

STATE OF MARYLAND
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ACTION PLAN AMENDMENT – DISASTER GRANT #2 - CHANGES
May 11, 2016
Approved by HUD on June 11, 2016

On January 29, 2013, the U.S. Congress approved the Disaster Relief Appropriations Act which includes \$16 billion of Community Development Block Grant (CDBG-DR) funds. The funding is to be used for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.). The funding is to be used for recovery efforts due to Hurricane Sandy and other eligible events in calendar years 2011, 2012 and 2013. The funding was awarded by the U.S. Department of Housing and Urban Development (HUD) through several rounds.

The State of Maryland was notified it would receive \$20 million of CDBG-DR funds (identified hereafter as Disaster Grant #2) under the second round of awards to be used specifically for housing and economic recovery activities related to Hurricane Sandy pursuant to the Federal Register Notice FR-5696-N-01 published on March 5, 2013. The funding is being managed by the Maryland Department of Housing and Community Development (DHCD) through its Community Development Block Grant Office.

As required by HUD, the State submitted an Action Plan which is an Amendment to the State's Consolidated Plan. The Consolidated Plan is a five-year planning document required by HUD that sets out overall Statewide goals and priorities for housing, community development, and economic development activities. The Action Plan identified the planned use of the CDBG-DR funding, how it would be managed, and provided information required by HUD as to impact of the hurricane. The Action Plan also identified the method of distribution used by the State to determine what activities would be funded. The Action Plan and subsequent Amendments are available for review at www.mdhousing.org under *CDBG Disaster Recovery Assistance*.

As allowed by HUD, the State submitted an Action Plan which only identified a specific amount of the available funding to be used and the activities to be undertaken. This was done partially due to capacity issues and partially for flexibility in order to shift funding to other needs that may be determined as recovery efforts are underway. Under Disaster Grant #2 Phase #1, the State obligated \$7,578,000 for a number of projects and activities in Allegany County, Charles County, Dorchester County, Garrett County and Somerset County.

The State prepared an amendment to the Action Plan, referred to as Grant #2 Phase #2, which was approved by HUD. This amendment contained changes made to existing projects and obligated \$2,350,000 of new funds for an existing project.

The State prepared an amendment to the Action Plan, referred to as Grant #2 Phase #3, which was approved by HUD. This amendment contained changes made to existing projects and obligated \$4,872,000 of new funds for an existing project, construction funds for a project identified in the Action Plan, and a new project that was complimentary to another.

AMENDMENT

At this time, the State proposes to amend the Action Plan again related to existing projects. This amendment impacts projects originally approved under Phase #1 and Phase #3. It does not change or alter other information or requirements found in the Action Plan. It does not result in the award of any additional funding from HUD.

As required by HUD, the State has drafted this amendment to the Action Plan which must be made available to the public for comment. At the end of the required 30 day public comment period, the State submitted the amendment to the Action Plan to HUD for approval. HUD staff will have 60 days to review and approve it.

Specifically, under this amendment, it is proposed to:

- Move funds between projects and grant agreements to allow for sufficient time for one project to be completed;
- Move funds between projects due to cost increases and reductions;
- Change the scope of two projects;
- Delete one project and move funds into other previously approved projects; and
- Move funds from State Administration to Somerset County for project funding.

Charles County

In the Action Plan, Charles County was awarded \$14,999 to assist with the costs to elevate a house located in the floodplain. The funds were to be matched with funds from the homeowner and the Maryland Emergency Management Agency. When bid, the costs exceeded the available amount of funds. Therefore, the County would like to delete this project and move the funds into the other approved project which involves the acquisition and demolition of storm damaged property.

With the proposed changes, the new grant budget for Charles County would be:

Activity	CDBG Funds	Other Funds	Total Costs	Other Sources
Acquisition/Demolition	\$90,999	\$184,580	\$275,579	FEMA
Project Administration	\$8,260	\$6,483	\$14,743	County
Total Project Costs	\$99,259	\$191,063	\$290,322	

ACTION STEP: Delete house elevation project and move funds into acquisition and demolition project.

Garrett County

In the Action Plan, Garrett County was awarded \$108,005 to acquire and install generators for five senior housing developments. When bid, the costs significantly exceeded the available amount of funds. Therefore, the County would like to change the scope of this project and only fund two of the generators. Additionally, they were awarded \$104,750 to acquire and install generators at two water treatment plants in Oakland. When bid, the costs significantly exceeded the available amount of funds. Therefore, the County would like to change the scope of this project and only fund one of the generators.

The funds that will be available due to these changes will be moved into other approved projects due to cost increases or due to the opportunity to undertake additional work. At this time, the County would like to create a contingency line item in their budget to cover any unanticipated costs. Additionally, as other approved projects are finalized, there will be smaller amounts of funds that will be moved between projects to reflect project cost increases and reductions. The final numbers will be identified in the Semi-Annual Disaster Report to be issued in July 2016.

With all proposed changes, the new budget amounts for the Garrett County projects would be:

Activity	Current CDBG Budget	Proposed CDBG Budget
Accident Generator	\$8,915	\$15,617
Grantsville Generator	\$9,500	\$24,117
Grantsville Fire Station Generator	\$134,552	\$119,331.50
Oakland Generators	\$104,750	\$96,987
Loch Lynn Heights Generator	\$2,134	\$2,387
Friendsville Fire Station Generator	\$52,290	\$59,822
GCCAC Building Generator	\$252,985	\$191,324.25
GCCAC Senior Housing Generators	\$108,005	\$85,204
Kitzmiller Dredging	\$326,200	\$385,180.40
Generator Contingency	\$0	\$19,360.56
Total Grant Amount	\$999,331	\$999,331

ACTION STEP: Change the scope of activities for Senior Housing project and the Oakland generator project and move funds into other approved projects.

Somerset County

In the Action Plan, Somerset County was awarded \$400,000 to construct a new dock at Rhodes Point and \$640,000 to construct a homeless shelter. The County must draw

the awarded funds identified in the Action Plan by the July 3, 2016 grant end date. Under the Phase #3 Amendment, an additional \$150,000 was approved to cover increased costs for the construction of the dock. The County will have until January 31, 2018 to expend the additional funds.

At this time, the County anticipates having the dock project completed in June 2016. While underway, the construction of the homeless shelter has been repeatedly delayed. Therefore, the County would like to move \$150,000 from the homeless shelter to the dock project. The \$150,000 approved for the dock project under the Phase #3 activities will then be modified and used for the homeless shelter. This would provide critical additional time necessary to complete the shelter project.

As the County has experienced cost increases for a significant number of the approved projects, the State will increase the County's budget by \$111,746. Additionally, the funds that will be available due to cost reductions for projects will be moved into other approved projects due to cost increases or due to the opportunity to undertake additional work. This includes providing additional funds for the Rhodes Point Dock to cover additional engineering costs and for the homeless shelter for things that can be completed by the July 3rd deadline. The list below shows the estimated proposed budgets for the projects.

Additionally, as other approved projects are finalized, there will be smaller amounts of funds that will be moved between projects to reflect project cost increases and reductions. The final numbers will be identified in the Semi-Annual Disaster Report to be issued in July 2016.

With all proposed changes, the new budget amounts for the Somerset County Phase 1 projects would be:

Activity	Current CDBG Budget (Includes Previous Amendments)	Proposed CDBG Budget
County Offices/Operations Generator	\$300,000	\$310,000
Princess Anne Drainage Project	\$70,000	\$70,000
Homeless Shelter	\$640,000	\$610,000
Crisfield Well Generator	\$85,000	\$62,000
Crisfield Lift Station Improvements	\$100,000	\$80,000
Tidal Dike Feasibility Study	\$518,210	\$518,210
High School Shelter Generator	\$100,000	\$66,000
Crisfield Street Resurfacing	\$1,304,270	\$1,133,683
Crisfield Bulk Head Replacement	\$400,000	\$600,000
Great Point Design	\$350,000	\$350,000
Rhodes Point Dock Replacement	\$400,000	\$562,000
Head Start Design and Construction	\$500,000	\$500,000
Princess Anne Blight Removal	\$35,000	\$35,000
Housing Authority Relocation Plan	\$75,000	\$69,750

Rhodes Point Jetty Study and Design	\$25,000	\$25,000
Project Administration	\$101,890	\$124,513
Total Grant Amount	\$5,004,410	\$5,116,156

ACTION STEP: In Phase 3 grant agreement, use \$150,000 approved for the dock project for the homeless shelter rather than the dock project which involves changes to existing budgets. Increase and reduce budgets of approved projects. Increase the County's grant amount to provide additional funds for various approved projects.

State Administration

In the Action Plan, the State obligated \$300,000 of funds for administrative costs to cover the first two years of the grant under Phase 1. As the State was also spending administrative funds from the Disaster #1 grant, not all of the \$300,000 will be used by the July 3, 2016 grant end date.

The State proposes to decrease the amount of funds for State administrative costs to \$188,254 and to move \$111,746 to Somerset County's Phase 1 grant.

ACTION STEP: Decrease State administrative costs by \$111,746 and move funds to Somerset County Phase 1 grant.

PUBLIC COMMENT

The draft of this plan was prepared by the Maryland Department of Housing and Community Development. It is posted on the DHCD website. As required by federal regulations, it was available for public comment for a 30 day period beginning on May 11, 2016 and ending on June 10, 2016. Notifications related to the Amendment were published in *The Cumberland News-Times*, *The Salisbury Daily Times*, and the *Maryland Independent*.

Written comments were to be submitted via email to *cindy.stone@maryland.gov* or via mail to: Cindy Stone, Director, Office of Community Programs, DHCD, 7800 Harkins Road, Lanham, MD 20706. No comments were received.

Additionally, the State conducted two public hearings related to the proposed activities found within this amendment. The first hearing was held on Friday, May 20, 2016 at 10:00 a.m. at the DHCD Office Building in Lanham. The second one was held on Monday, May 23, 2016 at 5:00 p.m. at the Somerset County Office Building, Room 111, in Princess Anne. Only DHCD and Somerset County staff were in attendance.

*As noted, the State of Maryland received two separate and distinct grant awards from HUD. The grants are tracked in the State system as two grants. The obligation of funds under each grant are identified as "Phases." For HUD's purposes, they are using the word "Round" for each Action Plan that is created and grant agreement awarded by HUD to the State. They do not make a distinction between the two grants awards. Thus, they have approved funding for six rounds as follows:

Round 1	\$4,400,000	Disaster #1 Phase #1
Round 2	\$7,578,000	Disaster #2 Phase #1
Round 3	\$1,100,000	Disaster #1 Phase #2
Round 4	\$3,140,000	Disaster #1 Phase #3
Round 5	\$2,350,000	Disaster #2 Phase #2
Round 6	\$4,872,000	Disaster #2 Phase #3