

STATE OF FLORIDA

ACTION PLAN *for* DISASTER RECOVERY



Submitted to the U.S. Department of Housing and Urban Development (HUD) in fulfillment of requirements for the Community Development Block Grant-Disaster Recovery (CDBG-DR) program for recovery from Hurricane Irma.

Non - Substantial Amendment 5			
Previous Page #	New Page #	Section	Change/Addition/Deletion
83-84	84-85	Unmet Needs Assessment	<p>Corrected typos in Business and Employment data</p> <ul style="list-style-type: none"> Page 83, last paragraph, verified real property losses of \$281,064,990 Page 83, last paragraph, median verified loss of \$31,633 Page 84, last paragraph, potential unmet need of \$910,830,911
120	121	Projects and Activities	Corrected typos in Affordability Periods
120	121	Projects and Activities	Added clarifying statements to Economic Revitalization Activities introductory section to explain how these activities will address unmet housing recovery needs in accordance with Federal Register 5844, Volume 83, Number 28.
120-121	122-123	Projects and Activities	Revised Workforce Recovery Training Program eligible subrecipients, added Workforce Recovery Training Program areas, and clarified Section 3 program requirements

Public Assistance Projects by Category, Hurricane Irma			
Infrastructure Category	Approximate Cost	Estimated Federal Share	Estimated Applicant Share
E (Buildings and Equipment)	\$529,785,546	\$397,356,849	\$132,428,697
F (Utilities)	\$287,922,730	\$215,942,048	\$71,980,683
G (Other)	\$386,593,984	\$289,952,194	\$96,641,790
Total	\$4,274,430,191	\$3,285,577,515	\$988,852,677
Total without A&B	\$1,550,160,867	\$1,162,645,046	\$387,515,822

HMGP and Resilience

The Hazard Mitigation Grant Program (HMGP) will be a critical part of long-term resilience improvements for infrastructure in the impacted area. HMGP is generally calculated at 15 percent of the total amount of IA and PA allocated to a disaster event. Fifteen percent of the total PA funds provided by FEMA (\$2,960,178,503) in addition to the FEMA Individual Housing Program Assistance Program funds made available (\$1,021,180,392) is the expected amount of HMGP funds to be made available for mitigation and resilience activities statewide. For these disasters, the estimated federal share of HMGP is \$597,203,834.

Calculating that HMGP assistance to any jurisdiction is capped at 75 percent of the identified need (the remaining 25 percent being a required local match), it can be assumed that jurisdictions will be required to provide \$149,300,959 in local match, representing an unmet need for resilience improvements. HUD has announced that Florida will receive an additional allocation of \$791 million and it is anticipated that a portion of this funding may be used for HMGP match and resilience to alleviate local match requirements. CDBG-DR funds can be used as a state/local match in specific instances where a particular project meets a national objective.

Economic Impact

Business and Employment

Using SBA business data to understand the financial impact to livelihoods provides a more comprehensive understanding of impacts and recovery across the state. The Small Business Administration makes low-cost disaster loans available to qualified businesses. According to SBA business loan information, approximately 3,902 applicants had a verified property loss of \$281,064,990 and another 18,555 applicants either withdrew or were declined. The average verified loss for all applicants was \$72,031 and the median loss was \$31,633. Employing the general methodology put forth for the housing impact and unmet needs allows for the identification of both the true impact and possible additional estimated impacts for businesses who did not qualify for loans.

Estimated impacts and support provided by the SBA to businesses capture the total loss of \$1,362,990,312 by summing the verified real property losses of **\$281,064,990**, the estimated losses of \$586,950,315 (18,555 applicants either declined or withdrawn from the program), the median verified loss of **\$31,633** the amount of verified and estimated reconstruction loss of \$41,687,948, and the amount of verified and estimated relocation. Estimated impacts and support provided by the SBA to businesses capture the total loss of \$1,362,990,312 by summing the verified real property losses of \$281,064,990, the estimated losses of \$586,950,315 (18,555 applicants either declined or withdrawn from the program), the median verified loss of \$31,633 the amount of

verified and estimated reconstruction loss of \$41,687,948, and the amount of verified and estimated relocation (rebuild elsewhere) losses of \$34,141. DEO then used the same method to sum the verified and estimated losses to furniture, machinery, inventory and business operating expenses (\$271,346,408), conservatively accounting for the percentages of applicants with damages as a percentage of those with real verified losses (Table 29).

According to this method, total business impacts from Irma were \$1,181,049,661. Accounting for 20 percent in extra costs associated with resilience measures such as more stringent building codes, cost of compliance measures, elevations or freeboard requirements increases the total cost of repairs to \$1,362,990,312. SBA payouts to businesses totaled \$270,341,250 for these lines of loss, leaving a potential unmet need of \$910,830,911 or \$1,072,724,362 when accounting for resilience additions.

space. This may include creative stormwater design, park space and other examples. Communities that participate in this program will be encouraged to have a plan for how this property will be used in the future to further reduce flood risk and/or serve as a recreational space for the public.

Affordability Periods

Properties seeking assistance through the programs within the state of Florida's action plan may be required to **adhere** to affordability period requirements. The affordability requirements are:

1. Rehabilitation or reconstruction multifamily rental projects with five or more will require the assisted rental property to remain affordable for LMI tenants for a minimum of 15 years. The assistance to public Housing Authorities may fall under this category.
2. New construction multi-family rental projects with five or more units will require the assisted rental property to remain affordable for LMI tenants for a minimum of 20 years.
3. The affordability periods for single family rental units will be a minimum of 1 year, unless local **governments** have established higher affordability periods. Public Housing Authorities seeking rehabilitation or reconstruction of multifamily housing units must ensure that the assisted rental property remains affordable for LMI tenants for a minimum of 15 years (if eight or more units).
4. Special consideration may be given to rental property owners in the Florida Keys on a case-by-case basis.

Economic Revitalization Activities

Florida's housing programs, detailed above, will address the significant unmet need for housing recovery across the state. However, recovery for individuals and communities must include consideration of the businesses and jobs that provide services and employment. As recognized in the unmet needs assessment, businesses and local economies were significantly impacted by Hurricane Irma. Individuals whose jobs or businesses were impacted by the storm may have difficulty obtaining or retaining housing due to lost income. Further, it is anticipated that recovery and redevelopment needs will likely stress the current construction workforce, leading to the need for programs to support the growth of the skilled labor workforce required to sustain housing recovery activities. To ensure the complete recovery of communities, it is essential that the State of Florida support businesses and the workforce through activities designed to address unmet economic recovery needs.

Florida will prioritize economic revitalization and public assistance activities that retain or create jobs, as well as activities that provide training and support services helping Floridians gain employment and remain employed. The two economic recovery programs described below are designed with the goal of long-term recovery for businesses, the workforce and the entire community.

To address these essential recovery needs, DEO will implement the following economic revitalization and public assistance programs:

- Workforce Recovery Training Program
- Business Recovery Grant Program

Workforce Recovery Training Program

Hurricane Irma had a significant impact on the housing supply, creating an increased demand for new construction and home repair activities, with additional impacts on commercial construction and repair activities. The increased demand for construction activities following Hurricane Irma has created or increased the supply gap in many construction occupations. The unmet needs assessment shows a long-term supply gap for skilled workers across several construction trades. By addressing the unmet needs in the construction trades, Florida can provide a new labor force to support the increased demands for post-disaster construction, as well as support Floridians looking for new employment in the post-disaster economy.

To ensure that there are resources to support the remaining recovery needs, DEO will implement a workforce recovery training program that may include, but may not be limited to, the areas of:

- Roofing;
- Masonry;
- Carpentry;
- Concrete finishing;
- Plumbing;
- HVAC (heating, ventilation, and air conditioning);
- Electricity;
- Heavy equipment operations;
- Carpet laying;
- Glass / window installation;
- Plastering;
- Welding;
- Customized training; and
- On-the-Job Training (OJT).

DEO will select entities to deliver workforce training services through a competitive application cycle. DEO will seek proposals from eligible Local Workforce Development Boards, educational institutions, and technical centers, who will describe the services they can provide in the impacted communities. **This program is not a direct grant program. No funds will be paid directly to individuals seeking job training.**

The Section 3 program requires that recipients of CDBG-DR funding provide, to the greatest extent possible, training, employment, contracting and other economic opportunities to low- and very low-income persons and to business concerns that provide economic opportunities to low- and very low-income persons. Subrecipients will be required to demonstrate efforts to recruit and target residents receiving public housing assistance and other low- and very-low-income persons. Further, subrecipients will be required to demonstrate that successful graduates of this training are referred to businesses supported by or working on any CDBG-DR funded projects to meet their contracted Section 3 goals.

Allocation for Activity: \$20,000,000

Eligible Subrecipients: Local Workforce Development Boards, educational institutions, and technical centers

Maximum Award: N/A

Responsible Entity for Administering: DEO, subrecipients

Eligibility: 105(a)(8)

National Objective: Low- and moderate-income benefit

Business Recovery Grant Program

Small businesses are the lifeblood of local economies throughout the state. This can include typical small shops and restaurants in communities, along with the farmers and fisherman who are important to the agriculture and commercial seafood industries in Florida. As evident in the unmet needs assessment, many of these small businesses, along with nonprofit organizations, were impacted by Hurricane Irma. Wind and flood events can damage structures, destroying vital equipment and inventory. While many business owners have insurance for structures and some also carry insurance on building contents, events such as these can require these small business owners to dip into savings accounts to complete bare minimum repairs and replacements to ensure that doors can remain open and work can be done to harvest crops and seafood. Recognizing this impact, DEO will create a grant program for eligible business owners who are seeking reimbursement for the cost of replacing equipment and inventory damaged by Hurricane Irma. The repayment of Small Business Administration (SBA) loans is not allowed under federal guidance for this funding and documentation of impacts from Hurricane Irma will be required. Additional guidance on the application process, eligibility and program management will be defined after approval of this action plan in state guidance issued on this program. Per HUD's guidance, NFIP compliant flood insurance will be required for any equipment purchased over \$5,000 for the life of the equipment or duration of the loan, if the business is located inside the flood plain. Detailed policies and procedures will be developed at a later date by DEO.

Allocation for Activity: \$60,000,000

Eligible Applicants: Owners of both for-profit and nonprofit small businesses.

Eligibility Criteria: Small businesses and non-profits with equipment and inventory damaged by Hurricane Irma.

Maximum Award: \$50,000

Responsible Entity for Administering: DEO

Eligibility: 105(a)(15) and 105(a)(17)

National Objective: Low- and moderate-income benefit or Urgent Need

Public Assistance

As recognized in the unmet needs assessment, new Floridians who are migrating from Puerto Rico because of Hurricane Maria need support in rebuilding their lives. DEO proposes a public assistance program to support this new population.

Business Assistance to New Floridians from Puerto Rico