

Alabama Department of Economic and Community Affairs (ADECA)

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

Amendment No. 1 (Substantial)

Submitted to HUD:

Approved by HUD:

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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. 1 to the 2020 CDBG-DR Public Action Plan is a Substantial Amendment. The following changes were made:

- Increased the award minimum of the Local Recovery and Resilience Program (LRRP) from \$100,000 to \$500,000.
- Modified the Rental Property Applicants Eligibility Criteria for the Home Recovery Alabama Program (HRAP).
- Added language to clarify that eligible applicants of the HRAP program with ownership interest in a property who cannot supply acceptable ownership documents due to heirship or probate issues may be referred to Legal Services Alabama for assistance to clear title defects related to probate and/or heirship.
- Increased the award cap of the Local Recovery Planning Program (LRPP) from \$1,000,000 to \$3,000,000.
- Identified the Association of County Commissions of Alabama (ACCA) as the lead administering entity (subrecipient of ADECA) of the LRPP on behalf of the MID counties eligible to participate in the competitive housing and non-housing programs; and clarified that eligible participating MID counties will form a planning consortium which will work with the ACCA to support the ACCA's development, submission to ADECA, and implementation of a single Local Recovery Plan (LRP) that will represent all participating MID counties.

3. Action Plan Amendment Changes

3.1 Local Recovery and Resilience Program (LRRP)

The following changes were made:

- **Page 78: Local Recovery and Resilience Competition Table – Maximum Award**
 - **Existing Text:** Minimum - \$100,000. Maximum - \$3,000,000.
 - **New Text:** Minimum - **\$500,000**. Maximum - \$3,000,000.

3.2 Home Recovery Alabama Program (HRAP)

3.2.1 Rental Property Applicants Eligibility Criteria

The following changes were made:

- **Page 71: Eligibility Criteria: Rental Property Applicants**
 - **Existing Text:** Property owners do not have to reside in the state at the time of application to be eligible. Rental property and applicants must meet all criteria listed below to be eligible for program funding:
 - Applicant must not be in bankruptcy or active foreclosure.
 - Property taxes current and mortgage (if applicable) in good standing
 - The owner must have owned the home at the time of the qualifying disaster and at time of application. If the property is part of a multi-unit structure, such as a duplex, the applicant must own the entire structure
 - The home must be in a HUD- or State-identified MID area

- The home must have unrepaired damaged as a result of the qualifying disaster
 - Property must be an eligible structure type; such as a stick-built, modular, or mobile home
 - Properties must be unoccupied at the time of application
 - At least fifty-one percent (51%) of units must be occupied by certified LMI households if awarded program funds
- **New Text:** Property owners do not have to reside in the state at the time of application to be eligible for program funding.

Rental property and applicants must meet all criteria listed below to be eligible for program funding:

- Applicant must not be in bankruptcy or active foreclosure.
- Property taxes current and mortgage (if applicable) in good standing
- **Applicant** must have owned the property at the time of the storm and at the time of application. If the property is part of a multi-unit structure, such as a duplex, the applicant must own the entire structure.
- The home must be in a HUD- or State-identified MID area.
- The home must have unrepaired damaged as a result of the qualifying disaster.
- Property must be an eligible structure type; such as a stick-built, modular, or mobile home.
- **Property must not be located in a FEMA-designated 100-year floodplain.**
- Property must be unoccupied at the time of application.
- At least fifty-one percent (51%) of units must be occupied by certified LMI households if awarded program funds.

• **Page 82: Eligibility: Rental Property Applicants**

- **Existing Text:** Property owners do not have to reside in the state at the time of application to be eligible. Rental property and applicants must meet all criteria listed below to be eligible for program funding:

- Applicant must not be in bankruptcy or active foreclosure.
- Property taxes current and mortgage (if applicable) in good standing
- Applicant must have owned the property at the time of the storm and at the time of application
- The home must be in a HUD- or State-identified MID area
- The home must have unrepaired damaged as a result of the qualifying disaster
- Property must be an eligible structure type; such as a stick-built, modular, or mobile home.

At least fifty-one percent (51%) of units must be occupied by certified LMI households if awarded program funds.

- **New Text:** Property owners do not have to reside in the state at the time of application to be eligible for program funding. Rental property and applicants must meet all criteria listed below to be eligible for program funding:

- Applicant must not be in bankruptcy or active foreclosure.
- Property taxes current and mortgage (if applicable) in good standing
- Applicant must have owned the property at the time of the storm and at the time of application. **If the property is part of a multi-unit structure, such as a duplex, the applicant must own the entire structure.**

- The home must be in a HUD- or State-identified MID area.
- The home must have unrepaired damaged as a result of the qualifying disaster.
- Property must be an eligible structure type; such as a stick-built, modular, or mobile home.
- **Property must not be located in a FEMA-designated 100-year floodplain.**
- Property must be unoccupied at the time of application.
- At least fifty-one percent (51%) of units must be occupied by certified LMI households if awarded program funds.

3.2.2 [Applicant Legal Services](#)

The following changes were made:

- **Page 72: Program Objective & Description**
 - **Existing Text:** The program will provide grant funding to eligible homeowners and rental property owners in impacted areas to repair, reconstruct, or replace their storm-damaged property in place. Eligible property types may include stick-built homes, mobile home units (MHU), modular homes, and other single-family residence types. Grant funds will be used to pay for the cost of construction activities directly to program-selected general contractors. No funds will be distributed directly to homeowners.
 - **New Text:** The program will provide grant funding to eligible homeowners and rental property owners in impacted areas to repair, reconstruct, or replace their storm-damaged property in place. Eligible property types may include stick-built homes, mobile home units (MHU), modular homes, and other single-family residence types. Grant funds will be used to pay for the cost of construction activities directly to program-selected general contractors. **Applicants with ownership interest in a property who cannot supply the acceptable ownership documents as outlined in the program guidelines due to heirship or probate issues may be referred to Legal Services Alabama for assistance to clear title defects related to probate and/or heirship.** No funds will be distributed directly to homeowners.
- **Page 81: Program Description**
 - **Existing Text:** The program will provide grant funding to eligible homeowners and rental property owners in impacted areas to repair, reconstruct, or replace their storm-damaged property in place. Eligible property types may include stick-built homes, mobile home units (MHU), modular homes, and other single-family residence types. Grant funds will be used to pay for the cost of construction activities directly to program-selected general contractors. No funds will be distributed directly to homeowners.
 - **New Text:** The program will provide grant funding to eligible homeowners and rental property owners in impacted areas to repair, reconstruct, or replace their storm-damaged property in place. Eligible property types may include stick-built homes, mobile home units (MHU), modular homes, and other single-family residence types. Grant funds will be used to pay for the cost of construction activities directly to program-selected general contractors. **Applicants with ownership interest in a property who cannot supply the acceptable ownership documents as outlined in the program guidelines due to heirship or probate issues may be referred to Legal Services Alabama**

for assistance to clear title defects related to probate and/or heirship. No funds will be distributed directly to homeowners.

3.3 Local Recovery Planning Program (LRPP)

The following changes were made:

- **Page 72: Local Recovery and Planning Program Table – Maximum Award**
 - **Existing Text:** Maximum - \$1,000,000.
 - **New Text:** Maximum - \$3,000,000.

- **Page 73: Program Maximum Assistance**

Existing Text: Baldwin and Mobile Counties and the City of Mobile, as formula allocation grantees, will be required to develop and submit a LRP to the State for review and approval. These plans must include a set of eligible recovery programs and/or projects to be implemented using the formula allocation based on data and outreach resulting from the planning process. LRPs must also demonstrate adequate local capacity to implement proposed programs and/or projects as a condition of approval.

Competitive Allocation Subrecipients. Counties that are eligible to participate in the competitive housing and non-housing programs will be required to submit a LRP to the State. These plans must identify projects that are eligible for submission to the competitive programs. All projects submitted during the competitive process must have been identified in the local recovery plan. LRPs must also demonstrate adequate local capacity to implement proposed programs and/or projects as a condition of approval. Counties may choose to execute intergovernmental agreements or establish a consortium to create economies of scale, enhance capacity, and ensure cross-jurisdictional recovery projects are considered. The State may also elect to establish a consortium of eligible counties and/or municipalities.

New Text: **Formula Allocation Subrecipients.** Baldwin and Mobile Counties and the City of Mobile, as formula allocation grantees, will be required to develop and submit a Local Recovery Plan to the State for review and acceptance. These plans must include a set of eligible recovery programs and/or projects to be implemented using the formula allocation based on data and outreach resulting from the planning process. Local Recovery Plans must also demonstrate adequate local capacity to implement proposed programs and/or projects as a condition of approval. Baldwin and Mobile Counties and the City of Mobile will receive an award of up to \$1 million to develop a Local Recovery Plan as described in the program guidelines.

Competitive Allocation Subrecipients. Counties that are eligible to participate in the competitive housing and non-housing programs will be required to work with the Association of County Commissions of Alabama (ACCA) to submit a single Local Recovery Plan (LRP) to the State. This plan must identify recovery and mitigation strategies that will lead to projects eligible for submission to the competitive programs. As a subrecipient of ADECA, the ACCA will be the lead administering entity of the LRPP on behalf of counties eligible to participate in the competitive housing and non-housing programs. Eligible participating counties will form a planning consortium (the Consortium) which will work with the ACCA to support the ACCA's development, submission to ADECA, and implementation of a single LRP that will represent all participating counties. As the lead administering entity and subrecipient of ADECA for the LRPP, the ACCA will receive an award of up to \$3 million to work with the

Consortium to develop the LRP as described in the program guidelines. A portion of this budget may be allocated to planning grants for Consortium members.