

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

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 <http://dhcd.maryland.gov> under *CDBG Disaster Recovery Assistance*.

As allowed by HUD, the State submitted an Action Plan which only identified a specific amount of the available funding to be used and the activities to be undertaken. This was done partially due to capacity issues and partially for flexibility in order to shift funding to other needs that may be determined as recovery efforts are underway. Under 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.

AMENDMENT

At this time, the State proposes to amend the Action Plan related to projects in Somerset County only. The 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 has drafted this amendment to the Action Plan which must be made available to the public for comment. At the end of the required 30 day public comment period, the State will submit the amendment to the Action Plan to HUD for approval. It will include responses to comments received during the comment period and include changes made to the proposed activities, if any. HUD staff will have 60 days to review and approve it.

As a result of the Public Hearing held in Somerset County and subsequent meetings and discussions, changes have been made to the draft amendment as originally proposed. This version reflects the changes made.

Specifically, under this amendment, it is proposed to:

- Request additional funding to undertake construction and demolition for existing project;
- Delete a project obligated in Phase #1;
- Approve new project that had been identified in the Action Plan to be funded under a future phase; and
- Re-budget funding from the deleted project and from the County's project administrative line item to pay for the new project once approved.
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A total of \$2,350,000 of new grant funds are being requested under Phase 2.

GRANT #2 PHASE #2 ACTIVITIES <i>*For HUD Purposes, this is Round #5</i>	PARTIAL AMOUNT
Head Start/Youth Center	\$2,350,000

Head Start Facility

Under Phase #1, there is \$500,000 set aside for the replacement of a county-owned, storm damaged building used for a Head Start center and a youth and child care center located at 6 Asbury Avenue in Crisfield. These funds were to be used for demolition of the existing building and to design the replacement building. Construction funds in the amount of \$2,500,000 were to have been obligated in a later phase under this grant.

It has now been determined that there is a more cost effective and efficient solution to

house the Head Start center. The Somerset County Board of Education has agreed to renovate existing, unused space and to construct an addition onto the Crisfield High School which is located at 210 North Somerset Avenue in Crisfield to house the Head Start center. Though planning had also included moving the youth and child care center to the high school too, it was decided that this action would not occur. The organization of the youth and child care center, It Takes A Village, will be seeking alternative funding and proceeding on their own without the County's assistance. The existing building at the current site will be demolished.

To meet the new schedule, the \$500,000 obligated and awarded under Phase #1 for demolition and design will now be used for design and construction activities. Funds in the amount of \$2,350,000 identified for construction under a future phase need to be obligated at this time for construction and demolition. The total costs for the Head Start center is now estimated to be \$2,850,000.

ACTION STEP: Obligate \$2,350,000 under Phase 2.

Drainage Ditch Reclamation Activities

Under Phase 1, funds in the amount of \$418,730 were approved for drainage ditch reclamation activities around Somerset County to eliminate flooding. Due to the need for additional funds for the proposed repairs and improvements to the tidal dike project, Somerset County proposes deleting this activity from the approved projects list and using the funds for the tidal dike feasibility study.

ACTION STEP: Delete activity from Phase 1 Action Plan. Use obligated funds of \$418,730 to pay portion of tidal dike feasibility study.

Tidal Dike

Repairs and improvements to the tidal dike was a project that was identified in the Action Plan to be funded under a future phase. 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.

At this time, the Army Corps of Engineers will undertake a feasibility study to determine specifics related to undertaking the improvements and repairs and determination of construction costs. The CDBG funds will be used to pay for the required share of the costs for the study. Construction funds will be obligated in an additional phase.

Activity Type: Public Infrastructure

National Objective: Urgent Need
Beneficiaries: N/A
Amount Proposed: \$518,210
Leverage/Source: \$537,110 / Army Corps of Engineers
Proposed Start Date: October 2015
Address: Southeast of the City of Crisfield
Project Description: Feasibility study related to the repair and improvements to an existing tidal dike
Proposed Accomplishments: Improvement to infrastructure

ACTION STEP: Add Tidal Dike project for approval. No new funding is needed as existing funds in the grant agreement will be re-obligated to cover the costs.

Project Administration

There is currently \$426,410 set aside under the grant agreement between Somerset County and the State. Somerset County proposes moving \$99,480 from the Project Administration budget line item and using the funds for the tidal dike feasibility study.

ACTION STEP: Move \$99,480 of funds from approved budget line item in grant agreement to pay for tidal dike feasibility study.

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 September 16, 2015 and ending on October 15, 2015. Notifications related to the plan and the hearings were published in *The Crisfield-Somerset County Times* 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 September 29, 2015 at 5:00 p.m. at the Somerset County Office Building, Room 111, in Princess Anne. Eleven people attended the hearing. State and County staff provided a status of grant activities and discussed the proposed activities. The majority of the people in attendance were there to comment on the plan to move the It Takes A Village youth and child care center to the high school. While staff of the organization had met with the County, the Somerset County Board of Education and the architects, there were still concerns about their specific needs and whether the overall arrangement worked for them. Subsequent discussions and meetings with the Somerset County Board of Commissioners, County staff, It Takes A Village, and the Commissioners of the City of Crisfield have resulted in the changes that are reflected in this amendment.

The second hearing was held on October 2, 2015 at 10:00 a.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 four rounds as follows:

Round 1	\$4,400,000
Round 2	\$7,578,000
Round 3	\$1,100,000
Round 4	\$3,140,000