not receive federal financial assistance). The Fair Housing Act (including the seven basic design and construction requirements set in the Fair Housing Act)[27] also applies to buildings with four or more units. New housing developed with CDBG-DR funds will also comply with Titles II and III of the Americans with Disabilities Act, as applicable.

NCORR also complies with the Americans with Disability Act, which prohibits discrimination in employment based upon disability. NCORR complies with Title II of the ADA in its implementation of other non-housing projects, such as infrastructure, to include accessibility features at all improved sites such as curb ramps, sloped areas at intersections, and the removal of any barriers to entry for those with disabilities.

All public facilities that are federally assisted shall also exceed the minimum threshold for 504/ADA compliance. Multifamily and other housing development programs will also be required to have the minimum numbers of mobility units and hearing/vision units in a range of bedroom sizes in accordance with 504/ADA requirements. Along with single family programs, the affordable housing rental programs will be required to have an architect's/engineer's

[27] Fair Housing Accessibility First. *Fair Housing Requirements.* https://www.fairhousingfirst.org/fairhousing/requirements.html

signature on a form stating that the designed unit meets 504/ADA compliance. Failure to deliver the appropriately constructed ADA/504 compliant unit(s) will result in the construction firm not being paid and in breach of contract until the deficiencies are corrected.

North Carolina qualifies as a safe harbor state in that over 5 percent of its population speaks another primary language outside of English in the home. The adopted LAP is cognizant of these demographics and offers print material of vital documents in Spanish and will provide other language translation services as needed.

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6.0 Allocation Methodology

The most significant consideration in developing CDBG-DR activities and the allocation of funds is the Unmet Recovery Needs Assessment. The assessment, found in Part 4.0 above, reviews the recovery needs of the State following Hurricane Florence. For CDBG-DR funded activities, the focus remains on restoring impacted housing and other services needed to supplement the housing recovery.

6.1 Connection between Unmet Recovery Need and Programming

A detailed list of funded programs is included below. Each funded program is in direct response to an unmet need identified in Section 4.0 above. The CDBG eligible activity is presented as the subsection of the Housing and Community Development Act, or specific waiver as stated in the Notice. The HUD National Objective criteria include the following:

- **LMA (Low/mod area benefit).** Activities providing benefits that are available to all the residents of a particular area, at least 51 percent of whom are low- and moderate-income. The service area of an LMA activity is identified by NCORR.
- **LMC (Low/mod limited clientele).** Activities which benefit specific low- and moderate-income individuals. LMC activities provide benefits to a specific group of persons rather than to all residents of a particular area.
- **LMH (Low/Mod housing benefit).** Activities undertaken which improve or provide permanent residential structures that will be occupied by low/mod income households.
- **LMB (Low/Mod Buyout).** Set by HUD in 82 FR 36825 to allow for meeting a National Objective when CDBG-DR funds are used for a buyout award to acquire housing owned by a qualifying LMI household, where the award amount (including optional relocation assistance) is greater than the post-disaster (current) fair market value of that property.
- **LMHI (Low/Mod Housing Incentive).** Set by HUD in 82 FR 36825 to allow for meeting a National Objective when CDBG-DR funds are used for a housing incentive award, tied to the voluntary buyout or other voluntary acquisition of housing owned by a qualifying LMI household, for which the housing incentive is for the purpose of moving outside of the affected floodplain or to a lower-risk area; or when the housing incentive is for the purpose of providing or improving residential structures that, upon completion, will be occupied by an LMI household.
- **UN (Urgent Need).** Urgent Need projects include projects which pose a serious and immediate threat to the health or welfare of the community, are of recent origin or recently became urgent, and are unable to be otherwise financed.

This Action Plan does not modify any Federal standards or other legal requirements. Any effort by the State of North Carolina or its agents to modify such standards or other legal requirements must be preceded by the ordinary procedures to request a waiver from the appropriate Federal authority. As Public Law 115-123 provided "The Secretary of Housing and Urban Development may 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 the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment), if the Secretary finds that good cause exists for the waiver or alternative requirement and such waiver or alternative requirement would not be inconsistent with the overall purpose of Title I of the Housing and Community Development Act of 1974." Notice of proposed waivers must be accompanied by evidence of public comment including, but not limited to, review and input by low-income and minority residents, businesses, and other institutions.

6.2 Allocations and Programming

The total combined CDBG-DR allocation set forth in PL 115-254 and PL 116-20 is $542,644,000. NCORR will set aside five percent of these funds ($27.1 million) for administrative costs associated with the recovery activities described below. Another $4.5 million will be set aside for planning related activities, such as Action Plan development, public outreach, and coordination on future planning with local and regional coordinating entities. The allocation for planning related activities has increased under Substantial Amendment 6, as planning activities specific to Hurricane Florence recovery efforts will continue during the period of performance for the funds. The bulk of planning activities will continue to be funded with CDBG-Mitigation funds, such as ongoing and anticipated resilience and mitigation planning recommendations made by the various Recovery Support Functions (RSFs) operating in the State and NCORR. The use of the remaining CDBG-DR planning funds will be directed toward planning efforts which directly or indirectly affect MID areas. The remaining funds will be allocated to multiple activities defined in Part 7.0 below.

Considering the greatest outstanding need and in accordance with HUD guidance to primarily address housing recovery, $426.8 million is allocated to a suite of programs to benefit homeowners (the *Homeowner Recovery Program*). This allocation has been increased substantially from the original Action Plan (including an allocation increase under Substantial Amendment 6) due to increased interest in this program when applications reopened in Summer 2020 and before the application period for assistance closed on April 21, 2023.

NCORR recognizes the significant recovery challenges that face renters across the impacted areas of the State. Approximately one in four individuals receiving FEMA assistance are renters. To address the significant renter recovery need, NCORR has proposed two programs across its disaster recovery and mitigation portfolio to address the unique conditions of renters across the State: the *Affordable Housing Development Fund and* the *Public Housing Restoration Fund*.

For Hurricane Florence CDBG-DR funded activities, $69.3 million remain allocated to the *Affordable Housing Development Fund*). It is worth noting that an additional $47.5 million was reallocated for this activity under the CDBG-MIT Action Plan. This represented a shift in approach based on the reallocation of this activity from the CDBG-DR Action Plan to the CDBG-MIT Action Plan and an increased emphasis on meeting the renter and housing stock mitigation needs in the long term. This objective will be served through program activities such as the acquisition and conversion, repair, rehabilitation, or development of new affordable homeownership or rental housing, on a single site or on scattered sites, to be used as long-term, affordable homeownership or rental housing for low and moderate income (LMI) households.

Under Substantial Amendment 4, $16.3 million of funding for the *Public Housing Restoration Fund* was reallocated to the CDBG-MIT Action Plan. The Public Housing Restoration Fund will focus on long-term, sustainable recovery of disaster impacted Public Housing Authorities (PHAs) that is more aligned with CDBG Mitigation funding goals. The policies and guidance for these programs will be included in their respective policy manuals. Refer to the State's Mitigation Action Plan for more details on these activities and allocation.

To further support the transition of community-level resilient housing development activities, such as those by the Public Housing Restoration, Affordable Housing Development Fund, and the Strategic Buyout Program, to the CDBG-MIT Action Plan and encourage longer term mitigation efforts, NCORR has reallocated in SAPA 6 additional programs that supplement the housing recovery needs for impacted areas. These programs include the *Homeownership Assistance Program* ($3 million), the *Housing Counseling Fund* ($1.5 million), and the *Code Enforcement Compliance and Support Program* ($3 million). The funding for these programs has been reallocated to the CDBG-MIT Action Plan to further strengthen the State's ongoing longer term mitigation and resiliency efforts and streamline its housing recovery activities under this action plan. Additional details on these activities and reallocations can be found in the State's Mitigation Action Plan.

The Strategic Buyout Program was previously consolidated into the CDBG-MIT Action Plan to simplify the administration and implementation of that program under a single set of guidance. Significant changes have been made in the Strategic Buyout Program. Individuals interested in the Strategic Buyout Program should review the CDBG-MIT Action Plan and visit https://www.rebuild.nc.gov/about-us/mitigation.

The allocation for the *Infrastructure Recovery Program* was previously removed to provide greater emphasis on housing recovery programs, as directed in the Federal Register Notice(s) guiding the implementation of CDBG-DR grant funds. Infrastructure damaged by Hurricane Matthew and Hurricane Florence remains eligible for the Hurricane Matthew-funded Infrastructure Recovery Program. NCORR continues to manage and implement that program. The original allocation for the *Construction Trades Training Program* was previously reallocated in response to an unclear need for this program due to uncertain labor markets due to the COVID-19 pandemic and lack of a clear implementation path for this program.

The allocation of funds to MID areas reflects the MID determinations made by HUD for Hurricane Florence. According to the 2019 appropriations act, the State may use funds allocated in response to Hurricane Matthew interchangeably with funds allocated for Hurricane Florence for the same activities, and vice versa, in the most impacted and distressed areas. Therefore the MID areas are assumed to include the Hurricane Matthew-established MID areas (Bladen, Columbus, Cumberland, Edgecombe, Robeson, and Wayne). The remaining 20 percent of the "non-MID" allocation is reserved for those areas determined to be most impacted as reflected in the unmet recovery needs analysis completed above.

Table 30 – Hurricane Florence CDBG-DR Allocations

Program	PREVIOUS NSAPA 8 Allocation	CURRENT NSAPA 9 Allocation	CURRENT $ to LMI	CURRENT $ to HUD-defined MID
Administrative Costs	$27,132,200	$27,132,200	$0	$21,705,760
Planning Costs	$4,500,000	$4,500,000	$0	$3,600,000
Homeowner Recovery Program	$441,674,385	$456,674,384	$326,454,397	$365,339,508
Affordable Housing Development Fund	$69,337,415	$54,337,416	$54,337,416	$54,337,416
Homeownership Assistance	$0	$0	$0	$0
Housing Counseling Fund	$0	$0	$0	$0
Small Rental Recovery Program	$0	$0	$0	$0
Public Housing Restoration Fund	$0	$0	$0	$0
Construction Trades Training Program	$0	$0	$0	$0
Code Enforcement and Compliance Support Program	$0	$0	$0	$0
Total	**$542,644,000**	**$542,644,000**	**$380,791,813**	**$444,982,684**
% of Total	**100%**	**100%**	**70%**	**82%**

6.2.1 Amendment 6 Update

See Section 6.2 for summarization of current allocations. The reanalysis of housing unmet need under Substantial Amendment 4 highlighted a higher serious housing unmet need than originally estimated that was reflected in the allocations under Substantial Amendment 6. The result of such ongoing reevaluation and increased interest in housing recovery prior to the closing of applications in April 2023 prompted the State to further increase allocations to the *Homeowner Recovery Program* ($54.2 million allocation increase) under Substantial Amendment 6. The reallocation of funding for the Homeownership Assistance Program, Housing Counseling Fund, Code Enforcement Compliance and Support Program and partial transfer of the Affordable Housing Development Fund program funds to the CDBG-MIT Action Plan further strengthened the ongoing recovery and mitigation efforts of the State's housing programs. These reallocations were in consideration of the amount of funding dedicated to housing programs across both the Matthew and Florence CDBG-DR grants, continued anticipated funding needs for currently operating activities, and the realignment of longer-term resilience and mitigation activities, such as those related to housing stock development further by the Affordable Housing Development Fund program, with the objectives of the CDBG-MIT funds. The Planning allocation was also been increased as planning activities related to Hurricane Florence recovery efforts continue. However, the bulk of planning activies remain largely consolidated in the CDBG – Mitigation (CDBG-MIT) Action Plan.

6.2.2 Amendment 7 Update

Under Nonsubstantial Action Plan Amendment 7, the vision and larger picture of funding and program implementation for the disaster recovery and mitigation efforts of NCORR presented in SAPA 6 remain in place. Minor allocations changes to the Affordable Housing Development Fund and the Homeowner Recovery Program, as presented in Table 44, are necessary to facilitate the closeout of the CDBG-DR Matthew grant and provide a longer timeframe for the completion of multifamily projects previously allocated to CDBG-DR Matthew. A reallocation of a similar amount is reflected in NSAPA 12 for the CDBG-DR Matthew grant, thus balancing the overall allocations for the multifamily and homeowner disaster recovery efforts of NCORR across CDBG-DR Matthew and CDBG-DR Florence grants.

6.2.3 Amendment 8 Update

As a follow-up to Nonsubstantial Action Plan Amendment 7, Nonsubstantial Action Plan Amendment 8 (NSAPA 8) presents additional minor allocations changes to the Affordable Housing Development Fund and the Homeowner Recovery Program, as presented in Table 44. The changes are necessary to accommodate projects no longer active or viable and to diversify the sources of funding supporting the creation of resilient and affordable housing in areas impacted by Hurricane Florence. As such, the reallocation of CDBG-DR funds does not signify a reduction in NCORR's overall commitment to the goals of the Affordable Housing Development Fund. Instead, the reallocation highlights an opportunity to leverage a diverse set of funding sources for affordable housing development and a redistribution of CDBG-DR funding to meet other critical unmet needs, such as those of individual homeowners participating in the Homeowner Recovery Program.

6.2.4 Amendment 9 Update

Nonsubstantial Action Plan Amendment 9 (NSAPA 9) provides minor allocations changes to the Affordable Housing Development Fund and the Homeowner Recovery Program, as presented in Table 44. The changes are necessary to accommodate the potential for alternate sources of funding supporting the creation of resilient and affordable housing in areas impacted by Hurricane Florence. As with NSAPA 8, the reallocation of CDBG-DR funds in this amendment does not signify a reduction in NCORR's overall commitment to the goals of the Affordable Housing Development Fund. Instead, the reallocation highlights an opportunity to leverage a diverse set of funding sources for affordable housing development and a redistribution of CDBG-DR funding to meet other critical unmet needs, such as those of individual homeowners participating in the Homeowner Recovery Program.

6.3 Method of Distribution and Delivery

In previous CDBG implementation and delivery, NCORR has consistently prioritized providing funds to communities that experienced the most significant damage from Hurricanes Matthew and Florence. NCORR continues to provide assistance to each impacted county, with a primary focus on those that were most impacted and distressed.

Previous allocations allowed for counties to enter into a subrecipient agreement (SRA) with NCORR to administer aspects of the grant. In consideration of NCORR's increased capacity, knowledge, and expertise since CDBG-DR funds were first allocated, NCORR will first consider a state-centric model of implementation. In some instances, such as for affordable housing development or infrastructure recovery, a subrecipient agreement (SRA) with the local jurisdiction or other entity may be the most advantageous approach for the State and the success of the project.

If SRAs are determined to be beneficial to NCORR for the expedient and proficient use of CDBG-DR funds, the method of distributing funds to the subrecipient will be set forth in the SRA. New and updated SRAs will also include:

- The threshold of the grant award and the amount to be subgranted.
- The use of the CDBG-DR funds by responsible organization, activity, and geographic area.
- The CDBG eligibility criteria and national objective, as well as any additional criteria for the subrecipient's use of funds.

The selection of subrecipients will weigh the following factors, in order of importance:

- Subrecipient alignment with CDBG-DR objectives and priorities.
- Subrecipient capacity.
- Project/Program feasibility.
- Project/program cost and/or leverage.

Specific terms may be implemented to SRAs depending on the selection criteria reviewed above. Sub-criteria may expand upon these selection criteria in order to fully understand the nature of the proposed project. Specific application selection criteria will be incorporated into specific program manuals and guidance. NCORR notes that CDBG-DR funds may not be used for ineligible activities, including but not limited to a forced mortgage payoff, construction of dam/levee beyond original footprint, incentive payments to households that move to disaster-impacted floodplains, assistance to privately-owned utilities, and not prioritizing assistance to businesses that meet the definition of a small business. NCORR will ensure that all CDBG-DR funds are for eligible uses.

6.4 Vulnerable Populations

Of significant concern is housing which typically serves vulnerable populations, including transitional housing, permanent supportive housing, permanent housing serving individuals and families (including subpopulations) that are homeless and at-risk of homelessness, and public housing developments. NCORR develops each program with consideration for recovering individuals, especially concerning individuals with access and functional needs that will require assistance with accessing and/or receiving CDBG-DR disaster resources. These individuals may be children, senior citizens, persons with disabilities, from diverse cultures, transportation disadvantaged, homeless, having chronic medical disorders, and/or with limited English speaking, reading, having comprehension capacity, or altogether be non-English speaking.

6.4.1 Terms Defined

HUD and other federal crosscutting requirements and standards are applicable to activities proposed in this Action Plan. These requirements and standards and some common definitions of these items are included below.

- **Accessibility and Accessibility Standards.** The Uniform Accessibility Standards Act (UFAS) requires that buildings and facilities designed, constructed, or altered with federal funds be accessible and these standards were developed to define what “accessible” means. UFAS is one of the standards which federal grantee shall use to comply along with Title II of the Americans with Disabilities Act.

- **Affirmatively Furthering Fair Housing (AFFH).** AFFH is a legal requirement that NCORR further the requirements of the Fair Housing Act. The obligation to affirmatively further fair housing has been in the Fair Housing Act since 1968 (for further information see Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3608 and Executive Order 12892).

- **Areas of Opportunity.** The federal government defines high opportunity areas as either an area designated by the Department of Housing and Urban Development (HUD) as a Difficult Development Area (DDA) during any year covered by the Duty to Serve Plan or in the year prior to the Plan’s effective date, whose poverty rate is lower than the rate specified by FHFA in Evaluation Guidance-those tracts with poverty rates below 10 percent (for metropolitan DDAs) and below 15 percent (for non-metropolitan DDAs); or an area designated by a state or local Qualified Allocation Plan (QAP) as a high opportunity area and which meets a definition identified as eligible for Duty to Serve credit in the Evaluation

Guidance for the issuance of Low Income Housing Tax Credits.

- **Community Participation.** The primary goal is to provide citizens where CDBG-funded activities will take place an opportunity to participate in an advisory role in the planning, implementation, and assessment of proposed programs and projects. NCORR commits to hearing from all impacted individuals regardless of race, color, national origin, income, or any other potential social disparity.

- **Effective Communication.** Communication methods include the provision of appropriate auxiliary aids and services, such as interpreters, computer-assisted real time transcription (CART), captioned videos with audible video description, visual alarm devices, a talking thermostat, accessible electronic communications and websites, documents in alternative formats (e.g., Braille, large print), or assistance in reading or completing a form, etc.

- **Environmental Justice.** Environmental justice means ensuring that the environment and human health are protected fairly for all people regardless of race, color, national origin, or income. Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-income Populations" (2/94) requires certain federal agencies, including HUD, to consider how federally assisted projects may have disproportionately high and adverse human health or environmental effects on minority and low-income populations.

- **Fair Housing and Equal Opportunity**. NCORR commits to working toward eliminating housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities by leading the nation in the enforcement, administration, development, and public understanding of federal fair housing policies and laws. The laws implemented and enforced by FHEO include the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Titles II and III of the Americans with Disabilities Act of 1990, The Architectural Barriers Act of 1968, and The Age Discrimination Act of 1975.

- **Limited English Proficiency**. Under Title VI of the Civil Rights Act of 1964 and in accordance with Supreme Court precedent in *Lau v. Nichols*, recipients of federal financial assistance are required to take reasonable steps to ensure meaningful access to their programs and activities by limited English proficient (LEP) persons. In accordance with Executive Order 13166, the meaningful access requirement of the Title VI regulations and the four-factor analysis set forth in the Department of Justice (DOJ) LEP Guidance apply to the programs and activities of federal agencies, including HUD. In addition, EO 13166 directs each federal agency that provides financial assistance to non-federal entities to publish guidance on how their recipients can provide meaningful access to LEP individuals and thus comply with Title VI regulations forbidding funding recipients from restricting an individual in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service, financial aid, or other benefit under the program. The Fair Housing Act prohibits national origin discrimination in both private and federally-assisted housing. For example, a housing provider may not impose less favorable terms or conditions on a group of residents of a certain national origin by taking advantage of their limited ability to read, write, speak or understand English.

- **Minority Low-income areas and Populations.** A low-income population is defined as a group of individuals living in geographic proximity to one another, or a geographically dispersed or transient (migrant) group of individuals that have household incomes at or below poverty level. Individuals who are members of the following population groups are considered minorities: American Indian or Alaskan Native, Asian or Pacific Islander, Black (not of Hispanic origin), or Hispanic. A low income or minority population can be identified where either: Low income or minority individuals constitute more than 50% of the population of the project area; or the percentage of low income or minority individuals in an affected area is twice that as the county or state as a whole (for example: 30% of the project area is low income but only 15 percent of the county is low income). Several methods can be used to determine if there are low income or minority populations present in your project area. The most common and defensible method is to review data provided by the US Census Bureau. This data may be obtained from the American Factfinder portion of Census Bureau website. The website maintains data for a variety of different areas, including: the entire country, a state, county, census tract, block group, and block. For most projects, data from the census tract or block group level are the most relevant.

- **Non-discrimination.** The practice of implementing programs such that no applicant or prospective applicant is treated differently based on race, color, national origin, religion, sex, familial status, and disability. This also includes taking steps to ensure access to those with Limited English Proficiency (LEP) and those with disabilities. North Carolina also prohibits discrimination based on sexual orientation and gender identity.

- **Protected Classes.** The seven classes protected under the Federal Fair Housing Act are color, disability, familial status, (i.e. having children under 18 in a household, including pregnant women), national origin, race, religion, and sex. Discrimination is also forbidden based on age (those 40 years of age or older) or genetic information.

- **Reasonable Accommodation.** A change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with disabilities to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces, or to fulfill their program obligations. Please note that the ADA often refers to these types of accommodations as “modifications.” Any change in the way things are customarily done that enables a person with disabilities to enjoy housing opportunities or to meet program requirements is a reasonable accommodation. In other words, reasonable accommodations eliminate barriers that prevent persons with disabilities from fully participating in housing opportunities, including both private housing and in federally-assisted programs or activities. Housing providers may not require persons with disabilities to pay extra fees or deposits or place any other special conditions or requirements as a condition of receiving a reasonable accommodation.

6.4.2 Assessing the Needs and Location of Vulnerable Populations

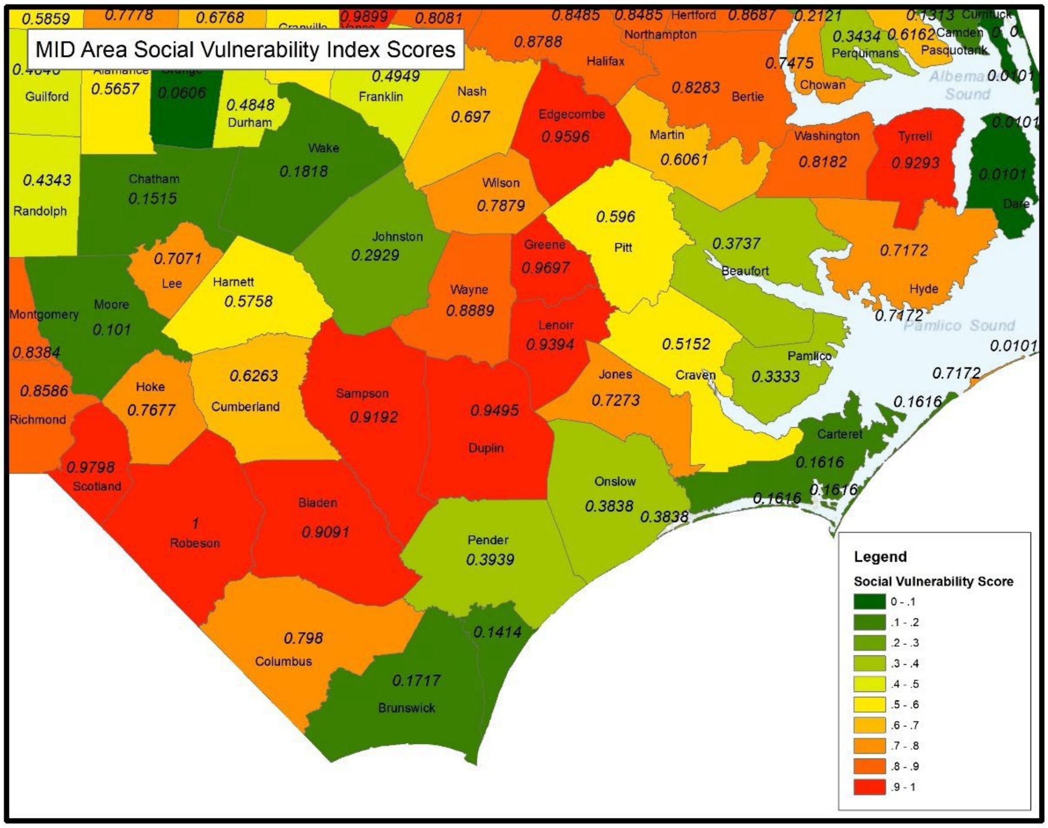
NCORR considers the provision of specialized resources that may include, but are not limited to, public or private social services, transportation accommodations, information, interpreters, translators, I-speak cards, and other services for those persons who may be visually or speech impaired during the Action Plan process free of charge. NCORR is taking care to ensure that individuals are able to access disaster recovery resources.

A full analysis of the demographic population of the recovering areas affected by Hurricane Florence are found in Part 4.6 of the Action Plan. NCORR believes that the affordable housing development program is an avenue to address vulnerable populations in the recovery process. NCORR will prioritize through its selection criteria affordable housing projects which include service for very-low income individuals and households, provide transitional or supportive housing, those homeless or at-risk of homelessness, the elderly, disabled, and those with

alcohol or drug addiction. The Public Housing Restoration Fund will also provide for individuals recovering from disaster which currently participate or may participate in public housing programs.

The Center for Disease Control's Social Vulnerability Index (updated 2016) for the State of North Carolina is mapped below. The social vulnerability score indicated for each county below is an aggregate of the vulnerability for socioeconomic, household composition and disability, minority status and language, and housing and transportation factors. Counties are ranked from 0 to 1. Counties which are in the top 10 percent of vulnerability – meaning most vulnerable – are assigned a score of 1. Scores closer to 0 are relatively less vulnerable than those with scores closer to 1.

Figure 13 - Social Vulnerability Index



Robeson County presents a unique challenge in that it is the most socially vulnerable county, before accounting for the dual impact and MID designation for both Hurricanes Matthew and Florence. Similarly, a swatch of MID areas including Scotland, Bladen, and Duplin present similar challenges with a social vulnerability score close to 1. Edgecombe County, a MID area for Hurricane Matthew Recovery, also has a high social vulnerability score. An awareness of these vulnerabilities is critical to understanding the unique recovery challenges for these areas and ensuring that recovery programs account for those vulnerabilities, and if possible, address them.

NCORR commits to Affirmatively Furthering Fair Housing, and complies with Civil Rights laws in the implementation of its programs. NCORR further understands the complexity of housing resilience in racially and ethnically concentrated areas, as well as concentrated areas of poverty. NCORR will coordinate with impacted stakeholders to determine the best course of action to provide equitable, meaningful housing solutions for all impacted individuals. To best serve vulnerable populations such as those requiring transitional housing, permanent supportive housing, permanent housing serving individuals and families (including subpopulations) that are homeless and at-risk of homelessness, and public housing developments, NCORR will engage local Public Housing Authorities (PHAs) to support resilience needs for public housing at the local level to help serve these groups. Further, resident consultation is a requirement under the PHA Plan process and requires coordination between the PHA and the Consolidated Planning Process. Before expending CDBG-DR funds, NCORR will work with PHAs to reach LMI and minority communities.

Organizationally, NCORR has sought staff and resources to ensure that vulnerable populations receive equitable and fair treatment. NCORR has a dedicated Resiliency Team, charged with assisting the Housing Recovery Support Function (RSF), a task force charged in part with addressing inequality. Key NCORR staff members have also participated in the Racial Equity Institute's Groundwater Approach Training, a nationally-recognized program for helping individuals and organizations who want to proactively understand and address racism, both in their organization and in the community.

NCORR has taken additional steps to address extremely low income (ELI) individuals and households, defined as those which earn equal to or less than 30 percent of area median income, as well as individuals with disabilities. In the prioritization criteria for affordable housing proposals received for the Affordable Housing Development Fund, proposals which include considerations for these groups will receive prioritization over similar projects which do not include plans for these populations.

NCORR is committed to rebuilding damaged communities in a more resilient manner that affirmatively furthers fair housing opportunities to all residents. For this reason, the analysis identifies which impacted neighborhoods have a disproportionate concentration of minority populations as well as those with Limited English Proficiency. As these communities rebuild, the State will focus its planning and outreach efforts to ensure that rebuilding is equitable across all neighborhoods, including making provision for all information available about CDBG-MIT funding and programs in both English and Spanish and having appropriate translation, interpretation, and others services for persons with disabilities free of charge and accessible to the public in accordance with all HUD regulations and program guidelines.

Table 31 - Key Demographics, Florence Impacted Counties

County	MID Area	LMI Population	Total Population	% LMI	Minority	Hispanic	LEP	Persons with Disabilities
Anson County	-	12,005	24,295	49.41%	48.6	4.3%	4.9%	12.5%
Beaufort County	-	19,205	47,075	40.80%	25.1%	8.0%	6.1%	13.1%
Bladen County	Yes	16,735	34,105	49.07%	42%	7.5%	3.0%	21.6%
Brunswick County	Yes	47,235	115,025	41.06%	17%	4.7%	2.10%	17.2%
Carteret County	Yes	26,895	67,125	40.07%	11%	4.2%	1.8%	19.9%
Chatham County	-	28,425	66,565	42.70%	12.7%	12.3%	5.8%	10.3%
Columbus County	Yes	24,610	54,415	45.23%	38%	5.0%	2.6%	20.1%
Craven County	Yes	36,490	100,565	36.28%	30%	7.0%	3.6%	17.4%
Cumberland County	Yes	117,930	314,220	37.53%	51%	11.2%	3.2%	14.0%
Duplin County	Yes	29,900	58,775	50.87%	36%	21.3%	12.1%	19.0%
Durham County	-	134,820	275,290	48.97%	37.3%	13.7%	8.9%	7.0%
Greene County	-	9,090	19,235	47.26%	36.8%	15.5%	7.1%	18.1%
Guilford County	-	205,120	490,610	41.81%	35.1%	8.2%	5.7%	7.5%
Harnett County	-	48,490	121,000	40.07%	22.0%	13.0%	3.5%	10.1%
Hoke County	-	20,520	49,850	41.16%	35.3%	13.6%	5.2%	13.4%
Hyde County	-	1,640	5,005	32.77%	29.0%	9.2%	6.9%	6.8%
Johnston County	-	92,715	176,620	52.49%	16.8%	14.0%	5.5%	10.5%
Jones County	Yes	4,565	10,040	45.47%	34%	4.2%	2.4%	23.8%
Lee County	-	23,400	58,375	40.09%	20.1%	19.5%	8.4%	11.6%
Lenoir County	-	27,790	57,525	48.31%	41.5%	7.5%	4.8%	19.1%
Moore County	-	36,635	90,530	40.47%	12.2%	6.8%	2.5%	10.1%
New Hanover County	Yes	94,235	206,370	45.66%	19%	5.3%	2.8%	12.6%
Onslow County	Yes	58,239	170,790	34.10%	26%	11.8%	2.0%	16.9%
Orange County	-	54,145	128,180	42.24%	11.8%	8.6%	6.0%	5.9%
Pamlico County	Yes	4,965	12,350	40.20%	24%	3.6%	.50%	20.8%
Pender County	Yes	22,025	53,820	40.92%	23%	6.4%	3.0%	16.7%
Pitt County	-	75,519	167,660	45.04%	35.7%	6.3%	2.6%	8.9%
Richmond County	-	21,705	44,665	48.60%	32.0%	6.7%	3.4%	13.2%
Robeson County	Yes	70,970	131,455	53.99%	16.6%	8.3%	3.6%	16.6%

County	MID Area	LMI Population	Total Population	% LMI	Minority	Hispanic	LEP	Persons with Disabilities
Sampson County	-	29,415	62,945	46.73%	26.6%	20.4%	9.8%	13.8%
Scotland County	Yes	17,835	33,675	52.96%	55%	2.8%	.40%	19.5%
Union County	-	73,680	211,280	34.87%	12.3%	11.4%	4.9%	6.3%
Wayne County	Yes	52,850	121,450	43.52%	32.3%	12.3%	6.2%	12.2%
Wilson County	-	34,285	80,005	42.85%	40.4%	10.8%	4.7%	11.4%

Note that this table differs from Table 15 - MID Key Demographics and Table 16 - LMI Population in FEMA IA Counties in that it considers the entire impacted area, not just the MID areas, and includes key demographics together for comparison.

6.4.3 LMI Populations

As a result of historic and structural racism, communities of color are disproportionally concentrated in low- and moderate-income (LMI) neighborhoods. In every one of the 16 counties considered most-impacted and distressed (MID) zones for Florence CDBG-DR funds, the mean per capita income of white households is higher than the mean income of African-American households and Latino/Hispanic households, and white mean per capita income is higher than mean Native American household income in all but two counties. White mean per capita income is at least twice as high as the mean per capita income for African Americans in two counties, and at least twice as high as Hispanic/Latino mean per capita income in 11 of the 16 counties. Given these racial disparities in income across the impacted counties, it is particularly important to consider how this action plan affects LMI, very low-income (VLI), and extremely low-income (ELI) communities. Low-income households have fewer resources to prepare for storms – by elevating structures, moving out of flood zones, or strengthening home construction – and fewer resources to dedicate to storm recovery, putting them at still greater risk of continuing damage as repairs are not made. Low-income households may also have less capacity to relocate during disasters. All these factors put these communities at risk for greater damage during Hurricane Florence and will continue to put them at risk in future storms. The ReBuild NC program is explicitly intended to assist the most vulnerable of North Carolina's citizens. These citizens, as HUD and NCORR rightly recognize, face the greatest barriers to long-term recovery.

NCORR is committed to serving the LMI population of the impacted areas of the State. A minimum of 70 percent of all allocated funds must be used to the benefit of low- and moderate-income individuals and households. To the greatest extent possible, VLI and ELI groups will also be served through the Affordable Housing Development Fund.

The affordable housing components of the CDBG-DR allocation remain 100 percent allocated to the benefit of LMI individuals and households. To the extent that it is feasible, all other programs will also be delivered to maximize LMI individual and household benefit.

6.4.4 Affordability Requirements

In 83 FR 40314, HUD clarified affordability requirements for new construction and rehabilitation of units. NCORR will require these affordability requirements for new construction for home ownership, rehabilitation or reconstruction of multi-family rental projects with eight or more units, and new construction of multi-family projects with five or more units.

Table 32 - Affordability Periods

Project Type	Use	Affordability Period
New construction of single-family housing for LMI individuals and households	Ownership	5 years
Rehabilitation or Reconstruction of multi-family projects, 8 or more units	Rental	15 years
New construction of multi-family projects, 5 or more units	Rental	20 years

Rental units subject to these affordability requirements must be rented to LMI individuals and families at affordable rents. NCORR defines affordable rents in the Affordable Housing Development Fund Program description at Part 7.4 below.

Rental units that are rehabilitated or reconstructed with fewer than eight units, and rental units that are newly constructed with fewer than five units are not subject to these affordability requirements, although alternative requirements may be enforced by match funds or as a condition of participation in the Affordable Housing Development Fund. NCORR will require a minimum of a five-year affordability period on units served through the Small Rental Recovery Program, which serves one to four-unit properties. Affordability periods for greater than five years may be established based on project cost, project type, or project scope. Affordability periods do not otherwise apply to rehabilitation or reconstruction of single-family property.

NCORR will ensure that affordability requirements are enforced through deed restriction, covenant, or similar mechanism dependent on the type and scope of the funded project. Recapture terms of granted or loaned funds for projects subject to these affordability requirements will be provided to the applicant to the program prior to construction start. NCORR or a selected subrecipient will be charged with ensuring that resale and recapture provisions for each funded project subject to these requirements are followed during project execution. The recapture provisions will be specific to each funded project, but at a minimum NCORR will:

- Enforce recapture of grant or loan funds if the affordability period is determined to be broken.
- Perform occasional site monitoring or subgrant monitoring responsibilities to subrecipients to ensure compliance.
- Place specific recapture provisions in deed restrictions, covenants, liens, or other mechanisms so that a change of use or ownership may require repayment of funds.

NCORR or its subrecipients will review the facts and circumstances of items triggering recapture, such as a change of ownership or sale, and determine if the deficiency can be cured prior to initiating funds recapture.

6.4.5 Application Status

NCORR is committed to sharing timely and accurate updates on applications to the multiple programs that take applications directly from recovering individuals and families.

For the Homeowner Recovery Program, application centers were opened across the state where applicants submitted applications, provided documentation, saw their case manager, and otherwise met with a program representative. The application start date and end datewere widely publicized to ensure a far-reaching and thorough intake period for potential applicants. Application centers will remain available for program participants as the program responds to their recovery needs.

For buyout, NCORR will publicize the application start date to potential applicants living within the “Buyout Zones”/DRRAs identified by NCORR and accepted by the local municipality. After submitting an application, applicants will be assigned a case manager to see them through the buyout process. This application process is scheduled to begin seamlessly with the identification of buyout zones.

For all direct applicant service programs, applicants can learn more about the status of their application through the following methods:

- 833-ASK-RBNC (833-275-7262).
- Phone call directly to the assigned case manager.
- Direct email to the assigned case manager.

The Resilient Affordable Housing Development Fund, Public Housing Restoration Fund, Infrastructure Recovery Program, will not interface with individual applicants directly. Instead, NCORR will coordinate directly with the selected subrecipients, public housing authorities, or other entities to review applications for funding and provide other updates to projects. Where those programs accept applications, NCORR will review the method to advertise to, screen for, and select applicants prior to program launch.

6.5 Leverage Opportunities

NCORR commits to advancing recovery programs and activities that provide long term benefits and improved resilience to current and future hazards. NCORR also aligns its CDBG-DR programs or projects with other planned federal, state, regional, or local capital improvements, where feasible, including other CDBG-DR and CDBG-MIT grants.

The recovery effort for the State of North Carolina has been assisted through the provision of multiple funding sources. Primarily of interest to the recovery are funds received for FEMA Public Assistance (PA), FEMA Individual Assistance (IA), FEMA Hazard Mitigation Grant Program (HMGP), Small Business Administration (SBA) Disaster Loans, Department of Transportation

(DOT) funds, and U.S. Army Corps of Engineers (USACE) funds.

In January 2020, a list of proposed USACE projects include five "Investigations" across the State, including Carolina Beach, the Lumber River Basin, the Neuse River Basin, the Tar-Pamlico River Basin, and Wrightsville Beach for a total of $15 million.[28] Another three projects are pledged for construction in the State, including a project in Carteret County, levee work in the Town of Princeville, and Surf City and North Topsail Beach, for a total of over $321 million.[29] As these projects mature, an analysis of whether they would be appropriate for leverage of CDBG-DR funds will be performed. Given the limited CDBG-DR funds available to the State, it is difficult to meaningfully interface with the major infrastructure projects that the USACE typically undertakes. Instead, infrastructure recovery programs funded with CDBG-DR will support housing recovery more directly.

NCDOT has shared information on potential future projects to lend context to multiple mitigation approaches, including potential buyout areas and Disaster Risk Reduction Areas (DRRAs). As these projects have not been approved for construction and are in the early planning stages, they do not yet present a leverage opportunity for CDBG-DR programs. As NCDOT projects develop, NCORR will reassess the viability of a leverage opportunity with NCDOT projects.

FEMA PA projects may present a leverage opportunity for CDBG-DR funds. Traditionally, the State of North Carolina has provided the 25 percent match required to fund FEMA PA and FEMA HMGP projects. However, the commitment of additional CDBG-DR funds to FEMA-assisted projects may be beneficial to allow for improved resiliency, mitigation, or increase the long-term useful life of the improved project. NCORR will assess funded FEMA PA and HMGP projects to determine if the use of CDBG-DR funds will provide a benefit to otherwise funded projects.

FEMA IA and SBA Disaster Loan funds received present a leverage opportunity for all housing programming. Where feasible, CDBG-DR funds will be combined with FEMA IA and SBA funds to provide additional funds for recovery activities such as rehabilitation, reconstruction, new

[28] United States Army Corps of Engineers. *FY19 Additional Supplemental Appropriations Disaster Relief Act, 2019.* https://usace.contentdm.oclc.org/digital/collection/p16021coll5/id/35638/rec/32.

[29] United States Army Corps of Engineers. *FY19 Additional Supplemental Appropriations Disaster Relief Act, 2019.* https://usace.contentdm.oclc.org/digital/collection/p16021coll5/id/35637/rec/32.

construction, or buyout. NCORR will have policies and processes in place to ensure that CDBG-DR is not duplicated with other assistance for the same purpose.

For affordable housing projects, NCORR will review applications for funding in the context of other funds available. In its project selection, NCORR will evaluate the complete funding package and assess how other funds are leveraged to the fullest to maximize a return on investment with federal funds. Potential sources of leverage include other federal funds, such as SBA loans, Low Income Housing Tax Credits (LIHTC), private funding, and State or local funds. Favorable leverage opportunities will receive greater prioritization for CDBG-DR funding. NCORR will evaluate proposer capacity as well as the individual projects proposed, and may elect to enter into other subrecipient or partner relationships to execute affordable housing that is advantageous to the program and to the impacted area.

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7.0 Activities

The NCORR philosophy for Hurricane Florence recovery is to continue funding projects which have existing operations and administrative elements in place. NCORR is able to do the most good by limiting programs to those which currently exist in service of the Hurricane Matthew recovery, with some adjustments to account for the expanded area and need specific to Hurricane Florence.

The following section provides a description for each recovery program and provides a general program overview, including award limits, eligibility criteria (both geographic and applicant criteria), prioritization criteria, and projected start and end dates. For all allocations, the focus remains on primarily addressing the housing recovery need. Therefore programs which do not directly fund housing, such as the Infrastructure Recovery Program, must have a documented tie-back to housing recovery.

Recovery needs change over time. As program needs evolve, programs may shift and change to meet the need. Changes to unmet needs which result in a change in program benefit or eligibility criteria, the addition or deletion of an activity, or the allocation or reallocation of $15 million or more will result in a substantial amendment to the Action Plan.

7.1 Planning Activities

Generally, the CDBG-MIT funds are the primary means that NCORR will use to fund planning activities. However, some CDBG-DR funds are necessary for planning activities that more closely relate to recovery rather than mitigation needs. NCORR intends to consider using planning funds based on recommendations proposed by the State Disaster Recovery Task Force's active Recovery Support Function (RSF) groups, opportunities received from coordinating state agencies, such as the DOT, DEQ, and NCEM, and from planning needs identified in the creation and maintenance of the Action Plan.

NCORR has also established significant internal resources to assist in the identification of suitable plans, including the internal Resilience Team and the Policy and Community Development Team. These teams, as well as other internal NCORR staff, have the expertise necessary to identify plans that align with the state's recovery goals.

The Action Plan will not be amended every time a planning activity is pursued. Instead, NCORR will provide details on ongoing planning activities on its website at https://rebuild.nc.gov.

7.2 Homeowner Recovery Program

Homeowner Recovery Program			
Allocation: **$456,674,384**	$ to LMI: **$326,454,397**	$ to MID: **$365,339,508**	CDBG-Eligibility Criteria: **HCDA 105(a)(1), 105(a)(4), 105(a)(5), 105(a)(11), 105(a)(14), 105(a)(23), 105(a)(25)**
% of Total Allocation: **84%**	% to LMI: **71%**	% to MID: **80%**	National Objective: **LMH, UN**

7.2.1 Program Description

The Homeowner Recovery Program (HRP) will aid homeowners who experienced major to severe damage to their homes and have remaining unmet needs, after accounting for assistance received to recover. The program will include rehabilitation, repair, reconstruction, and new construction activities as well as elevation and flood insurance subsidies to eligible homeowners. In consideration of changing construction costs and the availability of labor and materials, NCORR has made the strategic decision to use modular home construction as a viable replacement for reconstruction and certain manufactured home unit (MHU) replacement work. Homeowner Recovery Programs will be administered by NCORR. Available homeowner assistance is listed below.

7.2.2 Homeowner Rehabilitation and Reconstruction

For homeowners who wish to remain in their homes or rebuild on their existing property, the program will provide grants for rehabilitation or reconstruction. Applicants eligible for rehabilitation assistance may reach a level of repair scope, cost, or other situation in which reconstruction, instead of rehabilitation, is more feasible. Building a new stick-built home on a different site is also allowable in certain situations, as set forth in the HRP Policy. The method of determining the construction intent (rehabilitation or reconstruction/new construction) will be outlined in detail in the *ReBuild NC Homeowner Recovery Program Manual* and may change over time.

7.2.3 Manufactured Home Repair or Replacement

Manufactured homes with damages between $1,000 and $5,000 may be eligible for assistance with repairs. Applicants with repairs exceeding $5,000 may be eligible for replacement. Replacing a damaged MHU on a different site is allowable in certain situations, as set forth in the HRP Policy.

New applicants participating in the 2020 application period (and beyond) with a double-wide or larger MHU will be eligible for repairs between $1,000 and $10,000 and replacement of units with damages greater than $10,000.

The Program may reimburse reasonable costs to an eligible applicant that replaces an MHU without using the state-managed procurement of a replacement unit. More details on this alternative process shall be included in a Homeowner Recovery Program Manual revision.

7.2.4 Reimbursement

For new applicants in 2020, homeowners who expended funds that are not duplicated with other assistance received in order to make necessary repairs or purchased a replacement manufactured home may be eligible for a reimbursement grant if these expenses were incurred prior to application for assistance to the program or September 14, 2018, whichever occurred first. Applicants earning more than 80 percent AMI shall no longer need to demonstrate a hardship to the Program.

Homeowners that performed Emergency Repairs after the “stop work” period (from the time of the application until completion of the Tier II environmental review) may still be eligible for assistance following a review of the scope of the repairs. Emergency Repairs are defined at 24 CFR Part 58.34(a)(10) as repairs that ‘do not alter environmental conditions and that are necessary only to arrest the effects from a state or federally declared public disaster or imminent threats to the public safety including those resulting from physical deterioration’.

Homeowners that performed Emergency Repairs during the “stop work” period will be asked to submit documentation demonstrating that the repairs performed comply with 24 CFR Part 58.34(a)(10). Homeowner-provided documentation will be reviewed to determine eligibility to participate in the program. Participating homeowners must certify that their repairs meet the definition of Emergency Repairs before receiving reimbursement funding.

Reimbursement only awards may be offered to eligible homeowners that wish to be reimbursed for work performed and not proceed with program-managed rehabilitation, if the remaining rehabilitation scope is modest and the homeowner is satisfied with a reimbursement only award. The method for calculating this award type is noted in each project file that accepts this alternative award.

7.2.5 Elevation Assistance

In addition to assistance for rehabilitation, reconstruction, and MHU replacement, homeowners may receive elevation assistance to ensure that their homes are elevated. Elevation assistance is provided in addition to the rehabilitation and reconstruction award limits. The elevation assistance maximum for rehabilitation awards is a $/SF cap based on the conditions of the project and limited to the actual cost of elevation. Applicants that meet the criteria to be elevated (defined below) are offered resilient reconstruction as an alternative to the rehabilitation and elevation scope of work. After a review of the average cost of elevation (including elevation design, engineering, and other “soft costs” of elevation), the average cost of repair, and a comparison to the cost of a comparable reconstruction, NCORR has determined that elevation is not a suitable alternative to reconstruction. This determination is based on the cost of elevation compared to a safer, more resilient, and mitigated reconstruction project.

NCORR has accordingly adjusted the elevation program to be supplemental to the reconstruction program and is not offered as a part of the rehabilitation scope. Applicants may appeal to have their property elevated as a part of a rehabilitation rather than reconstructed. In some instances, reconstruction will not be allowable (such as with SHPO requirements), and elevation may need to be pursued instead. NCORR will make determinations on these instances on a case-by-case basis.

Mandatory Elevation

- Properties located within the 100-year floodplain that meet the FEMA definition of substantially damaged, will be substantially improved, or meet the Program reconstruction threshold and not yet elevated 2 ft. above base flood elevation (BFE) or 2 ft. above an interior high-water mark.
  - Properties located within a Disaster Risk Reduction Area (DRRA) as formally adopted by NCORR, within or outside of the 100-year floodplain must also meet this requirement. DRRA adoption is effective as of the date that the DRRA was finalized by NCORR and approved by NCORR Senior Staff. Applicants who completed construction prior to the effective date of the DRRA, or applicants who are undergoing CDBG-DR funded construction (i.e. the contractor has been issued a notice to proceed) for rehabilitation, reconstruction, or MHU replacement prior to the date of DRRA adoption are not retroactively affected by the DRRA adoption.
  - Properties that are required to be elevated by local ordinance or by the local code enforcement officials within and outside of the 100-year floodplain.

At a minimum, homes will be elevated to two feet above the BFE as required by HUD or at least 2 ft. above the interior documented water marks as measured by the assessor, whichever documented water level is highest and reasonable. Local requirements for elevations more than two feet above BFE and the HUD requirement prevail, where required. For MHUs, if the Program elevation standard makes it infeasible to elevate, the HUD elevation requirement prevails. The Program is unable to elevate structures that are situated on leased land unless the permission of the land owner is secured.

Optional Elevation

- Properties outside of the 100-year floodplain that:
  - Sustained at least six inches of interior water damage during Hurricane Matthew or Hurricane Florence and/or sustained water damages from both Hurricanes Matthew and Florence due to flooding and not roof or other “horizontal” water penetration; and
  - Are considered to be “substantially damaged” or will be “substantially improved” by the Program, as determined by program policies or the local jurisdiction or meet the Program’s “not suitable for rehabilitation” threshold.

Applicants who qualify for an optional elevation will be provided the option to reconstruct. Applicants who do not wish to reconstruct must forgo the optional elevation component of their scope of work. Applicants outside of an area with a designated Base Flood Elevation (BFE) that request optional elevation will be required to elevate their home above the height of interior documented water marks. For MHUs, if the program elevation standard makes it infeasible to elevate, the local requirement prevails. Otherwise, if a local requirement is not available, the program may opt to forego the optional elevation. . The Program is unable to elevate structures that are situated on leased land unless the permission of the land owner is secured. If permission cannot be secured, the applicant must forgo the optional elevation.

7.2.6 Flood Insurance Assistance

LMI homeowners whose damaged home is located in the 100-year floodplain may be eligible for payment of their flood insurance premiums for up to $2,000 and a maximum of two years.

7.2.7 Subsidized Forgivable Loan

In cases where a DOB analysis is performed and the Program identifies that there would be a duplication for a household whose damaged home still requires recovery assistance, the Program may provide a CDBG-DR subsidized forgivable loan up to duplication amount not to exceed $50,000. If the household demonstrates a hardship or the facts and circumstances of their recovery warrant a loan greater than $50,000, the Program may extend an offer to loan more. The rationale for loans more than $50,000 will be documented in NCORR's system of record.

Additional details on subsidized loan, payment rates, forgiveness or cancellation terms, repayment schedule, monitoring requirements, acceleration schedule, and other loans terms will be found in the loan documents and Program manual or procedures.

7.2.8 Application Process

North Carolina citizens who were directly impacted by the disaster who are located in an eligible county could apply to the Homeowner Recovery Programs through one application into the program at any of the ReBuild NC Centers as listed on the ReBuild NC website until applications for assistance were closed on April 21, 2023. Additional avenues are available for remote applications during the COVID-19 pandemic. The application allows applicants to list their housing recovery needs in more than one eligible category of assistance listed above.

7.2.9 Allocation for Homeowner Recovery Activities

$456,674,384

7.2.10 Maximum Award

Homeowner Rehabilitation: up to $20,000 per home. This cap has been adjusted to prioritize resilient reconstruction rather than rehabilitation of damaged property. Projects that were offered an award under the previous threshold ($70,000) will have that award type honored and will not need to agree to a new award, unless that award has been determined to be infeasible based on a review of the conditions on site. In those instances, a reconstruction may be required.

- Additional assistance is available for structural elevation, consistent with the elevation assistance cost calculation found in the Elevation SOP, based on actual elevation costs.
- Costs necessary to perform lead abatement and/or asbestos remediation are in addition to the program cap. Reasonable and necessary costs for lead abatement and asbestos remediation will be paid as needed separate from the program cap of $20,000.
- Unforeseen circumstances identified by a construction contractor, engineer, or architect may result in change orders which exceed the $20,000 cap. Change orders will be reviewed to ensure that costs are necessary and reasonable. Change orders that increase the costs of the rehabilitation above the $20,000 cap may be allowable based on a review of the facts and circumstances of each change order proposed.

The minimum amount of rehabilitation assistance needed to participate is $1,000.

LMI applicants located in the 100-year floodplain may also receive up to $2,000 in Flood Insurance Assistance.

Homeowner Reconstruction: The Program will provide awards necessary to completely reconstruct the damaged property, and in some circumstances, build the property on a new site, including demolition and removal of the original structure. The specific award amount is capped based on the size of the applicant's selected floorplan. Additional funds may be provided above the award cap to address site-specific accessibility needs (i.e. ramps and lifts), environmental issues, resiliency/mitigation measures, elevation requirements, and municipal ordinances, as needed.

Reimbursement: up to $70,000 to reimburse homeowners for non-duplicative expenses to repair their homes following the disaster prior to applying to the Homeowner Recovery Program. The reimbursement of expenses will be paid to homeowners who have completed disaster related repairs verified by inspections and program staff subject to environmental review. The conditions for exceeding the program cap specified in the 'Maximum Award' section of the Homeowner Rehabilitation Program are also in effect for the Reimbursement Program. Costs are only reimbursable if expended after Hurricane Matthew and prior to application for CDBG-DR assistance or September 14, 2018, whichever occurred first.

Mobile/Manufactured Home Repair: Up to $5,000 per applicant for homes with damages totaling between $1,000 and $5,000. For new applicants in 2020, double-wide and larger MHUs may be repaired when damaged between $1,000 and $10,000.

Manufactured Home Replacement: The Program will provide awards necessary to replace the damaged MHU, including demolition and removal of the original structure. MHUs may be replaced on a different site in certain situations. ADA compliant units are available for applicants that require those accommodations. Awards cover the cost of the unit as well as delivery, installation, and setup of the selected unit. Environmental remediation and accessibility features such as ramps or lifts are included in the award cost. An additional allowance is available for structural elevation.

Temporary Relocation Assistance (TRA): NCORR has adopted an Optional Relocation Policy to provide households with incomes less than or equal to 120 percent of Area Median Income (AMI) with temporary relocation assistance while they are unable to occupy their home during construction activities. Households earning greater than 120 percent AMI may qualify for TRA through a hardship exception. The Program will pay reasonable costs based on rate schedules developed by NCORR. This benefit is in addition to program caps for construction assistance.

Uniform Relocation Act (URA) policies and notification requirements will be followed to assist any tenants who are temporarily or permanently displaced due to program activities.

Table 19 - Homeowner Recovery Program Maximum Award Amounts

Program	Maximum Awards and Clarifications
Rehabilitation	Up to $20,000 per home. Does not include costs for lead abatement, asbestos remediation, accessibility costs (including disability accessible ramps or lifts), and unforeseen conditions necessitating an approved, reasonable change order.
Reimbursement	The Program cap for reimbursement is the same as the activity being reimbursed. For example, a rehabilitation reimbursement is capped at $70,000 per home.
Reconstruction	The Program will provide awards necessary to completely reconstruct the damaged property, including demolition and removal of the original structure. The specific award amount is capped based on the size of the applicant's selected floorplan. Additional funds may be provided above the award cap to address site-specific accessibility needs (i.e. ramps and lifts), environmental issues, resiliency/mitigation measures, elevation requirements, and municipal ordinances, as needed.
MHU Repair	Up to $5,000 for single-wide units and up to $10,000 for double wide units.
MHU Replacement	The Program will provide awards necessary to replace the damaged MHU, including demolition and removal of the original structure. ADA compliant units are available for applicants that require those accommodations. Awards cover the cost of the unit as well as delivery, installation, and setup of the selected unit. Environmental remediation and accessibility features such as ramps or lifts are included in the award cost. An additional allowance is available for structural elevation.

Elevation Assistance	The Program will provide grant funds in order to elevate structures to comply with program or local elevation requirements, whichever standard is greater. Elevation costs are separate from other program award caps. Costs associated with structural elevation are determined based on the activity. Eligible elevation costs are included in the HRP Policy Manual.
Temporary Relocation Assistance (TRA)	The Program will pay reasonable costs based on rate schedules developed by NCORR to cover the amount of time an applicant must be temporarily relocated out of the unit while it is repaired, replaced, or reconstructed.
Flood Insurance Assistance	Up to $2,000, and a maximum of two years of assistance.
Subsidized Forgivable Loan	Up to duplication found in the DOB analysis and not to exceed $50,000 unless hardship or the facts and circumstances of the household's recovery warrant a greater amount. The rationale for the greater amount will be documented in NCORR's system of record.

7.2.11 National Objective

LMI, Urgent Need.

7.2.12 Eligible Activities

105 (a) (1) (3) (4) (5) (6) (7) (8) (9) (10) (11) (13) (14) (15) (16) (18) (20) (23) (24) (25) Rehabilitation; Reconstruction, Acquisition; New Residential Construction; Relocation, Demolition and Clearance, Non-Federal Match, and Homeowner Assistance.

7.2.13 Geographic Eligibility

Homes must be located in one of the disaster-declared counties eligible to receive HUD funds.

7.2.14 Priorities

LMI households will be prioritized for assistance.

7.2.15 Eligible Applicants

All owner-occupants whose primary residence was directly or indirectly impacted by Hurricane Matthew are eligible for Homeowner Rehabilitation, Homeowner Reconstruction, Manufactured Home Repair, and Manufactured Home Replacement. Owner-occupants are eligible for the track of the Homeowner Recovery Program which best suits their recovery needs. In accordance with HUD guidance that CDBG-DR funds may rehabilitate units not damaged by the disaster if the activity clearly addresses a disaster related impact and is located in a disaster-affected area (81 FR 83259 and 83 FR 5851), HRP will now assist properties in need of rehabilitation, reconstruction, or replacement in the most impacted and distressed (MID) areas regardless of the direct storm impact, as lingering challenges in suitable housing continue to stress housing availability in the MID areas. This MID designation includes the State-identified MID areas.

For new applicants to recovery programs beginning in 2020 and beyond, the maximum income for participating individuals and families is 150 percent area median income (AMI). HUD releases AMI updates periodically. AMI information is available at https://www.huduser.gov/portal/datasets/il.html#2020_data. Individuals and families earning greater than 150 percent AMI with a demonstrable hardship as defined in program policies are eligible. Some program tracks within the Homeowner Recovery Program require less than 150 percent AMI. Those alternative requirements are specified in their respective sections of the Action Plan.

7.2.16 . Program Start Date

Q1 2020

7.2.17 Projected End Date

Q2 2026

7.3 Strategic Buyout Program

Homeowners who do not wish to remain at their damaged address may be eligible for participation in the Strategic Buyout Program. The Strategic Buyout Program will be funded through the CDBG-MIT grant. Aligning the Strategic Buyout Program under a single funding source with a single set of rules and requirements simplifies the implementation of this program and better supports the mission of CDBG-MIT as a grant focused on long-term mitigation and resiliency. Future amendments to the Florence CDBG-DR Action Plan will not include this activity.

Individuals interested in the Strategic Buyout Program are encouraged to visit https://rebuild.nc.gov/mitigation to learn more. Further information on the Strategic Buyout Program is also included in the CDBG-MIT Action Plan, found at https://rebuild.nc.gov/action-plans.

7.4 Affordable Housing Development Fund

Affordable Housing Development Fund			
Allocation: **$54,337,416**	$ to LMI: **$54,337,416**	$ to MID: **$54,337,416**	CDBG-Eligibility Criteria: **HCDA 105(a)(1), 105(a)(2), 105(a)(4), 105(a)(5), 105(a)(9), 105(a)(11), 105(a)(12), 105(a)(14), 105(a)(15), 105(a)(19), 105(a)(20), 105(a)(23), 105(a)(24), 105(a)(25)**
% of Total Allocation: **10%**	% to LMI: **100%**	% to MID: **100%**	National Objective: **LMH**

7.4.1 Program Description

The Affordable Housing Development Fund program was added to NCORR's CDBG-MIT program in SAPA 6 of that action plan. The allocation for the program under the Florence CDBG-DR program was correspondingly decreased in SAPA 6 of this action plan. The shift in funding sources will facilitate coordination between the Affordable Housing Development Fund and the Strategic Buyout Program, currently funded through CDBG-MIT. The reallocation is part of NCORR's long-term strategy to mitigate damage to North Carolina's most vulnerable communities caused by future hazards, and to develop a resilient, affordable housing stock in North Carolina's most vulnerable areas. Further information can be found in the Mitigation action plan at rebuild.nc.gov/about/plans-policies-reports/action-plans.

In early versions of this action plan, NCORR has focused on the Multi-Family Rental Housing Program to assist impacted renters recovering from Hurricane Matthew**.** These programs are beneficial to renters, but may not be best suited to meet the renter recovery need of such a vast geography which spans urban, suburban, and rural communities representing vastly different demographics. Compared to the Small Rental Recovery Program and the previously implemented Multi-Family Rental Housing Program, the Affordable Housing Development Program seeks to create new housing stock in a way that is more responsive to the needs of the recovering community. In some instances, this will be "traditional" multi-family rental units. In other instances, it may be clustered or site-by-site newly created small rental units or for-sale units. The program will primarily consider new construction but may consider rehabilitation of existing units.

Similar to the use of Hurricane Matthew CDBG-DR funds, NCORR may fund projects that have been identified for funding through the Qualified Allocation Plan (QAP) process. NCORR may fund projects that are proposed in the MID areas of the state through this process.

Separately, NCORR may solicit projects from qualified property management organizations, public, private, or non-profit organizations (which may include Units of Local Government

(UGLGs)), and Community Development Housing Organizations (CHDOs)/Community Based Development Organizations (CBDOs) to determine the best fit for affordable housing, responsive to the needs for impacted communities. Upon evaluation of proposals, NCORR may subgrant funds using the SRA model or enter into a contract agreement to execute projects, based on the nature of the proposer and the proposal. The QAP process described above will not necessarily follow the selection criteria and prioritization criteria defined in the subsections below.

The definition NCORR uses for affordable rent is the same as the HOME Investment Partnership Program definition. These rental limits are updated periodically and are calculated by metro area or county. The affordable rent limits methodology is available at https://www.huduser.gov/portal/datasets/HOME-Rent-limits.html and specific affordable rent limits are updated annually. Units created or rehabilitated using CDBG-DR funds for rent must not exceed these rent limits, based on the geographic location and bedroom size of the unit. However, at times NCORR provides match funds for projects or coordinates with developers, partners, or property managers that define affordable rent differently. NCORR may elect to adopt an alternate definition of affordable rent when an alternate rent limit is proposed, in lieu of the definition of above. In those instances NCORR will document that decision in the project file.

Assistance to facilitate new construction, rehabilitation, or reconstruction of the affordable housing stock, such as rental or homeownership units, will be provided in the form of loans, unless a compelling reason is presented in the application for an alternative funding arrangement (such as a grant). The loan terms and conditions are dependent on the nature of the project and level of risk, as evaluated by the NCORR appointed selection committee or NCORR designated approver.

7.4.2 Maximum Award

The maximum award of CDBG-DR funds to affordable housing is based on actual need, not to exceed $10 million in CDBG-DR funding. As project costs are reviewed, the $10 million cap may be exceeded if a compelling and significant benefit to resiliency or the local affordable housing stock is realized through project execution. When the cap is exceeded, NCORR will document such exceptions and the rationale behind the decision-making process.

7.4.3 Geographic Eligibility

NCORR will evaluate proposals and favor those proposals which are located within MID areas of the State for both Hurricane Matthew and Hurricane Florence. New construction and rehabilitation must occur outside of the 100-year floodplain, or where floodplain designation is peripheral and distinct from the location of any planned development activity for the project.

7.4.4 Priorities

Prioritization of projects will be based on the highest scoring proposals. Proposal selection criteria may include:

- Site location and suitability;
- Proposer capacity;
- Affordability structures, with a preference for projects with units set aside to serve Extremely Low Income and Very Low Income populations;
- Proposals with units and amenities set aside for those with disabilities or for special needs populations;
- The total development cost versus the CDBG-DR share of that cost;
- Proposal feasibility;
- Proposed development's Readiness to Proceed;
- Coordination with resiliency and disaster recovery planning and/or design; and
- Proposals or solutions which present innovative and leveraged approaches to the affordable housing problem after disaster.

Specific prioritization for the selection of projects will be published prior to the launch of applications.

7.4.5 Eligible Applicants

Qualified UGLGs, property management organizations, public, private, or non-profit organizations, and Community Development Housing Organizations (CHDOs)/Community Based Development Organizations (CBDOs) may be eligible to apply for affordable housing development funds.

Specific applicant eligibility requirements will be published prior to the launch of applications and will be outlined in program manuals as additional funding is made available.

7.4.6 Projected Start and End Date

NCORR will open an application period for projects after receipt of the grant agreement from HUD. The application period is expected to begin in Q4 2020.

- Start Date: Q4 2020
- End Date: Q2 2026

7.5 Homeownership Assistance Program

The Homeownership Assistance Program provides downpayment assistance to households earning less than 120 percent of area median income. After SAPA 6, The Homeownership Assistance Program will be funded through the CDBG-MIT grant due to the need to coordinate closely with the Strategic Buyout and Affordable Housing Development programs and to better align the program with NCORR's long-term mitigation and resilience goals. Future amendments to the Florence CDBG-DR Action Plan will not include this activity.

Further information on the Homeowner Assistance Program can be found in the Mitigation action plan at rebuild.nc.gov/about/plans-policies-reports/action-plans

7.6 Housing Counseling Fund

Housing Counseling is intended to provide independent, expert advice customized to the need of the beneficiary of service from this program to address that beneficiary's housing barriers and to help achieve their housing goals. Housing counseling includes intake, financial and housing affordability analysis, the development of an action plan for the beneficiary, and follow-up. After SAPA 6, Housing Counseling will be funded through the CDBG-MIT grant in order to coordinate efforts with that grant's Affordable Housing Development and Homeownership Assistance programs and to better align with NCORR's long-term mitigation and resilience goals. Future amendments to the Florence CDBG-DR Action Plan will not include this activity.

Further information on Housing Counseling can be found in the Mitigation action plan at rebuild.nc.gov/about/plans-policies-reports/action-plans.

7.7 Small Rental Recovery Program

The Small Rental Recovery Program (SRRP) has been reallocated to focus the Hurricane Florence CDBG-DR grant on Homeowner Recovery and affordable housing development to meet the renter need. NCORR is simultaneously amending the Hurricane Matthew CDBG-DR Action Plan to reflect an increase in affordable housing programming. There are several reasons for this adjustment.

First, NCORR has had success leveraging housing partners to meet the rental need, such as the North Carolina Housing Finance Agency (NCHFA). A combination of Hurricane Matthew and Hurricane Florence CDBG-DR funded commitments to NCHFA has resulted in the creation of 1,000 affordable housing units. Leveraging success in existing programs is likely to result in a better outcome than continuing development on a program that is not yet ready for launch.

Additionally, NCORR has begun development on several approaches to affordable housing intended to address the renter need in other, more innovative ways. Planning studies are underway with the University of North Carolina School of Government's Development Finance Initiative (DFI) to identify the best approach for addressing affordable housing in the most impacted and distressed areas of the state.

NCORR remains committed to addressing the rental housing recovery need. Other approaches underway appear to be the most effective way of meeting that need.

7.8 Public Housing Restoration Fund

Previous Action Plans outlined that the Public Housing Restoration Fund will be administered by NCORR. Funds from the Program can be used to rehabilitate and/or repair Public Housing Authority (PHA) properties that were damaged from Hurricane Florence. Funds are to be used to address unmet recovery needs after accounting for insurance and other Federal disaster funding, or to make facilities more resilient from future storm events. This includes relocating PHA units out of the floodplain to help protect against future flood losses.

The $16.3 million previously allocated to the Public Housing Restoration Fund have been reallocated to the CDBG-MIT Action Plan. The reallocation further strengthens the ongoing recovery efforts of the Homeowner Recovery Program and Affordable Housing Development fund. The reallocation is also in consideration of a realignment of longer-term resilience and mitigation activities, such as those in the Public Housing Restoration Fund, with the objectives of the CDBG-MIT funds. Refer to the State’s Mitigation Action Plan for more details on these activities.

7.9 Infrastructure Recovery Program

Previously, the Infrastructure Recovery Program refocused on infrastructure repair and new infrastructure development as a tie-back to the housing recovery need. Funds may be used to restore, repair, rebuild, or add resiliency to public assets that were impacted by Hurricane Florence, where those impacts have disrupted housing recovery or impede new housing development.

After a review of the housing programs available, and the increased demand for Homeowner Recovery Program activity, the CDBG-DR Florence Infrastructure Recovery Program has had its allocation removed from this Action Plan. Necessary infrastructure to support housing may be included as a part of a scope of work for affordable housing projects funded by the Affordable Housing Development Fund. NCORR may reevaluate the need and resources available for infrastructure recovery at a later date.

7.10 Construction Trades Training Program

The Construction Trades Training Program has been reallocated to focus on the Hurricane Florence CDBG-DR recovery on the Homeowner Recovery Program and affordable housing development.

With the impacts of the COVID-19 pandemic on an uncertain job market, it is unclear whether the Construction Trades Training Program would have the necessary supporting effect on the state's recovery. Additionally, the need for construction trades is partially met by the efforts of other state organizations, such as the North Carolina Department of Transportation (DOT).

7.11 Code Enforcement and Compliance Support Program

The CDBG-DR funding previously allocated to the Code Enforcement and Compliance Support Program (CECSP) has been reallocated to the CDBG-MIT Action Plan. With the aftermath of the COVID-19 pandemic and the resulting supply and labor market disruptions in MID areas, NCORR will continue to support and augment local code enforcement services where recovery and mitigation construction work is being planned and completed in disaster-impacted areas. Additionally, this reallocation is in consideration of a realignment of longer-term resilience and mitigation activities with the objectives of the CDBG-MIT funds, including work done with local communities to better understand, deploy, and address building code challenges. Refer to the State's Mitigation Action Plan for more details on these activities.

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8.0 Amendments to the Action Plan

NCORR identifies the following criteria which constitute a substantial amendment:

- A change in program benefit or eligibility criteria.
- The addition or deletion of an activity.
- An allocation or reallocation of $15 million or more.

Substantial Action Plan amendments will be provided for public comment for no less than 30 days, and can be found online at https://www.rebuild.nc.gov/action-plans. NCORR will notify HUD, but is not required to seek public comment, when it makes a plan amendment that is not substantial. HUD must be notified at least five business days before the amendment becomes effective. However, every amendment to the action plan (substantial and non-substantial) will be numbered sequentially and posted on the ReBuild NC website above.

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9.0 Schedule of Expenditures and Outcomes

NCORR maintains a schedule of expenditures and outcomes, periodically updated in accordance with its mandatory reporting to HUD. The schedule of expenditures and outcomes is located at https://www.rebuild.nc.gov/reporting-and-compliance/reporting.

In accordance with the Notice, all funds will be expended within six years of HUD's initial grant agreement.

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10.0 Community Participation and Public Comment

NCORR values the input of its many impacted citizens and the decision makers and stakeholders that represent the vulnerable communities impacted by Hurricane Florence. To meet the public participation requirements of the Notice, NCORR commits to the following process for citizen complaints, appeals, and the public notice period.

NCORR followed its Citizen Participation Plan specific to CDBG-DR funds, available at https://www.rebuild.nc.gov/reporting-and-compliance/action-plans.

10.1 Encouragement of Citizen Participation and Outreach

NCORR will invite and encourage citizen participation in the Action Plan and associated amendments process with a focus on outreach to low- and moderate-income persons, racial/ethnic minorities, persons with disabilities, and persons with Limited English Proficiency.

The State will advertise opportunities for comment on the Action Plan through various state and local resources, including the engagement of recovery partners such as the Recovery Support Function Groups, tribal communities, public housing authorities, church and faith-based organizations, professional organizations, other known constituency groups, and citizens who have requested notification. Additionally, the State will advertise through:

- Neighborhood associations and groups, community-based organizations, agencies, and churches providing services to or advocating for low- and moderate-income persons, racial/ethnic minorities, persons with disabilities, and persons with Limited English Proficiency; and
- Media sources that have direct contact with low- and moderate-income persons, culturally diverse persons, racial/ethnic minorities, persons with disabilities, and persons with Limited English Proficiency.

NCORR is committed to ensuring that all populations impacted by the storm are aware of and have equal access to information about the programs to assist in the recovery from Hurricane Florence. Through in person meetings, outreach events, online and traditional media, the State has publicized existing programs and will publicize changes to such programs, and conducted outreach efforts throughout the storm impacted areas. In addition, the Governor’s Office has engaged a grass-roots community driven process that engages the public as a key stakeholder in the planning and rebuilding process.

NCORR sought feedback from other local and regional planning partners and stakeholders. The contributing entities include:

- Legal Aid of North Carolina;
- The North Carolina Justice Center;
- Disability Rights North Carolina;
- American Rivers;
- The Conservation Trust for North Carolina;
- The Natural Resources Defense Council;
- The North Carolina Conservation Network;
- The North Carolina Coastal Federation;
- The North Carolina Housing Coalition;
- The North Carolina Coalition to End Homelessness; and
- The North Carolina Housing Resource Center.

10.2 Individuals with Limited English Proficiency (LEP)

Based on LEP data within the impacted areas collected by the State, both the instructions for commenting on, and access to, the Action Plan will be translated into Spanish. The State will translate and consider comments submitted in any other language within the public comment period timeframe.

NCORR provides both oral interpretation and written translation services to persons at no cost and these services are available upon request. Meaningful and equal access to federally funded programs and activities is required by Title VI of the Civil Rights Act of 1964.

10.3 Persons with Disabilities

As noted above, hard copies of Action Plans will be available in large print format (18pt font size) at ReBuild NC Centers. A list of ReBuild NC Centers is available online at https://rebuild.nc.gov. The online materials will also be accessible for the visually impaired. NCORR will ensure that all print, verbal, or electronic communications with the public regarding distribution of CDBG-DR funding and actionable information are simultaneously communicated to persons with disabilities and others with access and functional needs via qualified channels (i.e. ASL interpreters, open captions, Braille, large, high contrast print, formats accessible to screen readers, podcasts etc.) in an equitable, timely, and efficient manner. Information will be presented in an understandable manner, using plain language and identifying whom to contact for clarification or additional information. For more information on how people with disabilities can access and comment on the Action Plan, dial (800) 735-2962.

10.4 Response to Citizen Complaints and Appeals

NCORR shall provide a written response to every complaint relative to CDBG-DR within fifteen (15) working days of receipt. The state will execute its Appeals Process in response to appeals received and will require subrecipients to adopt a similar process. The process will be tiered whereby applicants will be able to appeal a decision and receive further review from another level.

All subrecipients will be required to develop an appeals and complaint procedure to handle all complaints or appeals from individuals who have applied for or have an interest in CDBG-DR funding. A written appeal may be filed when dissatisfied with program policies, eligibility, level of service or other issue by including the individual facts and circumstances as well as supporting documentation to justify the appeal.

Generally, the appeal should be filed with the administrating entity. The appeal will be reviewed by the administrating entity with notification to NCORR for the purpose of securing technical assistance. If the appeal is denied or the applicant is dissatisfied with the decision, an appeal can be made to NCORR directly. If NCORR denies the appeal, the final step in the internal appeals process is to appeal to the Secretary of the Department of Public Safety.

In programs that serve individual applicants, applicants may appeal their award determinations or denials that are contingent on program policies. However, it should be noted that NCORR does not have the authority to grant an appeal of a statutory or HUD-specified CDBG-DR requirement.

10.5 Public Notice, Comment Period, and Website

A comment period of at least thirty (30) days, as required by HUD, shall be provided for citizens, affected local governments, and other interested parties to comment on the initial draft and subsequent substantial amendments to the Action Plan.

In accordance with CDBG-DR requirements, NCORR has developed and will maintain a comprehensive website regarding all disaster recovery activities assisted with these funds. NCORR will post all Action Plans and amendments on the NCORR's CDBG-DR website at http://www.rebuild.nc.gov/action-plans.

The website includes:

- The Action Plan and all amendments.
- The current approved Disaster Recovery Grant Reporting System (DRGR) Action Plan.
- Citizen participation requirements.
- Procurement policies and procedures. NCORR will follow all guidelines contained within the North Carolina Procurement Manual. Note that per 2 CFR § 200.317, Subrecipients

utilizing Program funds must follow all procurement guidelines contained in 2 CFR §§ 200.318-327.

- Current procurements for goods and services.
- Current contract agreements.
- A summary of all procurements.

The website gives citizens an opportunity to read the plan and to submit comments. This website is featured prominently on, and is easily navigable from, NCORR's homepage. Paper copies of the Action Plan Amendment will be available in both English (including large, 18pt type) and Spanish as needed at ReBuild NC Centers. Center locations are found at the ReBuild NC website at https://www.rebuild.nc.gov.

After the conclusion of the required comment period, all comments are reviewed and the State provides responses to the comments. The State's consideration on all public comments can be reviewed in Appendix A of the final Action Plan.

10.5.1 Contact Information

Interested parties may make comments or request information regarding the Action Plan by mail, telephone, facsimile transmission, or email to NCORR.

Comments and complaints may be submitted as follows:

- Written comments may be mailed to:
  North Carolina Office of Recovery and Resiliency (NCORR)
  PO Box 110465
  Durham, NC 27709
- Email comments: publiccomments@rebuild.nc.gov
  Please include "CDBG-DR Florence" in the subject line
- By telephone for those hearing impaired: (984) 833-5350, TDD (800) 735-2962
- By Fax transmission: (919) 405-7392

NCORR will post this and all Action Plans and amendments on the State's CDBG-DR website at https://www.rebuild.nc.gov/action-plans to give citizens an opportunity to read the plan and to submit comment(s).

At the conclusion of the public comment period, all comments will be reviewed and the State will provide responses to the comments. Following submittal by NCORR of the Action Plan to HUD, HUD has a review period to consider and approve the Action Plan.

The initial Action Plan was submitted to HUD on March 13, 2020. HUD's review period concluded on April 27, 2020.

Appendix A: Response to Public Comments

Responses to the public comments received during the public comment period for Substantial Action Plan Amendment 6 will be published in this appendix. In some instances, public comments are shortened to focus on the specific elements of the comment as they pertain to the Action Plan. Personal details or private information will be removed from public comments where necessary to protect the identity of the commenter. Lastly, public comments that relate to the Hurricane Matthew Action Plan and Hurricane Florence Action Plan are included in both documents.

Comments specific to the status of an individual's CDBG-DR application for assistance are referred internally for additional review and may not be reflected in this appendix.

Appendix B: Methodology & Assumptions for Estimating Housing Unmet Need

Section B1: Determining Total Housing Unmet Need – Owner-Occupied and Rental Housing

Data Source	Methodology & Assumptions Estimated Total Loss (Need)	Methodology & Assumptions Estimated Resources Available/Received
NCORR Hurricane Florence Homeowner Recovery Program Damage Assessments as of 11/2/2022	**Based on estimated construction intent from approved Homeowner Recovery Program Damage Inspections:**	**N/A**
	For Mobile Home Replacement or Single-Family Reconstruction an average estimation of replacement or reconstruction costs	N/A
	For Rehabilition/Reimbursment the sum of verified completed repair costs and verified estimate of remaining repair costs	N/A
Hurricane Florence SBA Home Loans as of 10/21/2022	**Based on verified damage amounts**	**Based on current amounts for non-canceled loans**
	Sum of verified damage amounts excluding contents, debris removal and landscaping	Sum of current amounts excluding contents, debris removal, landscaping and refinance
Hurricane Florence FEMA IA as of 11/20/2019	**Based on Real Property (RP) Verified Loss for Owners**	**Based on FEMA IA Repair/Replace assistance received for Owners**
	Multiplied by 5.6 based on State Determined Multiplier (see Analysis Comparing FEMA Verified Loss and SBA Verified Damage below)	No other assumptions
	Based on Personal Property (PP) Verified Loss for Renters	**Based on Renter Income reported to FEMA for Renters**
	Multiplied by 7.6 based on State Determined Multiplier (see Analysis Comparing FEMA Verified Loss and SBA Verified Damage below)	Renters with income $20,000 and below likely have landlords without insurance to cover estimated total loss ($0.00 for assistance available/received)

Data Source	Methodology & Assumptions Estimated Total Loss (Need)	Methodology & Assumptions Estimated Resources Available/Received
Hurricane Florence NFIP as of 4/5/2020	**Based on NFIP Building Payment Amount**	**Based on NFIP Building Payment Amount**
	Increased by 20% under assumption NFIP Building Payment Amounts cover 80% of total building loss	No other assumptions
Hurricane Florence NC Step as of 8/31/2019	**Based on Estimated Scope of Work cost**	**Based on Final Scope of Work cost**
	No other assumptions	No other assumptions

Duplicate property addresses that applied for multiple sources of assistance across the various data sets were identified and only the highest estimated property loss was used when aggregating the Estimated Total Loss (Need).

Section B2: Analysis Comparing FEMA Verified Loss and SBA Verified Damage

Because FEMA's initial inspections arriving at verified loss historically underestimate total damage and typically only estimate costs to make the home habitable, FEMA's verified loss amounts were adjusted upwards based on a State Determined Multiplier. The State Determined Multiplier was calculated based on comparing the FEMA Verified Loss for owners and renters to the SBA Verified Damage amount using the most recent FEMA and SBA data for both Hurricane Matthew and Hurricane Florence. The FEMA and SBA data sets were matched based on the FEMA Registration ID, and only includes owners and renters with loss amounts calculated by both FEMA and SBA.

The State's analysis shows that for owners the SBA Verified Damage Amount in total is 5.6 times higher than FEMA's Verified Loss, and for renters the SBA Verified Damage Amount in total is 7.6 times higher than FEMA's Verified Loss:

Owners versus Renters	Total Applicants Analyzed	FEMA Verified Loss (FVL)	SBA Verified Damage Amount	Percent Difference	State Determined Multiplier Applied to FEMA Verified Loss (FVL)
Owners	10,403	$64,189,984	$427,199,692	566%	**5.6**
Renters	1,034	$2,664,706	$23,012,782	764%	**7.6**

Section B3: Determining Serious Housing Unmet Need: Owner-Occupied and Rental Housing

To analyze Serious Housing Unmet Need, the State used the Estimated Total Loss (Need) calculated from the data sets, methodology and assumptions summarized in Section B1. The State defines Serious Housing Unmet Need as:

- Flooding 1 foot or above on the first floor; or
- For Owners, Estimated Total Loss (Need) $44,800 or above; or
- For Renters, Estimated Total Loss (Need) $15,200 or above.

The thresholds based on Estimated Total Loss (Need) outlined directly above were derived from HUD's methodology to estimate Serious Housing Unmet Need:

- For Owners, HUD uses the FEMA inspected real property damage of $8,000 or above to define Serious Unmet Need; applying the State Determined Multiplier of 5.6 outlined in Section B2 arrives at the $44,800 Estimated Total Loss (Need) threshold;
- For Renters, HUD uses the FEMA personal property damage of $2,000 or above to define Serious Unment Need; applying the State Determined Multiplier of 7.6 outlined in Section B2 arrives at the $15,200 Estimated Total Loss (Need) threshold.

It is important to note that only the FEMA IA data set includes an indication of flood level; for all other data sets the determination of Serious Housing Unmet Need is based only on the Estimated Total Loss (Need).

Appendix C: Previous Housing Unmet Need Assessment (late 2019)

1.10 Analysis of Housing Unmet Need

The FEMA IA data and the Housing Impact Assessment provide a starting point for analyzing the unmet housing need. To use the best data available, the remaining unmet needs were reassessed in late 2019. Therefore, the total approximate properties with remaining unmet needs is different than what is reflected in the Housing Impact Assessment.

HUD calculates unmet housing need as the number of housing units with unmet needs multiplied by the estimated cost to repair those units less repair funds already provided by FEMA and SBA. For homeowners, unmet needs are defined as:

- FVL greater than $0 with no insurance to cover that damage and the property was located outside the 1 percent flood risk hazard area.
- FVL greater than $0 with no insurance to cover that damage and the property was located inside the flood hazard area and the household income was less than 120 percent AMI.
- FVL greater than $0 without hazard insurance with non-flood damage with incomes below the greater of the national median or 120 percent of AMI.

For renters, unmet needs include FVL to personal property greater than $0 and with incomes less than 50 percent AMI.

1.10.1 Total Housing Unmet Recovery Need

For its unmet housing need calculation, HUD only considers Major Low, Major High and Severe damage categories for both owner and renter households. Based on HUD's definition of unmet need, 12,013 owners and 3,509 renters for a total of 15,522 registrants satisfy the HUD criteria for unmet need.

Table 33 - FEMA IA Registrants meeting HUD Unmet Needs Criteria, Owners

County	Major-Low	Major-High	Severe	Total
Craven	1,335	742	138	2,215
Robeson	1,167	130	18	1,315
Pender	483	375	351	1,209
Carteret	759	148	35	942
Duplin	232	294	221	747

County	Major-Low	Major-High	Severe	Total
New Hanover	603	92	17	712
Onslow	508	124	37	669
Brunswick	406	116	50	572
Columbus	438	110	16	564
Pamlico	412	70	14	496
Jones	261	118	74	453
Bladen	299	42	16	357
Cumberland	263	41	27	331
Beaufort	271	51	1	323
Wayne	175	11	4	190
Scotland	154	12	6	172
Sampson	100	27	22	149
Lenoir	101	20	2	123
Harnett	78	12	14	104
Moore	66	21	4	91
Hyde	53	2	-	55
Richmond	42	2	-	44
Hoke	37	2	1	40
Lee	22	1	2	25
Pitt	21	2	-	23
Union	15	1	-	16
Durham	11	3	-	14
Guilford	10	3	-	13
Johnston	12	-	-	12
Chatham	7	2	1	10
Orange	10	-	-	10
Anson	8	-	-	8
Wilson	4	-	1	5
Greene	4	-	-	4
Total	**8,367**	**2,574**	**1,072**	**12,013**

Table 34 - FEMA IA Registrants meeting HUD Unmet Needs Criteria, Renters

County	Major-Low	Major-High	Severe	Total
Craven	365	356	40	761
Robeson	159	72	9	240
Pender	78	156	76	310
Carteret	102	78	9	189
Duplin	68	131	38	237
New Hanover	244	95	5	344
Onslow	219	173	25	417
Brunswick	60	43	4	107
Columbus	102	57	9	168
Pamlico	24	14	6	44
Jones	30	35	14	79
Bladen	38	25	4	67
Cumberland	105	54	34	193
Beaufort	28	12	-	40
Wayne	19	8	-	27
Scotland	64	61	5	130
Sampson	9	10	2	21
Lenoir	10	5	-	15
Harnett	12	6	-	18
Moore	5	8	3	16
Hyde	1	-	-	1
Richmond	3	-	-	3
Hoke	3	2	-	5
Lee	3	1	-	4
Pitt	3	3	-	6
Union	2	-	-	2
Durham	3	1	-	4
Guilford	7	11	1	19
Johnston	3	1	1	5
Chatham	1	1	1	3

County	Major-Low	Major-High	Severe	Total
Orange	14	20	-	34
Anson	-	-	-	-
Wilson	-	-	-	-
Greene	-	-	-	-
Total	**1,784**	**1,439**	**286**	**3,509**

HUD applies a damage multiplier that is no less than 25 percent of the median damage level of declared disasters in 2018. These multipliers are based on the average unmet housing needs less assistance from FEMA and SBA provided for repair and reconstruction to homes with serious unmet needs. The following figure provides HUD's serious unmet housing needs multipliers by damage category:

Table 35 - HUD Unmet Housing Need Multipliers by Damage Category

Damage Category	Multiplier
Major-Low	$ 37,976
Major-High	$ 60,725
Severe	$ 77,759

The total unmet recovery need, including both homeowner and renter unmet need, is $734.7 million. Approximately three-quarters of the unmet recovery need is with owner occupied structures. The remaining 25 percent of the unmet need is with renters.

The unmet need for renters is determined using the formula prescribed by HUD for unmet needs according to the supplemental information found in 85 FR 4681. As a substitute for real property damage for rental property, the amount of personal property damage for each FEMA IA claim above the "Major-Low" threshold of damage was considered to have an unmet need. This unmet need was multiplied by the damage estimate calculation determined through HUD's analysis of 2018 disasters. This estimate was aggregated by county to determine county-level unmet rental needs.

The following figure provides a breakdown of total unmet needs for owner occupied and renter occupied households using FEMA IA data and the unmet needs multipliers previously provided.

Table 36 - Total Unmet Housing Need, Owners and Renters by County

County	Total Owner	Total Renter	Grand Total
Craven	$ 106,486,652	$ 38,589,700	$ 145,076,352

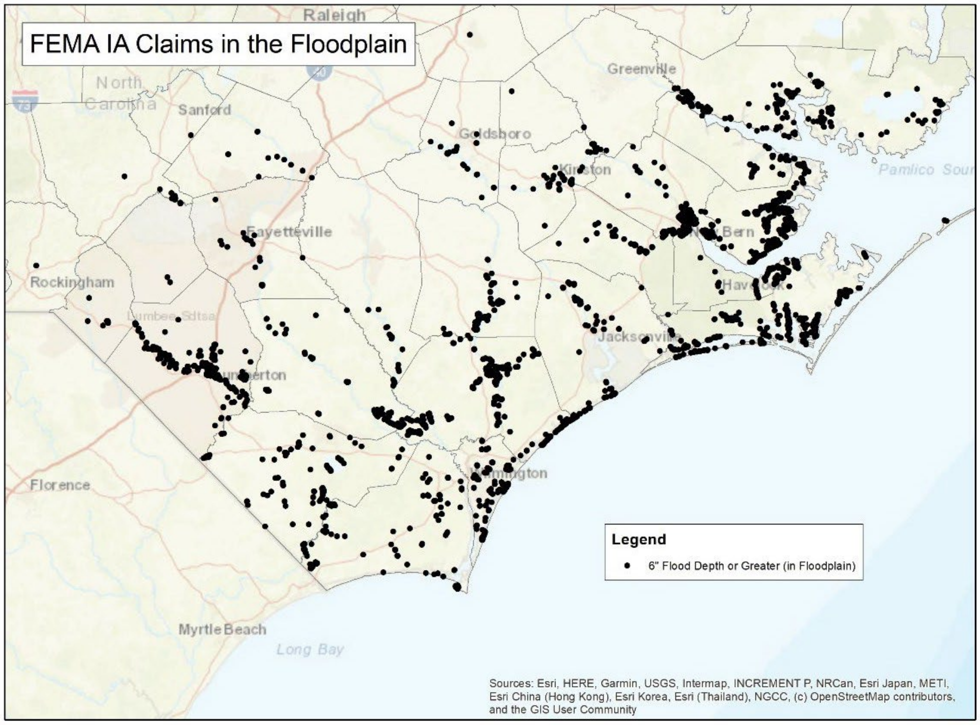
County	Total Owner	Total Renter	Grand Total
Robeson	$ 53,611,904	$ 11,110,215	$ 64,722,119
Pender	$ 68,407,692	$ 18,344,912	$ 86,752,604
Carteret	$ 40,532,649	$ 9,309,933	$ 49,842,582
Duplin	$ 43,848,321	$ 13,492,185	$ 57,340,506
New Hanover	$ 29,808,131	$ 15,423,814	$ 45,231,945
Onslow	$ 29,698,791	$ 20,766,144	$ 50,464,935
Brunswick	$ 26,350,306	$ 5,200,771	$ 31,551,077
Columbus	$ 24,557,382	$ 8,034,708	$ 32,592,090
Pamlico	$ 20,985,488	$ 2,228,128	$ 23,213,616
Jones	$ 22,831,452	$ 4,353,281	$ 27,184,733
Bladen	$ 15,149,418	$ 3,272,249	$ 18,421,667
Cumberland	$ 14,576,906	$ 9,910,436	$ 24,487,342
Beaufort	$ 13,466,230	$ 1,792,028	$ 15,258,258
Wayne	$ 7,624,811	$ 1,207,344	$ 8,832,155
Scotland	$ 7,043,558	$ 6,523,484	$ 13,567,042
Sampson	$ 7,147,873	$ 1,104,552	$ 8,252,425
Lenoir	$ 5,205,594	$ 683,385	$ 5,888,979
Harnett	$ 4,779,454	$ 820,062	$ 5,599,516
Moore	$ 4,092,677	$ 908,957	$ 5,001,634
Hyde	$ 2,134,178	$ 37,976	$ 2,172,154
Richmond	$ 1,716,442	$ 113,928	$ 1,830,370
Hoke	$ 1,604,321	$ 235,378	$ 1,839,699
Lee	$ 1,051,715	$ 174,653	$ 1,226,368
Pitt	$ 918,946	$ 296,103	$ 1,215,049
Union	$ 630,365	$ 75,952	$ 706,317
Durham	$ 599,911	$ 174,653	$ 774,564

County	Total Owner	Total Renter	Grand Total
Guilford	$ 561,935	$ 1,011,566	$ 1,573,501
Johnston	$ 455,712	$ 252,412	$ 708,124
Chatham	$ 465,041	$ 176,460	$ 641,501
Orange	$ 379,760	$ 1,746,164	$ 2,125,924
Anson	$ 303,808	$ -	$ 303,808
Wilson	$ 229,663	$ -	$ 229,663
Greene	$ 151,904	$ -	$ 151,904
Total	**$ 557,408,990**	**$ 177,371,533**	**$ 734,780,523**

Note that while Robeson County had more total claims than Pender County, Pender County was more significantly impacted by total damage than Robeson County.

The estimate for these repairs does not factor in the cost to elevate damage properties located in floodplains. A total of 6,279 FEMA IA applicants experienced a flood depth greater than six inches within the Special Flood Hazard Area (SFHA). Estimating a conservative cost of elevation of $50,000 for these properties, an additional unmet need of $313.9 million is realized if all properties were to be elevated with CDBG-DR funds.

Figure 14 - FEMA IA Claims in the Floodplain



4.10.2 Strategic Buyout Impacts on Housing Need

An additional unmet recovery need is created as an externality to the significant amount of property acquisition performed under the CDBG-MIT funded Strategic Buyout Program. As property owners voluntarily participate in buyout programs, there is a growing need for affordable housing solutions for those buyout participants to relocate to.

CDBG-DR funds will be used to develop housing that addresses the new housing need created by large-scale property buyout. As buyout is focused neighborhood-by-neighborhood, a neighborhood-based approach to housing development is preferred so that the parts of a community which elect to buyout may ideally relocate together. To the extent that is feasible and practicable, housing development would look to create innovative, clustered development to meet that housing need.

In assessing a cost to execute this activity, the HOME Investment Partnerships Program maximum per-unit subsidy is used as the baseline for comparing how much assistance may be needed for each unit created. This calculation is provided in the HUD-published Notice establishing an interim policy to use the Section 234 - Condominium Housing basic mortgage limits, for elevator-type projects, as an alternative to the Section 221(d)(3) of the National Housing Act (12 U.S.C. 17151) limits in order to determine the maximum amount of HOME funds that may be invested on a per-unit basis in HOME-assisted housing projects[30]. While a potential housing project will not be based on HOME requirements, these subsidy limits are a starting point for estimating the cost of construction. The estimated cost is based on a three-bedroom replacement house, at $112,611 a unit as set forth in 84 FR 20386 published May 9, 2019.

Using the 2,302 identified properties potentially requiring replacement housing due to the buyout program need, and with an understanding that buyout is voluntary and will therefore not reach full participation within that population, and additionally accounting for other housing solutions provided during buyout such as buyout program incentives rather than direct replacement housing, the following matrix is developed to estimate the potential cost of the affordable housing need relative to the mitigation needs assessment. Note that the housing replaced is not meant to be used by the buyout participant, but instead seeks to account for the amount of housing permanently lost in the housing stock due to buyout.

Table 37 - Additional Need for Affordable Housing in Context with Buyout

Buyout w/ Affordable Housing Need	Units Needed	Estimated Cost of Affordable Housing
10% Participation	230	$ 25,923,052
20% Participation	460	$ 51,846,104
30% Participation	**691**	**$ 77,769,157**

Construction cost for affordable housing will be based on the actual cost of construction.

Similar to the buyout process, stakeholder and community input and environmental justice will be a crucial component of the proposed development of additional affordable housing. NCORR stands in support of recovering local communities and their changing needs after disaster, and seeks to develop affordable housing that is most responsive to the needs of the clientele to be served.

This increased need is primarily funded through the Affordable Housing Development Program, the Homeownership Assistance Program, the Public Housing Restoration Fund, and the Small Rental Recovery Program.

4.10.3 Small Business Administration (SBA) Funds

Post-disaster, the U.S. Small Business Administration (SBA) provides subsidized low-interest disaster loans to homeowners and renters. SBA loans can be used to repair or replace real estate and personal property impacted by the storm.

[30] U.S. Department of Housing and Urban Development. *HOME Maximum Per-Unit Subsidy Limits.* https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/

As of June 20, 2019, there were 23,203 applicants in impacted areas that applied for assistance. 9,046 applicants were either approved for loans or are in the process of approval. The total funds approved (less personal contents funding as this will not be considered in the calculation of unmet needs) is $201.8 million.

Table 38 - SBA Funds Loaned in Impacted Areas

Impacted County	Applicant Count	Approved or Pending Applicants	Total Amount of Loan
Craven	2,698	1,245	$ 26,909,900
Pender	1,766	775	$ 25,056,261
New Hanover	3,213	1,345	$ 24,707,402
Carteret	1,980	987	$ 23,485,300
Onslow	2,878	1,148	$ 21,812,400
Duplin	975	397	$ 16,170,100
Brunswick	1,450	613	$ 13,797,100
Robeson	1,404	377	$ 7,090,000
Jones	597	241	$ 7,068,400
Cumberland	1,431	374	$ 5,897,300
Columbus	817	253	$ 4,911,900
Pamlico	455	167	$ 3,566,500
Bladen	533	148	$ 3,170,000
Sampson	397	126	$ 2,717,200
Scotland	407	153	$ 2,359,300
Wayne	399	131	$ 2,249,400
Harnett	253	89	$ 1,985,600
Beaufort	288	85	$ 1,761,600
Lenoir	270	78	$ 1,250,100
Hoke	197	70	$ 1,123,600
Moore	105	39	$ 988,700
Richmond	135	49	$ 971,900
Pitt	110	30	$ 589,500
Johnston	65	18	$ 450,600
Durham	40	16	$ 297,500
Guilford	58	13	$ 249,500

Impacted County	Applicant Count	Approved or Pending Applicants	Total Amount of Loan
Lee	39	13	$ 206,900
Greene	42	14	$ 179,500
Hyde	70	11	$ 179,400
Anson	32	8	$ 145,400
Orange	28	8	$ 140,400
Union	24	10	$ 139,700
Chatham	19	9	$ 120,400
Wilson	28	6	$ 102,300
Total	**23,203**	**9,046**	**$ 201,851,063**

In accordance with guidance issued in 84 FR 28836, "Updates to Duplication of Benefits Requirements under the Stafford Act for Community Development Block Grant (CDBG) Disaster Recovery Grantees", NCORR will review individual applicants to programs to assess whether they meet the criteria of an unmet need despite receiving SBA funds to recover due to income level or hardship. The criteria for determining applicability of SBA as a DOB for grant awards will be detailed in the descriptions of programming in the Action Plan.

4.10.4 National Flood Insurance Program (NFIP) Payments

The NFIP allows property owners in participating communities to buy insurance to protect against flood losses. Flood insurance is federally backed and administered by NFIP under the umbrella of FEMA. HUD requires that the unmet recovery needs analysis addresses flood insurance payments received by homeowners and renters in impacted areas.

As of June 2019, 14,951 claims have been made within disaster declared counties that resulted in payments of $524 million. Craven, Carteret, Onslow, and New Hanover had the largest number of claims, all with over 1,500 claims each. Craven County had the highest number of total claims (2,727) as well as the highest NFIP payments with $172 million. This figure is more than three times greater than the next highest county, Carteret, which had 2,283 total claims but only $51 million in payment.

Generally, LMI individuals and households are less likely to carry flood insurance than individuals and households with more resources. As the LMI population of Craven County is low compared to other impacted counties, the disproportionate amount of flood insurance payments in Craven County compared to its neighbors is supported.

Another source of funding provided by the NFIP is Increased Cost of Compliance (ICC). ICC coverage provides payment to help cover the cost of mitigation activities that will reduce the risk of future flood damage to a building. When a building covered by a Standard Flood

Insurance Policy suffers a flood loss and is declared to be substantially or repetitively damaged, ICC will pay up to $30,000 to bring the building into compliance with State or community floodplain management laws or ordinances. Usually this means elevating or relocating the building so that it is above the base flood elevation (BFE). Non-residential structures may also be flood-proofed. ICC coverage applies solely to buildings and only covers the cost of the compliance measures undertaken. It is filed separately from the normal flood insurance claim.

A total of $841,577 in ICC claims have been paid in the impacted counties. Craven, Carteret, and Pamlico counties have the highest total payments.

Table 39 - NFIP Claims and ICC

County	# of Claims	Sum of Claims	Sum of ICC
Craven	2,727	$ 172,487,652	$ 221,639
Carteret	2,283	$ 51,225,566	$ 180,707
Onslow	1,773	$ 33,882,429	$ -
New Hanover	1,588	$ 28,861,404	$ 17,760
Pamlico	1,259	$ 31,243,474	$ 188,722
Beaufort	1,167	$ 21,188,343	$ 91,304
Brunswick	1,066	$ 19,658,291	$ -
Robeson	715	$ 26,012,837	$ 15,000
Pender	620	$ 46,093,515	$ 30,940
Duplin	306	$ 36,574,027	$ 15,000
Columbus	298	$ 11,955,246	$ 43,618
Cumberland	203	$ 4,653,898	$ -
Lenoir	150	$ 7,530,501	$ -
Wayne	145	$ 3,923,697	$ -
Jones	104	$ 11,454,535	$ -
Orange	86	$ 3,979,933	$ -
Sampson	77	$ 5,227,164	$ 33,300
Bladen	67	$ 2,563,078	$ -
Hyde	47	$ 538,617	$ -
Durham	45	$ 947,251	$ -
Guilford	44	$ 1,133,707	$ -
Moore	35	$ 514,894	$ 3,587
Pitt	35	$ 359,738	$ -

County	# of Claims	Sum of Claims	Sum of ICC
Harnett	25	$ 500,793	$ -
Union	19	$ 280,808	$ -
Scotland	14	$ 309,869	$ -
Lee	13	$ 710,661	$ -
Johnston	12	$ 184,260	$ -
Wilson	9	$ 278,931	$ -
Hoke	7	$ 176,681	$ -
Chatham	6	$ 206,985	$ -
Greene	3	$ 123,141	$ -
Richmond	3	$ 80,353	$ -
Total	**14,951**	**$ 524,862,277**	**$ 841,577**

Appendix D: Methodology & Detailed Data to Identify State Defined MID Areas

Based on data as of May 2020 the State conducted an analysis of damage to counties that were impacted by both hurricane Matthew and Hurricane Florence in consideration of the unique recovery needs created by the large area of the State that was impacted by both hurricanes. Aligning with the allocation methodology outlined in Appendix A for both 82 FR 5591 (Hurricane Matthew) and 85 FR 4681 (Hurricane Florence), the State calculated an estimated housing unmet need for each county, for each hurricane. This analysis used the Major-Low, Major-High, and Severe damage categories for both hurricanes and multiplied those damage categories by the repair estimation factors included in Appendix A for each respective notice. The threshold to be considered a State Defined MID is greater than $10 million in combined unmet need at the county level. Table 4 in the Housing Impact and Unmet Needs Assessment combines the data below to create the State and HUD Defined MID areas.

Table 40 - Estimated Unmet Housing Need, State Identified and HUD Identified MID Areas, Matthew Data (May 2020)

County	Hurricane Matthew		
	Major-Low	Major-High	Severe
Robeson (County)	$ 76,874,000	$ 35,179,760	$ 6,365,751
Craven (County)	$ 2,223,855	$ 822,384	$ -
Pender (County)	$ 2,718,045	$ 3,380,912	$ 2,201,241
Cumberland (County)	$ 33,357,825	$ 20,742,352	$ 6,246,765
Duplin (County)	$ 3,376,965	$ 1,279,264	$ 297,465
Wayne (County)	$ 28,635,565	$ 14,346,032	$ 3,510,087
Columbus (County)	$ 13,782,410	$ 6,533,384	$ 1,070,874
Onslow (County)	$ 164,730	$ 91,376	$ 59,493
Carteret (County)	$ 54,910	$ 45,688	$ 59,493
New Hanover (County)	$ -	$ -	$ -
Edgecombe (County)	$ 19,987,240	$ 15,122,728	$ 6,901,188
Brunswick (County)	$ 1,070,745	$ -	$ 178,479
Lenoir (County)	$ 15,759,170	$ 6,533,384	$ 1,011,381
Jones (County)	$ 741,285	$ 319,816	$ 59,493
Bladen (County)	$ 5,765,550	$ 2,147,336	$ 773,409
Pamlico (County)	$ -	$ -	$ -

County	Hurricane Matthew		
	Major-Low	Major-High	Severe
Beaufort (County)	$ 2,553,315	$ 685,320	$ 59,493
Sampson (County)	$ 5,655,730	$ 1,918,896	$ 713,916
Scotland (County)	$ 247,095	$ -	$ -
Pitt (County)	$ 9,389,610	$ 3,426,600	$ 535,437
Harnett (County)	$ 4,035,885	$ 1,507,704	$ 178,479
Dare (County)	$ 6,616,655	$ 3,974,856	$ 297,465
Johnston (County)	$ 5,463,545	$ 3,380,912	$ 1,130,367

Table 41 - Table 42 - Estimated Unmet Housing Need, State Identified and HUD Identified MID Areas, Florence Data (May 2020)

County	Hurricane Florence		
	Major-Low	Major-High	Severe
Robeson (County)	$ 63,040,160	$ 13,359,500	$ 2,488,288
Craven (County)	$ 72,534,160	$ 70,562,450	$ 15,085,246
Pender (County)	$ 24,038,808	$ 34,613,250	$ 34,836,032
Cumberland (County)	$ 17,317,056	$ 5,951,050	$ 5,132,094
Duplin (County)	$ 12,228,272	$ 28,540,750	$ 21,150,448
Wayne (County)	$ 8,848,408	$ 1,214,500	$ 311,036
Columbus (County)	$ 22,671,672	$ 10,748,325	$ 1,943,975
Onslow (County)	$ 29,773,184	$ 19,614,175	$ 5,132,094
Carteret (County)	$ 35,545,536	$ 14,574,000	$ 3,732,432
New Hanover (County)	$ 35,621,488	$ 12,812,975	$ 1,788,457
Edgecombe (County)	$ -	$ -	$ -
Brunswick (County)	$ 20,165,256	$ 10,383,975	$ 4,354,504
Lenoir (County)	$ 5,392,592	$ 1,639,575	$ 155,518
Jones (County)	$ 12,304,224	$ 10,141,075	$ 6,920,551
Bladen (County)	$ 14,316,952	$ 4,372,200	$ 1,632,939
Pamlico (County)	$ 18,950,024	$ 5,465,250	$ 1,555,180
Beaufort (County)	$ 13,785,288	$ 4,493,650	$ 155,518
Sampson (County)	$ 4,671,048	$ 2,368,275	$ 1,866,216

Scotland (County)	$ 10,253,520	$ 4,615,100	$ 855,349
Pitt (County)	$ 987,376	$ 303,625	$ -
Harnett (County)	$ 4,177,360	$ 1,153,775	$ 1,088,626
Dare (County)	$ -	$ -	$ -
Johnston (County)	$ 683,568	$ 60,725	$ 77,759

Appendix E: Previous Analysis of Other Unmet Needs (Agriculture)

NCOSBM identified agricultural impacts as one of the other most important recovery needs. On September 26, 2018, the North Carolina Department of Agriculture and Consumer Services (NCDACS) estimated that agriculture losses will be greater than $1.1 billion.[31] To respond to agriculture losses due to Hurricane Florence, the North Carolina General Assembly established the Hurricane Florence Agricultural Disaster Program of 2018 (HFADP), a one-time assistance program for agricultural producers who suffered a loss due to Hurricane Florence. On October 16, 2018, a $70 million bill was signed to fund the program. An additional allocation of $240 million was signed into law in Session Law 2018-138.

Approved applicants receive a payment amount based on information submitted, county ad-hoc committee loss estimates in eligible counties, average county yield data, and state price averages provided by U.S. Department of Agriculture – National Agricultural Statistics Service (USDA-NASS). To date, over 7,000 applications for assistance have been received.[32]

The Livestock Indemnity Program (LIP) is another source of relief for the agriculture sector, with a set payment of 75 percent of the national average value of lost cattle, sheep, goats, poultry, and a variety of exotic species. The Emergency Conservation Program (ECP) is available to agriculture producers to assist in the cleanup and repair of damaged agricultural materials, buildings, and land. Finally, the Emergency Assistance for Livestock, Honey-bees, and Farm-Raised Fish Program (ELAP) provides assistance for lost or damaged pasture forage, hay, silage, and other feed. The payment rate is $.94 for each grazing day lost and 60 percent of the actual cost incurred to purchase or produce feedstuffs.

The 2014 Farm Bill provides supplemental crop insurance up to the county average of yield, but high producing or low producing farms may not benefit from crop insurance the same way an average yielding farm might. The Noninsured Crop Disaster Assistance Program (NCDAP) provides additional assistance for noninsured crops, beginning at 55 percent of the average market price for the crop for an amount of loss that exceeds 50 percent of expected production. The 2014 Farm Bill authorizes higher levels of coverage ranging from 50 to 65 percent of production at 100 percent of the average market price.[33] For the purpose of this analysis, the NCDAP and insurance amount is estimated to be 55 percent of the crop loss. As forestry, green industry, vegetable and horticulture crop, and livestock are also insured, 55

[31] North Carolina Department of Agriculture and Consumer Services. *Total agricultural losses estimated at over $1.1 billion.* https://www.ncdps.gov/news/press-releases/2018/09/26/total-agricultural-losses-estimated-over-11-billion.

[32] North Carolina Department of Agriculture and Consumer Services. *Agricultural Disaster Program Payment Calculations.* https://blog.ncagr.gov/2019/02/12/calculating-disaster-aid-payments-for-the-hurricane-florence-agricultural-disaster-program-of-2018/.

[33] United States Department of Agriculture. *Noninsured Crop Disaster Assistance Program for 2015 and Subsequent Years.* https://www.fsa.usda.gov/Internet/FSA_File/1-nap_r02_a19.pdf.

percent of the loss is considered ensured before the percent of loss programs such as LIP and ELAP are applied to the loss.

Estimating total unmet agricultural need is difficult due to the variety of programs and insurance options available to individual agriculture sector participants. While the total impacts are high, the total resources available to recover are commensurately high. Based on the extent of damages and funds available, the unmet need for agricultural recovery is $159.3 million.

Table 43 - Agricultural Unmet Needs and Assistances Received (in millions)

Agriculture Sector	Loss	Insurance/ NCDAP	ELAP	LIP	HFADP	Total Unmet Need
Row Crop	$ 986.60	$ 542.63	$ -	$ -	$ -	$ 443.97
Forestry	$ 69.60	$ 38.28	$ 18.79	$ -	$ -	$ 12.53
Green Industry	$ 30.00	$ 16.50	$ 8.10	$ -	$ -	$ 5.40
Vegetable and Horticulture Crop	$ 26.80	$ 14.74	$ 7.24	$ -	$ -	$ 4.82
Livestock, poultry, and aquaculture	$ 23.10	$ 12.71	$ -	$ 7.80	$ -	$ 2.60
Total	**$ 1,136.1**	**$ 624.9**	**$ 34.1**	**$ 7.8**	**$ 310.0**	**$ 159.32**

Based on a review of unmet need priorities, and continued discussions on agricultural recovery needs, it is NCORR's belief that the agricultural unmet need will be met through other funding sources.

Appendix F: SAPA 4 Analysis of Estimated Unmet Need Across CDBG Funding Sources to Inform State Allocation Changes

The following sections reflect NCORR's ongoing analysis of unmet needs across CDBG disaster recovery and mitigation sources and the corresponding reallocations implemented in SAPA 4. Given that the total CDBG funding allocations from HUD have not changed, NCORR will continue to make the necessary allocation changes for its CDBG-DR and CDBG-MIT grants to respond to the remaining unmet needs highlighted in this reanalysis and support the lingering demand for housing recovery programs. Such changes will be reflected in future amendments of this Action Plan.

Section F1: Background

The Department of Housing and Urban Development (HUD) and the State have recognized the exacerbating impact of Hurricane Matthew and Florence due to the occurrence of the storms in quick succession. The State can use funds allocated in response to Hurricane Matthew interchangeably and without limitation for the same activities in the most impacted and distressed areas related to Hurricane Florence, and vice versa[34]. For this reason, the State conducted an analysis of combined estimated unmet need for Hurricane Matthew and Florence to inform allocation changes in the following Substantial Action Plan Amendments:

- Hurricane Matthew CDBG-DR Action Plan Substantial Amendment 10
- Hurricane Florence CDBG-DR Action Plan Substantial Amendment 4
- CDBG-MIT Action Plan Substantial Amendment 4

Under the substantial amendments noted above, there were allocation changes within each CDBG funding source, and reallocations across CDBG funding sources.

[34] "Public Law 116-20: Additional Supplemental Appropriations for Disaster Relief Act, 2019." (Sec. 1101(a); Date: 06/06/2019). https://www.congress.gov/bill/116th-congress/house-bill/2157/text.

Section F2: Executive Summary

This analysis highlights that the $52.8 million allocation increase to the CDBG-DR housing recovery programs are rooted in the fact that the estimated owner-occupied and rental housing unmet need is so great when compared to the unmet need across all other categories. Additionally, this allocation increase is tied to the fact that this category also has the highest estimated funding gap when accounting for the revised allocations. The increased demand for Homeowner Recovery Program and increased construction costs further supports the State's decision to maximize funding for the CDBG-DR housing recovery programs.

Given that the total CDBG funding allocations from HUD have not changed, the State made a series of allocation changes for the CDBG-DR and CDBG-MIT grants to support an increase to the CDBG-DR housing recovery program allocations.

For CDBG-DR funds, this included a reallocation of $47.7 million in funding for public housing and infrastructure to the CDBG-MIT grant, which also aligns the longer-term resilience and mitigation activities for these programs with the objectives of the CDBG-MIT funds. A decrease of $5.1 million across the Code Enforcement Compliance and Support Program and planning allocations accounted for the remaining funds needed to allocate the additional $52.8 million in funding to the housing recovery programs.

For CDBG-MIT funds, the Strategic Buyout Program allocation was subsequently decreased by $59.4 million, largely to offset the increase of funding to the CDBG-MIT grant with the reallocation of the $47.7 million in public housing and infrastructure funds. This decrease also allowed for an increase of $5.1 million in the planning allocation and an increase of $6.6 million in the public housing allocation. These allocation increases will support the additional planning capacity anticipated for the larger scale public housing and infrastructure projects, and the anticipated increase in construction costs needed to support public housing restoration.

The State recognizes the significant estimated unmet need across all categories of recovery, however, has rooted the recent allocation changes in addressing the most significant estimated unmet need – owner-occupied and rental housing. Given the limited HUD funding available to address the total estimated unmet need, the State will continue to assess current allocations and use the limited funding to reduce the estimated funding gap across all categories of recovery and mitigation.

Section F3: Supporting Data for Analysis

Table F1 below provides a summary of allocation changes including revised total allocations for Hurricane Matthew (CDBG-DR), Hurricane Florence (CDBG-DR) and Mitigation (CDBG-MIT) activities combined.

Table F1 – Allocation Change Summary: Revised Total Allocations by CDBG Funding Source, Category & Program

CDBG Funding Source	Category	Program(s)	Revised Total Allocation	Allocation Change Summary
CDBG-DR	Owner-Occupied & Rental Housing	Homeowner Recovery Program	$581,085,307	**Increased** by $52 million
		Affordable Housing Development Fund	$121,719,805	**Increased** by $785,000
		Multi-Family Rental Housing Program	$19,516,018	
		Homeownership Assistance Program	$3,000,000	No allocation change
		Housing Counseling Fund	$1,500,000	No allocation change
		Code Enforcement Compliance and Support Program	$3,000,000	**Decreased** by $2.4 million
	Economic (Small Business)	Small Business Recovery Assistance	$4,500,000	No allocation change
	Administration & Planning	N/A	$44,851,870	**Decreased** by $2.7 million
Total CDBG-DR Allocation			**$779,173,000**	--
CDBG-MIT	Owner-Occupied & Rental Housing	Strategic Buyout Program	$123,103,334	**Decreased** by $59.4 million
	Public Housing	Public Housing Restoration Fund	$36,246,916	**Increased** by $6.6 million; includes **Re-allocation** of $29.7 million from CDBG-DR
	Infrastructure	Infrastructure Recovery Program	$18,000,000	**Reallocation** from CDBG-DR
	Administration & Planning	N/A	$25,335,750	**Increased** by $5.1 million
Total CDBG-MIT Allocation			**$202,686,000**	--
Total CDBG-DR & CDBG-MIT Allocations			**$981,859,000**	--

This appendix provides additional context and a consolidated justification for the allocation changes rooted in the combined analysis of estimated unmet needs. Table F2 below summarizes the combined unmet need estimates for Hurricane Matthew, Hurricane Florence and Mitigation activities, along with revised program funding allocations as the basis for contextualizing and justifying the allocation changes. Table F2 also includes an estimated funding gap, calculated as the estimated unmet need less the revised program funding allocated.

Table F2 - Hurricane Matthew, Hurricane Florence & Mitigation Activities: CDBG Unmet Need and Allocation Summary

Category	CDBG Funding Source(s)	Estimated Unmet Need	% of Total Unmet Need*	Revised Program Funding Allocated	% of Total Allocation*	Estimated Funding Gap (Estimated Unmet Need less Revised Program Funding Allocated)	% of Total Estimated Funding Gap*
Owner-Occupied & Rental Housing	DR & MIT	$1,510,608,417	63%	$852,924,464	87%	$657,683,953	44%
Economic (Small Business)	DR	$584,411,718	24%	$4,500,000	<1%	$579,911,718	39%
Public Housing	MIT	$127,434,056	5%	$36,246,916	4%	$91,187,140	6%
Infrastructure	MIT	$181,657,339	8%	$18,000,000	2%	$163,657,339	11%
Administration & Planning	DR & MIT	--	--	$70,187,620	7%	--	--
Total CDBG Activities		**$2,404,111,530**	**100%**	**$981,859,000**	**100%**	**$1,492,440,150**	**100%**
Subtotal for CDBG-DR Activities		*$2,095,020,135*	*87%*	*$779,173,000*	*79%*	*$1,483,802,339*	*85%*
Subtotal for CDBG-MIT Activities		*$309,091,395*	*13%*	*$202,686,000*	*21%*	*$254,844,479*	*15%*

*Percentages may not add to 100% due to rounding

For reference, see Section F9 for a high-level summarization of the estimated unmet need reanalysis as outlined in the substantially amended CDBG-DR Action plans for Hurricane Matthew and Florence.

Following is a discussion of the data summarized in Table F2 by category.

Section F4: Owner-Occupied & Rental Housing

The owner-occupied and rental housing category has the highest estimated unmet need at $1.5 billion and represents 63 percent of the total estimated unmet need across all qualified disasters. The estimated unmet need for this category is nearly three times greater than the economic (small business) estimated unmet need, the next highest category in terms of estimated unmet need. The owner-occupied and rental housing category has the highest allocation with nearly $853 million in funding, representing 87 percent of the total CDBG allocations. This category also has the highest estimated funding gap at roughly $658 million, representing 44 percent of the total estimated funding gap across all categories.

The reanalysis of owner-occupied and rental housing unmet need conducted by the State (see Section F9) highlights an increased serious housing unmet need, specifically for Hurricane Florence, when compared to previous estimates. Additionally, the CDBG-DR Action Plans note an increased demand for the Homeowner Recovery Program and increased construction costs which further necessitate a need for additional funding. For these reasons, coupled with the significant estimated unmet need and estimated funding gap, the State has chosen to maximize funding in this category to further support the housing recovery efforts.

The increased allocations for the housing recovery programs were largely achieved through a reallocation of previous CDBG-DR funding to CDBG-MIT funding for Infrastructure ($18 million) and the Public Housing Restoration Fund ($29.7 million). To offset the reallocation of these funds to the CDBG-MIT grant, the State decreased the CDBG-MIT Strategic Buyout allocation in this category. These reallocations coupled with a decrease of $2.4 million in the Code Enforcement Compliance and Support Program allocation allowed the State to allocate an additional $52.8 million to the housing programs.

It is also important to note that more funding has been allocated to the Homeowner Recovery Program as the estimated owner-occupied housing loss (need) represents over 90% of the estimated total loss (need) in this category. To further maximize funding allocated for the Homeowner Recovery Program, no additional allocations were made to the Homeownership Assistance Program or Housing Counseling Fund.

Section F5: Economic (Small Business)

The economic (small business) category represents 24 percent of the total estimated unmet need, with over $584 million in estimated unmet need. While there is a significant estimated unmet need for this category, as noted above the estimated unmet need for owner-occupied and rental housing is nearly three times greater. Additionally, the estimated funding gap for the economic (small business) category is roughly $580 million, however is five percent lower than the estimated funding gap for the owner-occupied and rental housing category. For these reasons, the State has chosen to maximize funding for housing recovery and has not made any additional allocations to the existing $4.5 million allocation for the economic (small business) category.

Section F6: Public Housing

The public housing category represents five percent of the total estimated unmet need, with over $127 million in estimated unmet need. The public housing category has $36.2 million in funding allocated, representing four percent of the total CDBG allocations. This category has the lowest estimated funding gap at $91 million, representing six percent of the total estimated funding gap across all categories.

As noted in the owner-occupied and rental housing discussion, the State has reallocated $29.7 million of funding for the Public Housing Restoration Fund from CDBG-DR to CDBG-MIT. This reallocation not only allows the State to further strengthen the ongoing recovery efforts related to housing with CDBG-DR funds, but also creates a realignment of longer-term resilience and mitigation activities, such as those in the Public Housing Restoration program, with the objectives of the CDBG-MIT funds. The public housing allocation under CDBG-MIT was further increased by $6.6 million in anticipation of increased construction costs which further necessitate a need for additional funding.

Section F7: Infrastructure

The infrastructure category represents eight percent of the total estimated unmet need, with over $181 million in estimated unmet need. The infrastructure category has $18 million in funding allocated, representing eight percent of the total CDBG allocations. This category has the second lowest estimated funding gap at $164 million, representing 11 percent of the total estimated funding gap across all categories.

The reanalysis of infrastructure unmet need conducted by the State (see Section F9) highlights a decrease in infrastructure unmet need for both Hurricane Matthew and Florence when compared to previous estimates. The reanalysis also highlights that a significant amount of Federal and State funds has been obligated or allocated to address the ongoing infrastructure unmet needs for both hurricanes. For these reasons, the State has chosen to maximize funding for housing recovery and has not made any additional allocations to the infrastructure category.

As noted in the owner-occupied and rental housing discussion, the State has reallocated $18 million of funding for the Infrastructure Recovery Program from CDBG-DR to CDBG-MIT. This reallocation not only allows the State to further strengthen the ongoing recovery efforts related to housing with CDBG-DR funds, but also creates a realignment of longer-term resilience and mitigation activities, such as those in the Infrastructure Recovery program, with the objectives of the CDBG-MIT funds.

Section F8: Administration & Planning

The administration and planning category has $70.2 million in funding allocated, representing seven percent of the total CDBG allocations. This category allocates funds for administrative costs associated with implementing the various CDBG recovery/mitigation programs and planning related activities, such as Action Plan development, public outreach, and coordination on future planning with local and regional coordinating entities.

CDBG-DR funding allocated for planning has decreased by $2.7 million, and CDBG-MIT funding allocated for planning has increased by $5.1 million; the net change across CDBG allocations for planning is a $2.4 million increase. These planning allocation changes are tied to the reallocation of the public housing and infrastructure funds from CDBG-DR to CDBG-MIT referenced above and efforts to enhance resilience planning efforts in impacted counties. Larger scale public housing and infrastructure projects may require significant planning efforts necessitating a need for additional planning funds under the CDBG-MIT grant. Moreover, ongoing support for resilience planning efforts will continue to help impacted communities mitigate and prepare for future disasters. Administration allocations have not changed across the CDBG funding sources.

Section F9: Summary of Unmet Need Reanalysis for Hurricane Matthew and Florence

The State conducted a reanalysis of unmet need specifically related to owner-occupied housing, rental housing and infrastructure, based on most recent disaster recovery data sets. The methodology used to complete the reanalysis aligns closely to HUD's own standard approaches to analyzing unmet need, with a slight modification to the previous methodology. The revised methodology for the reanalysis accounts for additional and more finalized disaster recovery data sets that were not available when previous unmet need estimates were calculated.

As it relates to owner-occupied and rental housing for Hurricane Florence, the reanalysis estimates the serious housing unmet need for owner-occupied and rental housing is roughly $1.1 billion. The reanalysis highlights a roughly 26 percent increase in serious housing unmet need when compared to previous estimates. For Hurricane Matthew, the reanalysis estimates the housing unmet need for owner-occupied and rental housing is roughly $428 million. The reanalysis highlights a slight 1.33 percent decrease in housing unmet need when compared to previous estimates.

As it relates to infrastructure for Hurricane Florence, the reanalysis estimates the infrastructure unmet need is roughly $111 million. The reanalysis highlights a roughly 20 percent decrease in infrastructure unmet need when compared to previous estimates. For Hurricane Matthew, the reanalysis estimates the infrastructure unmet need is roughly $70 million. The reanalysis highlights an 87 percent decrease in infrastructure unmet need when compared to previous estimates. The reanalysis also highlights that a significant amount of Federal and State funds has been obligated or allocated to address the ongoing infrastructure unmet needs for both hurricanes.

These revised estimates for unmet need were combined with existing unmet need estimates related to public housing and economic (small business) to determine the total estimated unmet need. For the full reanalysis details, see *Hurricane Matthew CDBG-DR Action Plan Substantial Amendment 10* and *Hurricane Florence CDBG-DR Action Plan Substantial Amendment 4.*