



Florida Community Development Block Grant – Disaster Recovery (CDBG–DR) Program

Action Plan Update

September 14, 2018



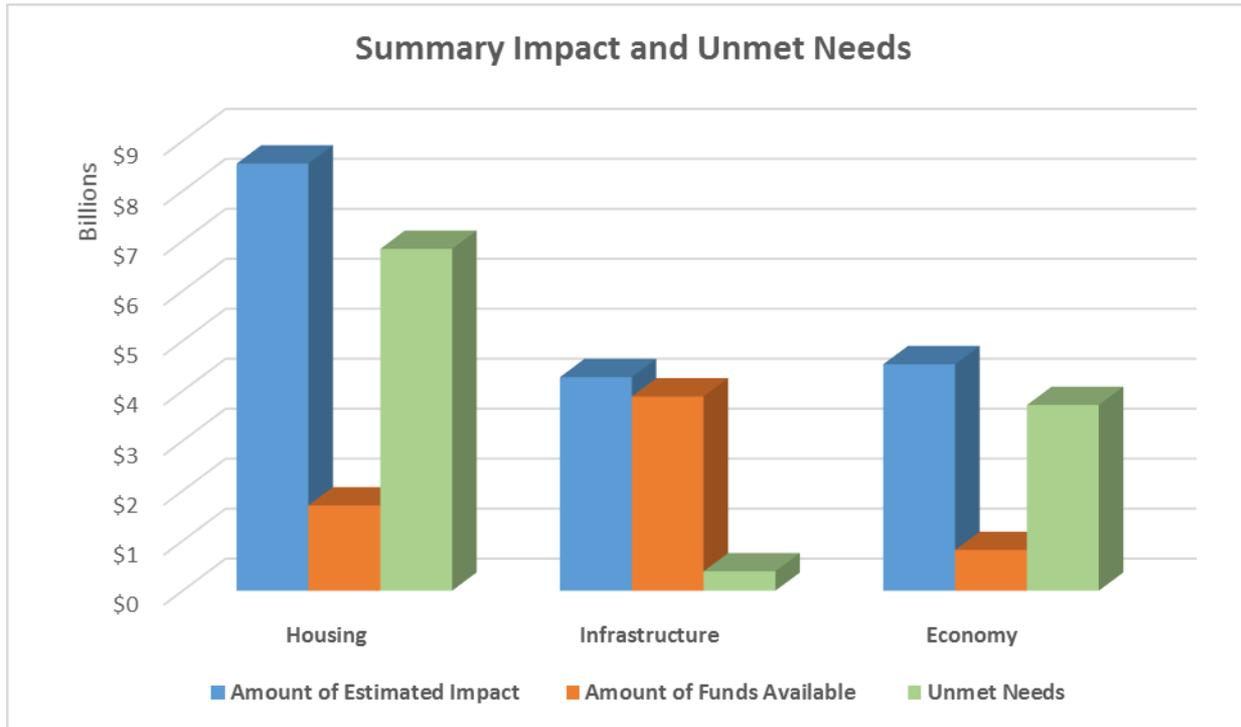
Action Plan Timeline of Events

| Date | Action |
|-----------------------|--|
| September 2017 | Hurricane Irma made landfall in Florida; Congress appropriated \$7.4 billion to support disaster recovery nationwide through the CDBG-DR program. |
| November 2017 | HUD announced Florida will receive approximately \$616 million to support long-term recovery for Hurricane Irma. |
| December 2017 | DEO began data assessments of unmet needs. |
| February 2018 | HUD released guidance that must be followed by state and local governments to access the funding. HUD described which counties would receive the majority (80 percent) of the funding. |
| | Congress appropriated an additional \$791 million to Florida. \$157 million will address remaining unmet needs. \$634 million will address mitigation. |
| March 2018 | Through meetings and webinars, DEO worked with communities to finalize the assessment of unmet needs. DEO determined how to best design programs to address those needs. |
| April 2018 | DEO posted a draft of the action plan on its website for 14-day public comment period. |
| May 2018 | DEO submitted a plan to HUD for approval by May 15. HUD had 45 days to approve or provide feedback. |
| June 2018 | HUD approved the state's action plan. |
| July 2018 | DEO executed a grant agreement from HUD. |
| Fall 2018 | DEO will work with eligible entities to implement programs in the action plan. |

\$157 Million

- In spring 2018, HUD announced the state of Florida will receive an additional \$157,676,000 in funding.
- The Florida Department of Economic Opportunity (DEO) continues to:
 - Analyze data to project unmet needs in Florida and evaluate programs that could be created or expanded.
 - Work closely with partners to provide support in recovery efforts.

Current Summary Impact and Unmet Needs



| Summary of Impacts/Support | Housing | Infrastructure | Economy | Total |
|------------------------------|-----------------|-----------------|-----------------|------------------|
| Amount of Estimated Impact | \$8,547,356,706 | \$4,274,430,191 | \$4,531,186,545 | \$17,352,973,442 |
| Amount of Funds Available | \$1,706,211,312 | \$3,886,914,370 | \$814,906,921 | \$6,408,032,603 |
| Unmet Needs | \$6,841,145,394 | \$387,515,822 | \$3,716,279,624 | \$10,944,940,840 |
| Percent of Total Unmet Needs | 62.51% | 3.54% | 33.95% | 100.00% |

Key Guidelines for CDBG-DR

- Flexible funding to address community needs remaining after other state and federal assistance has been exhausted.
- The state (DEO) is the primary grantee and prepared an action plan for HUD. DEO will prepare a substantial amendment to the current plan in order to address the additional funding.
- Both non-entitlement and entitlement communities will be eligible to participate in state programs included in the action plan.
- Funds must primarily consider and address housing unmet needs.
- Funds can also be used to address unmet economic revitalization and infrastructure needs that are unrelated to unmet housing needs. The state must demonstrate in its needs assessment there is no remaining unmet housing need or the remaining unmet housing need will be addressed by other sources of funding.

Key Guidelines for CDBG-DR

- Funding may be used to match other federal programs, if the project meets the eligibility requirements for CDBG-DR. This can include:
 - FEMA Hazard Mitigation Grant Program
 - Public Assistance Program
 - U.S. Army Corps of Engineers project up to \$250,000.
- All funded activities must meet one of HUD's three National Objectives:
 - Benefit persons of low- and moderate-income (LMI)
 - Aid in the prevention or elimination of slums or blight
 - Meet other urgent community development needs because of serious or immediate threat
- 70 percent of all funding must benefit LMI persons.

New Requirements

- New federal register was released August 2018.
- List of the significant changes:
 - Five new counties and eight new ZIP codes were added.
 - Affordability period requirements to:
 - Rehabilitation or reconstruction of multi-family rental projects with eight or more units will require a minimum affordability of 15 years.
 - New construction multi-family rental projects with five or more units will require a minimum affordability of 20 years.
 - Public comment period has been extended to 30-days.
 - DEO must consult with impacted citizens, stakeholders, local governments and public housing authorities to determine updates to its needs assessment.
 - The state may include disaster related preparedness and mitigation measures.

New Funding Breakdown

August 2018, HUD released the following breakdown, based on its assessment of unmet needs in Florida. This guidance must be followed by state and local governments to access funding and describe which counties will receive the majority of funding. The list below includes the new communities.

| Funding Amount | Eligibility | | |
|--------------------------------|--|---|--|
| \$618,878,400* (80 percent) | Minimum that must be spent in HUD-identified “most impacted and distressed” areas: | | |
| | <ul style="list-style-type: none"> ▪ Brevard County ▪ Broward County ▪ Clay County ▪ Collier County ▪ Duval County ▪ Hillsborough County ▪ Lee County ▪ Miami-Dade County ▪ Monroe County | <ul style="list-style-type: none"> ▪ Palm Beach County ▪ Polk County ▪ St. Lucie County ▪ Orange County ▪ Osceola County ▪ Volusia County ▪ 32091 (Bradford County) ▪ 32136 (Flagler County) | <ul style="list-style-type: none"> ▪ 34266 (Desoto County) ▪ 32145,32084 (St. Johns County) ▪ 32771 (Seminole County) ▪ 33935, 33440 (Hendry County) ▪ 33523 (Pasco County) ▪ 33825, 33870 (Highlands County) |
| \$154,719,600* (20 percent) | Can be spent on state-identified “most impacted and distressed” areas that received a presidential disaster for Hurricane Irma. These areas will be identified in the state’s action plan. | | |
| \$773,598,000 | TOTAL ALLOCATION | | |

*This is a high-level breakdown of the funding that does not separate administrative costs

Action Plan: Program Design

- The action plan includes programs that specify how money will be allocated and how communities can access programs.
- Programs were designed to meet unmet needs identified by the communities all over the state.
- Programs include:
 - Housing Programs
 - Economic Revitalization Programs
 - Public Assistance Programs

Action Plan: Housing Program Details

Housing Programs:

- Housing Repair and Replacement Program
- Workforce Affordable Rental New Construction Program
- Land Acquisition for Workforce Affordable Rental Program
- Voluntary Home Buyout Program

Housing Repair and Replacement Program

Program activities include:

- Repairs, reconstruction or replacement of housing units and manufactured homes damaged by Hurricane Irma. This may include making the home code compliant and mitigation against future storm impacts, including elevation.
- Temporary housing assistance based on individual household needs and their participation in the Housing Repair Program.

Workforce Affordable Rental New Construction Program

Program activities include:

- Leveraging other Sources of Financing:
DEO will partner with the Florida Housing Finance Corporation (FHFC) to leverage CDBG-DR funds with Low-Income Housing Tax Credits, with or without tax-exempt bond financing.
- Small Rental Developments:
DEO will partner with FHFC to utilize stand-alone CDBG-DR funds to provide zero-interest loans to create smaller multi-family developments.
- CDBG-DR funds will be provided as zero-interest, non-amortizing loans (including forgivable loans) to qualified developers to leverage other sources of funds and as stand-alone financing to support development.

Continued

Workforce Affordable Rental New Construction Program

Continued

- Affordability periods for rental housing include:
 - Rehabilitation or reconstruction of multi-family rental projects with eight or more units will require a minimum affordability of 15 year, and
 - New construction multi-family rental projects with five or more units will require a minimum affordability of 20 years
- CDBG-DR funds will be awarded to eligible applicants through a competitive application process.

Land Acquisition for Affordable Workforce Housing

Program activities include:

- Funding to purchase land for the development of affordable housing.
- Land acquisition for areas where properties are difficult to develop.
- Funding for the purchase of land when there is a formal commitment to develop affordable housing.

Voluntary Home Buyout Program

Counties that are interested in participating will have two potential funding options for pursuing home buyout:

- Leverage CDBG-DR funding as match for projects that are also eligible for the Hazard Mitigation Grant Program.
- Work directly with DEO on projects located in low- and moderate-income areas to buyout residential areas in support of permanent open space supporting green infrastructure or other floodplain management systems.

Action Plan: Economic Revitalization Program Details

Economic Revitalization Programs:

- Workforce Recovery Training Program
- Business Recovery Grant Program

Recovery Workforce Training Program

Program activities include:

- Growing the workforce needed to support long-term recovery jobs, primarily in the housing construction field.
- DEO will implement a workforce recovery training program that may include but may not be limited to the areas of:
 - Roofing
 - Masonry
 - Carpentry
 - Concrete finishers
 - Plumbing
 - HVAC (heating, ventilation and air conditioning)
 - Electricity
 - Heavy equipment operations
 - Customized training
 - On-the-Job Training (OJT)

Business Recovery Grant Program

Program activities include:

- A grant program for eligible business owners who are seeking reimbursement for the cost of replacing equipment and inventory damaged by Hurricane Irma.
 - Documentation of impacts from Hurricane Irma will be required.
 - Repayment of Small Business Administration (SBA) loans is not allowed under federal guidance for this funding.

Action Plan: Public Assistance Program Details

Public Assistance Program:

- Business Assistance to New Floridians from Puerto Rico

Business Assistance to New Floridians from Puerto Rico

Hurricane Maria left devastating impacts on the island communities of Puerto Rico, forcing many families to flee to other parts of the United States seeking shelter and new opportunities. DEO will implement a public assistance program for new businesses and entrepreneurs who have migrated from Puerto Rico.

Program activities include:

- Business plan guidance
- Information about specific regional markets
- Accounting and legal assistance
- Licensing and permitting guidance
- Seminars and other forms of assistance.

DEO's Next Steps

September 2018:

- DEO will host meetings, webinars and surveys to solicit feedback on unmet needs and establish priorities for redevelopment in the most impacted and distressed communities impacted by Hurricane Irma.

October 2018:

- DEO will conduct an additional webinar on the unmet needs data assessment.
- DEO will publish the draft substantial amendment to the action plan on its website for a 30-day public comment period.

November 2018:

- DEO will finalize the substantial amendment to the action plan and submit to HUD by November 18, 2018. HUD has 45 days to approve or provide feedback



Thank You.

If you have questions or comments about this presentation, please contact our office.



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