



**pennsylvania**  
DEPARTMENT OF COMMUNITY  
& ECONOMIC DEVELOPMENT

# Commonwealth of Pennsylvania Action Plan

Community Development Block Grant for Disaster Recovery (CDBG-DR)

July 2012

> ready > set > succeed

**Pursuant to:**

U.S. Department of Housing and Urban Development, Docket No. FR-5628-N-01,  
Published in Federal Register: April 16, 2012

U.S. Department of Housing and Urban Development, Docket No. FR-5582-N-01,  
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Consolidated and Further Continuing Appropriations Act, 2012  
(Public Law 112-55, approved November 18, 2011; 125 STAT.703)



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## Introduction

The Commonwealth of Pennsylvania is required to publish an Action Plan for Disaster Recovery (subsequently referred to as Action Plan) that describes the proposed use of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funding associated with the Department of Housing and Urban Development Appropriations Act, 2012 (Public Law 112-55, approved November 18, 2012). The Act provides for disaster relief for unmet needs, long-term recovery and restoration of infrastructure, housing, and economic revitalization resulting from severe weather that occurred during calendar year 2011, for which the President declared a major disaster under Title IV of the Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The HUD guidance for the funding was published April 16, 2012 in the Federal Register as Docket Number FR-5628-N-01.

This document will describe 1) the eligible affected areas and eligible applicants; 2) the methodology to be used to distribute funds to those areas and applicants; 3) activities for which funding may be used; 4) citizen participation procedures; and 5) grant administration standards. The Department of Community and Economic Development (DCED or the Department) will be the recipient and state administrative agency for the use of CDBG for Disaster Recovery (CDBG-DR) funds for the Commonwealth of Pennsylvania.

This Action Plan will be used by the state to guide the distribution of the initial allocation of \$27,142,501 of CDBG Disaster Recovery funding toward meeting unmet housing, infrastructure, and economic revitalization needs in counties designated as Presidential Disaster Areas during 2011 as further directed by Public Law 112-55 and HUD's Notice of Funding Availability provided in Federal Register Volume 77, Number 73, Docket No. FR-5628-N-01 published on April 16, 2012 (the Notice).

While the needs are acute, the funding provided by HUD is inadequate to fulfill all unmet needs. As shown by HUD data, the estimated unmet damage cost (excluding public/private infrastructure) as of December 2011 was at least \$121,570,910, with several data sources indicating that the unmet needs continued to climb after December 2011. The allocation to DCED of \$27, 142,501 will only begin the process of helping disaster survivors, businesses, and communities mitigate their losses and finding options for recovery. (The Commonwealth also acknowledges that HUD is providing additional CDBG-DR funds directly to Luzerne and Dauphin counties, \$15,738,806 and \$6,415,833 respectively.)

The recovery process is a long-term process and must be coordinated with other federal, state, local and private resources. DCED will coordinate its CDBG-DR resources with the additional allocations made directly to Dauphin and Luzerne counties. DCED also is leading a broader recovery effort collectively with other state, federal, and local organizations called the State Recovery Resources Team. The CDBG-DR process of awarding funds and project activities will be deliberate and extend over a significant period of time. Consequently, citizens, businesses, and community groups must understand that the process and funds necessary to support recovery will be implemented over the long-term in order to fulfill the goals of disaster recovery.

## Effects of 2011 Presidentially Declared Disasters and Recovery Needs

In 2011, Pennsylvania was impacted by three declarations of Presidential Disaster Areas, including two major storm systems within 12 days of each other.

### April Storms (Designation in July 2011)

The first designation occurred due to severe storms and flooding during the period of April 25-28, 2011, which impacted five counties in the northern tier of Pennsylvania near the New York border. These counties received aid from the Federal Emergency Management Agency (FEMA) to support public facility/infrastructure damages and the Commonwealth's and local response efforts.

### Hurricane Irene

Pennsylvania was impacted by Hurricane Irene beginning late on Friday, August 26, 2011 with scattered rain showers across the Commonwealth. High winds and heavy rain associated with the very outer bands of Irene moved into the Commonwealth during the early morning of August 27, 2011. The main heavy rain shield associated with Irene moved into far Southeast Pennsylvania and continued throughout August 28, 2011. Some areas of the Commonwealth received in excess of five inches of rain over this 36 hour period. These excessive rain amounts caused major to catastrophic flash flooding in some areas of the Commonwealth. Widespread road flooding was reported, with numerous water rescues of stranded residents. The designated area included all counties bordering New Jersey and several in the Northeast Pennsylvania.

### Tropical Storm Lee

Tropical Storm (TS) Lee began impacting Pennsylvania on the evening of Tuesday, September 6, 2011. Statewide rainfall total of 5.5 to 15.37 inches fell over the first 48 hours of the storm. The entire Commonwealth received above average rain fall over the previous 30 days, and the streams were all running high as a result. The remnants of TS Lee were absorbed by a large scale extra-tropical low centered in Central Ohio.

TS Lee left significant amounts of water over almost all of the eastern two-thirds of the Commonwealth, affecting the Delaware and Susquehanna River basins. Almost every town along the Susquehanna River experienced flooding including Athens, Towanda, Danville, Bloomsburg, Wilkes-Barre, Sunbury, Harrisburg and Marietta, as well as smaller communities in Lebanon, Lycoming, Schuylkill and Wyoming counties.

At the height of the response effort, there were 36 shelters open with 908 occupants. The Commonwealth has nearly 45,000 miles of rivers streams, nearly 30 waterways within that system were at or near record flood levels.

## Consultation with Local Governments

DCED provided information about the availability of CDBG-Disaster funds with local governments through several public meetings. On March 6, 2012, DCED participated in a

conference workshop about the 2011 disaster response effort at the 2012 Winter/Legislative Conference of the Pennsylvania Association of Housing and Redevelopment Agencies in Harrisburg, PA. Also, on May 1, 2012, DCED staff presented information the allocation of CDBG-Disaster funds at the Community Development and Housing Practitioners Conference in State College, PA, which is an annual training event for subrecipients of federal funds administered by DCED. These conference events were open to any local government interested in learning more about DCED's efforts to support the disaster recovery.

Additionally, DCED staff worked with FEMA and its consultants to support the Long Term Community Recovery Planning efforts in some of the hardest hit communities. DCED staff participated in meetings and helped identify the potential uses of CDBG-Disaster funds in the action plans of those communities. These LTRC Plans were developed for Athens, Pine Grove/Upper Swatara Creek, Shickshinny, Valley United (West Wyoming Valley), and Bloomsburg.

DCED also held two targeted meetings with the counties that were hardest hit to coordinate the use of CDBG-Disaster funds and identify critical recovery needs. The first meeting was held with Dauphin and Luzerne counties, two counties that will receive a direct allocation of CDBG-Disaster funds for 2011 flooding disasters. Also, DCED invited the 8 counties with the highest level of unmet needs to a meeting on June 5, 2012 to discuss needs and help the Department develop its Action Plan for CDBG-Disaster funds. The 8 counties included the five counties that must receive 80% of the Commonwealth's allocation (Bradford, Columbia, Dauphin, Luzerne, and Wyoming) and the three counties with the next highest levels of unmet needs (Lebanon, Lycoming, and Schuylkill).

Additionally, DCED developed a draft Action Plan for comment, which was shared publicly and provided to local government associations. The document was distributed to these groups on July 13, 2012.

## **Short-Term Response / Recovery Needs**

The significance of the two major flooding events is demonstrated in the statistics regarding the disaster damages:

- Federal Emergency Management Agency (FEMA) and numerous state agencies opened and operated 23 Disaster Recovery Centers which operated between September 14, 2011 and November 30, 2011
- 94,385 persons registered for assistance
- \$142,760,248 was approved to assist households through the Individual Assistance program to secure housing options, repair their homes, and cover other losses/needs, (as of July 10, 2012)
- More than \$322 million in claim payments were paid through the National Flood Insurance Program (NFIP), (as of April 23, 2012)

- Over \$101.4 million in low-interest disaster loans were approved by the U.S. Small Business Administration (SBA), with 90% of the approved applications and 78% of these funds assisting homeowners, (as of July 8, 2012)
- 291 households were placed into temporary housing units provided by FEMA
- 18 confirmed fatalities

During the short-term recovery period immediately following the disaster, the Commonwealth deployed DCED staff at the DRCs with information on Homelessness Prevention, Rapid Re-Housing programs, county contacts for the Homeless Assistance Program, and contacts for Community Action Agencies. This network of local programs included linkage to emergency shelters, transitional housing options for homeless individuals and families, and services to prevent low-income families from becoming homeless due to the disaster. These needs will also be considered during the long-term recovery period. The Commonwealth will continue to use its Homeless Steering Committee (working body of the Pennsylvania Housing Advisory Committee which serves as the state's interagency council on homelessness) to provide necessary services through programs such as the Continuum of Care and Emergency Solutions Grant Program. A needs assessment conducted by the Commonwealth, assisted by a vendor/subcontractor, will assist DCED in determining the needs for these populations that remain after the 2011 disasters.

## **Long-Term Recovery Needs and Leveraging Resources**

The Commonwealth is developing a new approach to long-term recovery built on the National Disaster Recovery Framework. The approach will establish a Disaster Recovery Resources Team, co-chaired by DCED, the Pennsylvania Emergency Management Agency (PEMA) and FEMA, to coordinate the wide variety of federal, state, local, and private resources available to assist in long-term recovery. The staffing of this effort will be supported by a grant from the federal Economic Development Agency, and will focus on the planning and coordination of recovery efforts for all communities affected by the flooding events of 2011, as well as future disaster events. The Disaster Recovery Resources Team will be supported by six permanent committees, organized according to the recovery support functions of the national recovery framework, and work groups to address specific issues that respond to the needs, issues, and problems identified by citizens, local governments, community groups and businesses.

A primary focus of the Disaster Recovery Resources Team will be to leverage resources from other federal, state, local and private sources to support recovery needs. Additionally, the Team will help deliver technical assistance to community groups, businesses, and local governments in how to design and implement projects using the wide variety of resources available for recovery efforts.

DCED staff will develop a business impact assessment to identify the long-term recovery needs. Additionally, a needs assessment conducted by the Commonwealth, assisted by a vendor/subcontractor, will assist DCED in determining the long-term recovery needs of the areas impacted by the flooding disasters of 2011. The following maps show the counties designated as Presidential Disaster Areas:



HUD data, as of December 2011, provided information about the counties with the greatest unmet needs. This list includes only those counties with at least \$2 million of unmet housing and business needs; other counties with needs are included in the Pennsylvania total. The full list may be found at:

[http://portal.hud.gov/hudportal/documents/huddoc?id=cdbg\\_dr\\_2011\\_unmet\\_dist.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=cdbg_dr_2011_unmet_dist.pdf)

<b>County</b>	<b>Severely Damaged Homes</b>	<b>Severely Damaged Businesses</b>	<b>TOTAL SEVERE HOUSING AND BUSINESS NEEDS</b>
<b>Pennsylvania, Total</b>	<b>1,816</b>	<b>119</b>	<b>\$121,570,910</b>
Luzerne County	436	48	31,313,488
Bradford County	294	17	17,225,323
Dauphin County	211	19	11,792,408
Columbia County	211	15	10,916,933
Wyoming County	134	10	10,610,507
Lycoming County	140	<10	8,754,838
Schuylkill County	45	<10	6,580,885
Lebanon County	106	<10	5,611,898
York County	28	10	2,797,899
Northumberland County	35	<10	2,495,216
Philadelphia County	26	<10	2,393,928
Lancaster County	39	<10	2,180,716

The counties highlighted in yellow must receive at least 80% of all CDBG-DR funds HUD allocates to Pennsylvania as required in the Federal Register notice published on April 16, 2012.

As unmet needs information is updated, DCED may request that additional counties be included in the 80% requirement. The allocation to DCED of \$27, 142,501 combined with direct allocation to Luzerne and Dauphin counties, \$15,738,806 and \$6,415,833 respectively, totals \$49,297,140, which must be included in calculating the 80% requirement.

The Commonwealth used this preliminary data from HUD, prepared in December 2011, in developing this Action Plan and specifically in determining its priorities for the use of housing rehabilitation and economic development activities. Also, this information helped DCED determine the allocation of funds between housing activities and economic development activities. The unmet needs analysis, which did not cover infrastructure needs, showed that approximately 75% of the unmet need was for housing and 25% of the need for businesses. DCED, after making allocations to critical activities such as planning, infrastructure needs, and home buyouts, split the remaining CDBG-DR funds between housing rehab and economic development according to these percentages.

The Commonwealth's allocation of funds for infrastructure needs are minimal because the Commonwealth has committed all match required for FEMA's Public Assistance program. Any local government facility or infrastructure project need that was eligible for FEMA Public Assistance will be covered by other resources committed by the Commonwealth, not CDBG-DR. DCED will allocate a modest portion of CDBG-DR funds for infrastructure activities in those

communities/locations that propose “alternate” projects requiring funds beyond FEMA Public Assistance and the required state/local match, or infrastructure projects that were not eligible for FEMA Public Assistance.

Because additional, more refined and more recent unmet needs data will be gathered in a needs assessment, DCED will continue to examine the impact of unmet needs against the Commonwealth’s allocation of funds among the variety of eligible activities. DCED has established relationships with FEMA, Small Business Administration and the National Flood Insurance Program to provide information that will inform the needs assessment and augment the unmet needs analysis for the needs assessment. As the needs assessment is completed, DCED may shift funds and/or target to geographic areas that are not identified in this Action Plan. Changes that meet the requirements specified in this Action Plan will result in a Substantial Amendment to the Action Plan that is shared for public comment.

## **Planning and General Construction Requirements**

Pennsylvania is "Growing Smarter." DCED, through the Governor’s Center for Local Government Services and other state agencies, along with thousands of local officials and other interested citizens throughout the Commonwealth, are working together to plan for the future health and vitality of our communities. The Governor's Center for Local Government Services serves as a resource for local government officials, developers, and citizens interested in planning to improve, grow and enhance communities. It provides valuable tools that will support wise land use decisions and encourage economic development, a healthy environment, and strong communities. DCED participates in interagency planning efforts through the State Planning Board and a separate interagency coordination group that addresses planning issues.

DCED will encourage the provision of adequate housing that is storm and flood resistant for all income groups that lived in the disaster-affected areas. In addition, DCED intends to provide planning support through CDBG-DR funds that will build upon the Long-Term Community Recovery plans that were developed with FEMA’s assistance, helping to prioritize projects and develop appropriate, feasible implementation strategies.

DCED also administers the Pennsylvania Flood Plain Management Act, Act 166 of 1978 which provides financial and technical resources for the preparation, enactment, administration, and enforcement of floodplain management ordinances/regulations by local governments. DCED’s Municipal Assistance Program (MAP) includes a component for funding floodplain management activities. DCED reimburses 50% of eligible costs incurred in the prior full calendar year.

DCED will continue to support training and technical assistance efforts for community planning, floodplain management, and building codes.

### **CDBG-DR Program and Construction Requirements**

DCED will impose planning and floodplain management requirements of all municipalities assisted through CDBG-DR funds. Specifically, any local government applicant seeking funds must document the following:

- Project is consistent with county comprehensive plan and applicable local planning and zoning ordinances
- Community must demonstrate that its floodplain management ordinance and mapping have been updated
- Project will adhere to the Pennsylvania Uniform Construction Code with local amendments as applicable. If construction work is exempt from the building code, the applicant must comply with DCED’s minimum rehabilitation standards to assure that work will bring the home up to minimum standards

DCED’s program guidelines will provide priority consideration to construction projects that provide high quality, durability, energy efficiency, sustainability, and mold resistance. This priority will be given to projects that exceed the current statewide building code, which is based on the model international building code.

### Eligible Applicants

The 36 disaster declared counties from the three disasters are: Adams, Bedford, Berks, Bradford, Bucks, Chester, Columbia, Cumberland, Dauphin, Delaware, Huntingdon, Juniata, Lackawanna, Lancaster, Lebanon, Lehigh, Luzerne, Lycoming, Mifflin, Monroe, Montgomery, Montour, Northampton, Northumberland, Perry, Philadelphia, Pike, Schuylkill, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming, and York.

### Eligible Activities and Allocations by Activity

Based upon preliminary unmet need information, DCED will allocate funds to CDBG-DR activities as outlined in the following Table. DCED set these allocations using the best available data as of the date of this Action Plan and will adjust them as DCED receives more detailed needs data and program demand information.

	% of Funds	Fund Amount	National Objective	LMI %, Estimate	LMI Amount, Estimated
<b>Housing</b>					
~Repair/Rehab/Down payment	36%	\$9,660,501	UN/LMI	80%	\$7,728,400
~Buyout FEMA Match	7%	\$2,000,000	UN/LMI	20%	\$400,000
~New Housing Production	7%	\$2,000,000	LMI Only	100%	\$2,000,000
<b>Economic Development</b>					
~Business Recovery & Mitigation	17%	\$4,553,500	UN/LMI	25%	\$1,138,375
<b>Infrastructure</b>					
~FEMA Assisted Projects	7%	\$2,000,000	UN/LMI	25%	\$500,000
~ Non-FEMA Public and Private	6%	\$1,500,000	UN/LMI	25%	\$375,000
<b>Planning and Services</b>					
~Contingency	10%	\$2,714,250	LMI Only	100%	\$2,714,250
~Planning (includes LBP and Other Training)	5%	\$1,357,125			
~Administration	5%	\$1,357,125			
<b>Total Allocated</b>		<b>\$27,142,501</b>		<b>55%</b>	<b>\$14,856,025</b>

## Method of Distribution

DCED will allocate funds in the following categories, which may be amended as data from the needs assessment indicates.

- Housing
- Economic Development
- Infrastructure
- Planning and Services

The preliminary decisions to allocate funds below are based on the limitations contained in the Federal Register Notice and data available from HUD, FEMA, NFIP, and SBA that indicated which counties were hardest hit. This is the best information available at this time about housing needs. As work on the needs assessment progresses, the Department intends to adjust existing allocation amounts and any additional awards to meet actual demonstrated needs. Adjustments will be based on need as documented by the subrecipients' current commitments, plus additional need as evidenced by applications in hand. Adjustments to amounts already under contract, if needed, will be accomplished by making adjustments to allocations when subrecipients seek time extensions to contracts, or through mutual agreement between the Department and individual subrecipients.

All activities outlined in the following method of distribution are strongly encouraged to include such scope or methods that may reduce impacts, reduce recovery time, or increase the resiliency of structures and physical improvements in future disasters.

### I. HOUSING

The Department encourages the provision of adequate, flood-resistant housing for all income groups that lived in the disaster affected counties.

#### A. Housing repair/rehabilitation, and homebuyer assistance.

Owner-occupied homes and rental units not participating in the PEMA buyout program may receive assistance to make needed repairs and rehabilitation. Within this overall repair/rehabilitation program, different requirements will apply, depending upon the cost of the needed/requested repairs. The overall maximum for any assistance will be \$150,000, with special review for any assistance exceeding \$80,000. All housing improvements must primarily focus on making homes habitable and meeting the applicable building code (including improvements that make homes more resistant to future flood damage). The improvements beyond those required to meet property standards (building codes) may include modest amenities and aesthetic features that are in keeping with housing of similar type in the community and must avoid luxury improvements, such as airjet tubs, saunas, outdoor spas, and granite countertops, etc.

It is also important to note that all lead-based paint requirements will apply to any housing repair/rehabilitation, regardless of the cost or level of rehabilitation.

DCED intends to require that all potential recipients/beneficiaries under this activity will apply for assistance through a central processing point either online, by mail or in person. The

verification of eligibility, duplication of benefit and estimated calculation of unmet need will be conducted by program administrators.

FEMA Disaster recovery case management assistance is provided throughout the declared disaster area in Pennsylvania through a FEMA grant provided to the Pennsylvania Department of Public Welfare (DPW). DCED will work closely with DPW to coordinate case management efforts where possible. On a case-by-case basis, DCED may supplement the provision of case management as part of the housing repair/rehabilitation and homebuyer assistance activities.

Households, whose homes were destroyed or damaged beyond reasonable repair maybe be offered assistance on the down payment for replacement housing.

**Estimated Number Served:** 120 homes

1. Allocation for Activity: \$9,285,501.

2. Beneficiaries/Direct Recipients: Homeowners: The people benefiting from this activity will include households at or below 120 percent of median income. This income group has been called low, moderate, and middle income (LMMI) households.

3. Program Priorities: Based upon preliminary data, the thirty-six eligible counties have been divided into three areas. Area 1 will have the highest priority, then Area 2 and finally the balance of eligible counties subject to funds available.

Area 1 counties: Luzerne, Dauphin, Columbia, Bradford, Wyoming, Lycoming, Lebanon, and Schuylkill

Area 2 counties: Montgomery, Lancaster, Northumberland, Bucks, York, Sullivan, and Philadelphia

Area 3 counties: Snyder, Susquehanna, Perry, Cumberland, Montour, Chester, Berks, Delaware, Union, Northampton, Monroe, Lehigh, Adams, Huntingdon, Bedford, Juniata, Lackawanna, Mifflin, Tioga, Wayne and Pike

4. Program Administration: DCED intends to enter a contract with a single, lead entity to manage the centralized intake of households and project delivery steps necessary to undertake the rehabilitation and repair work in all 36 eligible counties. These delivery steps include, but are not limited to, determining beneficiary eligibility, duplication of benefit, work write-ups, inspections, and contractor/property owner payments. The range of work to be performed will be accomplished through a combination of the contract with a lead entity and subcontracts with county governments to undertake many of the specific project delivery functions, if the county has the capacity to perform those functions. If a county government does not have such capacity, the lead entity will manage the functions.

## B. Housing Buyouts – FEMA Match

CDBG funds will be used as match required for the FEMA home buyouts in flood prone areas. This activity will be administered by PEMA with allocations that agency will award to local governments.

**Estimated Number Served:** 560 properties

1. Allocation for Activity: \$2 million
2. Eligible Applicants: Eligible applicants to the FEMA Hazard Mitigation Grant Program
- 3a. Threshold criterion:
  - (i) Receipt of an award commitment for the FEMA Hazard Mitigation Grant Program for housing buyouts
- 3b. Criterion for Selection:
  - (ii) Projects will be funded in order of priority determined by Pennsylvania Emergency Management Agency
4. Grant Size limits: Limited to 3% or less of the total for housing buyouts in approved FEMA Hazard Mitigation Programs awards.

## C. New Housing Production

Assistance will be provided to developers of new affordable rental and owner-occupied housing. These units will replace housing lost due to the disaster. The assistance may also be used for streets, sewer and water extensions linked to development of replacement housing. Individual projects must meet one or more of the following criteria:

- (a) Transitional housing needs of homeless individuals and families (including subpopulations)
- (b) Prevention of low-income individuals and families with children (especially those with incomes below 30 percent of median) from becoming homeless
- (c) The special needs of persons who are not homeless but require supportive housing as identified in accordance with 24 CFR 91.315(e) or 91.215(e)

**Estimated Number Served:** 40 units

1. Allocation for Activity: \$2 million
2. Eligible Applicants: County Governments, Pennsylvania Housing Finance Agency
- 3a. Threshold criterion:
  - (i) All projects will be located in Presidential-declared disaster counties
  - (ii) All units must be 80% of income median or below

### 3b. Criteria for Selection:

- (iii) Extent of loss of housing units in the neighborhood or community, especially those units affordable to low- and moderate income households
- (iv) Demonstrated strategies that direct disaster survivors to become homeowners or renters in the new housing
- (v) Capability and experience of the applicant
- (vi) Program subsidy cost per unit
- (vii) Time frame for completion of housing units
- (viii) Proportion of units affordable to lowest income households
- (ix) Project utilizing the Low-Income Housing Tax Credit program administered by the Pennsylvania Housing Finance Agency

All criteria will be weighted equally.

4. Grant Size limits: \$50,000 per unit with a maximum per development site of \$500,000

## II. ECONOMIC DEVELOPMENT

### D. Business Stimulus and Resiliency

Businesses of any size making physical improvements that mitigate or reduce the opportunity of future impacts from flooding including but not limited to elevating mechanical, electrical, installation of flood walls may receive loans up to \$200,000 toward the cost of making such improvements. DCED reserves the right to authorize loans greater than \$200,000 under special circumstances.

Small Business owners suffering physical damage or economic loss may receive loans up to \$50,000 to provide working capital to help ensure business survival. Small business is defined as employers of less than 100 employees.

Administrators of Business Stimulus and Resiliency funds may provide technical assistance and implementation support as part of the proposed project, subject to DCED prior approval, or as a separate application activity.

**Estimated Number Served:** 60 Loans

1. Allocation for Activity: \$4,428,500

2. Eligible Applicants: County Governments, Local Development Districts, Economic Development Organizations, Community Development Financial Institutions (CDFI)

3. Threshold Criteria:

- (i) Capability and experience with business assistance programs, especially disaster relief
- (ii) Commitment to use the following criteria for assistance to individual businesses:

(a.) Small Business with under 100 employees that suffered physical damage or economic loss due to the 2011 disasters, maximum per business loan of \$50,000

(b.) Business making physical improvements that reduce the opportunity for flood losses resulting from future weather related events, with maximum loan per business of \$200,000

(c.) Commitment to re-open business within 12 month of receipt of assistance

4. Program Priorities: Based upon preliminary data, the thirty-six eligible counties have been divided into three areas. Area 1 will have the highest priority, then Area 2 and finally the balance of eligible counties subject to funds available.

Area 1 counties: Luzerne, Dauphin, Columbia, Bradford, Wyoming, and Schuylkill

Area 2 counties: Lycoming, Lebanon, Northumberland, York, and Philadelphia

Area 3 counties: Lancaster, Montgomery, Bucks, Sullivan, Snyder, Susquehanna, Perry, Cumberland, Montour, Chester, Berks, Delaware, Union, Northampton, Monroe, Lehigh, Adams, Huntingdon, Bedford, Juniata, Lackawanna, Mifflin, Tioga, Wayne and Pike

### III. INFRASTRUCTURE

#### E. Infrastructure – FEMA Eligible

CDBG funds will be used as unmet need for infrastructure projects funded under the FEMA Public Assistance or Hazard Mitigation Programs that have alternate scope or are improved creating a need to leverage additional funds in order to complete the project. Also, projects that could have qualified for FEMA Public Assistance but did not apply will not be eligible for CDBG-DR funding.

**Estimated Number Served:** 3 projects

1. Allocation for Activity: \$2 million

2. Eligible Applicants: Recipients of awards from the FEMA Public Assistance Program

3a Threshold criterion:

- (i) Receipt of an award commitment for the FEMA Public Assistance Program for infrastructure projects

3b. Criterion for Selection:

- (ii) Projects will be funded in order of priority determined by Pennsylvania Emergency Management Agency

4. Grant Size limits: Limited to 25% or less of the total for an infrastructure project in an approved FEMA Public Assistance Programs awards.

#### **F. Infrastructure – Non-FEMA**

This assistance is for either public or private projects that FEMA or other sources cannot fund, but which are nevertheless critical to recovery.

Examples include damaged water and sewer systems, storm drainage, levees, other flood control and protection devices, roads and bridges.

**Estimated Number Served:** 5 projects

1. Allocation for Activity: \$1.5 million

2. Eligible Applicants: County Governments

3a. Threshold Criteria

(i) Project will address need arising from the 2011 disasters

(ii) Project is the best alternative to resolve the need

3b. Criteria for Selection:

(iii) Urgency of the need for the facility; threat to health, safety, or welfare

(iv) Sufficient other local, state, or federal funds either are not available or cannot be obtained in the time frame required

(v) Use of additional local taxes or user fees in place of the requested assistance would place undue burden on residents, especially low- and moderate income households

(vi) Likelihood that the project will be completed in a timely manner

(vii) Benefit to low and moderate income persons

All criteria will be weighted equally.

4. Grant Size limits: No single project may be awarded more than \$500,000

#### **IV. PLANNING AND SERVICES**

##### **G. Allocation Contingency**

DCED has set aside 10% of the total award to be reserved for LMI only benefit. This contingency may be used for a new activity or allocated to an existing activity based on unmet need.

Allocation for Activity: \$1,357,125

## **H. Administration**

Administration activities are limited to 5 percent of total grant amount noting that 42 U.S.C. 5306(d)(5) and (6) are waived and replaced with the alternative requirement that the aggregate total for administrative and technical assistance expenditures must not exceed 5 percent. States remain limited to spending a maximum of 20 percent of their total grant amount on a combination of planning and program administration costs.

Allocation for Activity: \$1,357,125

## **I. Planning**

Planning costs subject to the 20 percent cap are those defined in 42 U.S.C. 5305(a)(12): activities necessary (A) to develop a comprehensive community development plan, and (B) to develop a policy-planning-management capacity so that the recipient of assistance under this chapter may more rationally and effectively (i) determine its needs, (ii) set long-term goals and short-term objectives, (iii) devise programs and activities to meet these goals and objectives, (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation.

DCED must comply with 24 CFR 570.208(d)(4) when funding disaster recovery-assisted planning-only grants, or directly administering planning activities that guide recovery in accordance with the Appropriations Act. In addition, the types of planning activities that States may fund or undertake are expanded to be consistent with those of entitlement communities identified at 24 CFR 570.205.

Certain training and certification required in the implementation of program activities including but not limited to lead-based paint hazard control are included under this activity. A portion of the planning activity will fund training for contractors and other professionals involved with lead hazard/lead-based paint abatement. Building capacity for this throughout the disaster recovery area is a critical need.

Allocation for Activity: \$1,357,125

## **Performance Measures**

DCED anticipates expending funds within five years. Activity performance will be evaluated based upon meeting the following criteria where the start of the time interval is the date of the executed contract between DCED and HUD. Based upon early estimates of unmet need, performance measures may shorten or lengthen as updated information becomes available. DCED anticipates that HUD will provide flexibility to extend timelines based on these factors.

ID	Activity	Metric	%	Time Interval
A.01	Housing Repair/Rehab/DPA	Applicants Identified	100	6-12 months
A.02	Housing Repair/Rehab/DPA	Contractors Identified	100	9-15 months
A.03	Housing Repair/Rehab/DPA	Environmentally Cleared	25	9-15 months
A.04	Housing Repair/Rehab/DPA	Funds committed	50	12-18 months
A.05	Housing Repair/Rehab/DPA	Funds drawn from HUD	10	12-18 months
A.06	Housing Repair/Rehab/DPA	Funds committed	100	18-24 months
A.07	Housing Repair/Rehab/DPA	Construction Started	50	18-24 months
A.08	Housing Repair/Rehab/DPA	Funds drawn from HUD	25	18-24 months
A.09	Housing Repair/Rehab/DPA	Construction Complete	100	36-42 months
A.10	Housing Repair/Rehab/DPA	Funds drawn from HUD	100	42-48 months
B.1	Housing Buyout FEMA Match	Applicants Identified	100	6-12 months
B.2	Housing Buyout FEMA Match	Site Specific ER	50	6-12 months
B.3	Housing Buyout FEMA Match	Funds drawn from HUD	100	24-30 months
C.1	Housing New Production	Applicants Identified	100	12-15 months
C.2	Housing New Production	Site Specific ER	50	18-24 months
C.3	Housing New Production	Funds drawn from HUD	100	36-42 months
D.1	Business Stimulus & Resiliency	Applicants Identified	100	12-18 months
D.2	Business Stimulus & Resiliency	Funds drawn from HUD	100	36-42 months
E.1	Infrastructure FEMA	Applicants Identified	100	12-18 months
E.2	Infrastructure FEMA	Funds drawn from HUD	100	36-42 months
F.1	Infrastructure Non-FEMA	Applicants Identified	100	12-18 months
F.2	Infrastructure Non-FEMA	Funds drawn from HUD	100	36-42 months
G.1	Contingency	Allocated to Activity(s)	100	12-24 months
H.1	Administration	Funds drawn from HUD	1	1-2 months
H.2	Administration	Funds drawn from HUD	100	48-60 months
I.1	Planning, Lead Paint Training	Training conducted	50	6 months
I.2	Planning, Lead Paint Training	Training completed	100	12 months

## Monitoring Standards and Procedures

(1) Disaster CDBG projects will receive on-site monitoring to document local accountability and prevent inappropriate activities. Monitoring areas will include the standard CDBG programmatic areas including eligibility of activities, financial management, citizens' participation, environmental, procurement, and review of contract provisions, acquisition, rehabilitation, clearance, and disposition of any properties. The areas will be expanded to include a "duplication of benefits" analysis which will be completed for each grant. At the minimum each activity will be monitored at least once on site. Program representatives will also check and verify reported outcomes during on-site monitoring visits. Should any findings occur, recipients will be required to correct the problem or else the ineligible expenditures will be disallowed and funds recaptured by the DCED.

(2) The DCED will require status reports for the status of the activities undertaken and the funds drawn. The state will then report to HUD using the online Disaster Recovery Grant Reporting system. Additional reporting requirements (i.e., annual audits, contractual obligations and other required reports) will be specified in the DCED's grant agreement.

## **Avoid or Mitigate Occurrences of Fraud, Abuse, or Mismanagement**

### **1. Administration and Staffing**

The Pennsylvania Department of Community and Economic Development (DCED) has been designated as the administrator of Pennsylvania's allocation of the Supplemental Appropriations Act, 2011. Further, the State of Pennsylvania CDBG Program, within the Center of Community Financing, will provide technical assistance to local government grant recipients and undertake administrative and monitoring activities to ensure compliance with applicable federal requirements.

As required by federal regulation, the state will contract with an independent auditor or auditors who will independently ensure that program requirements, including non-duplication of benefits, are met, and that continual quality assurance is achieved, and who will report directly to the Secretary, or, at a minimum, to the Deputy Secretary of the DCED.

### **2. Increasing Capacity at Local Level**

The DCED will be contracting with a mix of county governments, community & economic development organizations (CDO) and others to administer the disaster funding. The DCED has been working with the Pennsylvania Entitlement subrecipients (also called state Act 179 entitlements) on CDBG administration for over 25 years and meet regularly through annual conferences and trainings. In addition, DCED has been working with the Entitlement Subrecipient staffs since the disaster to keep them updated on events and timelines. The Federal Entitlement Counties of Luzerne and Dauphin have participated in joint conference calls with HUD officials regarding how to implement HUD requirements, etc.

DCED will provide on-going training and technical assistance to the disaster affected Subrecipient counties, CDO, and Federal Entitlement Counties as the need arises. Training sessions will be held to train them on grant administration requirements. As additional funding comes through HUD for Action Plan activities, DCED will continue to meet with these disaster affected Subrecipient counties, CDO, and Federal Entitlement Counties in person, via telephone conference calls and in person meetings. All disaster affected Subrecipient counties, CDO, and Federal Entitlement Counties and others administering the funds will be invited to training specific for grant management professionals involved in the financial and administrative management of federal grant awards. The training will cover controlling regulations, budgeting, cash management, financial reporting, cost principals, cost classification, procurement and agreements, sub-recipient monitoring, match/leveraged resources, property and grant closeout.

### **3. Prevention of Misuse Through Duplication of Benefits**

The HUD Notice explaining the duplication of benefit requirements applicable to CDBG disaster recovery can be found at 76 FR 71060 (published November 16, 2011).

For Housing Assistance Activities, the DCED will work with FEMA IA, NFIP and SBA to get recipient data in order to avoid duplication of benefits. In the case of the Housing Assistance Activity, the duplication of benefits check will be conducted by the project administrator(s) and routinely monitored by the DCED for compliance. For Business Assistance Activities, the DCED will be sharing information with the Small Business Administration and other lending institutions regarding the recipients of our assistance so that SBA or other lending institutions assist with verification of unmet need. If necessary, the DCED will require each recipient to document and verify any funding that has been received through FEMA, NFIP, SBA or EDA through procedures established by the DCED and implemented at the subgrantee level. Also see section below titled Duplication of Benefits.

### **4. National Objective**

All activities must meet one of the three national objectives set out in the Housing and Community Development Act (address slum and blight, urgent need, or primarily benefit LMI persons). At least 50% of the Supplemental Funding will be used for activities that meet the National Objective of primarily benefiting persons of low- and moderate-income.

### **5. Administrative Costs**

Subgrantees are strongly encouraged to minimize their administrative and delivery costs so that the amount available for program activities will be maximized. To promote this goal, the amount of allowable subgrantee administrative costs will be capped at a reasonable amount for each of the various activity categories (i.e. housing repair, public facilities, business assistance).

### **6. Program Changes through Contract Amendments**

All subgrantees will be encouraged to carefully plan projects that meet the stated requirements and to specify activities, associated costs, and proposed accomplishments and beneficiaries in order to reduce the need for amending contracts. Subgrantees should contact the DCED prior to requesting an amendment or contract modification that affects the budget, activities, beneficiaries, or time frame for accomplishing the proposed activities. Should a proposed amendment result in the need for modification of the Action Plan, the state will follow the process required by HUD for amending the Action Plan. Substantial amendments may be cause to review the entire Application submitted to determine if the project is meeting its stated goals and its timelines.

### **7. Documentation**

The use of the disaster funding is contingent upon certain requirements, and both the state and local government will be expected to certify that these requirements will be met or carried out. The chief elected official, or designee authorized by the local governing authority of the local government applying for funds will be required to certify in writing that the grant will be carried

out in accordance with applicable laws and regulations. In addition, local governments will be required to submit or maintain documentation that fully supports the application that is submitted to the DCED. Failure to document that the project is needed as a result of the disaster(s), or to mitigate the effects of future disasters, will result in an application being declared ineligible. If this discovery is made after an award has been made, the contract with the local government may be terminated and the local government may have to repay any funds received to that point.

## **8. Reporting**

Each awarded applicant must report on a form provided by the DCED on the status of the activities undertaken and the funds drawn. Additional reporting requirements (i.e., annual audits, contractual obligations and minority business enterprise reports, as applicable) will be specified in the DCED's contractual agreement. Some recipients may be asked to report using the online Disaster Recovery Grant Reporting system.

## **9. Internal Audit**

The Commonwealth has several internal audit functions that will have oversight responsibilities for the use of CDBG-DR funds.

(i) DCED has a Monitoring and Reporting Division within the Financial Management Center to provide comprehensive fiscal monitoring of DCED's subrecipients receiving federal funds and grantees receiving state funds. The Financial Monitoring Unit performs fiscal reviews of subrecipients or grantees in compliance with federal requirements or on a risk-based method. In addition, the Financial Management Center currently reviews DCED's internal fiscal procedures and will oversee preparation of contracts to assure quality and identify any potential noncompliance, fraud, or abuse. The Center reports to the Secretary of DCED through the Deputy Secretary for Administration, not through the Deputy Secretary for Community Affairs and Development who oversees the programmatic administration of CDBG-DR funds.

(ii) The Governor's Budget Office includes the Bureau of Audits, which serves as the internal audit function for Commonwealth agencies under the Governor's jurisdiction. This unit has a responsibility to perform internal audits of DCED's programs based on risk and has performed them previously for some of DCED's federal programs. The unit reports independently to the Governor's Office.

(iii) The Pennsylvania Office of Inspector General was created to protect the interests of the Commonwealth and its citizens. The Office of Inspector General's mission is to prevent, investigate, and eradicate fraud, waste, abuse, and misconduct in the programs, operations, and contracting of executive agencies under the Governor's jurisdiction. The Inspector General is a cabinet-level official who is appointed by, and reports to, the Governor. The Office of Inspector General has investigated incidents of potential fraud in programs administered by DCED.

(iv) The Auditor General of Pennsylvania is a statewide elected position independent of all other state government agencies and elected officials. The Auditor General is responsible for ensuring that all state money (including federal funds administered by the Commonwealth) is spent legally and properly. The Auditor General performs both financial and performance audits.

Financial audits provide citizens and outside entities with traditional financial audits including the assurance concerning reliability of financial statements. The Auditor General's performance audits gauge whether government programs and activities are meeting stated goals and objectives, and if public dollars are being spent efficiently and effectively. The Auditor General performs these audits of DCED's federal and state programs.

## **10. Citizen Complaints**

All subgrantees and recipients must establish procedures for responding to citizens' complaints regarding activities carried out utilizing these funds. Citizens should be provided with an appropriate address, phone number, and times during which they may submit such complaints. Subgrantees should provide a written response to every citizen complaint within 15 working days of the complaint the state will be the final arbitrator in these matters.

## **11. Regulatory Requirements**

Subgrantees must comply with fair housing, nondiscrimination, labor standards, and environmental requirements applicable to the CDBG Program, as follows:

(i) Fair Housing: Each Subgrantee will be required to take steps to affirmatively further fair housing; and when gathering public input, planning, and implementing housing related activities, will include participation by neighborhood organizations, community development organizations, social service organizations, community housing development organizations, and members of each distinct affected community or neighborhood which might fall into the assistance category of low and moderate income communities.

(ii) Nondiscrimination: Each Subgrantee will be required to adhere to the DCEDs' established policies which ensure that no person be excluded, denied benefits or subjected to discrimination on the basis race, color, national origin, religion, sex, familial status, and/or physical and mental handicap under any program funded in whole or in part by Federal CDBG funds. Subgrantees will be required to document compliance with all nondiscrimination laws, executive orders, and regulations.

(iii) Labor Standards: Each Subgrantee will be required to oversee compliance with Davis-Bacon Labor Standards and related laws and regulations. Regulations require all laborers and mechanics employed by contractors or subcontractors on CDBG funded or CDBG assisted public works construction contracts in excess of \$2,000, or residential construction or rehabilitation projects involving eight or more units be paid wages no less than those prescribed by the DCED of Labor and in accordance with Davis Bacon Related Acts.

(iv) Environmental: Specific instructions concerning environmental requirements at 24 CFR Part 58 will be made available to all Subgrantees. Some projects will be exempt from the environmental assessment process, but all Subgrantees will be required to submit a Request for Release of Funds and Certification. Funds will not be released for expenditure until the DCEDs are satisfied that the appropriate environmental review has been conducted. Subgrantees will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is

designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

## **Duplication of Benefits**

In general, section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5155), as amended, prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster as to which he has received financial assistance under any other program or from insurance or any other source. In order to comply with this law, DCED must ensure that each activity provides assistance to a person or entity only to the extent that the person or entity has a disaster recovery need that has not been fully met. Given the often complex nature of this issue, HUD has published a separate Notice explaining the duplication of benefit requirements applicable to CDBG disaster recovery; it can be found at 76 FR 71060 (published November 16, 2011).

## **Anti-Displacement and Relocation**

Recipients will be expected to minimize displacement of persons or entities and assist any persons or entities displaced as a result of the disasters. This is not intended to limit the ability of the recipients to conduct buyouts for destroyed and extensively damaged units or units in a flood plain.

## **Program Income**

The Commonwealth will allow local governments as subrecipients to retain program income from CDBG-DR projects. Subrecipients will be required to use any program income prior to drawing additional CDBG-DR funds. All subrecipients will be required to report program income. Any program income generated prior to DCED's closeout of the CDBG-DR grant must be used to continue disaster-related activities subject to the requirements of the HUD's Federal Register Program Notice. After grant closeout, DCED will require subrecipients in non-entitlement areas (includes state Act 179 entitlement communities and non-entitlement communities) to report on program income to the Department. For any direct federal entitlement community that accumulates program income, DCED will require that those subrecipients report on program income from CDBG-DR activities to HUD directly. All program income after grant closeout will be treated as CDBG program income.

## **Applicable Waivers**

### **Waivers Approved To Date**

A complete list of the waivers approved to date can be found in the April 16, 2012 Federal Register, page 22583.

Following is a summary of the approved waivers. Refer to the Federal Register for the complete language on the approved waivers.

- Waiving 70% required overall benefit to LMI – adjusted to 50%
- Waiving requirement to distribute to units of local government only
- Waiving required consistency with consolidated plan
- Waiving Action Plan requirements; substituting an Action Plan for Disaster Recovery
- Waiving certain citizen participation requirements to streamline the process
- Waiving administration cap to allow up to 5%
- Waiving annual reporting requirements; substituting quarterly reporting
- Waiver to allow new housing construction
- Waiver allowing homeownership assistance to persons up to 120% of median income
- Limited waiver of anti-pirating provisions for business assistance
- Waiver to allow state flexibility on requirements regarding program income
- Waiver of standard certifications; substituting alternative certifications
- Waiver allowing reimbursement for pre-agreement costs

## Substantial Amendments

The Commonwealth will prepare a substantial amendment to this Action Plan if any of the following changes are made that differ from the original or current Action Plan. DCED will prepare a draft of the substantial amendment that the Department shares for public comment pursuant to the same public comment process used in preparing the original Action Plan. The following modifications of the Action Plan will constitute significant changes that require a substantial amendment of the Action Plan:

- Reallocation of funds among the four categories (Housing, Economic Development, Infrastructure, Planning & Services) that constitutes a change of more than 10% of the total allocation. (An amendment will not be triggered by allocating contingency funds to a specific activity unless the funded activity changes by 10% or more.)
- Addition of a new activity that is not indicated or described in the Action Plan.

## Public Comment Period

DCED made the draft Action Plan available on July 13, 2012 and accepted comments through July 20, 2012. The draft Action Plan was posted at the following website: <http://www.newpa.com/strengthen-your-community/technical-assistance> Also, notice of about the draft document appeared in the *Pennsylvania Bulletin* and a notice about the availability of the document was sent to the following individuals and organizations:

- Chief Elected Official in 36 disaster-declared counties
- CDBG administrators in federal entitlement counties and municipalities within 36 disaster-declared counties
- CDBG administrators in nonentitlement counties and municipalities statewide

- State associations of Counties, Cities & Municipalities, Boroughs, and Townships
- Local Development Districts & Economic Development Districts in 36 disaster-declared counties
- Members of PA Housing Advisory Committee and Regional Housing Advisory Committees
- Members of Community Development and Housing Practitioners Advisory Committee
- Representatives of Federal Emergency Management Agency and Pennsylvania Emergency Management Agency
- Pennsylvania Association of Housing and Redevelopment Agencies
- Pennsylvania Housing Alliance

Additionally, DCED submitted the document for translation into Spanish and is posting that version on its website. DCED also distributed the document to organizations that serve persons with visual impairments to make the document available for transfer to electronic media that is readable for such individuals.

A summary of the public comments received and the Commonwealth's response will be added to the final version submitted to HUD by July 23, 2012.

### **Comments Received**

The Commonwealth of Pennsylvania received one comment during the public comment period. David Millard, elected member of the Pennsylvania House of Representatives, commented that these funds need to be distributed as soon as possible, with particular emphasis on initiating uses before the one-year anniversary of Tropical Storm Lee.

DCED acknowledged the severity of need in Rep. Millard's district and the importance of helping people recover. DCED is somewhat constrained from releasing any funds prior to receiving a contract from HUD. However, DCED is working expeditiously to expend funds prior to that anniversary date in working with PEMA on the housing buyouts. DCED began work on the environmental review and plans to transfer funds to PEMA in support of that activity prior to HUD approval of the initial Action Plan.

DCED also acknowledged that the task of meeting all needs will be not possible given the amount of CDBG-DR funding available. Consequently, DCED will be undertaking more thorough needs assessments before initiating additional grant activities. The needs assessment process is to assure that the funds are directed to the areas of greatest need.

## State Certifications

*Certifications waiver and alternative requirement.* Sections 91.325 and 91.225 of title 24 of the Code of Federal Regulations are waived. Each State or unit of general local government receiving a direct allocation under **Federal Register** /Vol. 77, No. 73 /Monday, April 16, 2012, (this Notice) must make the following certifications with its Action Plan:

- A. The Commonwealth of Pennsylvania (Grantee) certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within its jurisdiction take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard. (See 24 CFR 570.487(b)(2) and 570.601(a)(2).)
- B. The grantee certifies that it has in effect and is following a residential anti displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- C. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- D. The grantee certifies that the Action Plan for Disaster Recovery is authorized under State law and that the grantee, and any entity or entities designated by the grantee, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.
- E. The grantee certifies that activities to be undertaken with funds under this Notice are consistent with its Action Plan.
- F. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this Notice.
- G. The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- H. The grantee certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each unit of local government receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- I. The grantee certifies that it has consulted with affected units of local government in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the method of distribution of funding.
- J. The grantee certifies that it is complying with each of the following criteria:

(1) Funds will be used solely 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 for which the President declared a major disaster in 2011, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*).

(2) With respect to activities expected to be assisted with CDBG disaster recovery funds, the Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate income families.

(3) The aggregate use of CDBG disaster recovery funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 50 percent of the grant amount is expended for activities that benefit such persons.

(4) The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG disaster recovery grant funds, by assessing any amount against properties owned and occupied by persons of low and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (A) Disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (A).

K. The grantee certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations.

L. The grantee certifies that it has adopted and is enforcing the following policies. In addition, the grantee certifies that it will require units of general local government that receive grant funds to certify that they have adopted and are enforcing:

(1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

(2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

M. The grantee certifies that it (and any subrecipient or administering entity) has the capacity to carry out disaster recovery activities in a timely manner; or the grantee will develop a plan to increase capacity where such capacity is lacking.

N. The grantee certifies that it will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA’s most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55.

O. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

P. The grantee certifies that it will comply with applicable laws.

  
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C. Alan Walker, Secretary  
PA Department of Community and Economic Development  
Dated: July 23, 2012