

Grantee: Pennsylvania

Grant: B-13-DS-42-0001

January 1, 2017 thru March 31, 2017 Performance Report



Grant Number:

B-13-DS-42-0001

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

Pennsylvania

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

Reviewed and Approved

Grant Award Amount:

\$29,986,000.00

Grant Status:

Active

QPR Contact:

No QPR Contact Found

LOCCS Authorized Amount:

\$8,925,000.00

Estimated PI/RL Funds:**Total Budget:**

\$29,986,000.00

Disasters:

Declaration Number

No Disasters Found

Narratives

Disaster Damage:

The Commonwealth of Pennsylvania received \$29,986,000 from the Department of Housing and Urban Development (HUD) under The Disaster Relief Appropriations Act, 2013 (Public Law 113-2, approved January 29, 2013). This was the second allocation of CDBG-DR funding to assist the State with recovery from 2011 storm events Hurricane Irene – FEMA-4025-DR; and Tropical Storm Lee – FEMA-4030-DR). The HUD guidance for the funding was published March 5, 2013 in the Federal Register as Docket Number FR-5696-N-01 and the funding appropriation for the Commonwealth of Pennsylvania was published in the Federal Register as Docket Number FR-5696-N-03 on May 29, 2013. The Department of Community and Economic Development (DCED) is the recipient and administrator of CDBG-DR funding for the Commonwealth of Pennsylvania.

The Action Plan guiding the distribution of the \$29,986,000 appropriation was published on August 30, 2013 and allocated \$8.5 million toward Housing Buyouts, \$425,000 towards Administration and outlined additional programs with funding allocations "To be determined after the needs assessment and submittal of applications." This Action Plan amendment includes an updated unmet needs analysis based on the latest available data from the qualifying disaster events. The entirety of the PL 113-2 appropriation has been allocated to a mix of Housing and Infrastructure Programs as reflected in the table below based on the remaining unmet need as well as the Commonwealth of Pennsylvania's strategic priorities and long term recovery plans.

The 2011 storm events damaged infrastructure throughout the region and the Commonwealth of Pennsylvania has worked and continues to work closely with the impacted municipalities to address infrastructure damage and carry out projects that make infrastructure more resilient in the event of future flooding events. The remainder of the funding has been allocated to Housing programs that will create affordable rental units by providing financing for Low Income Housing Tax Credit (LIHTC) deals (Multifamily Rental Program); help homeowners repair and reconstruct their damaged houses (Housing Repair, Reconstruction and Elevation Program); acquire properties from owners of properties located in flood prone areas so that the land can be permanently converted to green space (Buyout Program); and provide down payment assistance to homeowners that may not have sufficient funding to purchase replacement housing from their buyout proceeds or who lost their housing due to the storm and are unable to purchase a replacement home (Down Payment Assistance Program).

Substantial Amendment Changes

June 26, 2016

Below is a summary of the major changes between the Commonwealth of Pennsylvania's PL 113-2 Substantial Action Plan Amendment published for public comment on June 26, 2016 and submitted to HUD for approval on August 3, 2016 and the previously approved PL 113-2 Action Plan dated August 30, 2013.

Change in Unmet Need Methodology

In 2012, DCED conducted an unmet needs analysis using data from NFIP (June 2012), FEMA Individual Assistance data (July 2012) and SBA data (July 2012). The September 9, 2012 analysis found that there are significant unmet needs estimated at \$132.9 million. In this Action Plan Amendment,C



Disaster Damage:

d 2016 data. In addition there was fundamental differences between how the business and housing unmet needs were determined.

In the original Action Plan unmet business needs were determined based on businesses that received an SBA loan or had a flood insurance claim while this version considered business that did not receive an SBA loan as having unmet needs (in accordance with the HUD methodology). In the original Action Plan unmet housing needs were determined by adding (and potentially double counting) SBA, FEMA IA and insurance damage estimates together and the previous version did not adjust FEMA IA damage estimates upwards per the HUD methodology used in this version.

Change in Funding Allocation

In the previous Action Plan 70% of the total allocation was not allocated to a specific activity or program. This Action Plan Amendment allocates 100% of the funding to a combination of Housing and Infrastructure programs and planning and administration activities.

PL 113-2: Reallocation of Funding Summary can be found on Pg. 7 of the Substantial Amendment.

Triggering Amendment for 10% Change in Allocation

The provision in previous Substantial Action Plan Amendments that indicated an Amendment would be required if 10% of more funding is moved from one program to another is removed.

Prior CDBG-DR Allocation (Public Law 112-55)

The Commonwealth of Pennsylvania received its first allocation of \$27,142,501 in CDBG-DR funding from the Department of Housing and Urban Development (HUD), pursuant to Public Law 112-55 (approved November 18, 2012). The appropriation was announced on April 16, 2012 in the Federal Register as Docket Number FR-5628-N-01. The Action Plan for this appropriation was published on July 12, 2012. The Commonwealth of Pennsylvania has published three Substantial Action Plan Amendments for this CDBG-DR allocation, the first on March 24, 2014; the second on May 21, 2014; and the third on August 11, 2014. The fourth Substantial Action Plan Amendment for this appropriation is being published for a 30 day public comment period at the same time as this Action Plan Amendment.

Summary of Funding Distribution under both CDBG-DR Allocations

The Commonwealth of Pennsylvania has allocated funding under each CDBG-DR Allocation as outlined in the table below.

Table 1: Current CDBG-DR Funding Distribution under Both Allocations can be found on Pg. 8 in the Substantial Amendment.

Connection between Unmet Needs and Allocation of CDBG-DR Funds

Chart can be found on Pg. 8 of the Substantial Amendment.

NOTE: This chart did not appear in the original Substantial Amendment that was submitted for public comment. It is a summary inserted at HUD's request to compare the percent of allocations versus percent of remaining unmet need.

Chart - CDBG-DR Activity Breakdown by Unmet Need & Allocation, Updated for Substantial ActionPlanAmendment#1(Ju

Disaster Damage:

ne 26, 2016). Chart can be found on Pg.8 of the Substantial Amendment.

Recovery Needs:

In 2011, Pennsylvania was impacted by two natural disasters: Hurricane Irene in August and Tropical Storm Lee in September. These two events caused severe flooding in many of Pennsylvania's communities, damaging or destroying homes, businesses, public facilities and infrastructure.

In late August 2011, Hurricane Irene's heavy winds and severe rains caused major to catastrophic flooding in northeastern Pennsylvania. Roads flooded, requiring evacuation of stranded residents. Lycoming and Wyoming were most significantly impacted. Impacted counties were designated as eligible for both FEMA Public Assistance and Individual Assistance to address damages to infrastructure, homes and businesses. A map of impacted counties is illustrated in Exhibit 1.

Within weeks of Hurricane Irene, Tropical Storm Lee impacted much of central Pennsylvania, causing widespread flooding along the Susquehanna and Delaware River basins in early September 2011. Of the two events, Tropical Storm Lee caused the most extensive damage in the state, largely due to heavy rains in central Pennsylvania, ranging between 10 and 15 inches over a three-day period. In particular, the counties of Bradford, Columbia, Dauphin, Luzerne, and Wyoming were most impacted. Flooding predominantly occurred within river towns. Communities like Athens, Towanda, Danville, Bloomsburg, Wilkes-Barre,



Sunbury, Harrisburg and Marietta suffered catastrophic flood losses.

As a result of these two Nationally Declared Disasters, 9,059 homes suffered major to severe damage and there were 18 fatalities. Following these disasters:

- 94,385 persons registered for FEMA Individual Assistance and 60,898 received assistance;
- 780 businesses applied for SBA emergency business loans of which 272 received assistance;
- NFIP paid more than \$327 million to cover property and content loss;
- FEMA obligated in excess of \$ 208,000,000 to remove debris, provide emergency relief services, and restore public infrastructure;
- 23 Disaster Recovery Centers were set up and in operation between September 14, 2011 and November 30, 2011; and
- 291 households were placed into temporary housing units provided by FEMA.

[1] This projection does not include any FEMA/PEMA Individual Assistance.

Exhibit 1 - Counties Eligible for FEMA Assistance can be found on Pg. 11 of the Substantial Amendment.

Tropical Storm Lee, and Hurricane Irene caused flooding and wind damage throughout much of Pennsylvania, particularly in the river communities along the banks of the Susquehanna River. Table 2 lists the 10 communities with the greatest number of housing units that suffered major to severe damage.

Table 2: Communities with Major to Severe Damage from the 2011 Disasters can be found on Pg. 13 of the Substantial Amendment.

The most impacted counties of Bradford, Columbia, Dauphin, Luzerne and Wyoming will receive at least 80%, or \$20,509,800 of the funding from this allocation.

Unmet Needs Assessment

The unmet needs analysis included in this amendment represents a revised method

Recovery Needs:

Revisions published in September 2012 and May 2014. The revisions closely follow the methodology HUD outlines in Federal Register Docket Number 03. The revisions are also based on updated data from the following sources:

- FEMA Individual Assistance data as of February 6, 2016;
- FEMA Public Assistance data as of January 3, 2016;
- SBA business loan information as of January 2015;
- SBA housing loan information as of January 2015; and
- DCED State Match for FEMA Public Assistance (at time of program closeout in August 30, 2013).

These data sources serve as the basis for estimates of unmet needs in the most impacted and distressed areas related to:

- Restoration of housing;
- Economic revitalization; and
- Restoration of infrastructure

A detailed description of the methodology used to determine the unmet need and the data sources can be found in Appendix 1: Unmet Need Methodology. Based on the updated Unmet Needs Analysis, the remaining unmet need under this allocation is estimated at \$264,887,124. The State CDBG-DR allocations subtracted from the estimated damage reflect the PL 112-55 CDBG-DR allocation.

Table 3: Summary of Unmet Needs can be found on Pg. 19 of the Substantial Amendment.

Housing

Hurricane Irene and Tropical Storm Lee caused widespread damage to owned and rented homes throughout much of the state, particularly in towns along the Susquehanna and Delaware Rivers. In total, roughly 95,000 individuals applied for FEMA assistance, and according to FEMA, at least 59,793 of these applicants incurred damage to their homes. The majority of this damage was classified as minor damage, but 9,059 homes were determined by FEMA to have major to severe damage. (For a detailed description of methodology for housing damage estimates and unmet need, see Appendix 1: Unmet Need Methodology.)

The counties with the most significant housing damage are listed below in Table 4.

Table 4: Damaged Owner-Occupied Homes and Rental Units by Damage Category by County can be found on Pg. 19 of the Substantial Amendment.



Homeowners and Renters

According to FEMA Individual Assistance data, 52,611 homeowners experienced some damage to their homes due to the 2011 storms. Of this number, 5,752 owner occupied properties had damage that was considered major or severe. The total homeowner damages are estimated at \$1,323,585,126 with an estimated unmet need of \$178,684,366. A substantial number of rental units were also damaged, with 7,182 renters having verifiable losses, and 1,600 rental units experienced major to severe damage. The total rental damages are estimated at \$231,399,299, with an estimated unmet need of \$55,862,351. A damage count of owned and rented homes by community, county and state can be found in Appendix 2. State-wide summaries of damage counts, damage cost estimates, and estimated unmet need are found in Tables 5, 6 and 7 below. In total, the estimated unmet housing need is \$234,546,717. To date, the Commonwealth under PL 112-55, Luzerne County, and Dauphin County have allocated \$25,843,604 in CDBG-Rfnstwadhuinrcveyl

Recovery Needs:

y solutions and now require more permanent repairs.

In April 2014, DCED administered a survey to local governments on their remaining infrastructure needs. Based on this survey, local governments identified \$21,398,597 in infrastructure project costs not covered by other sources. Additionally, Luzerne and Dauphin Counties identified \$21,691,483 in infrastructure needs. In total, the Commonwealth has identified \$43,090,080 in unmet infrastructure need which includes projects not covered by FEMA, state funding, local match or insurance.

As of January 2016, DCED, Luzerne County and Dauphin County have collectively allocated \$29,644,983 to repair or replace damaged infrastructure and public facilities, leaving a remaining unmet need of \$13,445,097. As of December 31, 2015, \$6,721,706 has been spent. Under PL 112-55, a total of \$11,536,374 has been allocated to infrastructure activities.

Leverage Other Funding

As previously stated the primary focus of the Recovery Resource 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.

In addition DCED has prioritized any flood related activity for their funding programs including CDBG, HOME, ESG and the state funded Keystone Communities Program. The activities must meet the criteria of the programs but will receive priority if requesting assistance with disaster recovery or long-term mitigation.

As part of the application process, DCED is requesting local municipalities and organization to leverage funds for their projects and will allocation priority points during the review to those projects leveraging local funds.

Construction Requirements under the CDBG –DR Program

Building Codes

All rehabilitation, reconstruction, and new construction should be designed to incorporate principles of sustainability, including water and energy efficiency, resilience and mitigating the impact of future disasters. The CDBG-DR's program guidelines will provide priority consideration to construction projects that provide high quality, durability, energy efficiency, sustainability, and mold resistance. All residential or commercial projects will adhere to the Pennsylvania Uniform Construction Code with local amendments as applicable. Priority will also be given to projects that exceed the UCC.

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. These guidelines are a hybrid of the HUD Section 8 rehabilitation Standards. DCED may revise these further once a consultant has developed the housing guidelines.

As a minimum the following will also be followed:

Green Building

1. Green Building Standard for Replacement and New Construction of Residential Housig. Grantees must meet thGreen Buldingtandard in p></p>

All neconstruction of reidentiabuildings



Recovery Needs:

aving a remaining unmet need of \$208,703,113.

Table 5: Damage Counts for Owned and Rented Homes Damaged in the 2011 Disasters can be found on Pg. 20 of the Substantial Amendment.

Table 6: Damage Estimates for Owned and Rented Homes Damaged in the 2011 Disasters can be found on Pg. 20 of the Substantial Amendment.

Table 7: Unmet Need for Owned and Rented Homes Damaged in the 2011 Disasters can be found on Pg. 20 of the Substantial Amendment.

Repetitive Flood Loss

Much of the 2011 damage impacted riverine communities that experience frequent flooding due to their location within 100-year or 500-year floodplains. The Pennsylvania Emergency Management Agency (PEMA) has identified 1,889 properties that experience Repetitive Flood Loss (RL) or Severe Repetitive Flood Loss (SRL). The Agency is working with communities to mitigate the risks associated with these properties through the Hazard Mitigation Grant Program (HMGP) operated under FEMA. The program enables the Commonwealth to elevate structures, or acquire and demolish structures, preserving the greenspace to mitigate future losses. Not all properties qualify for this program although they are still at risk of repetitive flooding. The Commonwealth intends to use CDBG-DR funds to supplement HMGP. To date, DCED has spent \$1,857,411 of the allocated \$2,000,000 to acquire and demolish 18 RL properties under the Commonwealth's PL 112-55 CDBG-DR allocation. DCED anticipates additional need for CDBG-DR funds to mitigate RL and SRL properties, and has committed an additional \$8,500,000 to address these needs using the 2nd CDBG-DR allocation. These figures are included in the \$34.4 million of CDBG-DR allocations found in Table 7.

Public Housing

In July of 2013, DCED administered a survey to public housing authorities (PHAs) in the affected areas to assess damages and determine unmet needs. Of the 49 surveys sent out, 19 PHAs responded. Of those that responded to the survey, three (3) PHAs identified 56 units in their properties were impacted by storm events, suffering an estimated \$1,366,226 in damage. These include the Lancaster Housing Authority, the Philadelphia Housing Authority, and the Columbia County Housing Authority which had damaged in Lancaster, Philadelphia, and Bloomsburg, respectively. Of the three PHAs reporting damage, survey respondents indicated that all damage has been repaired.

Affordable Rental Housing

DCED initially addressed damages and potential unmet needs for affordable housing using funds from other federal resources, including the Emergency Solutions Grant (ESG) Program, USDA Rural Housing, HUD Project Based Vouchers, and Low Income Housing Tax Credits (LIHTC).

In late 2011, DCED conducted two application funding rounds for ESG, where applicants had the opportunity to apply for funding to repair properties damaged by the 2011 storms. There were no applicants to this funding round. DCED opened an additional funding round eligible to Continuum of Care providers to fund any repairs needed for transitional anpemaenhosig dmaedn te 211tors.herwer

Recovery Needs:

no applicants for this funding round either. Based on these three funding rounds, and a survey conducted October 10, 2012 at the Summit on Rural Homelessness, DCED estimates there are no remaining unmet needs for shelters or transitional housing.

In 2012, and again in November of 2015, DCED engaged with the Pennsylvania Housing Finance Agency (PHFA) to determine if there are any unmet needs for repairs to rental properties funded through the PHFA. According to surveys, PHFA administered in late 2011, three properties suffered major to severe damage due to Hurricane Irene and Tropical Storm Lee, including two developments in Bloomsburg (one for seniors) and another property in Athens. An estimated total of \$1,510,000 in damages was reported by the management companies at these three properties, with at least three feet of flooding on the ground floor, and displacement of residents. All developments were insured, and according to the survey responses, all repairs were made by the end of December 2011.

Given the remaining unmet need for affordable rental housing, and the potential loss of affordable rental units through the Buyout Program, DCED intends to provide financing to support PHFA's development of additional affordable units by providing gap financing for LIHTC projects in the upcoming rounds. PHFA intends to give priority to areas that experienced the greatest loss of affordable rental units due to the storm events.

Temporary Housing

As a result of Hurricane Irene and Tropical Storm Lee, 295 households were placed into temporary housing units provided by FEMA. By December 2013, all displaced households were in permanent housing. This was accomplished through FEMA's Direct Housing Mission, working with the Commonwealth of Pennsylvania, local municipalities and various federal agencies. Households were placed within five community sites and 37 commercial parks. As of January 2016, there were no households living in temporary housing units.



Vulnerable Populations

As part of this updated unmet needs assessment, DCED analyzed the demographic and socioeconomic characteristics of areas most impacted by the April 2011 storms, Hurricane Irene, and Tropical Storm Lee. This was accomplished by mapping all damaged homes using the FEMA Individual Assistance data, and analyzing Census Tract information for those damaged areas using American Community Survey 2008 – 2012 information. For the purpose of this analysis, Census Tracts are equivalent to neighborhoods, and communities are synonymous with towns, cities, and Census-designated places.

DCED's intention for this analysis is to identify neighborhoods and communities that were substantially impacted by the storms of 2011 and have significant vulnerable populations. Vulnerable populations may include older adults, persons with cognitive or physical disabilities, persons with limited proficiency in speaking or understanding English, and low or moderate income (LMI) individuals and households. All of these populations are viewed as being more "at risk" of severe financial burden and potential homelessness in the event of a disaster.

DCED analyzed these statistics in Census Tracts where there were at least 10 homes experiencing major or severe damage to 211 disasters, and compared these Census Tracts to

Recovery Needs:

having a disproportionately higher percentage of vulnerable populations. DCED provides a detailed breakdown of this information by Census Tract and community in Appendix 2, and is using this information to target outreach, planning activities, and prioritization of projects and resources.

According to this analysis, impacted rural communities in Bradford, Sullivan, Northumberland, Lancaster, and Dauphin have a higher concentration of older adults and residents with disabilities than average. In contrast, the impacted urban neighborhoods of Harrisburg, Lebanon and Philadelphia have higher concentrations of poverty.

Businesses

The 2011 storms caused flooding and severe power outages across the central and eastern parts of the state which damaged commercial structures and interrupted business operations. In particular, the flooding along the Susquehanna River had a severe impact on businesses located in riverine communities. Widespread power outages impacting 3.8 million customers caused businesses to shutter for extended periods of time. According to the Pennsylvania Public Utility Commission, the storms of 2011 caused the longest interruption of power in the past nine years, with many customers experiencing outages longer than 72 hours.

To calculate unmet business needs, DCED focused on business owners who submitted loan applications to the SBA and were denied. These loans typically cover the costs insurance did not cover for real property and real content loss, along with working capital needed to maintain business operations. For many businesses, their insurance was not adequate to cover their aggregated losses. Reasons most often cited for SBA loan rejection were poor credit or perceived inability to repay loans. The unmet business needs is based on these applicants, assuming any business owner who submitted a loan application and was denied likely had unmet needs. (For a detailed description of methodology for business unmet need, see Appendix 1: Unmet Need Methodology.)

According to SBA business loan information, as of January 2015, 780 businesses completed and submitted business loan applications, and 35% were approved (equivalent to 272 businesses). Based on this information, DCED estimates there was up to \$46,321,788 in unmet business needs remaining once insurance payments and SBA loans were processed.

Table 8: Unmet Business Needs can be found on Pg. 23 of the Substantial Amendment.

The unmet business needs figures reported in the chart above rely on SBA loan applications and insurance claims that were likely filed within a year of the storm events. The CDBG-DR allocation is based on Luzerne and Dauphin Counties commitment of funds to economic development activities (both Luzerne and Dauphin received their own CDBG-DR allocation). DCED believes that the status of businesses with unmet needs has changed in the intervening five years between the storm events and today and that the majority of businesses impacted by the disasters have either a) recovered using other resources, or b) have since shuttered.

DCED also analyzed which industry sectors were most impacted by the storms by reviewing insurance claims categorized by NAICS code. This included information on verified real property loss and content loss, the amount approved, and unmet needs. According to

Recovery Needs:

in this analysis, Real Estate, Manufacturing, and Leisure & Hospitality industries were the most impacted (Table 9). A portion of the unmet business needs includes Real Estate losses for multi-family rental properties which may be duplicated in the unmet housing needs.

Table 9: Five Industries Most Impacted Based on Claims Approved can be found on Pg. 24 of the Substantial Amendment.

Further, an examination of U. S. Census County Business Patterns data (Table 10), shows that, within the five most impacted counties, there was a net loss of 360 businesses and a net growth of 12,944 jobs between 2010 and 2013. This suggests that, while many businesses shuttered during this period, the businesses that remained absorbed much of the job loss, and even expanded following national economic recovery patterns post-Recession.



Table 10: Employment, Wages, and Businesses in the Five Most Impacted Counties, 2010-2013 can be found on Pg. 24 of the Substantial Amendment.

Under the PL 112-55 appropriation, DCED established the Economic Development Business Stimulus and Resiliency Program, a \$2,000,000 loan program to assist businesses with remaining unmet needs. Despite outreach to municipalities and businesses in the impacted area, the program only received 1 application for \$50,000 and the application was later withdrawn by the business owner, and no funds have been expended to date. Anecdotal feedback received from businesses also indicated that the federal requirements for the funds were too complex and time consuming. As a result and based on this unmet needs analysis, DCED has eliminated this program and is focusing its funding on the large amount of remaining unmet Housing and Infrastructure needs. Several proposed infrastructure projects have the potential to indirectly benefit local businesses through mitigation of flood damages in the future.

Infrastructure

The two storm events of 2011 caused widespread damage to public facilities, roads, utilities, and other infrastructure throughout Pennsylvania. To assist in rebuilding, FEMA provided Public Assistance (PA) dollars to eligible public entities, tribal governments, and some qualified Private Non-Profit (PNP) organizations. All two storm events qualified for FEMA Public Assistance, and as of January 3, 2016, FEMA has obligated \$181,520,787 towards recovery in Pennsylvania. Approximately \$147 million was earmarked towards permanent restoration of damaged infrastructure, and the remaining \$28.7 million was obligated towards debris removal and emergency protective measures immediately after the storms.

FEMA requires that state and local governments pay for a portion of most projects (up to 25%). The Commonwealth of Pennsylvania provided all of the match funds required (\$46,900,643) for FEMA PA projects and therefore there is no remaining unmet need associated with projects funded under FEMA PA.

Table 11: FEMA Public Assistance (PA) Obligations can be found on Pg. 25 of the Substantial Amendment.

However, impacted communities identified projects that did not qualify for FEMA PA but represent unmet infrastructure needs. These projects include hazard mitigation and resilience measures and damages that were addressed using temporary

Recovery Needs:

- All replacement of substantially damaged residential buildings. Replacement of residential buildings may include reconstruction (i.e., demolishing and rebuilding a housing unit on the same lot in substantially the same manner) and may include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls.

2. Green Building Standard requires that all construction covered by subparagraph (1), above, meet an industry-recognized standard that has achieved certification under at least one of the following programs: (i)

- ENERGY STAR (Certified Homes or Multifamily High Rise)
- Enterprise Green Communities
- LEED (NC, Homes, Midrise, Existing Buildings O&M, or Neighborhood Development);
- ICC-700 National Green Building Standard
- EPA Indoor AirPlus (ENERGY STAR a prerequisite); or
- Any other equivalent comprehensive green building program, including regional programs

3. Standard for rehabilitation of non-substantially-damaged residential buildings. For rehabilitation other than that described above, grantees must follow the guidelines specified in the HUD CPD Green Building Retrofit Checklist, available on the CPD Disaster Recovery Web site. Grantees must apply these guidelines to the extent applicable to the rehabilitation work undertaken, including the use of mold resistant products when replacing surfaces such as drywall. When older or obsolete products are replaced as part of the rehabilitation work, rehabilitation is required to use ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP) - designated products and appliances. Water Sense-labeled products (e.g., faucets, toilets, showerheads) must be used when water products are replaced. Rehabilitated housing may also implement measures recommended in a Physical Condition Assessment (PCA) or Green Physical Needs Assessment (GPNA).

4. Implementation:

- For construction projects completed, under construction, or under contract prior to the date that assistance is approved for the project, the grantee is encouraged to apply the applicable standards to the extent feasible, but the Green Building Standard is not required;
- For specific required equipment or materials for which an ENERGY STAR- or WaterSense-labeled or FEMP-designated product does not exist, the requirement to use such products does not apply.

5. HUD encourages grantees to implement green infrastructure policies to the extent practicable.

Assistance to Housing Types



Public Housing

In July, 2013 DCED conducted a survey to determine the extent of damage of public housing authority units and if there were any unmet needs remaining. The survey was sent to the 49 Public Housing authorities in the affected areas covered by this Action Plan. Nineteen authorities responded, with only three authorities indicating they had damage estimated to be approximately \$1,366,226. Fifty six residential units were affected. All three authorities had received assistance either through FEMA Assistance, National Flood Insurance, or private flood insurance to rehabilitate or reconstruct these units. Though the resi

Recovery Needs:

-family projects that will be safer, stronger, and more resilient.

Program Administration

DCED will designate subrecipients to administer this program which may include the Pennsylvania Housing Finance Agency, units of general local government, and/or nonprofit developers.

Eligible Applicants

Private for-profit and nonprofit housing developers and public housing authorities capable of developing and managing large multi-family developments can apply for this funding.

Eligibility Criteria

The projects must help replenish the supply of affordable rental units lost in the most impacted counties, or other areas deemed a priority by the State.

Infrastructure

Infrastructure Program, chart can be found on Pg. 44 of the Substantial Amendment.

The Infrastructure Program provides CDBG-DR funding to address unmet infrastructure needs which arose due to the qualifying 2011 disaster event(s). At DCED's request, units of local government will apply for CDBG-DR funds for bridge repairs/replacements, storm water/culvert improvements, sanitary sewer improvements, road reconstruction, public facilities, and other improvements to provide mitigation measures and resilience measures for future disasters. Projects that address damage and create enhancements to commercial corridors or Main Street areas, and that have the ability to encourage and support business retention and development are also encouraged.

Program Administration

The program will be administered by DCED which will provide grants to units of local government and other eligible entities for programs meeting the threshold criteria.

Eligible Beneficiaries

Units of general local government and governmental authorities and agencies will be eligible beneficiaries of these funds.

Eligibility Criteria

To be funded, projects will need to meet the following criteria:

- Project will address need arising from the 2011 disasters
- Sufficient other local, state, or federal funds are not available
- 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
 - Project must be able to be completed within the two-year timeframe.

Projects benefiting low and moderate income communities or neighborhoods will receive priority.

Planning and Administration

Planning: chart can be found on Pg. 46 of the Substantial Amendment

DCED is allocating planning funds for substantial and non-substantial updates to this action Plan.

Administration

Chart can be found on Pg. 46 of the Substantial Amendment

DCED as the state-designated grantee will oversee all activities and expenditures of the CDBG-DR funds. Existing Commonwealth employees will be used and additional personnel and contractors have been hired to aid in the administration, and to carry out recovery programs. No



Recovery Needs:

ential needs have been addressed one authority received \$160,000 less from the insurance company than what was needed. They have gone to FEMA and HUD for assistance and both agencies have turned them down. There also remains about \$165,000 in unmet needs for non-residential units.

Additional contact will be made to get greater response from the authorities not responding.

HUD-assisted Housing

Attempts were made to gather this information for this Action Plan by DCED. There doesn't seem to be any standardized information on the damage of this type of housing. DCED will continue to make contact with housing agencies to determine the need.

McKinney – Vento Funded Shelters and Housing for the Homeless

DCED administers the Emergency Solutions Grant Program (ESG) for the state and is the Collaborative Applicant for the four Balance of State Continuum of Care. As part of the application process, renovation or rehabilitation to emergency shelters is eligible for assistance. After the disasters in 2011, DCED conducted two application funding rounds for ESG. There has not been any request for funding for shelter rehabilitation or renovation due to flood damage or unmet needs.

There was one funding round for the Continuum of Care funding of transitional and permanent housing since the disasters. There were no requests for funding due to flood damage.

In an effort to seek information from agencies and service providers for homeless persons, including transitional and permanent housing providers, DCED solicited information from agencies attending a Summit on Rural Homelessness in Bloomsburg on October 10, 2012. That summit attracted attendees from across the eastern half of Pennsylvania.

Attendees were asked for comments and needs that arose as a result of the 2011 flooding events. DCED followed up with those attendees who submitted comments and needs and asked for additional information and details about:

- Difficulties finding affordable, suitable housing
- Other or additional issues identified since the Summit meeting
- Any unmet needs for the homeless population as a result of the flooding disasters

Very few people submitted comments to be addressed, even though DCED offer this outreach to address any present or future concerns related to the flooding disaster

Private Markets Receiving Project-Based Assistance or Section 8 Vouchers

Attempts were made to gather this information for this Action Plan by DCED. There doesn't seem to be any standardized information on the damage of this type of housing. DCED will continue to make contact with housing agencies to determine the need.

Assistance to All Income Groups

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. DCED will continue to prioritize any emergency shelter requiring Emergency Solutions Grant Program shelter assistance to rehabilitate or renovation their shelter due to flood damage.

As other unmet needs present themselves to DCED through additional outreach, priority will be given to them. Under the Emergency Solutions Grant Program

Recovery Needs:

unding is available for rapid rehousing of literally homeless individuals and households and homelessness prevention for at risk persons and families. Priority will be given to applications from counties who are targeting the flood affected persons, so as to limit the time that they remain homeless due to the disasters.

DCED will encourage the Continuums of Care to provide priority to projects that seek to address the needs of those residents of the affected counties, who may need supportive housing. DCED will also discuss this with the Department of Health, who administers the HOPWA program for the state.

Planning Decisions on Racial, Ethnic and Low Income Concentrations



All successful grantees of the CDBG-DR funding will be required to follow the Fair Housing Act of 1968 in their planning and providing of assistance under this program. This will include the adoption of a Fair Housing Resolution, identifying a Fair Housing Officer, and fulfilling fair housing practices in all activities funded with federal funds

Displacement of Persons

All successful grantees will be required to adopt an Anti-displacement Plan as part of their administration of the program. This plan must include their municipalities commitment to avoid displacement of residents if at possible. In the even they must displace a person or household, the plan must outline what assistance will be provided to the affected parties.

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.

Non-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 from insurance or any other source. In order to

Recovery Needs:

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. This will be done through the intake process for assistance under all categories and must be reviewed prior to release of funds.

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.

Processes to Detect Fraud, Abuse, and Mismangement

DCED will oversee all activities and expenditures of the CDBG-DR funds. DCED disaster recovery staff as well as contractors may be hired to aid in the administration of the recovery grants.

1. The use of the disaster funding is contingent upon certain requirements, and both the state and local governments will be expected to certify that these requirements will be met or carried out. The chief elected official, or designee authorized by the unit of general local government or other eligible entities 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 of the contract, the contract with the local government may be terminated and the local government may have to repay any funds received to that point.

DCED will undertake administrative and monitoring activities to better assure compliance with information provided by applicants. This will include meeting the disaster threshold, eligibility, and national objective, duplication of benefits, fair



housing, nondiscrimination, labor standards, environmental regulations and procurement regulations.

2. CDBG disaster 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, citizen participation, environmental, procurement, and review of contract provision, acquisition/rehabilitation, clearance,

Recovery Needs:

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. DCED disaster staff 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.

DCED is working with a HUD Technical Assistance provider on updating its current monitoring guide to incorporate desk auditing into the process. Once the monitoring guide is finalized, a copy will be forwarded to the Philadelphia Regional Office.

DCED will maintain a high level of transparency and accountability by using a combination of risk analysis, desk reviews and site visits. It will take into account prior administration performance, audit findings, as well as the complexity of the project. DCED will use this information to determine the areas to be monitored, the number of monitoring visits and their frequency.

DCED will continue to follow all guidelines it uses to monitor projects funded under the regular CDBG program. All contracts will be monitored on-site within 15–24 months of the grant contract and via other methods more frequently.

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

- DCED has a Monitoring and Reporting Division within the Financial Management Center to provide 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. 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.
- 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. See further description: www.comptrolleroperations.state.pa.us/portal/server.pt/community/audits/19489
- 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, and reports to, the Governor. The Office of Inspector General has investigated incidents of potential fraud in programs administered by DCED.

Recovery Needs:

- >
- 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.

Capacity to Administer CDBGDR Program

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.

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.

Recovery Needs:

agement, financial reporting, cost principals, cost classification, procurement and agreements, sub-recipient monitoring, match/leveraged resources, property and grant closeout.

Method of Distribution

Overview

Based on the revised unmet needs assessment, as well as input received from citizens, stakeholder groups, local government officials and other partners, the Commonwealth of Pennsylvania reviewed its CDBG-DR funding priorities and established the portfolio of recovery programs set forth in Tables 13 and 14. In most cases, DCED proposes to dedicate funding to programs currently approved by HUD, and for which demand has exceeded available funding. Integrating additional CDBG-DR funds into these established programs is the most efficient and effective way to get the funding spent in the areas of greatest need. The Commonwealth of Pennsylvania is dedicating additional resources under the PL 113-2 allocation to address the continuing need for buyouts of homes in areas subject to severe repetitive flooding, and has put a corresponding emphasis on developing additional affordable rental units to address the continuing need for safe, affordable housing for those households participating in the buyout program under PL 112-55. The remainder of this section provides details on the programs to be funded under the PL 113-2 appropriation. For additional details regarding the PL 112-55 appropriation, please see the draft PL 112-55 Action Plan Substantial Amendment 4 located at <http://www.newpa.com> (scroll to the Library section at the bottom of the homepage and click on Disaster Recovery Assistance Program).

Table 14: PL 112-55 Funding Allocation can be found on Pg. 37 of the Substantial Amendment.

Table 15: PL 113-2 Funding Allocations can be found on Pg. 37 of the Substantial Amendment.

Housing

Homeowner Programs

Housing Repair, Reconstruction and Elevation Program chart can be found on Pg. 39 of the Substantial Amendment.

Program Overview

Many homeowner units were flooded as a result of the qualifying disaster events. The Housing Repair and Reconstruction Program provides grant assistance to eligible homeowners to rehabilitate or reconstruct their primary residences; and improve resiliency against future disasters by elevating homes and/or other mitigation activities. To date, DCED has obligated \$6,391,250 to Columbia, Bradford, and Lycoming Counties under this program. The updated unmet needs assessment indicates that there is still a significant remaining need for assistance to homeowners in the most impacted counties.

Program Administration

Funding is provided to UGLGs who are responsible for administering the program and distributing assistance to households based on need. DCED has standardized the housing rehabilitation process so that all UGLGs that apply for funding follow one process for determining eligibility and use the same property standards for determining assistance. Where applicable, replacement and new construction will meet the 2009 Residential International Code and green building standards requiring compliance with ENERGY STAR™.

p>Eligible Beneficiaries

Homeowner households w



Recovery Needs:

o earn at or below 80% of Area Median Income (AMI) and whose primary residence was damaged by Hurricane Irene and/or Tropical Storm Lee are eligible for assistance. Households participating in the PEMA Buyout Program may not receive assistance under this program.

Eligibility Criteria

In order to receive assistance under this program, homeowners must meet all of the following criteria:

1. Home must have served as the owner's primary residence at the time of the storm event.
2. Owner household must have earned at or below 80% of Area Median Income at the time assistance is provided.
3. Household must have registered with FEMA for disaster assistance or have other documentation of storm related damage such as proof of claim against homeowner's insurance, proof of loss from flood insurance, dated photos of flood waters in the home, or inspections undertaken by local building officials evidencing storm related damage.
4. Improvements must primarily focus on making homes habitable and meeting the applicable building code. Elevation and flood proofing is an eligible use of the funds. Improvements beyond those required to meet building codes may include modest amenities and aesthetic features that are in keeping with housing of similar type in the community and does not include any homeowner selected upgrades or improvements such as air jet tubs, saunas, outdoor spas, and granite countertops.

Eligible Activities

Based on an assessment of the needs of eligible beneficiaries, one or more of the following assistance type of assistance may be provided:

- Elevation or other flood proofing to make the primary residence more resistant to future flooding provided:

Buyout Program

Chart can be found on Pg. 41 of the Substantial Amendment

Program Overview

Many homes and commercial structures damaged in the qualifying 2011 storm events are located in flood-prone areas. Household and businesses located in these areas experience frequent flooding, causing extensive financial losses over time due to property damages, and also putting residents and business owners at a great risk of physical harm. One of the State's primary goals for recovery is to acquire property from willing homeowners and businesses located in flood-prone and hazardous areas, demolish the structures, and preserve the land as open space available for recreation, passive uses and conservation.

The Buyout Program provides CDBG-DR funding to UGLGs to voluntarily acquire property owners and permanently convert the land to open space, accessible to the public for passive recreation and/or conservation purposes. The funding is being used to either (1) purchase severe repetitive loss and repetitive loss properties or (2) purchase properties located in Harrisburg, Dauphin County that were damaged due to a sinkhole that occurred as a result of Tropical Storm Lee.

Program Administration

The program is being overseen by the Pennsylvania Emergency Management Agency (PEMA) on behalf of DCED. EMA is responsible for working with and entering into agreements with UGLGs who will administer the program purchasing properties from qualifying property owner, demolishing the

Recovery Needs:

structures, clearing the land, and maintaining the land as open space in perpetuity.

Eligible Beneficiaries

Homeowners of residential units that are either a (1) repetitive flood loss property or (2) located in Harrisburg, Dauphin County and damaged due to a sinkhole that occurred as a result of Tropical Storm Lee. Homeowners must not have already participated in and received assistance from the PEMA Unified Hazard Mitigation Grant Program.

Eligible Applicants

To be eligible for assistance UGLGs must: (1) be located within the declared disaster areas; (2) be in a designated PEMA buyout target area; and (3) have documented proof of an impact that occurred as a result of the Presidential declared disaster in the proposed buyout area, as determined by condemnation, flood levels and/or status as beyond reasonable repair for each property.

Homeowners who receive a buyout, have a household income at or below 80% AMI, and do not have sufficient proceeds from the buyout to purchase replacement housing may apply for funding to purchase another comparable property under the Down Payment Assistance Program which is funded under PL 112-55 CDBG-DR program.



Rental Programs

Multifamily Rental Housing Program, Chart can be found on Pg. 42 of the Substantial Amendment.

Program Overview

The program will provide multiple funding mechanisms to facilitate the creation of quality, affordable housing units to help Pennsylvania recover from the loss of affordable multi-family housing. CDBG-DR funds will be provided as zero- and low-interest loans to qualified developers to leverage 9 and 4% low income housing tax credits, tax-exempt bonds and stand-alone financing to support development.

Development may include new construction or conversion of vacant commercial/industrial buildings, or substantial rehabilitation of uninhabitable dwellings. In addition, a portion of the fund will be used to assist in the development of new permanent supportive housing units for people with special needs as well as public housing and other federally-supported housing. Funding will be allocated to the individual program components within the fund as needed in order to maximize the effectiveness of the fund and ensure that those with the greatest needs are assisted as rapidly as possible.

- The first component of the fund will leverage zero- and low-interest CDBG-DR loans (or forgivable loans) with 9% low income housing tax credits in order to leverage funding resources.
- The second component will combine zero- and low-interest CDBG-DR loans (potentially forgivable) with the State's allocation of tax-exempt bonds and 4% low income housing tax credits to create or rehab affordable housing units. The program will incentivize developers to produce mixed income buildings providing opportunities for the full spectrum of Pennsylvania's citizens including extremely low income households usually overlooked in traditional tax credit projects; households with incomes between 60% and 80% of LMI (not eligible for tax credit assistance) and market rate tenants
- The third component will be a program that utilizes stand-alone CDBG-DR funds to provide zero- and low-interest loans (potentially forgivable) to create new multi-

Recovery Needs:

only will these personnel remain involved in ensuring that there are layers of financial control, they also will undertake administrative and monitoring activities to better assure compliance with applicable requirements, including, but not limited to, meeting the disaster threshold, eligibility, national objective compliance, fair housing, nondiscrimination, labor standards, environmental regulations, and procurement requirements at 24 CFR Part 200.

Pennsylvania has implemented oversight and monitoring processes to ensure proficient financial controls and procurement processes; adequate procedures to prevent any duplication of benefits as defined by Section 312 of the Stafford Act; processes to ensure timely expenditure of funds; processes to detect and prevent waste, fraud, and abuse of funds; and processes ensuring all projects are compliant with the Uniform Act (relocation), Davis-Bacon and other labor standards, fair housing, Section 3, uniform administrative requirements at 24 CFR Part 200, and other applicable federal laws.

DCED will maintain a high level of transparency and accountability by using a combination of risk analysis of programs and activities, desk reviews, site visits, and checklists modeled after HUD's Disaster Recovery Monitoring Checklists and existing monitoring checklists used in monitoring regular program activities. DCED will determine appropriate monitoring of grants, taking into account prior CDBG-DR grant administration performance, audit findings, as well as factors such as the complexity of the project.

Some of the CDBG-DR funding will also be utilized to provide technical assistance to staff and subrecipients receiving CDBG-DR funds so that recovery programs will be implemented efficiently, effectively and in compliance with the federal, state and local regulations.

Definition of "Not Suitable for Rehabilitation"

HUD requires that the State define what constitutes a unit "not suitable for rehabilitation" that may be demolished or converted in connection with a CDBG-DR assisted activity without a replacement requirement, consistent with the waiver and allowances in FR-5696-N-01. For these purposes, "not suitable for rehabilitation" is defined as follows:

- Substandard dwellings that cannot be brought into compliance with the Pennsylvania recovery program housing rehabilitation standards and/or applicable state and local code requirements shall be deemed not suitable for rehabilitation and shall not be rehabilitated. The determination may be established if the cost of rehabilitation exceeds 75% of the market value of the property or the property is deemed a blighted structure consistent with state or local ordinance, the property would be a candidate for demolition and/or reconstruction.

OR

- A blighted structure unfit for use, habitation, or dangerous to persons or other property. In addition, a structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. This includes structures showing evidence of physical decay or neglect, excessive use, or lack of maintenance.

OR



- Residential properties that have experienced repetitive losses under FEMA&

Recovery Needs:

affected parties are provided a reasonable opportunity to examine the amendment's contents. DCED is also notifying affected citizens through their elected officials, contacts with neighborhood organizations, and public libraries. This has included electronic mailings 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 non-entitlement 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
- Public Libraries (Statewide)
- Six (6) DCED Regional Offices
- Members of a Stakeholders Group for Fair Housing Issues (Statewide)

DCED ensures that all citizens have equal access to information about the programs, including persons with disabilities and limited English proficiency. The substantial amendment has been translated into Spanish and both the English and Spanish version of this document are posted on DCED's website along with the previous Action Plan and Substantial Action Plan Amendments. The Substantial Amendment posted on the DCED website is compatible with telecommunication devices to persons with visual impairments.

A public hearing was held on July 25, 2016 to receive comments on the Action Plan Substantial Amendment. DCED has reviewed public comments provided during the comment period and at the public hearing, summarize them and provide responses. A summary of these are outlined below with the complete documentation attached and made part of this document as Appendix 5. Written comments or complaints on the program may still be submitted by mail to DCED, ATTN: MJ Smith, 400 North St. 4th Floor, Keystone Building, Harrisburg, PA 17020 or via email to: DCED Disaster Recovery RA-DCCDBG-DR@pa.gov. Mode of Outreach can be found on Pg. 51-53 of the Substantial Amendment.

Action Plan Amendments

A. Substantial Amendment

Any amendment to the Action Plan which would change the priorities, the goal statements, or method of distribution of HUD funds will be considered a substantial amendment. DCED will provide notices and make substantial amendments available for comments as they do for the regular Action Plan.

B. All Other Amendments

If this Action plan is amended in any other way, DCED will publish a notice in the Pennsylvania Bulletin containing either the amendment or information about how to obtain a copy of the amendment

Recovery Needs:

• National Flood Insurance Program (NFIP).

Green Building

The State will require replacement and new construction to meet green building standards by requiring compliance with ENERGY STAR™. Pennsylvania will further encourage green building practices throughout all other proposed programs.

Projected Expenditures and Anticipated Outcomes

As outlined in the Introduction and Method of Distribution – Overview, DCED plans to expend funding under each program as outlined below and based on these projected expenditures, the table also outlines the anticipated outcomes for each program. These estimates and anticipated outcomes are preliminary and may change. Some of the factors that may impact expenditure projections and outcomes include completing federally-required environmental and historical reviews, contractor availability, weather, and availability of other funding sources.

Table 17: PL 113-2 Funding and Anticipated Outcomes can be found on Pg. 48 of the Substantial Amendment

Table 18: PL 113-2 CDBG-DR Spending Projections can be found on Pg. 48 of the Substantial Amendment



Outreach and Citizen Participation

Citizen Participation Plan Requirements

DCED 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). 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) pursuant to FR-5696-N-01. During the term of the grant, the grantee will provide citizens, affected local governments, and other interested parties with reasonable and timely access to information and records relating to the Action Plan and to the grantee's use of grant funds.

Public Outreach

DCED will continue to conduct extensive public outreach to inform affected individuals, organizations and municipalities of substantial amendments to the Action Plan; and to solicit their input in developing these amendments. Notice about the availability of the draft substantial amendment and public hearing was published in the Pennsylvania Bulletin on June 26, 2016.

Public Notices, Outreach and Comment Period

This Substantial Amendment was made available for public comment for a period of 30 days from June 26, 2016 to July 26, 2016. The link to the Substantial Amendment is posted on the grantee's official website at <http://www.dced.pa.gov>. Please scroll to the bottom of the page and click on Disaster Relief Assistance Programs to get to the link for the amendment. The Notice of Availability of the Draft Substantial Amendment for Citizen Comment and Public Hearing was published in the Pennsylvania Bulletin website so that citizens, affected local governments, and other interested parties

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$9,275,000.00
Total Budget	\$250,000.00	\$9,275,000.00
Total Obligated	\$3,245,833.20	\$3,670,833.20
Total Funds Drawdown	\$118,832.12	\$168,499.41
Program Funds Drawdown	\$118,832.12	\$168,499.41
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$49,667.29
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		11.60%
Overall Benefit Percentage (Actual)		20.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$4,497,900.00	\$0.00
Limit on Admin/Planning	\$5,997,200.00	\$85,081.69
Limit on State Admin	\$1,499,300.00	\$85,081.69
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00



Overall Progress Narrative:

DCED has finalized the relocation policies and procedures for current tenants and tenants at the time of the storm (or event). DCED has procured and contracted with a Relocation Specialist. In addition, DCED and PEMA have identified over 100 potential properties that have indicated their interest through their local municipality for acquisition.

DCED staff and relocation specialist met with the City of Harrisburg residents to brief landlords as well as tenants on the status of the buyout of properties and the process that will follow.

PEMA has issued grant agreements to the approved applicants of the Buyout program.

DCED is working with the Army Corp of Engineers on the environmental review requirements for the Coxton Bridge Removal and the permitting process. Applications for the flood mitigation projects in Pine Grove Borough, Schuylkill County and Bloomsburg were received and are being evaluated for funding.

Discussions with a non-profit housing provider have been held to determine if they have the capacity to carry out the downpayment assistance program.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
Administration 2013, Administration 2013	\$35,414.40	\$425,000.00	\$85,081.69
Buyouts 2013, Buyouts 2013	\$83,417.72	\$8,500,000.00	\$83,417.72
Planning 2013, Planning 2013	\$0.00	\$0.00	\$0.00

Activities

Project # / Title: Administration 2013 / Administration 2013

Grantee Activity Number: PEMA-01 - PEMA Administration

Activity Title: Buyout Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

Administration 2013

Project Title:

Administration 2013

Projected Start Date:

09/08/2016

Projected End Date:

06/10/2017

Benefit Type:

()

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

Pennsylvania Emergency Management Agency

Overall

	Jan 1 thru Mar 31, 2017	To Date
Total Projected Budget from All Sources	N/A	\$115,000.00
Total Budget	\$0.00	\$115,000.00
Total Obligated	\$0.00	\$115,000.00
Total Funds Drawdown	\$17,938.24	\$17,938.24
Program Funds Drawdown	\$17,938.24	\$17,938.24
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Pennsylvania Emergency Management Agency	\$0.00	\$0.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Administration funds will be used for oversight of the CDBG-DR (2013) Buyout Program.

Location Description:

This activity will be carried out primarily at the Pennsylvania Emergency Management Agency at 1310 Elmerton Avenue, Harrisburg.

Activity Progress Narrative:



Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: State-01 Admin

Activity Title: Administration

Activity Category:

Administration

Project Number:

Administration 2013

Projected Start Date:

06/10/2015

Benefit Type:

()

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration 2013

Projected End Date:

05/01/2017

Completed Activity Actual End Date:

Responsible Organization:

Commonwealth of Pennsylvania1

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2017

N/A

To Date

\$310,000.00

Total Budget

\$0.00

\$310,000.00

Total Obligated

\$0.00

\$310,000.00

Total Funds Drawdown

\$17,476.16

\$67,143.45

Program Funds Drawdown

\$17,476.16

\$67,143.45

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$49,667.29

Most Impacted and Distressed Expended

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

Administration funds will be used for over sight of the CDBG-DR (2013) Program.

Location Description:

Administration funds will be used for over sight of the CDBG-DR (2013) Program.

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Project # / Title: Buyouts 2013 / Buyouts 2013

Grantee Activity Number: Delivery-01 - Buyout

Activity Title: Acquisition/Buyout

Activity Category:

Acquisition - buyout of residential properties

Project Number:

Buyouts 2013

Projected Start Date:

06/10/2015

Benefit Type:

Direct (HouseHold)

National Objective:

Urgent Need

Activity Status:

Cancelled

Project Title:

Buyouts 2013

Projected End Date:

06/10/2017

Completed Activity Actual End Date:

Responsible Organization:

Commonwealth of Pennsylvania2

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2017

To Date

N/A

\$0.00

Total Budget

(\$250,000.00)

\$0.00

Total Obligated

\$0.00

\$0.00

Total Funds Drawdown

\$0.00

\$0.00

Program Funds Drawdown

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$0.00

Commonwealth of Pennsylvania2

\$0.00

\$0.00



Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Delivery cost associated with the CDBG-DR grant for the State of Pennsylvania.
Activity was cancelled 03-31-2017 and associated expenditures are included in each buyout activity.

Location Description:

Delivery cost associated with the CDBG-DR grant for the State of Pennsylvania.

Activity Progress Narrative:

03-31-2017 - Activity was cancelled and expenditures were revised into the individual buyout activities.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



Grantee Activity Number: HBG-01 - City of Harrisburg

Activity Title: Acquisition/Buyout

Activity Category:

Acquisition - buyout of residential properties

Project Number:

Buyouts 2013

Projected Start Date:

12/09/2016

Benefit Type:

()

National Objective:

Low/Mod

Activity Status:

Under Way

Project Title:

Buyouts 2013

Projected End Date:

05/01/2017

Completed Activity Actual End Date:

Responsible Organization:

City of Harrisburg

Overall	Jan 1 thru Mar 31, 2017	To Date
Total Projected Budget from All Sources	N/A	\$3,417,691.89
Total Budget	(\$223,974.82)	\$3,417,691.89
Total Obligated	\$3,179,099.00	\$3,179,099.00
Total Funds Drawdown	\$16,683.52	\$16,683.52
Program Funds Drawdown	\$16,683.52	\$16,683.52
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
City of Harrisburg	\$0.00	\$0.00
Commonwealth of Pennsylvania1	\$0.00	\$0.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The voluntary acquisition of 52 properties located on South 14th Street in Harrisburg. The reason for the acquisition is a sinkhole, which can be attributable to Hurricane Irene and Tropical Storm Lee and has endangered properties on South 14th Street. The project will consist of the voluntary acquisition, the relocation of tenants when necessary, and the demolition of properties. The space will remain as open space for perpetuity.

Location Description:

City of Harrisburg, PA - South 14th Street, Census Tract 213, Block Group #1.

Activity Progress Narrative:

Accomplishments Performance Measures

**This Report Period
Total**

**Cumulative Actual Total / Expected
Total**



# of Properties	0	0/53
-----------------	---	------

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/53
# of Singlefamily Units	0	0/53

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



Grantee Activity Number: PLYM-01 - Plymouth Township

Activity Title: Acquisition/Buyout

Activity Category:

Acquisition - buyout of residential properties

Project Number:

Buyouts 2013

Projected Start Date:

12/09/2016

Benefit Type:

Direct (HouseHold)

National Objective:

Urgent Need

Activity Status:

Under Way

Project Title:

Buyouts 2013

Projected End Date:

06/11/2017

Completed Activity Actual End Date:

Responsible Organization:

Plymouth Township

Overall	Jan 1 thru Mar 31, 2017	To Date
Total Projected Budget from All Sources	N/A	\$2,095,409.30
Total Budget	\$853,742.65	\$2,095,409.30
Total Obligated	\$16,683.55	\$16,683.55
Total Funds Drawdown	\$16,683.55	\$16,683.55
Program Funds Drawdown	\$16,683.55	\$16,683.55
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Project will consist of the voluntary acquisition of up to 23 properties, which meet the Buyout program requirements. The project will also consist of relocation assistance, if necessary, and the demolition of the participating properties. The space will remain open in perpetuity.

Location Description:

Plymouth Township, Census Tract 2139 and Block Group 1

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources



Grantee Activity Number:	SCOT-01 - Scott Township-Columbia
Activity Title:	Acquisition/Buyout

Activity Category:
Acquisition - buyout of residential properties

Activity Status:
Under Way

Project Number:
Buyouts 2013

Project Title:
Buyouts 2013

Projected Start Date:
12/09/2016

Projected End Date:
05/01/2017

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
Urgent Need

Responsible Organization:
Scott Township

Overall	Jan 1 thru Mar 31, 2017	To Date
Total Projected Budget from All Sources	N/A	\$957,930.67
Total Budget	(\$792,069.33)	\$957,930.67
Total Obligated	\$16,683.55	\$16,683.55
Total Funds Drawdown	\$16,683.55	\$16,683.55
Program Funds Drawdown	\$16,683.55	\$16,683.55
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Voluntary acquisition of properties, which meet DCED's Buyout Program requirements. The project will also consist of relocation assistance if necessary and the demolition of the participating properties. Parcels will remain open in perpetuity.

Location Description:

Homes to be acquired and demolished are located in Columbia County

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources



Grantee Activity Number: SLEB-01 - South Lebanon Township-Lebanon County

Activity Title: Acquisition/Buyout

Activity Category:

Acquisition - buyout of residential properties

Project Number:

Buyouts 2013

Projected Start Date:

12/09/2016

Benefit Type:

Direct (HouseHold)

National Objective:

Urgent Need

Activity Status:

Under Way

Project Title:

Buyouts 2013

Projected End Date:

05/01/2017

Completed Activity Actual End Date:

Responsible Organization:

South Lebanon Township

Overall	Jan 1 thru Mar 31, 2017	To Date
Total Projected Budget from All Sources	N/A	\$217,074.53
Total Budget	(\$382,925.47)	\$217,074.53
Total Obligated	\$16,683.55	\$16,683.55
Total Funds Drawdown	\$16,683.55	\$16,683.55
Program Funds Drawdown	\$16,683.55	\$16,683.55
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Voluntary acquisition of a property located in South Lebanon Township, Lebanon County, which meet DCED's Buyout Program requirements. The project will also consist of relocation assistance if necessary and the demolition of the participating properties. The parcels will remain open in peerpetuity.

Location Description:

One homes to be acquired in South Lebanon Township, Lebanon County

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources



Grantee Activity Number: WYOMI-01 - Wyoming County

Activity Title: Acquisition/Buyout

Activity Category:

Acquisition - buyout of residential properties

Project Number:

Buyouts 2013

Projected Start Date:

12/09/2016

Benefit Type:

Direct (HouseHold)

National Objective:

Urgent Need

Activity Status:

Under Way

Project Title:

Buyouts 2013

Projected End Date:

06/11/2017

Completed Activity Actual End Date:

Responsible Organization:

Wyoming County Commissioners

Overall	Jan 1 thru Mar 31, 2017	To Date
Total Projected Budget from All Sources	N/A	\$2,061,893.61
Total Budget	\$795,226.97	\$2,061,893.61
Total Obligated	\$16,683.55	\$16,683.55
Total Funds Drawdown	\$16,683.55	\$16,683.55
Program Funds Drawdown	\$16,683.55	\$16,683.55
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Project will consist of the voluntary acquisition of properties in Wyoming County, which meet DCED's Buyout Program requirements. The project will also consist of relocation assistance if necessary and the demolition of the participating properties. Properties will remain open in perpetuity.

Location Description:

Wyoming County, Census Tracts: 4002 thru 4007 and 4401, Block Groups: 1, 2 and 3.

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources
