

**STATE OF MARYLAND  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
ACTION PLAN AMENDMENT – DISASTER GRANT #1 Phase #3 Changes  
October 24, 2016  
Approved by HUD on December 19, 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 \$8,640,000 of CDBG-DR funds (identified hereafter as Disaster Grant #1) under the first 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. The funding is targeted in its entirety to Somerset County which was the most impacted and distressed county in the state.

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 funding, how it would be managed, and provided information required by HUD as to impact of the hurricane. The Action Plan was developed with the assistance and concurrence of the Commissioners of Somerset County who, as the State's grantee, would administer the funding and implement activities. The Action Plan is available for review at [www.dhcd.maryland.gov](http://www.dhcd.maryland.gov) 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 #1 Phase #1, the State obligated \$4,400,000 for housing and economic development activities as well as funds for state administrative costs. Two subsequent amendments were approved for additional activities and obligated all remaining funds under Grant #1. The amendment for Grant #1 Phase #2 provided

\$1,100,000 to conduct a countywide housing study and for improvements at the Housing Authority of Crisfield. The most recent amendment for Grant #1 Phase #3 provided \$3,140,000 for housing and economic development activities as well as funds for state administrative costs.

**AMENDMENT**

In October, the State proposed an additional amendment the Action Plan again related to existing projects. This amendment impacted projects originally approved under Phase #3 (referred to by HUD as Round 4). It does not change or alter other information or requirements found in the Action Plan or other amendments. It does not result in the award of any additional funding from HUD.

As required by HUD, the State drafted this amendment to the Action Plan and made it available to the public for a thirty day period to review and provide comment. The State submitted the amendment to the Action Plan to HUD for approval at the end of the comment period. HUD staff had 60 days to review and approve it.

Specifically, under this amendment, it was proposed to:

- Delete funding from the housing recovery category; and
- Add two new projects.

Under Phase #3, Somerset County was awarded \$2,680,000 to rehabilitate or replace houses damaged by the storms. As the demand for eligible housing assistance has decreased significantly, the County will reduce the amount of funds for this category by \$400,000 and move the funds into two new projects.

<b>Activity</b>	<b>Current CDBG Budget</b>	<b>Proposed CDBG Budget</b>
Housing Recovery Activities	\$2,680,000	\$2,280,000
Broadband Extension	\$0	\$100,000
Strategic Economic Opportunities Analysis	\$0	\$300,000
Total Project Costs	\$2,680,000	\$2,680,000

Broadband Extension

The City of Crisfield was severely impacted by wind and flooding as a result of Hurricane Sandy. A serious deterrent to ensuring that all residents were safe was lack of communication. Power outages made it impossible to provide warning as to the rising water and resulting flooding. The State and Somerset County will use CDBG funds of \$100,000 to complete the extension of broadband to the City of Crisfield.

This is viewed as a necessary activity for emergency notification to all residents in the

event of future disasters. The funding will be used to pay for necessary equipment needed to make it available to all residents. Potentially, broadband could be made available to residents of the Housing Authority of Crisfield without cost to ensure that emergency notification would be available to residents of the largest housing development.

National Objective: Benefit to Low and Moderate Income Persons on an Area Basis.  
The City of Crisfield has a total population of 2,685 of which 1,670 or 62.2% are of low and moderate income.

**ACTION STEP: Reduce Housing Recovery Activities by \$100,000 and add this activity.**

### Strategic Economic Opportunities Analysis

As stated in previous amendments, the County still struggles to recover economically. Several businesses have closed while others try to remain open. The overall impact on the workforce has been negative due to the loss of residents and persons finding work in other counties or states. While not fully responsible, the hurricane has impacted the County's ability to achieve the economic stability it seeks.

In an effort to improve the situation, the County will use \$300,000 for the development of a Strategic Economic Opportunities Analysis. This activity will include several components related to the identification of economic opportunities as well as the issues preventing full recovery. This endeavor will provide relevant, usable information as to rebuilding a sustainable economy that is able to support its residents.

The outcomes will include a market analysis to determine the types of businesses that could be supported based on information related to spending patterns in the County and region. It will also include a feasibility analysis of commercial and industrial real estate to determine quality and quantity. Additionally, it will include preliminary architectural design and structural analysis of commercial buildings in the City of Crisfield that were impacted by flooding. Initial information received could result in further study of specific opportunities.

National Objective: Benefit to Low and Moderate Income Persons on an Area Basis.  
Somerset County has a total population of 19,550 of which 11,130 or 59.93% are of low and moderate income.

**ACTION STEP: Reduce Housing Recovery Activities by \$300,000 and add this activity.**

## **PUBLIC COMMENT**

The draft of this plan was prepared by the Maryland Department of Housing and Community Development and is posted on the DHCD website. As required by federal regulations, it was available for public comment for a 30 day period beginning on October 24, 2016 and ending on November 22, 2016. Notifications related to the plan and the hearings were published in *The Somerset Herald* and *The Salisbury Daily Times*.

Written comments were to be submitted via email to [cindy.stone@maryland.gov](mailto:cindy.stone@maryland.gov) or via mail to: Cindy Stone, Director, Office of Community Programs, DHCD, 7800 Harkins Road, Lanham, MD 20706. No written 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 October 27, 2016 at 5:30 p.m. at the Somerset County Office Building, Room 111, in Princess Anne. One person attended from the local newspaper. State and County staff provided a status of grant activities and discussed the proposed activities. The second hearing was held on November 7, 2016 at 3:00 p.m. at the DHCD Office Building in Lanham. No one outside of DHCD attended.

HUD approved this amendment on December 19, 2016.