

**STATE OF MARYLAND
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ACTION PLAN AMENDMENT – DISASTER GRANT #2 Phase #5*
April 28, 2017
Approved by HUD on August 4, 2017**

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

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

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

As allowed by HUD, the State submitted an Action Plan which only identified a specific amount of the available funding to be used and the activities to be undertaken. This was done partially due to capacity issues and partially for flexibility in order to shift funding to other needs that may be determined as recovery efforts are underway. The subsequent amendments to the Action Plan obligated additional funds and described projects and activities to be undertaken. Under Disaster Grant #2 Phase #1, the State obligated \$7,578,000 for a number of projects and activities in Allegany County, Charles County, Dorchester County, Garrett County and Somerset County. Under Grant #2 Phase #2, the State obligated \$2,350,000 of new funds for an on-going project in Somerset County. Under Grant #2 Phase #3, the State obligated \$4,872,000 for one

on-going project and two new projects in Somerset County. Under Grant #2 Phase #4, the State obligated \$745,000 for one new project and administrative costs.

AMENDMENT

At this time, the State proposes to amend the Action Plan again related to projects only in Somerset County. This amendment impacts one on-going project, adds one new project, and provides administrative funds for Somerset County and the State. It does not change or alter other information or requirements found in the Action Plan. This amendment obligates the balance of the available funds.

As required by HUD, the State drafted an amendment to the Action Plan and made it available to the public for comment. At the end of a 30 day public comment period, the State submitted the amendment to the Action Plan to HUD for approval. HUD staff reviewed and approved the Amendment.

Specifically, under this amendment, the State proposed to:

- Request new funding for the next phase of an existing project;
- Approve a new project that had not been previously identified;
- Provide administrative funds for Somerset County; and
- Provide administrative funds for the State of Maryland.

A total of \$4,455,000 of new grant funds were proposed under Phase 5.

GRANT #2 PHASE #5 ACTIVITIES <i>*For HUD Purposes, this is Round #8</i>	PARTIAL AMOUNT
Fairmount Wastewater Plant Decommissioning - Construction	\$ 3,905,000
Crisfield Armory Feasibility Study	\$ 50,000
Somerset County Project Administration Costs	\$ 200,000
State of Maryland General Administration Costs	\$ 300,000
TOTAL	\$ 4,455,000

Fairmount Wastewater Decommissioning

The wastewater plant in Fairmount was flooded during Hurricane Sandy and continues to flood regularly during severe weather events. The continued potential for adverse environmental impacts has made it critical that the plant be upgraded or decommissioned. The more cost effective alternate is to decommission the plant and connect the users to a new line which will convey waste to the Town of Princess Anne’s system. The Town’s system extends to Westover and has sufficient capacity to serve Fairmount customers. The plant and system are owned and operated by the Somerset County Sanitary District who would continue to serve its customers after connection is made to the Princess Anne system.

Between Fairmount and Westover, there are approximately 40 households in Manokin that are currently on septic systems. During the engineering phase, it will be evaluated as to whether there is need to connect these houses to the line and the impact on the costs. An income survey will have to be conducted to determine whether the area would meet the CDBG eligibility requirements when combined with the existing system users. The community of Fairmount qualifies for CDBG funding based on their population information.

The project includes the engineering and design services, upgrade of pump stations, construction of a 5 mile line, the demolition of the plant, and the connection of the existing Fairmount users. The first phase was previously funded for engineering to finalize specifications and costs, initiate the permitting process, submit information to the Maryland Department of the Environment, and to prepare documents necessary to bid the construction activities. This phase will provide funding for construction activities.

All project activities must be completed by August 2019 per the regulations which govern the CDBG Disaster funding.

Activity Type: Public Infrastructure

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

Beneficiaries: 490 Persons / 255 Low & Moderate Income Persons - 52%
(This number is for existing users only. If income survey qualifies persons in Manokin, this number will be revised.)

Amount Proposed: \$3,905,000 - Construction Phase

Proposed Start Date: August 2017

Address: Fairmount

Project Description: The construction of a new conveyance wastewater line and decommissioning of existing wastewater plant.

Impact: Prevents future flooding of plant and eliminates harm to the environment.

Proposed Accomplishments: Improvements to infrastructure

ACTION STEP: Obligate new funding in the amount of \$3,905,000 for the construction of the Fairmount Wastewater Decommissioning project.

Crisfield Armory Feasibility Study

Somerset County will use \$50,000 of grant funds to undertake a feasibility study of the Tawes Armory. Built in 1927, the former National Guard Armory, is now owned by the City of Crisfield and used as a community building. The building was damaged during Hurricane Sandy but usable until mold required closure. While some mold remediation has been completed, the building is not fully operational. The feasibility study will evaluate the current conditions of the building to determine the extent of the damage and estimate the costs to remediate the environmental hazards and renovate the facility.

Activity Type: Public Facility

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

Beneficiaries: 2,685 Persons / 1,670 Low & Moderate Income Persons - 62.2%

Amount Proposed: \$50,000

Proposed Start

Date: August 2017

Address: 8 East Street, Crisfield 21817

Project

Description: The preparation of a study to evaluate building conditions and associated repairs.

Impact: To determine whether it is feasible to remediate environmental hazards and repair building for future use.

Proposed

Accomplishments: Improvements to facility

ACTION STEP: Add Crisfield Armory Feasibility Study for approval. Obligate new funding in the amount of \$50,000 for study.

Project Administration

Somerset County will use \$200,000 of grant funds for project administration costs associated with the administration of the grant. Funds will be used to pay for salaries, travel and other costs that are directly attributable to the projects undertaken with CDBG disaster funds.

ACTION STEP: Obligate new funding in the amount of \$200,000 for Somerset County project administration costs.

State Administrative Costs - \$300,000

The State will use \$300,000 of grant funds for general administration costs associated with administration of the grant. Funds will be used to pay for salaries and travel for staff directly involved with the administration of the grant. Additionally, funds will be used for indirect costs charged for other DHCD staff such as Finance processes and procedures.

ACTION STEP: Obligate new funding in the amount of \$300,000 for State administrative costs.

PUBLIC COMMENT

The draft of this plan was prepared by the Maryland Department of Housing and Community Development and posted on the DHCD website. As required by federal regulations, it was available for public comment for a 30 day period beginning on April 28, 2017 and ending on May 28, 2017. Notifications related to the plan and the hearings were published in *The Crisfield Times*, *The Somerset Herald* and *The Salisbury Daily Times* only as this Amendment only involves Somerset County.

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

Additionally, the State conducted two public hearings related to the proposed activities found within this amendment. The first hearing was held on Thursday, May 11, 2017 at the Somerset County Office Building, Room 111, in Princess Anne at 5:30 p.m. The second hearing was held on Monday, May 22, 2017 at 2:30 p.m. at the DHCD Office Building in Lanham. No one attended either hearing with the exception of Somerset County staff.

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

Round 1	\$4,400,000
Round 2	\$7,578,000
Round 3	\$1,100,000
Round 4	\$3,140,000
Round 5	\$2,350,000
Round 6	\$4,872,000
Round 7	\$ 745,000

