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The attached document, the Maryland Department of Housing and Community Development's "State of Maryland Action Plan for Disaster Recovery – Grant #2", was completed and approved in May 2014, prior to the accession of the current state administration under Governor Larry Hogan and Lt. Governor Boyd K. Rutherford.

This document remains in force, and has been unchanged and unedited from its original format.



**State of Maryland  
Action Plan for Disaster Recovery – Grant #2  
Community Development Block Grant Program**

**Submitted to HUD on March 25, 2014  
Approved by HUD May 23, 2014**

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## **EXECUTIVE SUMMARY**

In October of 2012, the State of Maryland was impacted by Hurricane Sandy as it moved up the eastern seaboard of the United States. As a result of the storm, Congress passed the Disaster Relief Appropriations Act of 2013 (the Act) which was signed by the President on January 29, 2013. The Act provided appropriations for recovery efforts to numerous agencies, including the U.S. Department of Housing and Urban Development (HUD) which received \$16 billion in Community Development Block Grant (CDBG) funds to assist impacted communities.

HUD determined that the CDBG funding would be allocated in several rounds for Hurricane Sandy as well as other disasters which occurred in 2011, 2012 and for those that might occur in 2013. The first round was specific to Hurricane Sandy and the State of Maryland received \$8,640,000 to undertake housing and economic recovery efforts in Somerst County. In the most current round of funding, HUD awarded \$20,000,000 to be used for remaining recovery efforts resulting from Hurricane Sandy, Hurricane Irene, Tropical Storm Lee, and the Derecho.

In order to receive this allocation of CDBG funding, the State is required to submit 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 State wide goals and priorities for housing, community development, and economic development activities. A substantial amendment is made to the Consolidated Plan when certain conditions are met, including the award of disaster relief funding.

The State solicited applications for funding and developed this Action Plan for CDBG funds using information received by applicants related to their needs and specifically identified projects. The State reviewed and ranked eligible activities and has identified in this plan all projects that utilize the \$20,000,000. As allowed under the regulations, the State will submit a *Partial Action Plan* at this time. This will result initially in the approval and obligation of \$7,578,000 of the grant funding. As each grant agreement with HUD is for a two year period, this course of action will ensure that all projects are implemented and completed. This plan will be amended in 2015 to include the remaining funds and projects.

## **INTRODUCTION**

On November 18, 2013, the State of Maryland was awarded \$20 million under the Disaster Relief Appropriations Act of 2013. In Maryland, the funding could be used for remaining needs due to Hurricane Sandy, Hurricane Irene, Tropical Storm Lee, and the Derecho. Funding is only available to those counties that received a Presidential Disaster Declaration for a specific storm event.

This funding was awarded to the State through the Community Development Block Grant Program (CDBG). This is a federally funded program designed to assist units of local government with activities directed towards neighborhood revitalization, housing opportunities, economic development and improved public facilities and services. Congress initiated the program in Title I of the Housing and Community Development Act of 1974.

The State of Maryland has assumed the responsibility for the administration of the State CDBG program from the U.S. Department of Housing and Urban Development (HUD) and is the responsible entity for ensuring that the program is managed in compliance with regulations and requirements of HUD, the State and the CDBG Program. The Maryland CDBG Program is administered by the Department of Housing and Community Development (DHCD).

This is the second award of CDBG disaster recovery funding the State has received since February 2013. By regulation, the first award could only be used for housing and economic recovery efforts in Somerset County due to Hurricane Sandy. Somerset County was the only county that received a Presidential Disaster Declaration for "Individual Assistance" and HUD determined that it had the most need.

This current award is for unmet recovery needs related to the identified storm events in qualifying counties. The regulations require that the majority of the funding must be used for Hurricane Sandy recovery. Additionally, it specifies that 80% of the funding must be used in counties determined by HUD to be the "most distressed and impacted" as a result of Hurricane Sandy. Therefore, at least 80% of the current award will be awarded to Somerset County for eligible CDBG projects.

Funding is to be targeted to disaster relief, long-term recovery activities, restoration of infrastructure, public facilities, housing and economic revitalization. While all needs would be considered, the State has placed a priority on infrastructure projects that will protect vulnerable residents and vital infrastructure from future flooding.

HUD and the State want the funds to be used to undertake activities that build stronger and more resilient communities. Counties were required to consider mitigating future risk to people and property related to flooding and/or sea level rise. They were encouraged to submit applications for projects which would address structural and environmental vulnerabilities. Applicants for funding were also strongly encouraged to

consider regional approaches to determine the best course of action for specific issues. They were referred to lessons learned and guidance from Hurricane Sandy recovery efforts found in the Hurricane Sandy Rebuilding Strategy, which was released by HUD on August 19, 2013. The strategy can be found at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=HSRebuildingStrategy.pdf>

The primary objectives of the core Maryland CDBG program are to provide decent housing and necessary supporting infrastructure, preserve and develop viable communities through the expansion of economic opportunities, and meet the critical needs of Maryland's communities. The Maryland CDBG program provides public funds for projects that meet at least one of the following national objectives as required by Title I of the Housing and Community Development Act of 1974, as amended:

- benefits low and moderate income (LMI) persons and households having an income equal to or less than the Section 8 lower income limits established by HUD;
- prevents or eliminates slums or blight; or
- meets an urgent need.

All funded projects must be eligible under the CDBG Program (which includes the CDBG Disaster Recovery Program) and must meet a CDBG national objective. Additionally, as required under the regulations for this grant, 50% of the total award must be used for projects that benefit persons of low and moderate income.

In order to receive this funding, the State is required by HUD to submit 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 State submitted an Action Plan for the first award of CDBG Disaster Grant funding which was approved by HUD on July 25, 2013.

This Action Plan is to outline the proposed uses of the second award of CDBG Disaster funding in compliance with the Federal Register Notice and overall CDBG regulations and requirements. The plan must describe the activities to be funded, the methodology as to how those activities were determined and the specific policies and procedures that will be followed. The plan must include a needs assessment which must take into account the costs of incorporating mitigation and resiliency measures to protect against future hazards. The State must also provide a description of how it will promote sound, sustainable, and long-term recovery planning which reflects responsible floodplain management and take into account future sea level rise. The State must describe how the projects or activities will protect people and property from future harm.

The State chose to require submission of applications as its method of distribution. A preliminary hearing was held on December 16, 2013 to update the public as to the planned course of action. It was held at the DHCD Offices located at 100 Community Place in Crownsville. An application workshop was held on December 19, 2013 to outline policies and procedures and the process related to the selection of the projects

to be funded and, subsequently, identified in the Action Plan. Five counties submitted applications totaling \$22,000,000 by the January 28<sup>th</sup> deadline.

As required, the State published a draft of the Action Plan on February 14, 2014 for public comment. The public had thirty (30) days to provide any comments on the content of the plan which included an assessment of needs, list of projects to be funded, and project schedules as well as the State's policies and procedures specific to the administration of this grant. The comment period ended on March 17<sup>th</sup>. DHCD chose to hold a second public hearing on March 13, 2014 to discuss the plan, progress and list of projects to be submitted to HUD. The Action Plan was submitted to HUD on March 25<sup>th</sup>.

The federal CDBG program regulations can be found in Title 24 of the Code of Federal Regulations (CFR) Part 570. The CDBG regulations specific to funding under the Disaster Relief Appropriations Act of 2013 can be found in the following Federal Register Notices: 78 CFR 14329; 78 CFR 23578; 78 CFR 46999; and 78 CFR 69104.

### **ELIGIBLE STORM EVENTS**

Every county (including Baltimore City) in the state was eligible to apply for CDBG Disaster Recovery funding. The following counties received Presidential Disaster Declarations for the specific storm events:

Hurricane Sandy: Allegany, Anne Arundel, Baltimore City, Baltimore, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Garrett, Harford, Howard, Kent, Montgomery, Prince George's, Queen Anne's, Saint Mary's, Somerset, Talbot, Washington, Wicomico and Worcester

Hurricane Irene: Allegany, Anne Arundel, Baltimore City, Baltimore, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Harford, Howard, Kent, Montgomery, Prince George's, Queen Anne's, Saint Mary's, Somerset, Talbot, Washington, Wicomico and Worcester

Tropical Storm Lee: Anne Arundel, Baltimore, Cecil, Charles, Harford, Howard, and Prince George's.

Derecho: Baltimore City, Calvert, Charles, Kent, Montgomery, and Saint Mary's.

## **METHOD OF DISTRIBUTION**

The State chose to solicit applications for funding. Applications were accepted from county governments and Baltimore City (herein referred to collectively as “county” or “county government”). Each county was asked to conduct a comprehensive, countywide needs assessment related to remaining unmet recovery needs from their qualifying storm events.

County applicants were required to include projects from municipalities, if any. County applicants could choose to include projects on behalf of a subrecipient, housing developer or business. Counties could elect to carry out all submitted and approved projects or subgrant funds to municipalities or other identified eligible entities.

Applicants had to submit eligible projects that met at least one of the CDBG national objectives. The State chose to limit the national objective related to meeting an urgent need to Hurricane Sandy projects only. Projects funded under this national objective must alleviate needs of an urgent nature or a threat to community health and welfare and may not qualify under the other national objectives. In order to qualify a project as an urgent need, the State elected to require documentation demonstrating that the initial damage was a result of the storm as well as documentation that no other funding is available or available in a timely manner. The State would determine if the documentation was adequate to undertake the project using this national objective.

All applicants were required to comply with the following requirements during the application process:

1. Citizen Participation Plan - Counties must comply with specific citizen participation requirements when seeking CDBG funding and implementing a CDBG funded project. The State requires a jurisdiction to adopt and maintain a written *Citizen Participation Plan* which outlines and describes their efforts to solicit citizen input and respond to concerns and questions.

A county's *Citizen Participation Plan* is effective for a three (3) year period. The plan must be current at the time of application. If it is not current or the applicant did not have one, a new plan approved by the county was to be submitted with their application.

2. Public Hearings – Counties were to conduct a minimum of two public hearings prior to submission of the application.

The first public hearing was the first step in the needs assessment process. The hearing notice was to be published in a local newspaper at least five (5) days prior to the date of the hearing. Specific language was provided for applicants to use.

The second public hearing was to take place prior to the submission of the application to the State. The hearing notice was to be published in a local newspaper at least five (5) days prior to the date of the hearing. Specific language was provided for applicants

to use. At the second public hearing, the county was to share the findings of their needs assessment process and the list of projects to be included in their application.

In addition to publishing the hearing notice in the newspaper, counties were to notify the public through other means such as websites, cable television, posted notices in public places, notices in other local publications, etc. Counties were to encourage participation of potential or actual beneficiaries of a project and make accommodations for the disabled.

Counties were to consider the needs of non-English speaking residents and provide translation of materials in compliance with Limited English Proficiency requirements and guidance.

For the submitted applications, the hearings were held in the county office buildings. The addresses of those hearings were:

Allegany County: 701 Kelly Road, Cumberland  
Charles County: 200 Baltimore Street, La Plata  
Dorchester County: 206 High Street, Cambridge  
Garrett County: 203 South Fourth Street, Oakland  
Somerset County: 11916 Somerset Avenue, Princess Anne

3. Local Resolution - The county government was required to pass a resolution authorizing submission of the application, including the specific project(s) and the specific amount of funds being requested. The resolution authorizes the application in an amount equal to or greater than the amount requested in the application. As time constraints were a factor for some counties in obtaining the resolution, the State allowed counties to submit their local resolutions by February 28, 2014. If resolutions were not received by this date, the application would not be funded and the Action Plan would be amended to delete their projects.

4. Residential Anti-Displacement and Relocation Assistance Plan – Counties are to make every effort to minimize the displacement of persons or businesses when using CDBG funds. The State requires recipients to adopt and maintain a *Residential Anti-Displacement and Relocation Assistance Plan*.

A County's *Residential Anti-Displacement and Relocation Assistance Plan* is effective for a three (3) year period. The plan must be current at the time of application. If it is not current or the applicant did not have one, a new plan approved by the county was to be submitted with their application. If an activity is funded that results in displacement, a specific plan must be prepared to provide details related to relocation assistance.

5. Needs Assessment – Applicants were to have conducted a needs assessment to determine the impact of the storm events, the remaining unmet needs, and local priorities related to disaster recovery efforts. This involved consultation with citizens, organizations, municipal governments, housing authorities, and other stakeholders in the county. Regardless of the type of projects submitted, the needs assessment was to

include information related to the impact of each specific storm event on housing, infrastructure and the economy.

## **APPLICATION REVIEW PROCESS**

On January 28, 2014, the State received five applications requesting \$22 million. They were reviewed to determine if the application was complete and if included projects met basic eligibility requirements for CDBG funding. Additionally, staff reviewed the needs assessments in each application to determine if they were complete, comprehensive and sufficient to provide to HUD as part of the Action Plan.

Projects were rated and ranked by a review committee composed of DHCD staff with participation from other state and federal government agencies when appropriate. Rating was based on a 150-point scale. Additionally, staff conducted a risk analysis for infrastructure projects per HUD regulations specific to this grant. This is described more fully later in the plan.

The rating factors and points were as follows:

BENEFIT (75 maximum points) - Projects were evaluated based on the type of project and the proposed impact. The State prioritized infrastructure projects that focused on protecting vulnerable residents and vital infrastructure from future flooding. Specifically, the points to be awarded to the different types of projects were:

|                                   |           |
|-----------------------------------|-----------|
| Infrastructure - Flood Protection | 75 Points |
| Infrastructure                    | 70 Points |
| Public Facilities                 | 65 Points |
| Public Services                   | 60 Points |
| Buyout Programs                   | 55 Points |
| Housing Activities                | 50 Points |
| Economic Development Activities   | 45 Points |
| Blight Removal                    | 40 Points |

READINESS TO PROCEED (50 maximum points) - As Congress and HUD have mandated that funds be spent in a timely manner, the projects were evaluated on their readiness to proceed. The allowable expenditure period was broken into three phases with the most points going to projects that could spend their awards and complete project activities in the shortest time period. The review was based on the relative progress of elements such as bidding, site control/easements, architectural design, preliminary or final engineering, commitment of other project financing, and permit approval or anticipated approval. The anticipated earliest start date of this CDBG award is June, 2014.

It was initially thought that the selected projects would be funded via three phases which would result in three grant agreements between the State and HUD which would allow sufficient time for projects to be undertaken. Based on the actual projects proposed for funding, the State now feels that two grant agreements with HUD will allow sufficient time for projects to be implemented and completed.

LEVERAGING (25 points maximum) - This category considered the extent to which other funds would be contributed to the project. This includes both the committed and proposed leveraging of federal, state, local and other funds contributing to the total project cost. In-kind administration costs could not exceed 14% of the total cost. Maximum points of 25 were awarded for projects where the identified leverage exceeded 25% of the total project costs.

### **FUNDING RECOMMENDATIONS**

Recommendations for funding were presented to the Assistant Secretary for Neighborhood Revitalization, the Deputy Secretary and to the Secretary of DHCD. A total of \$19 million was approved to fund 31 projects and related administrative costs that were submitted by the five applicants. The State will retain \$1 million for State administrative costs. The projects approved by DHCD to be proposed to HUD are:

| <b>APPLICANT</b>  | <b>PROJECT</b>  | <b>LOCATION</b>   | <b>AMOUNT AWARDED</b> |
|-------------------|---|-------------------|-----------------------|
| Allegany County   | Acquisition of generator for Savage water pumping station         | Frostburg         | \$ 23,771             |
| Allegany County   | Acquisition of generator for Frostburg water treatment plant      | Frostburg         | \$ 31,229             |
| Allegany County   | Acquisition and demolition of houses in floodplain                | Countywide        | \$ 240,000            |
| Charles County    | Elevation of house in floodplain                                  | Cobb Island       | \$ 17,359             |
| Charles County    | Acquisition and demolition of property in floodplain              | La Plata          | \$ 81,900             |
| Dorchester County | Acquisition of generator for high school used as a county shelter | Cambridge         | \$ 880,000            |
| Garrett County    | Acquisition of generator for water and sewer systems              | Accident          | \$ 8,915              |
| Garrett County    | Acquisition of generator for water system                         | Grantsville       | \$ 9,500              |
| Garrett County    | Acquisition of two generators at water treatment plants           | Oakland           | \$ 104,750            |
| Garrett County    | Acquisition of generator for municipal building                   | Loch Lynn Heights | \$ 2,134              |
| Garrett County    | Acquisition of generator for fire station used as a shelter       | Friendsville      | \$ 52,290             |
| Garrett County    | Acquisition of generator for fire station used as a shelter       | Grantsville       | \$ 134,552            |

| APPLICANT                      | PROJECT   | LOCATION         | AMOUNT AWARDED       |
|--------------------------------|---|------------------|----------------------|
| Garrett County                 | Acquisition of generator for building used for a senior center, homeless housing and office for social service provider | Oakland          | \$ 252,985           |
| Garrett County                 | Dredging in Potomac River to prevent flooding   | Kitzmillier      | \$ 326,200           |
| Garrett County                 | Acquisition of generators at five senior housing developments   | Countywide       | \$ 108,005           |
| Somerset County                | Acquisition of generator for building used as County offices and operations center                                      | Princess Anne    | \$ 75,000            |
| Somerset County                | Drainage project to eliminate flooding in residential area  | Princess Anne    | \$ 70,000            |
| Somerset County                | Construction of a replacement homeless shelter  | Princess Anne    | \$ 640,000           |
| Somerset County                | Acquisition of generator for Maryland Avenue well   | Crisfield        | \$ 85,000            |
| Somerset County                | Improvements to Cove Street lift station  | Crisfield        | \$ 100,000           |
| Somerset County                | Drainage ditch reclamation activities   | Countywide       | \$ 418,730           |
| Somerset County                | Acquisition of generator for pump station at high school used as a county shelter                                       | Princess Anne    | \$ 100,000           |
| Somerset County                | Resurfacing and repair of damaged streets   | Crisfield        | \$ 1,304,270         |
| Somerset County                | Replace damaged bulk heading at city dock   | Crisfield        | \$ 400,000           |
| Somerset County                | Great Point restoration breakwater project  | Crisfield        | \$ 2,800,000         |
| Somerset County                | Repair and improvements of tidal dike system  | Crisfield/county | \$ 1,750,000         |
| Somerset County                | Construction of replacement county dock at Rhodes Point   | Smith Island     | \$ 400,000           |
| Somerset County                | Construction of replacement building used by Head Start/youth programs  | Crisfield        | \$ 3,000,000         |
| Somerset County                | Acquisition and demolition of blighted property in the floodplain   | Princess Anne    | \$ 35,000            |
| Somerset County                | Construction of jetty at Rhodes Point   | Smith Island     | \$ 4,747,000         |
| Somerset County                | Housing Authority relocation planning   | Crisfield        | \$ 75,000            |
| Somerset County                | Administrative Costs  |                  | \$ 726,410           |
| <b>Total Approved Projects</b> |   |                  | <b>\$ 19,000,000</b> |

As stated previously, the majority of the funding is to assist with recovery efforts due to Hurricane Sandy. With the exception of two, all projects are related to Hurricane Sandy. The two exceptions were due to Tropical Storm Lee. Additionally, the State is required to award 80% of the total grant award of \$20 million to the county most impacted by Hurricane Sandy. The State proposes to award \$16,726,410 or 83.6% for projects and administrative costs to the County Commissioners of Somerset County.

## **PROPOSED USE OF CDBG-DR FUNDS**

Based on the needs assessments prepared by the applicants, the State has developed an Action Plan to most effectively address the remaining unmet needs related to the qualifying storm events. All projects have been identified, however, as allowed under the regulations, the State will be submitting a *Partial Action Plan* at this time to obligate a portion of its allocation of CDBG disaster funding under this grant. This step is being taken to ensure that we have sufficient time to complete all projects and activities. Funds obligated through this partial plan must be expended within two years of the State's receipt of the first grant agreement from HUD. The State will submit an amendment to the Action Plan in 2015 to obligate the remainder of the funds. Projects that are identified through this initial partial plan are those that are most ready to proceed.

In the draft Action Plan, an amount of \$12,600,000 was proposed for funding under the Partial Action Plan. That amount has been adjusted due to discussions with the Army Corps of Engineers related to the schedule of one project and a reduction of the State administration to be used during this phase.

At this time, the State proposes to utilize \$7,578,000 million of CDBG disaster funding for the following projects and activities under this Partial Action Plan:

| <b>APPLICANT</b>  | <b>PROJECT</b>  | <b>AMOUNT</b> |
|-------------------|---|---------------|
| Allegany County   | Acquisition of generator for Savage water pumping station   | \$ 23,771     |
| Allegany County   | Acquisition of generator for Frostburg water treatment plant  | \$ 31,229     |
| Allegany County   | Acquisition and demolition of houses in floodplain  | \$ 240,000    |
| Charles County    | Elevation of house in floodplain  | \$ 17,359     |
| Charles County    | Acquisition and demolition of property in floodplain  | \$ 81,900     |
| Dorchester County | Acquisition of generator for high school used as a county shelter   | \$ 880,000    |
| Garrett County    | Acquisition of generator for water and sewer systems  | \$ 8,915      |
| Garrett County    | Acquisition of generator for water system   | \$ 9,500      |
| Garrett County    | Acquisition of two generators at water treatment plants   | \$ 104,750    |
| Garrett County    | Acquisition of generator for municipal building   | \$ 2,134      |
| Garrett County    | Acquisition of generator for fire station used as a shelter   | \$ 52,290     |
| Garrett County    | Acquisition of generator for fire station used as a shelter   | \$ 134,552    |
| Garrett County    | Acquisition of generator for building used for a senior center, homeless housing and office for social service provider | \$ 252,985    |
| Garrett County    | Dredging in Potomac River to prevent flooding   | \$ 326,200    |
| Garrett County    | Acquisition of generators at five senior housing developments   | \$ 108,005    |
| Somerset County   | Acquisition of generator for building used as County offices and operations center                                      | \$ 75,000     |
| Somerset County   | Drainage project to eliminate flooding in residential area  | \$ 70,000     |

| APPLICANT         | PROJECT  | AMOUNT              |
|-------------------|--|---------------------|
| Somerset County   | Construction of a replacement homeless shelter   | \$ 640,000          |
| Somerset County   | Acquisition of generator for Maryland Avenue well  | \$ 85,000           |
| Somerset County   | Improvements to Cove Street lift station   | \$ 100,000          |
| Somerset County   | Drainage ditch reclamation activities  | \$ 418,730          |
| Somerset County   | Acquisition of generator for pump station at high school used as a county shelter                                | \$ 100,000          |
| Somerset County   | Resurfacing and repair of damaged streets  | \$ 1,304,270        |
| Somerset County   | Replace damaged bulk heading at city dock  | \$ 400,000          |
| Somerset County   | PHASE 1 - Great Point restoration breakwater project – Design funding  | \$ 350,000          |
| Somerset County   | Construction of replacement county dock at Rhodes Point  | \$ 400,000          |
| Somerset County   | PHASE 1 - Construction of replacement building used by Head Start/youth programs – Design and demolition funding | \$ 500,000          |
| Somerset County   | Acquisition and demolition of blighted property in the floodplain  | \$ 35,000           |
| Somerset County   | Housing Authority relocation planning  | \$ 75,000           |
| Somerset County   | Project administrative costs for all projects  | \$ 426,410          |
| Somerset County   | PHASE 1 – Construction of a jetty at Rhodes Point – Study funding  | \$ 25,000           |
| State of Maryland | General administrative costs   | \$ 300,000          |
|                   | <b>TOTAL</b>   | <b>\$ 7,578,000</b> |

For the projects and activities identified above to be included in the Partial Action Plan, the State will fund activities that meet one of the following national objectives:

- 1) *Benefit to LMI Persons Through Housing Activities* – Activities must benefit low and moderate income households that are qualified based on data about household size and income.
- 2) *Benefit to LMI Persons Through Limited Clientele Activities* – Activities must benefit low and moderate income persons that are “presumed” to be or are qualified based on data about the household size and income.
- 3) *Benefit to LMI Persons Through Area Benefit Activities* – Activities must benefit an entire town, city or specific service area that has a population that is at least 51% low and moderate income determined by census data or survey.
- 4) *Prevention or Elimination of Slum and Blight on a Spot Basis*
- 5) *Meeting an Urgent Need*

For this grant, the State must spend at least 50% of the total award - \$10,000,000 – on activities that benefit persons of low and moderate income who are at or below 80% of the area median income for each County using data and income limits provided

annually by HUD. Based on all of the proposed projects, the State will spend \$11,503,963 or 57% of the total grant on activities benefiting low and moderate income persons

Specifically, based on the national objectives for all projects approved by the State:

| NATIONAL OBJECTIVE              | AMOUNT AWARDED | % of TOTAL \$20 MILLION AWARD |
|---------------------------------|----------------|-------------------------------|
| LMI Benefit – Area              | \$ 6,288,477   | 31%                           |
| LMI Benefit - Housing           | \$ 200,364     | 1%                            |
| LMI Benefit – Limited Clientele | \$ 5,015,122   | 25%                           |
| Elimination of Slum and Blight  | \$ 356,900     | 2%                            |
| Urgent Need                     | \$ 7,139,137   | 36%                           |

### **NEEDS ASSESSMENTS**

As stated previously, applicants were required to undertake their own needs assessment. The needs assessment process required them to conduct outreach within their county to determine if there were remaining needs that were eligible for CDBG disaster funding. In conformance with the HUD regulations, they were required to summarize information about the impact of the storms on housing, economic development, and infrastructure and the remaining needs. The information that follows summarizes their findings related to impact of specific storm events and remaining needs and information about projects including amount of leverage and national objective. This information is for all of the projects the State has proposed for funding not just the ones to be funded under the Partial Action Plan.



## **ALLEGANY COUNTY – HURRICANE SANDY**

Allegany County was affected by both snow and rain resulting in the prolonged loss of power to thousands of households and residents in low lying and flood prone areas had to evacuate from their homes. Overall, most recovery needs had been met.

**HOUSING** – The County determined that there were no remaining needs specific to repair or rehabilitation of houses due to Hurricane Sandy. There were a number of houses that were damaged, however, through insurances and assistance from agencies such as the Allegany County Human Resource Development Corporation, Inc. (HRDC), repairs were made in a timely manner. HRDC was able to access funds from DHCD's Weatherization and Special Loan programs.

Hurricane Sandy highlighted the need to continue with the County's flood buyout program. Since 1985, the County has conducted a buyout program to acquire houses of persons living in special flood hazard areas. They utilize County as well as state and federal funding when it is available. During their needs assessment, they advertised their planned activities and sought out homeowners impacted by Sandy. They have 60 homeowners who are on their existing waiting list or are interested in buyouts.

**ECONOMIC RECOVERY** - Per the County's needs assessment, the County did not have any unmet economic recovery needs.

**INFRASTRUCTURE** – Under the FEMA Public Assistance Program, Allegany County received \$199,242 for eligible infrastructure project. The two projects for which they are seeking funding are the only ones identified as having any remaining need.

## **DORCHESTER COUNTY – HURRICANE SANDY:**

Dorchester County's 1,700 miles of shoreline were impacted significantly by Hurricane Sandy. The County had to open to emergency shelters for residents due to concerns with flooding in low lying areas. Overall, most recovery needs had been met.

**HOUSING** – The County determined that there were no remaining needs specific to repair or rehabilitation of houses due to Hurricane Sandy. There were 19 homes reported to have suffered damage and an attempt was made to include them in the State's request for FEMA Individual Assistance which was turned down. As 5 houses had minor damage and 13 were classified as "affected," the County did not seek them out.

**ECONOMIC RECOVERY** – There were a small number of businesses in the County that were impacted by Sandy. While this funding was discussed as an option, it was determined that the activities were not eligible.

INFRASTRUCTURE - Under the FEMA Public Assistance Program, Dorchester County received \$417,921 for eligible infrastructure projects. Per the County's needs assessment, the County did not have any unmet infrastructure needs they chose to pursue with this funding.

## **GARRETT COUNTY – HURRICANE SANDY**

While Hurricane Sandy produced rain, high winds and flooding in most of the State, it resulted in three feet of heavy snow in the state's most western county. Falling trees and limbs brought down power lines which left most of the county without power for days. The electric utility had to replace 250 power poles, 160 transformers, and 23 miles of power line. Power was out in some areas for 10 days. Many people moved to shelters as they had no other sources of heat.

HOUSING – The unexpected snow event did damage housing. There were 23 homes reported to have suffered damage and an attempt was made to include them in the State's request for FEMA Individual Assistance which was turned down. Of those, 14 houses had minor damage and 7 were classified as "affected." Property owners were assisted under existing programs through Garrett County Community Action Committee, Inc. with funding through local and state programs. The County determined that there were no remaining needs specific to repair or rehabilitation of houses due to Hurricane Sandy.

ECONOMIC RECOVERY – Per the County's needs assessment, the County did not have any unmet economic recovery needs.

INFRASTRUCTURE – Under the FEMA Public Assistance Program, Garrett County received \$2,151,658 for eligible infrastructure projects. Many of the projects identified through this assessment are ones that need the required match for the FEMA Hazard Mitigation Grant Program.

## **SOMERSET COUNTY – HURRICANE SANDY**

Somerset County sustained the most damage during the storm due to severe flooding, heavy rains, high winds, and significant coastal flooding. Maximum wind speeds of 90 mph were recorded. Over 11 inches of rain fell in some areas. An unprecedented storm surges of up to 7 feet occurred along the Chesapeake Bay. It was the only county in the State that qualified for Individual Assistance through the FEMA.

HOUSING – Initial assessments of housing damage conducted by the Maryland Emergency Management Agency and FEMA estimated that 410 houses in the County had suffered damage. Those estimates were later amended reporting that 927 houses had been impacted. Under the first CDBG disaster grant, the County has implemented

a housing recovery program to rehabilitate or construct replacement houses for eligible homeowners.

In the Action Plan for the first CDBG disaster grant, it was noted that the existing homeless shelter had minor water damage that could be repaired with State funds. After further inspection, it was determined that the mold damage was too significant and the building had to be demolished. The demolition and construction of a replacement shelter is identified for funding under this grant.

The first Action Plan also included a discussion of the impact of the storm on the property owned by the Housing Authority of Crisfield. Of their 330 rental units, 139 units were deemed uninhabitable due to damage from the hurricane and a number of others sustained a range of damage. With various sources, a number of units have been repaired or are in the process of being repaired. The State is still working with the Housing Authority on determining what amount, if any, of the first CDBG disaster grant could be made available for their remaining needs. Separate from this is the issue that the Housing Authority property is located in the floodplain. Though this was the first time they were flooded to this magnitude, there are concerns related to flooding in the future. Funding is proposed under this grant to conduct a study to determine the feasibility of relocating the Housing Authority out of the floodplain.

ECONOMIC RECOVERY - Under the first CDBG Disaster grant, the County has implemented an economic recovery program to provide loans and grants to impacted business owners.

INFRASTRUCTURE - Under the FEMA Public Assistance Program, Somerset County received \$3,663,694 for eligible infrastructure projects. Through their needs assessment process, they identified \$39 million worth of non-housing or non-economic development projects. The submitted and approved projects under this grant will address the most pressing needs.

## **CHARLES COUNTY – TROPICAL STORM LEE**

**HOUSING** – There were 131 properties impacted by Tropical Storm Lee. Of those, 12 had minor damage and 104 were classified as “affected.” The projects submitted were the only remaining housing recovery needs that were identified.

**ECONOMIC RECOVERY** - Per the County’s needs assessment, the County did not have any unmet economic recovery needs.

**INFRASTRUCTURE** – Under the FEMA Public Assistance Program, Charles County received \$1,095,215 for eligible infrastructure projects. Per the County’s needs assessment, the County did not have any unmet infrastructure needs.

## Project #1 – Allegany County - Generator for Savage Water Pumping Station

|                           |  |
|---------------------------|--|
| Activity Type:            | Public Infrastructure  |
| National Objective:       | Benefit to Low and Moderate Income Persons – Area Benefit  |
| Beneficiaries:            | 7,004 persons / 4,072 LMI – 58.13%<br>Survey of water service area*  |
| Amount Proposed:          | \$23,771   |
| Leverage/Source:          | \$73,705 / FEMA and City of Frostburg  |
| Proposed Start Date:      | June 2014  |
| Address:                  | 479 Old Beall School Road, Frostburg 21532   |
| Project Description:      | Acquisition and installation of generator at the Savage pumping station  |
| Need:                     | Due to power outages, the pump station did not operate for several days. The pump station provides raw water from one of the two sources. The water is pumped from the source to the top of Big Savage Mountain and then gravity fed to a hydroelectric turbine and then to the water treatment plant. The pump station is in a remote area and difficult to access during severe weather. |
| Impact:                   | Installation of a generator at the pump station will ensure that raw water is available to pump from source to treatment plant during power outages caused by future storms.   |
| Proposed Accomplishments: | Acquisition of generator and improvement to infrastructure   |

\*While the City of Frostburg's population is 56.2% low and moderate income, they provide water service to areas in the county. For a different water system project the City conducted an income survey of the water customers outside the city limits using the 2012 Maryland CDBG Survey Guide. They were required to do random surveys of a specific number of households. On February 1, 2013, their survey was approved. The survey results are valid for a two year period.

## Project #2 – Allegany County – Generator for Frostburg Water Treatment Plant

|                           |  |
|---------------------------|--|
| Activity Type:            | Public Infrastructure  |
| National Objective:       | Benefit to Low and Moderate Income Persons – Area Benefit  |
| Beneficiaries:            | 7,004 persons / 4,072 LMI – 58.1%<br>Survey of water service area*   |
| Amount Proposed:          | \$31,229   |
| Leverage/Source:          | \$98,966 / FEMA and City of Frostburg  |
| Proposed Start Date:      | June 2014  |
| Address:                  | 19400 National Highway, Frostburg 21532  |
| Project Description:      | Acquisition and installation of generator at the Frostburg water treatment plant   |
| Need:                     | Due to power outages which lasted for days, it was determined the existing forty year old generator was insufficient for extended periods of time. The City's finished water supply domes store sufficient amounts of water for 2 days so it is critical to acquire a new efficient generator that is able to work for several days. |
| Impact:                   | Installation of another generator at the treatment plant will ensure that treated water is available for residents during power outages caused by future storms.   |
| Proposed Accomplishments: | Acquisition of generator and improvement to infrastructure   |

\*While the City of Frostburg's population is 56.2% low and moderate income, they provide water service to areas in the county. For a different water system project the City conducted an income survey of the water customers outside the city limits using the 2012 Maryland CDBG Survey Guide. They were required to do random surveys of a specific number of households. On February 1, 2013, their survey was approved. The survey results are valid for a two year period.

### Project #3 – Allegany County – Housing Buyout Program

|                           |  |
|---------------------------|--|
| Activity Type:            | Acquisition / Demolition   |
| National Objective:       | Elimination of Slum and Blight – Spot Basis  |
| Beneficiaries:            | N/A  |
| Amount Proposed:          | \$240,000  |
| Leverage/Source:          | \$60,000 / Allegany County   |
| Proposed Start Date:      | June 2014  |
| Address:                  | TBD  |
| Project Description:      | Acquisition and demolition of houses in the floodplain   |
| Need:                     | Since 1985, the County has operated a mitigation program to remove people living in the FEMA mapped 100 year floodplain. This program is voluntary and there are currently 60 homeowners on the County's waiting/interest list. Many of the houses in these special flood hazard areas were impacted by Sandy, as well as by most storm/rain events and from snow melt runoff. The County will prioritize the homes to receive offers based on damage specific to Sandy. The County is also in process of securing funds from FEMA for additional funds which would allow for a larger number of houses to be acquired and demolished. |
| Impact:                   | The goal of the County's mitigation plan is to permanently eliminate risk to human life and loss of personal property by removing people from the floodplain. The County anticipates acquiring 5 houses.   |
| Proposed Accomplishments: | Acquisition and demolition of five houses  |

Project #4 – Dorchester County – Generator for Shelter

Activity Type: Public Facility

National Objective: Benefit to Low and Moderate Income Persons – Limited Clientele

Beneficiaries: 500 Persons / 100% LMI

Amount Proposed: \$880,000

Leverage/Source: \$58,711 / Dorchester County

Proposed Start Date: June 2014

Address: 2475 Cambridge Beltway, Cambridge 21613

Project Description: Acquisition and installation of a generator at a high school which is used as an emergency shelter

Need: The County uses the high school as one of its two shelters. During this period, the shelter was subject to power outages and electrical disruption. This is the County's largest shelter and it closest to those living in low lying areas along the shoreline. The building currently has a small generator which only has the capacity to run emergency lighting. The generator to be acquired is actually three sequenced generators which would be large enough to provide lighting, refrigeration, HVAC, and operate bathrooms.

Impact: Installation of a generator at the pump station will ensure that the shelter is adequate to provide for basic needs of those that must seek shelter there during future storms.

Proposed Accomplishments: Acquisition of generator and improvement to facility

Project #5 – Garrett County – Generator for Accident Water and Sewer Systems

Activity Type: Public Infrastructure

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 348 persons / 186 LMI – 53.4%%

Amount Proposed: \$8,915

Leverage/Source: \$31,745 / FEMA and Town of Accident

Proposed Start Date: June 2014

Address: Town of Accident 21520

Project Description: Acquisition and installation of generator for the water system and the sewer treatment plant

Need: Due to power outages, the water system and the sewer treatment plant did not operate for several days. The existing generator for the water system was insufficient for the extended period of time without power.

Impact: installation of another generator will ensure that water is available for residents and sewer is adequately treated prior to discharge during power outages caused by future storms.

Proposed Accomplishments: Acquisition of generator and improvement to infrastructure

## Project #6 – Garrett County – Generator for Grantsville Water System

Activity Type: Public Infrastructure

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 630 persons / 350 LMI – 55.6%

Amount Proposed: \$9,500

Leverage/Source: \$33,500 / FEMA and Town of Grantsville

Proposed Start Date: June 2014

Address: Town of Grantsville 21536

Project Description: Acquisition and installation of generator for the water system

Need: Due to power outages, the water system was without power for several days. The reservoir could provide water for a few days but the extended period was problematic. Town staff had to manually pump water into the reservoir from a fire hydrant and restrict water usage.

Impact: Installation of a generator for the water system will ensure that water service is available during power outages caused by future storms.

Proposed Accomplishments: Acquisition of generator and improvement to infrastructure

## Project #7 – Garrett County – Generators for Oakland Water Treatment Plants

Activity Type: Public Infrastructure

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 1,668 persons / 895 LMI – 53.7%

Amount Proposed: \$104,750

Leverage/Source: \$67,250 / FEMA and Town of Oakland

Proposed Start Date: June 2014

Address: 15 South 3<sup>rd</sup> Street / 300 Glass Drive, Oakland 21550

Project Description: Acquisition and installation of generators at the two water treatment plants

Need: Due to power outages, one of the water treatment plants did not operate for several days. The other plant had a generator which proved to be insufficient for the extended period of time.

Impact: Installation of generators at the treatment plants will ensure that treated water is available for residents, institutions and businesses during power outages caused by future storms.

Proposed Accomplishments: Acquisition of two generators and improvement to infrastructure

## Project #8 – Garrett County – Generator for Loch Lynn Heights Municipal Building

Activity Type: Public Facility

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 473 persons / 326 LMI – 59.8%

Amount Proposed: \$2,134

Leverage/Source: \$11,401 / FEMA and Town of Loch Lynn Heights

Proposed Start Date: June 2014

Address: 211 Bonnie Boulevard, Loch Lynn Heights 21550

Project Description: Acquisition and installation of generator at the municipal building

Need: The municipal building also includes the maintenance garage and, due to power outages, Town staff had difficulty in making repairs, getting equipment, and coordinating emergency operations for several days.

Impact: Installation of a generator will make the building functional for all necessary activities during power outages caused by future storms.

Proposed Accomplishments: Acquisition of generator and improvement to facility

Project #9 – Garrett County – Generator for Friendsville Fire Station/Shelter

Activity Type: Public Facility

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 573 persons / 373 LMI – 65.1%

Amount Proposed: \$52,290

Leverage/Source: \$5,000 / Town of Friendsville

Proposed Start Date: June 2014

Address: 122 Walnut Street, Friendsville 21531

Project Description: Acquisition and installation of generator at the fire station which is used as a shelter

Need: The building was subject to power outages and electrical disruption over several days while serving as a shelter for residents and travelers from the closed interstate. Their existing generator had limited use..

Impact: Installation of another generator will ensure that they are able to provide a fully operational facility during power outages caused by future storms.

Proposed Accomplishments: Acquisition of generator and improvement to facility

## Project #10 – Garrett County – Generator for Grantsville Fire Station/Shelter

Activity Type: Public Facility

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 630 persons / 350 LMI – 55.6%

Amount Proposed: \$134,552

Leverage/Source: \$5,000 / Town of Grantsville

Proposed Start Date: June 2014

Address: 178 Springs Road, Grantsville 21550

Project Description: Acquisition and installation of generator at the fire station which is used as a shelter

Need: The building was subject to power outages and electrical disruption over several days while serving as a shelter for residents and travelers from the closed interstate. The existing generator only operated the office.

Impact: Installation of another generator will ensure that they are able to provide a fully operational facility during power outages caused by future storms.

Proposed Accomplishments: Acquisition of generator and improvement to facility

Project #11 – Garrett County – Generator for Community Action Service Center

Activity Type: Public Facility

National Objective: Benefit to Low and Moderate Income Persons – Limited Clientele

Beneficiaries: 89 Persons / 100% LMI (Direct)

Amount Proposed: \$252,985

Leverage/Source: \$5,000 / Garrett County Community Action Committee, Inc.

Proposed Start Date: June 2014

Address: 104 East Center Street, Oakland 21550

Project Description: Acquisition and installation of a generator for building used as a senior center, homeless housing and offices

Need: Due to power outages, the senior center was closed, the homeless residents left for shelters or braved the cold, and the Community Action Agency was unable to get critical information related to seniors and vulnerable populations in the community to assist with emergency operations and services.

Impact: Installation of a generator will ensure that the agency is able to operate the building and provide vital information necessary to assist with emergency operations during power outages caused by future storms.

Proposed Accomplishments: Acquisition of generator and improvement to facility

Project #12 – Garrett County – Kitzmiller Dredging Project

Activity Type: Public Infrastructure

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 279 persons / 175 LMI – 62.7%

Amount Proposed: \$326,200

Leverage/Source: \$16,310 / Town of Kitzmiller

Proposed Start Date: June 2014

Address: Town of Kitzmiller 21538

Project Description: Dredging in river and debris removal

Need: The Town is responsible for the flood control levee on the Potomac River. The Town was impacted by Sandy, as well as by most storm/rain events and from snow melt runoff. The Army Corps of Engineers considers the dredging to be the best course of action to prevent flooding and high water impact.

Impact: The dredging project will ensure that the levee meets the freeboard requirement as determined by the Army Corps and reduces flooding.

Proposed Accomplishments: Improvement to infrastructure

## Project #13 – Garrett County – Generators for Senior Housing

|                           |  |
|---------------------------|--|
| Activity Type:            | Housing  |
| National Objective:       | Benefit to Low and Moderate Income Persons – Housing   |
| Beneficiaries:            | 167 Households / 100% LMI  |
| Amount Proposed:          | \$108,005  |
| Leverage/Source:          | \$5,000 / Garrett County Community Action Committee, Inc.  |
| Proposed Start Date:      | June 2014  |
| Address:                  | Multiple sites in county   |
| Project Description:      | Acquisition and installation of generators for five senior housing developments  |
| Need:                     | Due to power outages, senior tenants in several developments owned by the Community Action Agency were required to move to shelters for several days. Many had medical and health issues which made the move traumatic for them. |
| Impact:                   | Installation of generators would allow tenants to stay in their homes during power outages caused by future storms.  |
| Proposed Accomplishments: | Acquisition of five generators and improvement to housing  |

Project #14 – Somerset County – Generators for County Offices and Operation Center

Activity Type: Public Facility

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 19,814 Persons / 10,800 LMI - 54.5%

Amount Proposed: \$75,000

Leverage/Source: \$225,000 / FEMA

Proposed Start Date: June 2014

Address: 11916 Somerset Avenue, Princess Anne 21853

Project Description: Acquisition and installation of a generator for county offices and operations center

Need: There is currently a generator at the County office building but it is only able to provide power to the Emergency Services Department and not able to power the entire building. During Sandy it was critical for county staff to get critical information from offices to assist with emergency operations.

Impact: Installation of a generator with additional capacity would allow the County to efficiently provide services and obtain vital information during power outages caused by future storms.

Proposed Accomplishments: Acquisition of a generators and improvement to facility

## Project #15 – Somerset County – Princess Anne Drainage Project

Activity Type: Public Infrastructure

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 156 Persons / 106 LMI 67%

Amount Proposed: \$70,000

Leverage/Source: \$0

Proposed Start Date: June 2014

Address: Valentine Drive and University Drive, Princess Anne 21853

Project Description: Construction project to eliminate flooding

Need: Severe flooding occurred in a neighborhood due to Hurricane Sandy making streets impassible and impacting houses. The project will make necessary improvements to roadway and ditches to prevent future flooding.

Impact: Neighborhood will no longer flood during storms

Proposed Accomplishments: Improvement to infrastructure

## Project #16 – Somerset County – Homeless Shelter

|                           |   |
|---------------------------|---|
| Activity Type:            | Public Facility   |
| National Objective:       | Benefit to Low and Moderate Income Persons – Limited Clientele  |
| Beneficiaries:            | 35 Persons / 100% LMI   |
| Amount Proposed:          | \$640,000   |
| Leverage/Source:          | \$140,000 / Maryland Affordable Housing Trust   |
| Proposed Start Date:      | June 2014   |
| Address:                  | 12518 Somerset Avenue, Princess Anne 21853  |
| Project Description:      | Construction of a homeless shelter  |
| Need:                     | Demolition and construction of a replacement building to be used as the County's homeless shelter. The current building suffered water damage as a result of Hurricane Sandy. Though they intended to repair it, it was recently determined that the mold damage was too significant and the building should be demolished. The current shelter has not operated since the storm. |
| Impact:                   | Construction of a building for use as a shelter for the homeless  |
| Proposed Accomplishments: | Construction of a new facility  |

Project #17 – Somerset County – Generator for Maryland Avenue Well in Crisfield

Activity Type: Public Infrastructure

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 2,729 Persons / 1,927 LMI – 70.6%

Amount Proposed: \$85,000

Leverage/Source: \$0

Proposed Start Date: June 2014

Address: Maryland Avenue, Crisfield 21817

Project Description: Acquisition and installation of a generator for a well

Need: Due to power outages, the well did not work for several days. The existing generator ceased working and they were unable to provide water to residents from this well.

Impact: Installation of a generator will ensure that water is available for residents during power outages caused by future storms.

Proposed Accomplishments: Acquisition of a generator and improvement to infrastructure

## Project #18 – Somerset County – Cove Street Lift Station Improvements in Crisfield

|                           |   |
|---------------------------|---|
| Activity Type:            | Public Infrastructure   |
| National Objective:       | Benefit to Low and Moderate Income Persons – Area Benefit   |
| Beneficiaries:            | 4,729 Persons / 2,785 LMI – 58.8%<br>Survey of sewer service area*  |
| Amount Proposed:          | \$100,000   |
| Leverage/Source:          | \$0   |
| Proposed Start Date:      | June 2014   |
| Address:                  | Cove Street, Crisfield 21817  |
| Project Description:      | Improvements to lift station  |
| Need:                     | The operation of the lift station is critical to the City's sewer system and it was impacted by flood waters. This activity would improve and protect it by constructing a four foot high wall made of solid concrete with a waterproof gate. |
| Impact:                   | These actions would protect the lift station and keep it operational during any future flooding.  |
| Proposed Accomplishments: | Improvement to infrastructure   |

\*While the City of Crisfield's population is 70.6% low and moderate income, they provide sewer service to areas in the county. For a different sewer system project the City conducted an income survey of the sewer customers outside the city limits using the 2011 Maryland CDBG Survey Guide. They were required to do random surveys of a specific number of households. On January 24, 2012, their survey was approved. The survey results are valid for a three year period.

## Project #19 – Somerset County – Drainage Ditch Reclamation

|                           |  |
|---------------------------|--|
| Activity Type:            | Public Infrastructure  |
| National Objective:       | Benefit to Low and Moderate Income Persons – Area Benefit  |
| Beneficiaries:            | TBD (County will undertake income survey of areas to determine areas in county where funds could be used. The State will approve methodology and survey results.)  |
| Amount Proposed:          | \$418,730  |
| Leverage/Source:          | \$0  |
| Proposed Start Date:      | June 2014  |
| Address:                  | Countywide   |
| Project Description:      | Improvements to drainage ditches   |
| Need:                     | During Hurricane Sandy, many of the drainage ditches throughout the County did not function properly. As much of the County is in the floodplain, the extensive ditch system is critical to preventing flooding. They need to be improved so flood waters can drain. |
| Impact:                   | Improvements to ditches will ensure that they function during future storms.   |
| Proposed Accomplishments: | Improvements to infrastructure   |

Project #20 – Somerset County – Generator for Shelter

Activity Type: Public Facility

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 19,814 Persons / 10,800 LMI – 54.5% LMI

Amount Proposed: \$100,000

Leverage/Source: \$0

Proposed Start Date: June 2014

Address: Washington High School  
10902 Old Princess Anne Road, Princess Anne 21853

Project Description: Acquisition and installation of a generator for pump station at the high school which serves as the County emergency shelter

Need: This is the only shelter in the county and it is served by a small pump station. During power outages which lasted for days, the pump station was without power which negatively impacted the facility.

Impact: Installation of a generator would allow the facility to be fully operational to provide for basic needs of those that must seek shelter during power outages caused by future storms.

Proposed Accomplishments: Acquisition of a generator and improvement to a facility

## Project #21 – Somerset County – Crisfield Street Resurfacing

|                           |  |
|---------------------------|--|
| Activity Type:            | Public Infrastructure  |
| National Objective:       | Benefit to Low and Moderate Income Persons – Area Benefit  |
| Beneficiaries:            | 2,729 Persons / 1,927 LMI – 70.6%  |
| Amount Proposed:          | \$1,304,270  |
| Leverage/Source:          | \$0  |
| Proposed Start Date:      | June 2014  |
| Address:                  | Multiple streets in city   |
| Project Description:      | Resurfacing and repairs of damaged streets   |
| Need:                     | Due to flooding, many of the streets in the City were damaged. In many places the underlying base or ground surface is unstable. The repair and resurfacing of streets must be done so roads are usable. |
| Impact:                   | The repair and resurfacing of streets is critical to the residents.  |
| Proposed Accomplishments: | Improvements to infrastructure   |

## Project #22 – Somerset County – Crisfield City Dock Bulk Heading Replacement

Activity Type: Public Infrastructure

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 2,729 Persons / 1,927 LMI – 70.6%

Amount Proposed: \$400,000

Leverage/Source: \$0

Proposed Start Date: June 2014

Address: 1200 W. Main Street, Crisfield 21817

Project Description: Replacement of damaged bulk heading at city dock

Need: The force of the storm surge from Hurricane Sandy damaged the existing wooden bulk heading around the City's dock. The regular wave action since has further damaged it and water is going behind the bulk head and eroding the land. The wood will be replaced by steel and topped with cement.

Impact: The replacement of the damaged bulk heading protects the shore from further erosion and flooding.

Proposed Accomplishments: Improvements to infrastructure

Project #23 – Somerset County – Great Point Restoration Breakwater Project

Activity Type: Public Infrastructure

National Objective: Benefit to Low and Moderate Income Persons – Area Benefit

Beneficiaries: 2,729 Persons / 1,927 LMI – 70.6%

Amount Proposed: \$2,800,000 TOTAL  
\$350,000 included in this Partial Action Plan  
\$2,450,000 to be included under second Partial Action Plan

Leverage/Source: \$5,000,000 / Army Corps of Engineers

Proposed Start Date: June 2014 – Design - Included under this Partial Action Plan  
August 2015 – Construction - To be included under second Partial Action Plan

Address: Tangier Sound off coast of the City of Crisfield

Project Description: Construction of breakwater project

Need: Due to erosion on barrier islands off the coast of Crisfield, there is no protection against storm surge coming from the Tangier Sound. Hurricane Sandy made the situation worse. The Army Corps of Engineers has approved the funding for this project and will create a breakwater off each island to provide protection for the city.

Impact: Construction will reduce the impact of storm surge and high waves and reduce flooding.

Proposed Accomplishments: Improvements to infrastructure

Project #24 – Somerset County – Rhodes Point Dock Replacement

|                           |  |
|---------------------------|--|
| Activity Type:            | Public Infrastructure  |
| National Objective:       | Urgent Need  |
| Beneficiaries:            | N/A  |
| Amount Proposed:          | \$400,000  |
| Leverage/Source:          | \$0  |
| Proposed Start Date:      | June 2014  |
| Address:                  | Rhodes Point, Smith Island   |
| Project Description:      | Construction of a new dock   |
| Need:                     | The existing dock was severely damaged during Hurricane Sandy and must be replaced.                      |
| Impact:                   | The replacement of the dock will provide access to and from the water for residents living on an island. |
| Proposed Accomplishments: | Improvements to infrastructure   |

Project #25 – Somerset County – Head Start/Youth Center in Crisfield

Activity Type: Public Facility

National Objective: Benefit to Low and Moderate Income Persons – Limited Clientele

Beneficiaries: 473 Persons / 378 LMI – 80%

Amount Proposed: \$3,000,000 TOTAL  
\$500,000 included in this Partial Action Plan  
\$2,500,000 to be included under second Partial Action Plan

Leverage: \$0

Proposed Start Date: June 2014 – Design and Demolition – Included under this Partial Action Plan  
August 2015 – Construction – To be included under second Partial Action Plan

Address: 6 Asbury Avenue, Crisfield 21817

Project Description: Construction of a building to be used for Head Start and youth programs

Need: This former elementary school is owned by the County but leased to service providers. It was flooded and the roof was damaged as a result of Hurricane Sandy. While some repairs have been made, there are issues with a leaking roof, mold and dampness. Though renovations were considered, the best course of action is to demolish the building and construct a new one.

Impact: Construction of an energy efficient building that is elevated to reduce risk of flooding during future storms.

Proposed Accomplishments: Construction a new facility

Project #26 – Somerset County – Warwick Blight Removal

Activity Type: Blight Removal

National Objective: Elimination of Slum and Blight – Spot Basis

Beneficiaries: N/A

Amount Proposed: \$35,000

Leverage/Source: \$8,000 / Town of Princess Anne

Proposed Start Date: June 2014

Address: 11847 Somerset Avenue, Princess Anne 21853

Project Description: Acquisition and demolition of blighted property in the floodplain

Need: Three buildings were flooded with at least three feet of water by a nearby river during Hurricane Sandy. They were vacant and in poor condition prior to the storm but are now in worse condition.

Impact: Acquisition of properties will remove blighted buildings from the floodplain.

Proposed Accomplishments: Acquisition and demolition of three blighted buildings

## Project #27 – Somerset County – Crisfield Housing Authority Relocation Planning

Activity Type: Planning

National Objective: Benefit to Low and Moderate Income Persons – Housing

Beneficiaries: 330 Units / 100% LMI

Amount Proposed: \$75,000

Leverage/Source: \$0

Proposed Start Date: June 2014

Address: 115 South 7<sup>th</sup> Street, Crisfield 21817

Project Description: Relocation Planning

Need: The Housing Authority of the City of Crisfield property flooded during Hurricane Sandy. Half of their units were uninhabitable immediately after the storm. As the property is in the floodplain and elevation of the townhouse units would be difficult, a study is needed to assess further risks and to determine the feasibility of relocating residents to a better location.

Impact: The study will determine if it is feasible to relocate the Housing Authority residents out of the floodplain.

Proposed Accomplishments: A study will be prepared

## Project #28 – Charles County – House Elevation

Activity Type: Housing Rehabilitation

National Objective: Benefit to Low and Moderate Income Persons – Housing

Beneficiaries: 1 Household / 100% LMI

Amount Proposed: \$17,359

Leverage: \$49,801 / FEMA and homeowner

Proposed Start Date: June 2014

Address: 13083 Pine Grove Road, Cobb Island 20625

Project Description: Elevation of house in floodplain

Need: House was flooded during Tropical Storm Lee and during subsequent storm events.

Impact: Elevation of house will eliminate risk of flooding

Proposed Accomplishments: Improvements to a house

## Project #29 – Charles County – Housing Buyout

Activity Type: Acquisition / Demolition

National Objective: Elimination of Slum and Blight – Spot Basis

Beneficiaries: N/A

Amount Proposed: \$81,900

Leverage: \$207,000 / FEMA

Proposed Start Date: June 2014

Address: 6425 Warren C Eller Drive, La Plata 20646

Project Description: Acquisition and demolition of house in the floodplain

Need: House was flooded during Tropical Storm Lee and during subsequent storm events. It has suffered repetitive losses making it eligible for FEMA acquisition funding.

Impact: Acquisition of house permanently eliminates risk to human life and loss of personal property by removing people from the floodplain.

Proposed Accomplishments: Acquisition and demolition of a house

***With the exception of \$25,000 to be used for funding a study, the following two projects will be undertaken in the second Partial Action Plan that the State will submit to HUD.***

Project #30 – Somerset County – Tidal Dike Repair and Improvements

Activity Type: Public Infrastructure

National Objective: Urgent Need

Beneficiaries: N/A

Amount Proposed: \$1,750,000

Leverage/Source: \$3,250,000 / Army Corps of Engineers

Proposed Start Date: August 2015

Address: Southeast of the City of Crisfield

Project Description: Repair and improvements to an existing tidal dike

Need: The seven mile earthen tidal dike was built in the early 1900's to protect low lying properties from flooding. As the storm surge was significantly higher with Hurricane Sandy, the dike failed to prevent water from going over and low lying areas were flooded. The dike was damaged in several places during Sandy. The County would like to repair and improve the dike. This consists of increasing the height of the dike and to elevate county roads that pass through it so that it provides greater protection against storms and higher than normal tides.

Impact: Repairs and improvements to the tidal dike will allow it to better protect the area from higher tides and storm surges during storm events.

Proposed Accomplishments: Improvement to infrastructure

Project #31 – Somerset County – Rhodes Point Jetty Construction

Activity Type: Public Infrastructure

National Objective: Urgent Need

Beneficiaries: N/A

Amount Proposed: \$4,747,000 TOTAL  
\$25,000 included in this Partial Action Plan  
\$4,722,000 to be included under second Partial Action Plan

Leverage/Source: \$7,000,000 / Army Corps of Engineers

Proposed Start Date: June 2014 – Study – Included under this Partial Action Plan  
August 2015 – Construction – To be included under second Partial Action Plan

Address: Rhodes Point, Smith Island

Project Description: Construction of a jetty

Need: The Rhodes Point area, which is subject to erosion, was flooded during Hurricane Sandy making the situation worse. This project will construct a jetty, realign the channel and create two acres of wetlands which will reduce wave action and provide protection to the community.

Impact: Limits further erosion and protects community from flooding.

Proposed Accomplishments: Improvements to infrastructure

## **RISK ANALYSIS FOR INFRASTRUCTURE PROJECTS**

The State was to conduct a risk analysis for each infrastructure project proposed for funding. The analysis was to consider a broad range of factors including but not limited to the impact of climate change, sea level rise, the impact of future storm events, the impact on public health and safety, alternative solutions, environmental concerns and economic impact.

The State conducted the required analysis using the best available data. The following summarizes information related to the analysis for specific projects. As a number of proposed projects were the same type of project, the analysis for those projects was summarized once.

Projects: Generators for public utility systems

It was determined that generators needed for the operation of public water and sewer systems were critical to public health and safety. If systems are without power for extended periods of time, residents are impacted by the lack of potable water and the environment is threatened by the discharge of untreated wastewater into streams and tributaries. Additionally, the lack of water would impact fire safety efforts. Extended periods without power also impact the systems themselves which are designed for continuous operation. Systems are put at risk for future maintenance and operation problems. As these are major financial investments in communities, systems need to be maintained to the highest standards to ensure that they meet state and federal requirements.

This analysis applies to the following projects:

- Project #1 – Allegany County – Generator for Savage Water Pumping Station
- Project #2 – Allegany County – Generator for Frostburg Water Treatment Plant
- Project #5 – Garrett County – Generator for Accident Water and Sewer Systems
- Project #6 – Garrett County – Generator for Grantsville Water System
- Project #7 – Garrett County – Generators for Oakland Water Treatment Plants
- Project #17 – Somerset County – Generator for Maryland Avenue Well

Project: #12 – Garrett County – Kitzmiller Dredging Project

A levee was constructed on the Potomac River in 1964 to provide flood protection to the Town of Kitzmiller and to the area across the river in the State of West Virginia. It is owned and operated by the Town and under the jurisdiction of the Army Corps of Engineers. An engineering study completed in 2012 revealed that there are areas along the levee where the required 3 foot freeboard is not met. While this was an existing issue, the flooding and shoreline erosion caused by Hurricane Sandy has

worsened the situation. There are two possible solutions to correct the deficiencies. The levee height can be increased or the channel can be dredged. Raising the levee would essentially be re-creating the original project and would be very expensive. The dredging of the levee is a more cost effective approach and ensures that the levee is still successfully operating and able to protect the Town and other areas from future flooding.

Project: #15 – Somerset County – Princess Anne Drainage Project

An identified neighborhood suffered severe flooding during Hurricane Sandy. The neighborhood had flooded during past heavy storm events but not to the degree as seen during the hurricane. The flooding impacted the safety of the residents and damaged homes. The proposed project would make improvements to the roadway and drainage ditches to eliminate the flooding in the neighborhood. This is the most effective approach to immediately solve the problem.

Project: #18 – Somerset County – Cove Street Lift Station Improvements

This lift station is critical to the operation of the City's sewer system and it was impacted by flood waters. To make it more resilient, a barrier wall will be constructed around the station to protect it. The wall will be four feet high and made of solid cement which will make it waterproof. They will install a waterproof gate. These actions would protect the lift station and keep it operational during any future flooding.

Project: #19 – Somerset County - Drainage Ditch Reclamation

A large part of Somerset County is in the floodplain which makes the extensive system of drainage ditches a priority. The reclamation process involves grading and the removal of sediment and plant growth which restricts water flow. The restoration of the ditches will immediately allow them to function properly and protect residents from future flooding.

Project: #20 – Somerset County – Crisfield Street Resurfacing

Many city streets were covered by 3 feet of saltwater for four days. This weakened streets which were then impacted by winter weather. In many places the underlying base or ground surface is unstable. The storm reduced the lifespan of the street surfaces. The repair and resurfacing of streets is critical to the residents and there are no alternative solutions.

Project: #22 – Somerset County – Crisfield City Dock Bulk Heading Replacement

The force of the storm surge from Hurricane Sandy damaged the existing wooden bulk heading around the City's dock. The regular wave action since has further damaged it and water is going behind the bulk head and eroding the land. The wood will be replaced by steel and topped with cement. It will be constructed on the land side of the existing bulkhead. The proposed materials have a fifty year life expectancy and will protect the shoreline from waves and storm surges.

Project: #23 – Somerset County – Great Point Restoration Breakwater Project

Over the years, erosion on Cedar Island and Janes Island has resulted in higher storm surges impacting the City of Crisfield. These are barrier islands off the coast of the City in the Tangier Sound. This situation caused the storm surge to be even higher during Sandy which resulted in severe flooding and property damage. Hurricane Sandy and other storms over the past five years combined with sea level rise and increased boat traffic have worsened the situation and further reduced the protection provided by these barrier islands. The Army Corps of Engineers has approved funding to construct breakwaters off both islands to reduce the storm surge and waves impacting the City. This involves the construction of walls and the raising of the reef in the channel. This action will protect businesses and people from higher wave action and subsequent flooding. The Corps has determined this to be the only practical solution to try to reduce the storm surges and impact on the City.

Project: #24 – Somerset County – Tidal Dike Repair and Improvement

There is a seven mile earthen tidal dike that was constructed in the early 1900's to protect the low lying and flood prone areas in and around the City of Crisfield. The height varies from 2 to 5 feet high. The dike contains 26 tide gates strategically located throughout to prevent saltwater intrusion on improved properties. There are six county roads that cut through it. It has done a sufficient job protecting properties during normal tides. As the storm surge was significantly higher with Hurricane Sandy, the dike failed to prevent water from going over the dike and low lying areas were flooded. The dike was damaged in several places. This project would increase the height of the wall to between 6 to 8 feet and elevate county roads resulting in greater protection against storms and higher than normal tides. While this project is on the list of projects proposed by the State, the Army Corps of Engineers is still in the processing of conducting their initial assessment which will be completed in July. Therefore, the risk assessment will be completed when their findings are made.

Project: #25 – Somerset County – Rhodes Point Dock Replacement

The County owns and maintains a dock at the Rhodes Point community on Smith Island. The dock was severely damaged by Hurricane Sandy and it was determined that it must be replaced due to structural issues. As this is an island, it is critical that the dock is replaced as it allows public access for the residents to and from the water.

Project: #28 – Somerset County – Rhodes Point Jetty Construction

The community of Rhodes Point on Smith Island is separated from the Chesapeake Bay by a narrow federal channel called Sheep Pen Gut and by marshland which is rapidly eroding. Flooding caused by Hurricane Sandy has worsened the situation. The solution determined by the Army Corps of Engineers is to install a twin jetty and realign the channel combined with a jetty extension and a sill. The channel would be dredged and the dredging material would be used to backfill behind the sill to create two acres of wetlands. This would reduce normal wave action and lessen the impact of higher waves during storms and provide protection to the community.

The State was to develop Resilience Performance Measures for infrastructure projects. The measures were to assist with the selection of the projects to be funded and to evaluate their effectiveness upon completion. The State developed the following measures:

Measure #1 – To invest CDBG Disaster funds in infrastructure projects that will eliminate or substantially reduce the impact of flooding in communities;

Measure #2 – To invest CDBG Disaster funding in infrastructure projects that will restore and strengthen existing infrastructure; and

Measure #3 – To ensure the long term impact of the CDBG Disaster funding by requiring the development of maintenance plans and agreements.

## **GRANT ADMINISTRATION**

The State will subgrant funding to the governments of the following counties: Allegany, Charles, Dorchester, Garrett and Somerset. For each county, the grants will be managed by experienced CDBG grant administrators who have worked with the State for years in implementing CDBG projects.

The State and the grantees will work in partnership to ensure consistency with the Action Plan as drafted. Additionally, the State and grantees will ensure that the recovery efforts are smart, effective and in compliance with applicable county, state and

federal regulations and requirements. This will require joint efforts to ensure that the investment is protected, activities are undertaken in a timely manner, and that there is transparency in our actions.

The State will oversee the administration of the grant through monitoring of grantees activities and the submission of the required information to HUD. As required, the State will maintain a website specifically to advise the public on the progress of funded activities under this grant.

**Monitoring** - For this grant, the State will work with the grantees to ensure that there is compliance with all requirements and regulations. CDBG staff will provide technical assistance on a regular basis and assist the grantees with implementing grant activities. Additionally, the formal monitoring of expenses and activities will be an on-going process.

The overall monitoring will take the following into account:

- CDBG management structure;
- Internal procedures and controls;
- Capacity to track projects and activities from the planning stage through applicable major milestones to completion;
- Consistency of the implemented projects with the approved plan (as reflected in the Grantee's application, Grant Agreement, and any amendments);
- Capacity of the grantees to ensure compliance with the relevant programmatic and compliance requirements.

The on-site monitoring will involve the following types of activities:

- Interviewing management, program, financial and administrative staff of grantee;
- Inspecting project sites, both for completed and on-going CDBG activities
- Auditing of financial records; and
- Conducting a review of the project records.

At a minimum, the grantees will be required to submit requests for payments on the last day of each month. The assigned CDBG Project Manager will monitor invoices once the requests for payment have been submitted. Invoices will be verified against contracts and other documents.

The State will monitor the progress of the grantees every six months. In the event that the progress is insufficient, the State and the grantee will evaluate the activities and determine if changes need to be made.

DHCD is monitored annually by the State's Office of Legislative Services and independent auditors hired to perform required Single Audits. This will serve as another

form of checks and balances to determine that the State and grantees are expending funds in accordance with federal regulations and requirements.

**Prevention Fraud, Abuse and Mismanagement** - The State will monitor activities on an on-going basis to ensure that the State and grantees are in compliance with all applicable state and federal regulations. By monitoring activities on an on-going basis, it is the goal of the program that any problems or issues will be minimal and dealt with at the early stages.

## **REGULATIONS, POLICIES AND REQUIREMENTS FOR FUNDED PROJECTS**

For funded projects, the State’s grantees must comply with the requirements found in the HCD Act of 1974, the CDBG program regulations found in 24 CFR 570, the Disaster Recovery regulations, other federal regulations, as well as State policies and procedures. The most notable ones are identified below. NOTE: The use of the word “grantee” in this section applies to the counties awarded funds from the State.

**1. Buildings and Facilities** – Buildings and facilities acquired or constructed/renovated with CDBG funds must remain in the approved use for term limits that will be identified in the grant agreement. For a grant with a subrecipient, the grantee shall enforce this requirement with a lien between themselves and the subrecipient on the property. The term shall be in effect after the occupancy permit is issued. The terms shall be no less than:

| <b>FUNDING AMOUNT</b>                         | <b>LENGTH OF TERM</b>         |
|---|-------------------------------|
| Up to \$400,000 in CDBG funds                 | 10 years after occupancy date |
| Between \$400,001 and \$600,000 in CDBG funds | 15 years after occupancy date |
| Above \$600,001 in CDBG funds                 | 20 years after occupancy date |

**2. Buyout Requirements** – If houses are acquired as part of a buyout program to remove residents from flood prone areas, the houses must be demolished and retained by the county government as open space in perpetuity. Participation in a buyout program must be voluntary. The house must be owner-occupied or vacant with no tenants.

**3. Conflict of Interest** - Grantees must comply with federal “Code of Conduct” standards found at 24 CFR Part 85, section 85.36 (b)(3) and at 24 CFR Part 570.489(h). Additionally, State of Maryland law requires local governments to adopt conflict of interest restrictions and financial disclosure requirements for local elected officials and candidates that are at least as stringent as the requirements for public officials contained in the Public Ethics Law. More information regarding the Local Government Ethics Law can be found at COMAR, Title 19A, Subtitle 04, Local Government Ethics Law.

**4. Construction** – All construction must be in compliance with federal, state and local building requirements as well requirements included in the HUD regulations for this grant.

**5. Davis Bacon and Related Acts** – Funded CDBG projects that result in construction contracts that exceed \$2,000 are subject to the federal Davis-Bacon Act, the Contract Work Hours and Safety Standards Act of 1962, and the Fair Labor Standards Act.

**6. Duplication of Benefits** – Grantees are to ensure that there is no duplication of benefits related to funding of projects. Steps are to be taken to determine if insurance or other state, federal or private funding was approved for specific projects and that there is no duplication of funds already received.

**7. Elevation** – To protect the investment of federal funds, structures and equipment are to be elevated if they are located in a floodplain. Specifically, structures (including housing) must be elevated to at least 3 feet above the base flood elevation level based on approved or proposed FEMA maps for counties. All equipment, including generators, installed in buildings located in floodplains must be elevated as high as possible.

**8. Environmental Review** – Grantees must comply with the National Environmental Policy Act of 1969 and other federal laws which are specified in 24 CFR Part 58. This review must be completed prior to the initiation of project activities regardless of the funding source.

**9. Fair Housing and Equal Opportunity** – Grantees must comply with numerous federal laws, regulations, and Executive Orders. The most relevant regulations are related to non-discrimination in federally assisted programs of HUD; non-discrimination and equal opportunity in housing; non-discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status in programs and activities receiving or benefiting from federal assistance; and employment and contracting opportunities for lower income persons or minority businesses. The grant agreements issued for funded projects will identify all that apply and the specific requirements.

**10. Financial Management** - Grantees must comply with 24 CFR Part 85, OMB Circular A-87, 31 CFR Part 205, 24 CFR Part 570.489(d), and other related federal regulations in the financial management of their federal grant. CDBG funds should only be spent on costs that are deemed as “reasonable and necessary.”

**11. Flood Insurance** – Flood insurance shall be required where applicable.

**12. Infrastructure Project Requirements** – All projects must incorporate green infrastructure components. For this funding, green infrastructure is defined as the integration of natural systems and processes, or engineered systems that mimic natural systems and processes, into investments in resilient infrastructure.

**13. Lead Paint** – Grantees must comply with 40 CFR Part 745 when undertaking renovation, repair or painting activities that disturb painted surfaces in houses, buildings converted into housing, and buildings occupied or to be occupied by children that were built before 1978. As of April 22, 2010, work performed as identified in the regulations must be completed by certified firms using certified renovators and workers trained in lead-safe work practices.

**14. New Construction** – It is strongly recommended that no new buildings be constructed in a floodplain. In the event that it does occur, the buildings must be elevated to at least 3 feet above the base flood elevation level based on approved or proposed FEMA maps for counties.

**15. Project Administration Costs** – All costs must be documented including those for staffing costs. Timesheets must be maintained for all persons paid with CDBG funds. The timesheets must reflect actual hours worked on the project(s).

**16. Procurement** - The State has established the procurement process and requirements which must be utilized by approved grantees when purchasing materials, products or services with funds under this grant. It is based on regulations and requirements found at 24 CFR Part 85 and 24 CFR Part 570.489. The process and requirements are:

- A. Grantee will use the threshold amount in their procurement policy to determine the type of procurement to be used. If the Grantee does not have a procurement policy then all goods and services above \$10,000 will be procured by competitive sealed bid.
- B. Grantee will avoid procuring unnecessary and duplicative items.
- C. Grantee will develop Requests for Proposals/Services based on work write-ups prepared for the rehabilitation or construction of houses and/or cost estimates prepared for the work.
- D. The Requests for Proposals shall be publicly advertised in at least one local newspaper of general circulation, as well as the Grantee's website, if applicable.
- E. Potential contractors will be provided at least two weeks to return sealed bids.
- F. Grantee will conduct an online search of Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) using the Maryland Department of Transportation website and send those firms a copy of the RFP. This will ensure the Grantee follows its WBE and MBE Plan.
- G. Grantee will hold a pre-bid conference for each Request for Proposal issued for construction activities.
- H. Potential contractors must submit a 5% bid bond with their bid submittals.
- I. Grantee will conduct a public bid opening of all bids received.
- J. Grantee will establish an evaluation system to be used when selecting contractors.

- K. Grantee will prepare a written cost analysis for selected bid to determine if costs are reasonable.
- L. Grantee will ensure free and open competition by allowing no geographical preference.
- M. Grantee will publish and follow protest procedures.
- N. Once a bidder is recommended, prior to awarding the contract, the Grantee will complete a debarment check on the proposed contractor for all non-construction contractors. The State CDBG Labor Officer will conduct the debarment check for construction contractors.
- O. Grantee will hold a pre-construction conference with selected contractor for construction activities.
- P. Grantee will enter into a contract with the selected bidder.
- Q. Only firm fixed contracts will be approved. Time and material contracts are prohibited.
- R. All contracts over \$100,000 must adhere to Section 3 of the federal Housing and Urban Development Act of 1968, as amended. This requires that if new employees are hired to work under a CDBG funded contract, the contractor will make jobs available to persons who qualify as a "Section 3 Person." For this grant, an individual is eligible and considered a "Section 3 Person" if the annual wages or salary of the person is at, or under, the HUD established income limit for a one person family for the Grantee's County.
- S. For all contracts in excess of \$100,000, the Grantee will require a 100% payment bond and a 100% performance bond in the amount of any open contract(s).
- T. All contracts will contain specific performance measures with penalties for non-performance.
- U. Once a contract is fully executed and all bonds and secured, the Grantee will issue a "Notice to Proceed" to the contractor.
- V. All documentation relating to the procurement process will be kept in the Grantee's procurement files for review by the State and HUD staff.
- W. Information on contracts over \$25,000 will be made available for public review on the DHCD website under *CDBG Disaster Recovery Assistance*.

**17. Program Income** - Any gross income that will be derived from the use of CDBG funds is CDBG Program Income and it must be returned to the State. NOTE: It is not anticipated that any Program Income will be generated from the proposed projects.

**18. Section 3** – For all contracts that exceed \$100,000, grantees must comply with Section 3 of the HCD Act of 1968 which requires training and employment opportunities be made available to lower income residents and contracts to be awarded to businesses that qualify as "Section 3" businesses. For disaster recovery, an individual is eligible to be considered a "Section 3 Person" if the annual wages or salary of the person is at, or under, the HUD established income limit for a one person household for

the county where the project is located.

**19. Uniform Relocation Act** – Grantees must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 CFR Part 24) when acquiring property and permanent easements that are required for a project. The regulations also govern the relocation of persons or businesses displaced as a result of a project. Except in extenuating circumstances, the State will not fund projects which result in displacement and the provision of relocation benefits and services. In the event that relocation benefits are to be paid, the State will only be able to cover those costs with CDBG funds until the grant expires. Remaining benefits, if any, would need to be paid by the grantee.

### **PUBLIC COMMENT AND RESPONSE**

The thirty (30) day public comment period on the draft Action Plan opened on February 14, 2014 and closed on March 17<sup>th</sup>. DHCD received 34 comments specifically in support of the construction of the Rhodes Point Jetty. All comments stressed the importance of preventing further erosion which threatens the safety of the community.

There were no other comments received related to any other projects or aspects of the Action Plan.

Additionally, there was no attendance at the second public hearing conducted by DHCD on March 13<sup>th</sup>. The hearing was held at the DHCD Offices located at 100 Community Place in Crownsville.