

**STATE OF MARYLAND
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ACTION PLAN AMENDMENT – DISASTER GRANT #2 Phase #3*
December 16, 2015
Approved by HUD on February 22, 2016**

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

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

As required by HUD, the State submitted an Action Plan which is an Amendment to the State's Consolidated Plan. The Consolidated Plan is a five-year planning document required by HUD that sets out overall Statewide goals and priorities for housing, community development, and economic development activities. The Action Plan identified the planned use of the CDBG-DR funding, how it would be managed, and provided information required by HUD as to impact of the hurricane. The Action Plan also identified the method of distribution used by the State to determine what activities would be funded. The Action Plan 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. Under Disaster Grant #2 Phase #1, the State obligated \$7,578,000 for a number of projects and activities in Allegany County, Charles County, Dorchester County, Garrett County and Somerset County.

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

AMENDMENT

At this time, the State proposes to amend the Action Plan again related to projects in Somerset County only. This amendment impacts projects originally approved under Phase #1 and for those identified for future funding but not approved. It does not change or alter other information or requirements found in the Action Plan. Additional amendments will be proposed for the remaining funds in 2016.

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

Specifically, under this amendment, it is proposed to:

- Request new funding for an existing project which has a budget shortfall;
- Approve a new project that had been identified in the Action Plan to be funded under a future phase;
- Approve a new project that had not been previously identified; and
- Re-budget funding from the County's project administrative line item to pay for a budget shortfall for an existing project.

A total of \$4,872,000 of new grant funds are being requested under Phase 3.

GRANT #2 PHASE #3 ACTIVITIES <i>*For HUD Purposes, this is Round #6</i>	PARTIAL AMOUNT
Rhodes Point Dock	\$ 150,000
Rhodes Point Jetty Project	\$1,630,000
Rhodes Point Stabilization Project	\$3,092,000
TOTAL	\$4,872,000

Rhodes Point Dock

Under Phase #1, there is \$400,000 set aside for the replacement of a county-owned dock located at Rhodes Point on Smith Island. The County has bid the project and received bids that are in excess of funds available. An additional \$150,000 is needed to complete the project.

ACTION STEP: Obligate \$150,000 under Phase 3 for an existing project.

Rhodes Point Jetty

The construction of a jetty at Rhodes Point on Smith Island was a project that was identified in the Action Plan to be funded under a future phase. That Rhodes Point area, which is subject to erosion, was flooded during Hurricane Sandy making the situation worse. This project will result in the construction of a jetty, realignment of the channel, and the creation of wetlands which will reduce wave action and provide protection for the community.

Since the Action Plan was drafted, the cost of the proposed CDBG funding has been changed. The Army Corps had decreased the County required share of the total project cost.

Activity Type:	Public Infrastructure
National Objective:	Urgent Need
Amount Proposed:	\$1,630,000
Leverage/Source:	\$7,000,000 / Army Corps of Engineers
Proposed Start Date:	January 2016 – Design and construction
Address:	Rhodes Point, Smith Island
Project Description:	Construction of a jetty, realign channel and create wetlands
Impact:	Limits further erosion and protects community from flooding
Proposed Accomplishments:	Improvements to infrastructure

ACTION STEP: Add Jetty project for approval. Obligate new funding in the amount of \$1,630,000 under Phase 3.
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Rhodes Point Shoreline Stabilization

From discussions with the Army Corps and Smith Island residents, it was determined that an additional shoreline stabilization activity would be complimentary to the jetty construction project and provide further protection. This project will be funded with a portion of the funds originally designated for the Rhodes Point jetty construction project that are no longer needed.

Activity Type:	Public Infrastructure
National Objective:	Urgent Need

Amount Proposed: \$3,092,000
Leverage/Source: \$0
Proposed Start Date: January 2016
Address: Off the coast of Smith Island, west of Rhodes Point
Project Description: Design and construction activities to stabilize the shoreline to prevent further erosion
Impact: Limits further erosion and protects community from flooding
Proposed Accomplishments: Improvement to infrastructure

ACTION STEP: Add shoreline stabilization project for approval. Obligate new funding in the amount of \$3,092,000 under Phase 3.

Project Administration

There is currently \$426,410 set aside under the grant agreement between Somerset County and the State for project administration. Somerset County proposes moving \$225,000 from the Project Administration budget line item and using the funds to pay for a budget shortfall for the acquisition and installation of a generator for county offices and emergency operations center. This project was approved in the original Action Plan.

ACTION STEP: Move funds in amount of \$225,000 from approved budget line item to pay for budget shortfall for generator for county offices and emergency operations center.

PUBLIC COMMENT

The draft of this plan was prepared by the Maryland Department of Housing and Community Development. It is posted on the DHCD website. As required by federal regulations, it was available for public comment for a 30 day period beginning on December 16, 2015 and ending on January 15, 2016. Notifications related to the plan and the hearings were published in *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 Tuesday, December 22, 2015 at 5:00 p.m. at the Somerset County Office Building, Room 111, in Princess Anne. Only one person attended outside of State and County staff. All comments were positive and in support of all identified actions.

The second one was held on Wednesday, January 6, 2016 at 2:00 p.m. at the DHCD Office Building in Lanham. No one outside of DHCD attended.

*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 five 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