

Grantee: State of Alabama

Grant: B-12-DT-01-0001

October 1, 2012 thru December 31, 2012 Performance Report



Grant Number:

B-12-DT-01-0001

Obligation Date:**Award Date:****Grantee Name:**

State of Alabama

Contract End Date:**Review by HUD:**

Reviewed and Approved

Grant Amount:

\$24,697,966.00

Grant Status:

Active

QPR Contact:

Jennifer Felder

Estimated PIRL Funds:**Total Budget:**

\$24,697,966.00

Disasters:**Declaration Number**

FEMA-1971-AL

Narratives**Disaster Damage:**

The tornadoes of April 2011 left a path of destruction in Alabama covering well over 1,000 miles, and FEMA estimates the State's property damage in the billions of dollars. More significant than the recovery challenges left by the devastation, however, was the loss of 242 lives - the second highest loss to tornadoes in Alabama history. In addition, more than 2,200 people were injured.

The National Weather Service confirmed that the 30 tornadoes which struck the northern two-thirds of central Alabama included five EF-4 monsters and an ER-5 colossus with 200+ miles-per-hour winds that destroyed nearly all of the rural town of Hackleburg in Marion County. Several other communities had major damage. Nearly 14,000 homes were either totally destroyed or have been declared uninhabitable.

Recovery efforts began within minutes of the storm as Alabama's municipal, county and State officials and employees (including the Governor), the Emergency Management Agency, FEMA, the Alabama National Guard, and other community agencies were joined by churches, individuals and many volunteer organizations to care for affected residents and start the process of putting their communities back together. While all 67 counties in the State are declared disaster counties, 43 qualified for both individual and public assistance from FEMA. Reports from local areas state that in some cases it was not the tornado itself that caused damages; rather the heavy machinery used for debris removal damaged streets and underground infrastructure. Also, secondary effects such as saturation and infiltration of contaminants had significant effects on wells and septic systems in some areas.

According to information provided by the University of Alabama, Center for Business and Economic Research, much infrastructure damage was done to schools and structures used for governmental services, such as fire and police stations, environmental services, and emergency management agencies. There was also damage to light poles and power delivery towers and lines; in particular, a number of large light poles along Interstates 20, 59, and 65 were reported down or severely damaged after the tornadoes. The U. S. Department of Transportation in January of 2012 announced that \$16.6 million dollars in federal money was being allocated to Alabama for repair of highways, bridges, and other infrastructure damaged by the April 27 tornadoes. According to reports from FEMA and other sources, a total of 4 schools were destroyed; 4 other schools suffered major damage; and 7 additional schools had major roof damage. Alberta Elementary and University Place Elementary/Middle School in the City of Tuscaloosa; Hackleburg Elementary and Hackleburg High School (Marion County) were destroyed. The schools with major damage were Holt Elementary (Tuscaloosa County), Phil Campbell High School (Franklin County), Plainview High School (DeKalb County) and East Elementary School (Cullman County). Schools with major roof damage included one in the City of Jasper (Walker County) and six in St. Clair County.

A FEMA Situation Report in July 2011 listed five critical facilities that were destroyed or rendered unusable: Fire Station #18 (Jefferson County), Kowaliga Fire Station #2 (Elmore County), the Tuscaloosa County Emergency Management building, the Tuscaloosa Salvation Army building, and the Cullman

Disaster Damage:

n County Courthouse. In addition, the Cullman Emergency Medical Services facility was listed as sustaining major damage. This list is not exhaustive, however, as Tuscaloosa had a police substation and fire station in the Alberta area rendered unusable.



Recovery Needs:

HOUSING

Vast needs exist regarding infrastructure restoration and economic revitalization in Alabama; however, ensuring that the unmet housing needs of the residents are met is of highest priority. HUD's Office of Policy Development and Research (PD&R) calculates unmet housing need as "the costs to repair seriously damaged housing units beyond the funds that private insurance coverage, FEMA grants, and SBA loans provide." According to the Alabama Housing Needs Assessment dated October 18, 2011, "HUD estimates nearly \$108.9 million in unmet housing needs after taking into account losses already covered by insurance, FEMA individual assistance, and SBA loans. According to estimates, there are 575 owner-occupied housing units with an approximate unmet housing need of \$20.6 million, and 1,671 rental units with an unmet housing need of nearly \$88.3 million." Further, the Assessment cited above states that Jefferson, Cullman, DeKalb, Tuscaloosa, Marshall, Jackson, and Madison counties have 312 (54.4%) of the owner-occupied units for total unmet needs of \$10.6 million. Tuscaloosa concentrates 70.1% (1,171) of the rental units with unmet needs and 62.5% (\$55.2 million) of the amount of rental unmet needs in the State of Alabama.

Sources available to ADECA document that the unmet housing needs in Alabama are significant. According to the Alabama Housing Needs Assessment prepared by HUD, only about 50% of housing losses were covered by insurance. Therefore, housing rehabilitation and construction will be an ADECA priority. A target of 50% (\$11,731,534) of funding has been identified for housing projects for the most affected target counties.

INFRASTRUCTURE

Our analysis and public comments received relating water, sewer, and roads, as well as select public facilities, indicates there is substantial remaining unmet infrastructure need. With the exception of a few specific projects, the amount needed for infrastructure remains unclear. Based on Red Cross information for dwellings destroyed or receiving major damage, a preliminary of 30% (\$7,038,921) of available funding has been identified for infrastructure projects.

ECONOMIC REVITALIZATION

Significant economic revitalization needs are undoubtedly present and are being addressed through a variety of funding sources. HUD estimates \$76,127,379 in severe unmet business needs remaining in Alabama due to the tornadoes. Some of the hardest hit counties include Tuscaloosa (\$38,830,024), Jefferson (\$12,595,579) and Cullman (\$5,814,497). Our analysis and public comments received show that economic revitalization projects should continue to be an important focus for CDBG and disaster funding available to the State. A target of 20% (\$4,692,613) of disaster funding has been identified for economic revitalization projects.

Public Comment:

Comment: How did you come up with \$12,500 per unit for multi-family housing?

Response: We wanted to use the least we could get by with of CDBG money and use ours as seed money.

Comment: I think it would be good to provide consideration to rural communities that don't have HOME or other funds. I know there are only so many funds, and it does make sense to have experienced people to do the intake.

Comment: Can we increase the need based on subsequent damage? We had weather-related damage on March 12, 2012 in Huntsville. Can we calculate that as part of need?

Response: This program is limited to 2011.

Comment: So the burden of proof is to show 2011 damage.

Comment: The entitlement areas already got money; not enough to take care of everything — but neither did we. I don't feel the entitlement areas should get more.

Comment: I feel that local officials need to have a bigger role in decisions regarding housing in their area.

Response: In the Regulations, HUD Washington made it very clear that we have to pay attention to the needs assessment. The greatest need for housing and economic development showed up in the entitlement areas.

Comment: Half of this money is set aside for the Community Action Program with elected officials left out. Grocery stores, water and sewer, would have much greater impact than unmet housing.

Comment: I can't speak for other programs, but we have never built anything without involving City and County officials.

Comment: We had this debate before. I agree with Farrington 100%.

Response: The reason we separated single-family housing, we were afraid we would not get single family. We found common linkages with these three non-profits. Based on past efforts we were unable to reach many of the people in Mobile.

Comment: Local elected officials should know our priority rather than being mandated to having housing. Tuscaloosa County Commission knows what they see as their highest local priorities.

Response: It would be your preference that we not set aside ½ for housing.

Comment: Mayors should decide locally that they need water and sewer or all housing, as they know what their local priorities are. ShaOlia

Response: We cannot say we are not budgeting any money for housing.

Comment: I thought that is what we had been doing — assessing our needs. Are we saying housing is taken out of the application?

Response: You will be able to continue for everything. You will not see

Public Comment:

g. Let's say we left the single-family housing to you. Would DeKalb County apply to us for single-family?

Comment: I am trying to determine if we need to go further with housing or look further at other things.

Comment: It makes sense to have these agencies do the intake rather than have to hire people.

Comment: Winston County is eligible for multi-family housing. You preclude Winston from infrastructure.

Response: HUD unmet needs analysis did not address infrastructure. We asked people who had damage to send information to us. We went to agencies to determine needs. We used multiple sources.

Comment: Please review Winston County again.

Response: We will look at it.

Comment: Are you talking about rehabbing houses or rebuilding?

Comment: I support your coming up with a budget amount for housing.

Comment: The City of Birmingham cannot apply for infrastructure — only housing or economic development.



Response: If infrastructure is with job creation it would be eligible. In most areas infrastructure stands on its own.
 Comment: Jefferson County is listed under eligible counties in each of these areas. Madison County is not.
 Response: Within Jefferson County we have listed them eligible for infrastructure. The City of Tuscaloosa will not qualify for infrastructure.
 Comment: As an advocate for low-income population, I noticed that in the priority listing for housing applicants you listed their credit score. Hodetat work?
 Response: Maybe we would not use “credit score”, but how they use their credit.
 Comment: Why not change to financial literacy rather than credit score. We are a HUD counseling agency, and we could make financial literacy required.
 Comment: You could look at housing as a penalty on low-income people who do figure out how to insure their home. If somebody struggled and got insurance money reducing the federal money, then it punishes them.
 Response: I would like to pursue that a little more. Leave it to the locals to apply for housing.
 Comment: leave it to the housing experts.
 Comment: I don’t think you could have put together a better plan. Local officials should have an opportunity for input.
 Comment: There are 300 homeowners displaced right now. They are scattered across 5 counties. I amfradlclofiil&mhli;ns;ns;ns;ns;&m

Public Comment:

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 Comment: Why 50%? Why not greater? We have a lot of infrastructure needs. That seems to be an arbitrary figure not going through elected officials.
 Response: Te needs assessment is an extensive report, but everybody did not get into the data base that HUD used. Red Cross did not pick up the level of information others did. We have information from Hackleburg, Phil Campbell. DeKalb County says lots of road damage but does not say how much. We had lots of conversations with local areas.
 Comment: I object to how decisions are made without local officials.
 Response: Low-income groups out there say we don’t do enough for housing. We had to take everything into account as well as the numbers we could not overlook. By the end of the day if we don’t spend money it will come back and we can use in other categories.
 Comment: We are a year out. At what point will you determine that there will be extra infrastructure money?
 Response: We will award the money we have but if we don’t get enough projects in ED or housing we can transfer to infrastructure.
 Comment: We are a small company and we have never done multi-family rental housing.
 Response: Get your grant administrator to assist you. Consultants or regional planning commissions will contract to assist you with the project. Public housing is eligible. We have 160+ housing authorities in the State. That is one of the vehicles you can go through for multi-family housing. If you are one of the Counties listed, then you can do housing. The limiting factor will be the dollar amount. To be meaningful, we had to take this approach.
 Comment: One thing I noticed missing is a timeline. What is the deadline for applications?
 Response: That will be the second phase of the project. We will incorporate your comments into the Action Plan and then have an application workshop. We are not sure of the schedule right now. We believe communities know infrastructure need, so they could probably bring applications next month.
 Comment: Long Term Recovery, will be holding a two-hour Resource Workshop involving USDA, HUD, and other agencies in the near future. We will send out notification when the dates are finalized.
 Comment: This is a great opportunity to leverage other funds. For every dollar I brought in, I have been able to get another 65 cents.
 Response: Point well taken. Free up CDBG dollars and try to leverage with other funds.
 Comments received through correspondence:
 Comment: In order for the State to reimburse itself for allowable costs incurred by itself or its

Public Comment:

ubgrantees on or after the date of the disaster, the pre-agreement costs must be included in the Action Plan.
 Response: We have incorporated the referenced reimbursement foe pre-agreement costs into the final plan to be submitted to HUD.
 Comment: Marion County should receive \$7,092,300 of the CDBG-DR allocation and the multi-family per-unit cap should be raised from \$12,500 to \$25,000.
 Response: Your comment will be considered.
 Comment: ADECA should use the unmet housing needs assessment identified in the HUD estimates of Severe Unmet Housing Needs as of December 2011. The Action Plan should recognize the funding which Tuscaloosa and Jefferson/Birmingham have already received. The multi-family per unit cap should be raised to \$25,000.
 Response: Your comments will be considered.
 Comment: The State should not make a habit of conducting housing rehabilitation/reconstruction activities. The multi-family per unit cap should be raised to \$25,000.
 Response: Your comments will be considered.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$24,697,966.00
Total Budget	\$1,234,898.00	\$24,697,966.00
Total Obligated	\$1,234,898.00	\$1,234,898.00
Total Funds Drawdown	\$65,108.19	\$65,108.19
Program Funds Drawdown	\$65,108.19	\$65,108.19
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00

Total Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		85.74%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$3,704,694.90	\$0.00
Limit on Admin/Planning	\$4,939,593.20	\$65,108.19
Limit on State Admin	\$1,234,898.30	\$65,108.19

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Public services	\$3,704,694.90	\$0.00

Progress Toward National Objective Targets

National Objective	Target	Actual
Low/Mod	\$12,348,983.00	\$20,116,914.60

Overall Progress Narrative:

In response to the devastating storms of April 2011, the Alabama CDBG Disaster Recovery program gained the attention from many local governments. Of the five assistance categories, (Economic Revitalization Grant, Economic Revitalization Loan, Infrastructure, Multifamily Housing, and Single-Family Housing), each category received a number of applications from Alabama's local governments. Local governments proposed projects ranging from the demolition of damaged buildings to construction of public buildings such as fire stations. Each application was individually evaluated and ranked with careful consideration of the communities' needs. In December 2012, nine local governments were announced to receive Alabama CDBG Disaster Recovery grants within the Economic Revitalization Grant, Economic Revitalization Loan, Infrastructure, and Multifamily Housing categories. In addition over 300 Single-Family Housing applications were received and are currently in review.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0099, ADMINISTRATION	\$65,108.19	\$1,234,898.00	\$65,108.19
0101, HOUSING	\$0.00	\$11,731,534.00	\$0.00
0102, NON-HOUSING	\$0.00	\$11,731,534.00	\$0.00



Activities

Grantee Activity Number:	STATE-AL-ADMIN
Activity Title:	STATE OF ALABAMA-ADMINISTRATION

Activity Category:

Administration

Project Number:

0099

Projected Start Date:

04/27/2011

Benefit Type:

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National Objective:

N/A

Activity Status:

Under Way

Project Title:

ADMINISTRATION

Projected End Date:

07/31/2017

Completed Activity Actual End Date:

Responsible Organization:

ADECA

Overall	Oct 1 thru Dec 31, 2012	To Date
Total Projected Budget from All Sources	N/A	\$1,234,898.00
Total Budget	\$1,234,898.00	\$1,234,898.00
Total Obligated	\$1,234,898.00	\$1,234,898.00
Total Funds Drawdown	\$65,108.19	\$65,108.19
Program Funds Drawdown	\$65,108.19	\$65,108.19
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
ADECA	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

STATE ADMIN FOR DISASTER RECOVERY FROM 2011 APRIL TORNADOES

Location Description:

ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS, MONTGOMERY, ALABAMA

Activity Progress Narrative:

The drawdown of funds within Administration was used to perform startup activities.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

