

# Alabama Department of Economic and Community Affairs (ADECA)

## 2020 CDBG-DR Public Action Plan for Hurricanes Sally and Zeta

Amendment No. 2 (Non-Substantial)

Submitted to HUD: October 17, 2023

Approved by HUD: October 18, 2023

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### 1. Background

Alabama was impacted by two major disasters in 2020: Hurricane Sally (DR-4563) and Hurricane Zeta (DR-4573). These storms resulted in 35 counties presidentially declared for FEMA Public Assistance, of which, 9 counties were also declared for FEMA Individual Assistance. The U.S. Department of Housing and Urban Development (HUD) announced that the State of *Alabama* will receive \$501,252,000 in funding to support long-term recovery efforts following *Hurricane Sally and Zeta* through the *Alabama Department of Economic and Community Affairs (ADECA)* through the publication of the Federal Register, 87 FR 31636 May 24, 2022. This allocation was made available through Public Law 117-43.

HUD requires ADECA to describe the process for amendments in the 2020 CDBG-DR Public Action Plan. Amendments are categorized as Substantial or Non-Substantial Amendments as defined below.

#### 1.1 Substantial Amendment

A change to 2020 CDBG-DR Public Action Plan is considered to be a substantial amendment if it meets any of the following criteria:

- A change in program benefit or eligibility criteria,
- The addition or deletion of an activity, or
- Proposes a reduction in the overall benefit requirement, or
- The allocation or reallocation of greater than 10% of the budget allocation.

ADECA will provide a 30-day comment period prior to submission of all substantial action plan amendments to HUD for review and approval.

#### 1.2 Non-Substantial Amendment

A non-substantial amendment is an amendment to the 2020 CDBG-DR Public Action Plan that includes technical corrections and clarifications and budget changes that do not meet the monetary threshold for substantial amendments to the plan and does not require posting for public comment.

Non-substantial amendments may be made at the discretion of ADECA and will not require a public comment period. ADECA will notify HUD five (5) business days before the change is effective.

## 2. Summary of Changes

This Amendment No. 2 to the 2020 CDBG-DR Public Action Plan is a Non-Substantial Amendment since changes in this amendment are limited to the reallocation of less than 10% of current budget allocations. The changes in this amendment are limited to the reallocation of funds between the City of Mobile and County of Mobile due the annexation by Mobile City of areas previously within unincorporated Mobile County. The method of distribution utilized to re-allocate funding from Mobile County to the City of Mobile has not changed from what was approved by HUD in the state’s initial 2020 CDBG-DR Public Action Plan. No changes have resulted in program benefit, eligibility criteria or in overall program benefit because of the annexation.

The State’s CDBG-DR Disaster Recovery Action Plan set-aside direct funding allocations for Baldwin and Mobile counties in the amount of \$123.8 million, of which Mobile County received \$80.5 million. The formula used to calculate the split allocation between Mobile City and Mobile County (“Method of Distribution”) uses the average of the following factors: Percent of Real Property FEMA Verified Loss (RPFVL) and the Percent of Medium and High Social Vulnerability Index (SoVi) population. As a result of the original formula, Mobile City received 65% of the total funding allocation for Mobile County, and Mobile County, excluding Mobile City, received the remaining 35% of the total funding allocation for Mobile County.

On July 18, 2023, voters in three areas of West Mobile (unincorporated Mobile County) voted to incorporate with the City of Mobile. On July 25, 2023, those votes were certified and the City of Mobile officially annexed the three adjacent communities. The annexation impacted the original Method of Distribution to Mobile City and Mobile County since the RPFVL and SoVi counts in the annexed areas shifted from the Mobile County to Mobile City. The annexation resulted in an additional 19,789 residents in the City of Mobile, of which 3,119 are classified as Medium SoVi. Additionally, the total Real Property FEMA Verified Loss (RPFVL) increased by \$1,032,733, shown in **Table A** below.

| Table A: Change in Mobile City and County Formula Allocation |                     |             |                        |             |                      |             |                    |
|--------------------------------------------------------------|---------------------|-------------|------------------------|-------------|----------------------|-------------|--------------------|
| Current Values                                               | RPFVL               |             | Medium SoVi Population |             | High SoVi Population |             | Average of Factors |
|                                                              | RRFVL               | Percent     | Medium SoVi            | Percent     | Higi SoVi            | Percent     |                    |
| Mobile City                                                  | \$28,603,062        | 62%         | 105,160                | 62%         | 53,832               | 72%         | 65%                |
| Mobile County                                                | \$17,775,085        | 38%         | 65,510                 | 38%         | 20,795               | 28%         | 35%                |
| <b>Total</b>                                                 | <b>\$46,378,147</b> | <b>100%</b> | <b>70,670</b>          | <b>100%</b> | <b>74,627</b>        | <b>100%</b> | <b>100%</b>        |
| New Values                                                   | RPFVL               |             | Medium SoVi Population |             | High SoVi Population |             | Average of Factors |
|                                                              | RRFVL               | Percent     | Medium SoVi            | Percent     | Higi SoVi            | Percent     |                    |
| Mobile City                                                  | \$29,635,795        | 64%         | 108,279                | 63%         | 53,832               | 72%         | 66%                |
| Mobile County                                                | \$16,742,352        | 36%         | 62,391                 | 37%         | 20,795               | 28%         | 34%                |
| <b>Total</b>                                                 | <b>\$46,378,147</b> | <b>100%</b> | <b>170,670</b>         | <b>100%</b> | <b>74,627</b>        | <b>100%</b> | <b>100%</b>        |
| Difference in Values                                         | RPFVL               |             | Medium SoVi Population |             | High SoVi Population |             | Average of Factors |
|                                                              | RRFVL               | Percent     | Medium SoVi            | Percent     | Higi SoVi            | Percent     |                    |
| Mobile City                                                  | \$1,032,733         | 2%          | 3,119                  | 1%          | 0                    | 0%          | 1%                 |
| Mobile County                                                | (\$1,032,733)       | -2%         | -3,119                 | -1%         | 0                    | 0%          | -1%                |
| <b>Total</b>                                                 | <b>\$0</b>          | <b>0%</b>   | <b>100,000</b>         | <b>0%</b>   | <b>0</b>             | <b>0%</b>   | <b>0%</b>          |

The changes to the Method of Distribution formula due to annexation resulted in \$805,288 reallocated from Mobile County to Mobile City, an approximate one percent (1%) change shown in **Table B** below.

| Table B: Change in Mobile City and County Allocation Amounts |                     |                     |             |
|--------------------------------------------------------------|---------------------|---------------------|-------------|
| Housing                                                      |                     |                     |             |
| HHMID                                                        | Current Allocation  | New Allocation      | Difference  |
| City of Mobile                                               | \$23,200,090        | \$23,557,014        | \$356,924   |
| Mobile County                                                | \$12,492,356        | \$12,135,432        | (\$356,924) |
| <b>Total</b>                                                 | <b>\$35,692,446</b> | <b>\$35,692,446</b> | <b>\$0</b>  |
| Non-Housing                                                  |                     |                     |             |
| HHMID                                                        | Current Allocation  | New Allocation      | Difference  |
| City of Mobile                                               | \$29,143,659        | \$29,592,023        | \$448,364   |
| Mobile County                                                | \$15,692,740        | \$15,244,376        | (\$448,364) |
| <b>Total</b>                                                 | <b>\$44,836,399</b> | <b>\$44,836,399</b> | <b>\$0</b>  |
| Total                                                        |                     |                     |             |
| HHMID                                                        | Current Allocation  | New Allocation      | Difference  |
| City of Mobile                                               | \$52,343,749        | \$53,149,037        | \$805,288   |
| Mobile County                                                | \$28,185,096        | \$27,379,808        | (\$805,288) |
| <b>Total</b>                                                 | <b>\$80,528,845</b> | <b>\$80,528,845</b> | <b>\$0</b>  |

### 3. Action Plan Amendment Changes

#### 3.1 Changes to Tables

The following tables were updated to reflect the changes shown in Table A and Table B:

- Page 69: Table 56: Mobile City and County Formula Allocation was updated to reflect the changes in Table A.
- Page 70: Table 57: Formula Allocations to HHMID Areas was updated to reflect the new allocations in Table B.
- Page 75: The Formula Method of Distribution Table was updated to reflect the new allocations in Table B.
- Page 76: Table 59: Formula Allocations to HHMID Areas was updated to reflect the new allocations in Table B.

#### 3.2 Changes to Text

The following text was updated to reflect the changes to the allocations shown in the tables above:

- **Page 68: Hardest Hit MID (HHMID) Formula Allocations - \$123.8M**
  - **Existing Text:** The City of Mobile accounts for 61.7% of the real property loss verified by FEMA and applicants in City of Mobile account for 71% of all FEMA IA applications submitted in Mobile County. The table below shows all unmet needs in each MID county by recovery category.

- **New Text:** The City of Mobile accounts for 64% of the real property loss verified by FEMA and applicants in City of Mobile account for 77% of all FEMA IA applications submitted in Mobile County. The table below shows all unmet needs in each MID county by recovery category.
- **Page 69: HHMID Allocation Formula**
  - **Existing Text:** The State has set-aside direct funding allocations for Baldwin and Mobile counties in the amount of \$123.8 million. Mobile County will receive \$80.5 million, split between Mobile City (\$52 million) and Mobile County excluding Mobile City (\$28 million). Baldwin County will receive \$43 million.
  - **New Text:** The State has set-aside direct funding allocations for Baldwin and Mobile counties in the amount of \$123.8 million. Mobile County will receive \$80.5 million, split between Mobile City (\$53 million) and Mobile County excluding Mobile City (\$27 million). Baldwin County will receive \$43 million.
- **Page 69: HHMID Allocation Formula**
  - **Existing Text:** As a result of this formula, Mobile City will receive 65% of the total funding allocation for Mobile County. Mobile County, excluding Mobile City, will receive 35% of the total funding allocation for Mobile County.
  - **New Text:** As a result of this formula, Mobile City will receive 66% of the total funding allocation for Mobile County. Mobile County, excluding Mobile City, will receive 34% of the total funding allocation for Mobile County.
- **Page 70: HHMID Allocation Formula**
  - **Existing Text:** Mobile County, excluding Mobile City, will receive \$15.6 million for infrastructure and economic development, and \$12.4 million for housing. Mobile City will receive \$29.1 million for infrastructure and economic development, and \$23.2 million for housing.
  - **New Text:** Mobile County, excluding Mobile City, will receive \$15.2 million for infrastructure and economic development, and \$12.1 million for housing. Mobile City will receive \$29.6 million for infrastructure and economic development, and \$23.6 million for housing.