



# City of Columbia

## CDBG-DR ACTION PLAN

### Community Outreach

### August 25, 2016



# Session Agenda



- Welcome/Introductions
- Overview of CDBG–DR
- Review Unmet Needs
- Describe Recovery Activities
- Discussion and Feedback



# Introductions



- Gloria Saeed, Interim Director, City of Columbia Office of Community Development
- Dollie Bristow, Community Development Administrator
- Andelyn Rodriguez & Joseph Dukes, Compliance Specialists
- Fred Tombar, The Plexos Group





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# CDBG-DR What is it? How can it be used?



# What is CDBG?



- Authorized under Title I of the Housing and Community Development Act (HCD Act) of 1974
- Consolidated 8 Federal programs under which communities competed for funds
- Primary objective— develop viable urban communities through the provision of decent housing, suitable living environments, & expanded economic opportunities



# Why CDBG-DR?



- Multiple Federal recovery programs
  - Federal Emergency Management Agency (FEMA)
  - Small Business Administration (SBA)
  - U.S. Army Corps of Engineers (USACE)
- CDBG-DR is different than these programs
  - Allows many types of activities, offering grantees additional recovery options and tools
  - Provides grantees the discretion to address unmet recovery needs after other Federal, State, local, and Tribal resources have been exhausted
  - Prioritizes low and moderate income persons



# CDBG-DR Funds General Rules



- Must supplement the standard recovery programs- not supplant them
- No annual appropriation; statutory authority provided by Congress via supplemental appropriations in response to a disaster
- Appropriations provide authority to adopt, modify, and/or waive standard CDBG regulations



# Federal Notice PL 114-113



- Published June 17<sup>th</sup>
- Effective Date June 22<sup>nd</sup>
- Total of \$299,000,000 awarded in SC & TX
- Plus \$1,000,000 for HUD Technical Assistance and Planning
- Provides \$19.98M in CDBG-DR to the City of Columbia



# Notice Requirements



- Eligible Activities
- 70% Low-Income Set-Aside
- Maximum of 5% of funds for Program Administration
- Maximum of 15% of funds for Planning
- Serves Unmet Needs
- Recovery and Resiliency
- Citizen Participation
- Record Keeping & Reporting
- Funds must be expended in 6 years



# Requirements of Each Activity



- CDBG-eligible (or receive a waiver)
- Meet a CDBG National Objective
- Address a direct or indirect impact from the disaster in a county covered by a Presidential disaster declaration and cited in the Notice
- Funds must be used for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization



# CDBG National Objectives



- Each activity (except those for administration or planning) must:
  - Benefit low and moderate income persons
  - Aid in the prevention or elimination of slums or blight, or
  - Meet a need having a particular urgency (urgent need)



# Program/Activity Categories



Housing	Economic Development	Infrastructure
Rehabilitation	Business Assistance	Roads
Development/ New Construction	Job Creation	Bridges
Buy-outs		Facilities



# 70% Low-Moderate Income Set-Aside



Low-Moderate Income = household income less than or equal to 80% Area Median Income (AMI)

**70 % = \$11,193,840**

AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80%	\$35,950	\$41,050	\$46,200	\$51,300	\$55,450	\$59,550	\$63,650	\$67,750



# Meeting 70% LMI Set-Aside



## ■ Area Benefit

- HUD Designated LMI Census Tract Block Group
- 51% of Households at or below 80% AMI
- Examples: infrastructure or public facilities improvements i.e. roads, bridges, parks, community centers

## ■ Direct Benefit to LMI Household

- Income Certification for Households Served
- Must be at or below 80% AMI
- Examples: housing rehab, elevation of housing, buy-outs, relocation assistance, rental assistance, public services





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# Planned Activities



# Unmet Needs Analysis



Category	Amount
Housing	\$47,900,000
Economic Development	\$1,797,413
<b>Total</b>	<b>\$49,697,413</b>



# Disaster Recover Programs



Program	Allocation	Percentage of Funding
Administration	\$999,450	4.8%
Planning & Project Delivery	\$999,450	4.8%
Homeowner Assistance Program (LMI)	\$3,336,150	15.9%
Homeowner Buyout Program (LMI/Urgent Need)	\$2,000,000	9.5%
Small Rental Repair Program (LMI Benefit Only)	\$6,565,270	31.3%
Elevation Reimbursement Program (LMI/Urgent Need)	\$3,490,000	16.6%
Minor Repair Program (LMI Only)	\$2,398,680	11.4%
CDBG Program Income Funds/Minor Repair (LMI Only)*	\$1,000,000	4.8%
Economic Development (Urgent Need)	\$200,000	1.0%
<b>Total</b>	<b>\$20,989,000</b>	<b>100.0%</b>

*\*City of Columbia CDBG Program Income Funds in addition to \$19,989,000 in CDBG-DR funding allocated by HUD.*



# Homeowner Assistance Program (LMI)



- **Activity Allocation:** \$3,336,150
- **Eligibility Requirements:**
  - Damaged residential dwelling must be located within Columbia City Limits.
  - Applicants must have owned and occupied the damaged property as their primary residence as of and prior to the date of the storm event (October 2015).
  - Applicants must have registered with FEMA and had their primary residence designated as having sustained Major-High or Severe damages.
  - Damaged residence must be a single-unit structure, double-unit structure, townhome, or condominium.
  - Application for and receipt of ICC funding for elevation, if required.
  - Sufficient gap financing if required.



# Homeowner Assistance Program (LMI)



## ■ Prioritization

- LMI Households ONLY
- Elderly and disabled homeowners first

## ■ Use of Funds

- Grant agreement between the City and homeowner authorizing payments directly to contractors
- Homeowner agrees to occupy home for at least 1 year
- Home will be covered by a flood insurance policy into perpetuity



# Columbia Buyout Program (CBP)



- **Activity Allocation:** \$2,000,000
- **Eligibility Requirements:**
  - Damaged owner occupied or rental dwelling must be located within Columbia City Limits in a designated floodway or floodplain.
  - Homeowner applicants must have owned the damaged property as their primary residence as of and prior to the date of the storm event (October 2015)
  - Landlord applicants must have owned the damaged rental property as of and prior to the date of the storm event (October 2015).
  - Applicants must have registered with FEMA and had their primary residence designated as having sustained Major-High or Severe damages.
  - Damaged residence must be a single-unit structure, double-unit structure, townhome, or condominium.



# Columbia Buyout Program (CBP)



## ▪ Prioritization

- Owner occupants
- Owners of rental properties

## ▪ Use of Funds

- Direct grant to property owners
- Post disaster fair market value
- Relocation assistance for any displaced tenants according to Uniform Relocation Act requirements



# Columbia Small Rental Repair Program



▪ **Activity Allocation: \$6,565,270**

▪ **Eligibility Requirements:**

- Rental property must be located within Columbia City Limits.
- Applicants must have owned the damaged rental property as of and prior to the date of the storm event (October 2015).
- Damaged rental structure should have no more than 4 units.
- Sufficient gap financing if required



# Columbia Small Rental Repair Program



## ■ Prioritization:

- Damaged rental properties occupied at the time of the storm located outside of the floodplain will be given first priority.
- Existing rental properties not damaged by the storm will be prioritized based upon the level of need of displaced LMI tenants and as funding remains available.

## ■ Use of Funds

- Property owners receive no interest, no payment, forgivable loan requiring:
  1. Rent rehabilitated properties to renters whose incomes are below or at 80% AMI
  2. Maintain affordable rent levels for three (3) years
  3. Maintenance of flood insurance in perpetuity, if applicable.
- Payment made directly to contractors
- Within 30 days of occupancy or re-occupancy of the unit City must get a copy of the executed lease and tenant income and demographic information.
- Lease and income verification must be updated annually



# City of Columbia Elevation Reimbursement



- **Activity Allocation: \$3,490,000**
- **Eligibility Requirements:**
  - Damaged residence must be located within Columbia City Limits.
  - Primary residence prior to the storm (October 2015).
  - Must have registered with FEMA and had their primary residence designated as having sustained “Severe” damages.
  - Damaged residence must be a single-unit structure.
  - If applicable, applicants must have applied for FEMA Increased Cost of Compliance (ICC) funding for elevation of their damaged structure.
  - Elevation projects started after the city’s CDBG-DR grant agreement date must receive Tier II environmental clearance prior to initiating elevation work.
  - Elevation of the home is required by the city’s floodplain ordinance and must be at least 50% complete prior to the issuance of reimbursement.



# City of Columbia Elevation Reimbursement



## ■ Prioritization

- Funding will be provided on a first in first out basis until all funds have been expended

## ■ Use of Funds:

- Direct grant agreement between the city and the applicant specifying
- Grant agreement will include obligations for:
  - Ownership and occupancy of the primary residence home for at least 1 year after reimbursement
  - Maintenance of flood insurance in perpetuity on the damaged home



# City of Columbia Minor Repair Program



- **Activity Allocation:** \$3,398,680 (\$2,398,680 in CDBG-DR funds, \$1,000,000 CDBG Entitlement Funds)
- **Eligibility Requirements:**
  - Damaged residence must be located within Columbia City Limits.
  - Applicants must have owned and occupied the damaged property as their primary residence as of and prior to the date of the storm event (October 2015).
  - Applicants must have registered with FEMA and had their primary residence designated as having sustained Minor-High and Minor-Low damages.
  - Damaged residence must be a single-unit structure, double-unit structure, townhome, or condominium.
  - Applicants must be below 80% AMI at application intake.



# City of Columbia Minor Repair Program



## ■ Prioritization:

- Elderly and disabled household first
- Completed, eligible applicants served on a first in first out basis until fund are expended

## ■ Use of Funds:

- Grant agreement between the City and homeowner authorizing payments directly to contractors
- Must remain in the home for at least a year after Certificate of Occupancy
- Must maintain flood insurance in perpetuity on the damaged home



# City of Columbia EDA Disaster Loan Fund Capitalization



- **Activity Allocation:** \$200,000
- **Eligibility Requirements:**
  - Business must be located within Columbia City Limits.
  - Business owners must have owned and operated the business as of and prior to the date of the storm event (October 2015).
  - Businesses must demonstrate an unmet need of \$10,000 or more which is directly attributable to the October 2015 rain/flood disaster.
  - Businesses must have secured funding through another bank allowing CDBG-DR funds to serve as a gap loan to cover unfunded project costs. The CDBG-DR loan and bank loan must close within 45 days of each other.
  - Business must meet the city's standard underwriting criteria for commercial revolving loans.



# City of Columbia EDA Disaster Loan Fund Capitalization



## ■ Prioritization:

- Applicants will be considered on a first come, first serve basis determined by the date in which the city receives a completed loan application.

## ■ Use of Funds:

- Funds will be provided to eligible businesses in the form of a low interest loan for terms of up to 25 years depending upon the use of funds.
- The interest rate for the CDBG-DR loan will be the higher of 1% below the prime rate or 4.00%
- Funds from the loan can be used for real estate acquisition or upfit, inventory, equipment, and working capital



# Questions



# Contact Us



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