

STATE OF NORTH CAROLINA ACTION PLAN: SUBSTANTIAL AMENDMENT 2

U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Disaster Recovery (CDBG-DR) Funding in Response to Hurricane Helene

JANUARY 30, 2026



**NC DEPARTMENT
of COMMERCE**
COMMUNITY REVITALIZATION

Table of Contents

Action Plan Change Log	7
1 Executive Summary	8
1.1 Overview.....	8
1.2 Disaster Specific Overview	10
1.2.1 Most Impacted and Distressed Areas.....	15
1.2.2 General Matters	19
1.3 Unmet Needs and Mitigation Needs Assessment Summary	22
2 Unmet Needs Assessment	25
2.1 Evaluate the Impacts of Three Core Aspects of Recovery	25
2.2 Housing.....	29
2.2.1 Emergency Shelters and Interim and Permanent Housing.....	35
2.2.2 Rental and Owner-Occupied Single Family and Multifamily Housing	35
2.2.3 FEMA Verified Loss by Occupancy.....	36
2.2.4 Public Housing, HUD-Assisted Housing, and Other Affordable Housing	37
2.3 Infrastructure.....	40
2.3.1 Electrical, Gas, Water, Sewer, Waste, and Telecom Infrastructure	40
2.3.2 Roads and Bridges	42
2.4 Economic Revitalization.....	44
2.4.1 Agricultural Economic Impacts.....	46
3 Mitigation Needs Assessment	47
3.1 North Carolina Enhanced Hazard Mitigation Plan	49
3.1.1 Current Mitigation Efforts by the State of North Carolina	49
4 Connection Between Proposed Programs and Projects and Unmet Needs and Mitigation Needs Assessments.....	58
4.1 Allocation and Award Caps.....	58
4.2 Funding Criteria	62
4.2.1 Administration	62
4.2.2 Planning.....	62
4.2.3 Housing.....	62
4.2.4 Infrastructure.....	76
4.2.5 Economic Revitalization.....	78
4.2.6 Public Services	81
4.2.7 CDBG-DR Mitigation Set-Aside	81
5 General Information	83

5.1	Citizen Participation.....	83
5.1.1	Consultation in Developing Action Plan	83
5.1.2	Public Comments.....	86
5.1.3	Public Hearings.....	86
5.1.4	Citizen Complaints.....	87
5.1.5	Modifications to the Action Plan	87
6	Appendix.....	89
6.1	Certifications.....	89
6.1.1	Certifications Involving Waivers and Alternative Requirement.....	89
6.2	Waivers.....	91
6.3	North Carolina Community Helene Questionnaire.....	91
6.4	Standard Form 424.....	92
6.5	Public Comments and Responses on Draft Action Plan.....	92

Table of Figures:

Figure 1: View of Biltmore Avenue in Asheville, NC (Buncombe County) on September 28, 2024, looking south toward Swannanoa River. Credit: NCDOT	11
Figure 2: Map of Western North Carolina Showing Major Highways and Features	12
Figure 3: Estimated Rainfall Totals Due to Helene	13
Figure 4: Counties Covered by the FEMA Disaster Declaration for Helene	14
Figure 5: Helene MID Areas.....	16
Figure 6: Housing Foundation Damage, US Route 64, Bat Cave, NC. October 10, 2025.	28
Figure 7: Bank and Road Erosion, NC Route 9, Buncombe County, NC. October 8, 2024. Credit: NCDOT	39
Figure 8: Photo of Damaged Private Access Road, Henderson County, October 9, 2024. Credit: NCDOT.....	42
Figure 9: Poverty Branch Road, Madison County, September 29, 2024. Credit: NCDOT	44
Figure 10: Aftermath of Helene-Triggered Mudslide, September 28, 2024. Credit: NCDOT	47

Table of Tables:

Table 1: CDBG-DR Program Allocation and Funding Thresholds	9
Table 2: HUD- and State-Identified MID Areas	15
Table 3: Quantified Disaster Impacts of Helene - Damage and Needs Estimated by Sector (in Millions).....	17
Table 4: Unmet Needs and Proposed Allocations	22
Table 5: LMI Analysis - Federal Declared Disaster Areas	26
Table 6: Quantified Housing Damage, Necessary Investment Estimates, and Unmet Needs (in Millions).....	29
Table 7: Units Experiencing Destruction and Major Damage by Occupancy	30
Table 8: Homeowners and Renters Insurance Coverage.....	32
Table 9: Homeowners and Renters Flood Insurance Coverage	32
Table 10: FEMA Transitional Sheltering Assistance in North Carolina Post-Helene.....	33
Table 11: Point-in-Time (PIT) Count – Type of Shelter.....	34
Table 12: Housing Tenure	35
Table 13: FEMA Verified Loss (FVL) by Occupancy	35
Table 14: HUD Multifamily Housing Program Property Damage.....	36
Table 15: County-by-County List of Assisted Housing Impacted by the Disaster.....	37
Table 16: Top 10 Declared Counties with Private Bridges and Roads in Need of Replacement or Repair.....	48
Table 17: CDBG-DR Mitigation Set-Aside Needs Assessment and Allocation (in Millions)	48
Table 18: Hazard Type and Key Impacts.....	51
Table 19: CDBG-DR Program Allocation and Funding Thresholds	58
Table 20: Unmet Needs and Proposed Allocations of CDBG-DR and Mitigation Funds.....	60
Table 21: Grantee Administration Activities Overview.....	62
Table 22: Grantee Planning Activities Overview.....	62
Table 23: Housing Programs Overview.....	63
Table 24: Reconstruction and Rehabilitation of Owner-Occupied Housing Details.....	63
Table 25: Application Phasing Criteria for Housing R&R Applicants	67
Table 26: Workforce Housing for Ownership Details	69
Table 27: Competitive Framework - Workforce Housing for Ownership Program	71
Table 28: Multifamily Construction and Repair (MCR) Program Details.....	71
Table 29: Competitive Framework – Multifamily Construction and Repair Program	75
Table 30: Infrastructure Programs Overview	76
Table 31: Community Infrastructure (CI) Program Details	76
Table 32: Competitive Framework – Community Infrastructure Program	78
Table 33: Economic Revitalization Programs Overview.....	79
Table 34: Commercial District Revitalization (CDR) Program Details.....	79

Table 35: Competitive Framework – Commercial Revitalization Program	81
Table 36: CDBG-DR Mitigation Set-Aside Programs Overview	82
Table 37: Grantee CDBG-DR Mitigation Set-Aside Programs Overview	82
Table 38: Action Plan Consultation Efforts	85
Table 39: Hearing Details	87
Table 40: Public Comments and Responses	97

Action Plan Change Log

Amendment	Effective Date	Summary of Amendment
Substantial Amendment 1	November 10, 2025	<p>The revisions clarify the State-Identified MID areas previously intended, including the Indian territory located only within the geographic boundaries of the State-Identified MID areas. Grantee-Identified MID language is revised to clarify that program eligibility is limited to Combined HUD- and State-Identified MID areas. Mitigation funding language is updated to indicate potential rather than required use, and the maximum reconstruction/rehabilitation grant is increased from \$375,000 to \$450,000. Multifamily program changes include adjusting project size thresholds (small: 4 or fewer units, large: 5 or more units). Commercial revitalization eligibility is clarified to align with Combined MID areas.</p>
Substantial Amendment 2	April 9, 2026	<p>The Small Rental Component of the Multifamily Construction and Repair Program is being updated to remove the minimum award amount and increase the maximum award to \$1,800,000 per project, inclusive of any mitigation costs. Eliminating the minimum award enables the program to support lower-cost repair needs and extend funding across a greater number of eligible properties. The increased cap aligns with the updated \$450,000 per-unit limit in the Reconstruction and Rehabilitation of Owner-Occupied Housing program, ensuring consistency in how construction and repair costs are treated across housing activities.</p> <p>The full Action Plan: Amendment 2 was published for a 30-day public comment period from January 30, 2026, to March 1, 2026. During this time, comments could be submitted to the Division of Community Revitalization by:</p> <ul style="list-style-type: none"> • Email: helene.recovery@commerce.nc.gov • Mail: NC Department of Commerce Attn: Division of Community Revitalization 301 North Wilmington Street 4301 Mail Service Center Raleigh, NC 27699-4301 <p>No public comments were received.</p>

1 Executive Summary

1.1 Overview

The United States Department of Housing and Urban Development (U.S. HUD) announced that the State of North Carolina (the State) will receive \$1,428,120,000 in funding to support long-term recovery efforts following Hurricane Helene (FEMA DR-4827-NC) through the North Carolina Department of Commerce (NCDOC). Community Development Block Grant—Disaster Recovery (CDBG-DR) funding is designed to address needs that remain after all other assistance has been exhausted. This plan details how funds will be allocated to address remaining unmet needs in western North Carolina counties impacted by Helene.

To meet disaster recovery needs, the statutes making CDBG-DR funds available have imposed additional requirements and authorized HUD to modify the rules that apply to the annual CDBG program to enhance flexibility and allow for a more rapid recovery. HUD allocated \$1,428,120,000 in CDBG-DR funds to the State in response to DR-4827-NC, through the publication of a notice in the [*Federal Register \(FR\)*](#)¹, [Vol. 90, No. 10, January 16, 2025]. This allocation was made available through the Disaster Relief Supplemental Appropriations Act, 2025 (Division B of the American Relief Act, 2025, Public Law 118-158, December 21, 2024).

The State notes that on January 24, 2025, President Donald J. Trump signed [Executive Order \(EO\) 14181](#), entitled “Emergency Measures to Provide Water Resources in California and Improve Disaster Response in Certain Areas.” Section 5 of EO 14181 is labeled “Additional Actions to Help North Carolina Families” and subsection 5(b) directs the Secretaries of HUD and the Department of Homeland Security (DHS), working through the Federal Emergency Management Agency (FEMA), to provide an Integrated Federal Housing Strategy and Implementation Plan “that expedites options for housing relief to survivors displaced by Hurricane Helene.”

The State sees the rapid development of the State of North Carolina Action Plan for HUD CDBG-DR Funding in Response to Hurricane Helene (Action Plan) and its strong focus on housing recovery needs as responsive to the President’s call to expedite housing options. We look forward to working with our federal partners in both developing the strategy and obtaining quick approval of this Action Plan to the benefit of Helene survivors and impacted communities throughout western North Carolina.

¹ The [*Federal Register*](#) (FR) is the official journal of the U.S. government. It provides legal notice of administrative rules and notices and Presidential documents in a comprehensive, uniform manner. The FR is published every Federal working day and contains Federal agency regulations, proposed rules and public notices, executive orders, proclamations, and other presidential documents.

Table 1 below reflects NCDOC’s allocation of CDBG-DR funds across key recovery areas:

Table 1: CDBG-DR Program Allocation and Funding Thresholds²

Eligible Cost Category	CDBG-DR Allocation Amount	Percent of CDBG-DR Amount*	CDBG-Mitigation Set-Aside	Estimated Percent of CDBG-DR Mitigation Set-Aside	Total CDBG-DR and Mitigation Amounts by Eligible Cost Category	Estimated Percentage of All Funds to Combined MID Areas	Estimated Percentage of All Funds to Overall LMI Benefit
Administration (5% of \$1.428B)	\$71,406,000	5.00%	N/A	-	\$71,406,000	-	-
Rental Housing	\$172,712,300	12.09%	\$18,627,700	10.00%	\$191,340,000	100.00%	100.00%
Reconstruction and Rehabilitation of Owner-Occupied Housing/Workforce Housing for Ownership	\$721,026,250	50.49%	\$139,707,750	75.00%	\$860,734,000	100.00%	100.00%
Infrastructure	\$174,872,300	12.24%	\$18,627,700	10.00%	\$193,500,000	100.00%	80.00%
Economic Revitalization	\$101,826,150	7.13%	\$9,313,850	5.00%	\$111,140,000	100.00%	80.00%
CDBG-DR Mitigation Set-Aside	\$186,277,000	13.04%**	-	-	-	100.00%	97.00%
TOTAL	\$1,428,120,000	100.00%	\$186,277,000	100.00%	\$1,428,120,000	100.00%	95.73%
Percent of Total	100.00%	100.00%	15%**	100.00%	100.00%	100.00%	95.73%³

* Percentages derived from total allocation (Activities + Mitigation) due to Administration amount applied to entirety of the allocation.

**CDBG-DR Mitigation Set Aside (\$186,277,00) is 15% of CDBG-DR Allocation for Unmet Needs (\$1,241,843,000) but represents 13.04% of the CDBG-DR plus Mitigation total (\$1,428,120,000).

NCDOC is not allocating funding to planning or public service activities so rows for those items are not reflected in Table 1.

To frame the discussion in this Action Plan, readers should be aware of the overall structure of the CDBG-DR program. CDBG-DR is not a permanently authorized program and exists only when Congress appropriates funding for the initiative. Since it is not a permanently authorized program, CDBG-DR does not have standing regulations in the [Code of Federal Regulations](#) (CFR) but is implemented through FR notices that specify waivers and alternative requirements and implement requirements. The FR notices do leverage, where appropriate, regulations for the annual CDBG program which can be found at [24 CFR 570](#) and also conveys waivers and alternative requirements that HUD has opted to apply to these funds.

² HUD issued a revised Universal Notice Action Plan Guide and Template on March 20, 2025, and NCDOC has altered its presentation of this table as referenced in the Guide and Template for clarity while still providing key information sought by HUD.

³ Estimated aggregate percentages for LMI benefit are weighted based on funding allocations and program projections.

On January 8, 2025, HUD issued its [Universal Notice](#), which will govern the \$12 billion of CDBG-DR funding appropriated by Public Law 118-158. The Universal Notice works in tandem with an [Allocation Announcement Notice](#) (AAN), published in the FR on January 16, 2025, which formally made the allocation of \$1.428 billion of CDBG-DR funding to the State for Helene recovery purposes. The AAN has an applicability date of January 21, 2025, which is important as it is the starting date for various timelines identified in the Universal Notice.

On March 19, 2025, HUD issued revisions to the Universal Notice to improve its alignment with policies of the Trump Administration as those policies have evolved since January 20, 2025. Coincidentally, March 19 was also the day the public comment closed on NCDOC's draft Action Plan. NCDOC has worked to address and/or incorporate the Universal Notice revisions into the Action Plan as quickly as possible. It is NCDOC's analysis that the changes have not significantly impact two critical components of the Action Plan, namely the unmet needs analysis (Section 2) and the descriptions of programs to be funded (Section 4). NCDOC will use the term "Revised Universal Notice" to identify the combination of the January 8 Universal Notice plus the March 19 memo revisions.

Beyond the original Universal Notice, NCDOC also prepared the draft Action Plan using a document entitled "Universal Notice Action Plan Guide and Template, Version 1.0" that was posted to the HUD website on or about January 17, 2025. That document was subsequently removed from the [HUD's CDBG-DR Universal Notice webpage](#) and a revised version of the template was posted to the same website on March 20, 2025. NCDOC has moved to align this final Action Plan with the changes implemented by the March 19 memorandum as well as the revised template. NCDOC does note that the template describes itself as a "supplemental tool" and an "optional resource" for grantees to use in developing their action plans and NCDOC has substantially followed it as an outline. NCDOC did note several inconsistencies in tables presented in the plan guide/template and has attempted to reconcile those situations in favor of consistency of presentation and clarity of data. These instances are footnoted where they occur in the Action Plan.

1.2 Disaster Specific Overview⁴

Hurricane Helene reached the State on Friday, September 27, 2024, bringing historic rainfall, strong winds, and tornadoes generated by the storm. On that day, former Governor Roy Cooper requested a Major Disaster Declaration from the federal government for 39 North Carolina counties and the Eastern Band of Cherokee Indians. On September 28, 25 counties in the State were declared a major disaster by former President Biden under provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act or P.L. 93-288), approving Individual and Public Assistance (IA and PA) for these counties as well as the Eastern Band of Cherokee Indians. On October 5, two additional North Carolina counties were declared eligible for federal IA, followed by twelve more on October 16.

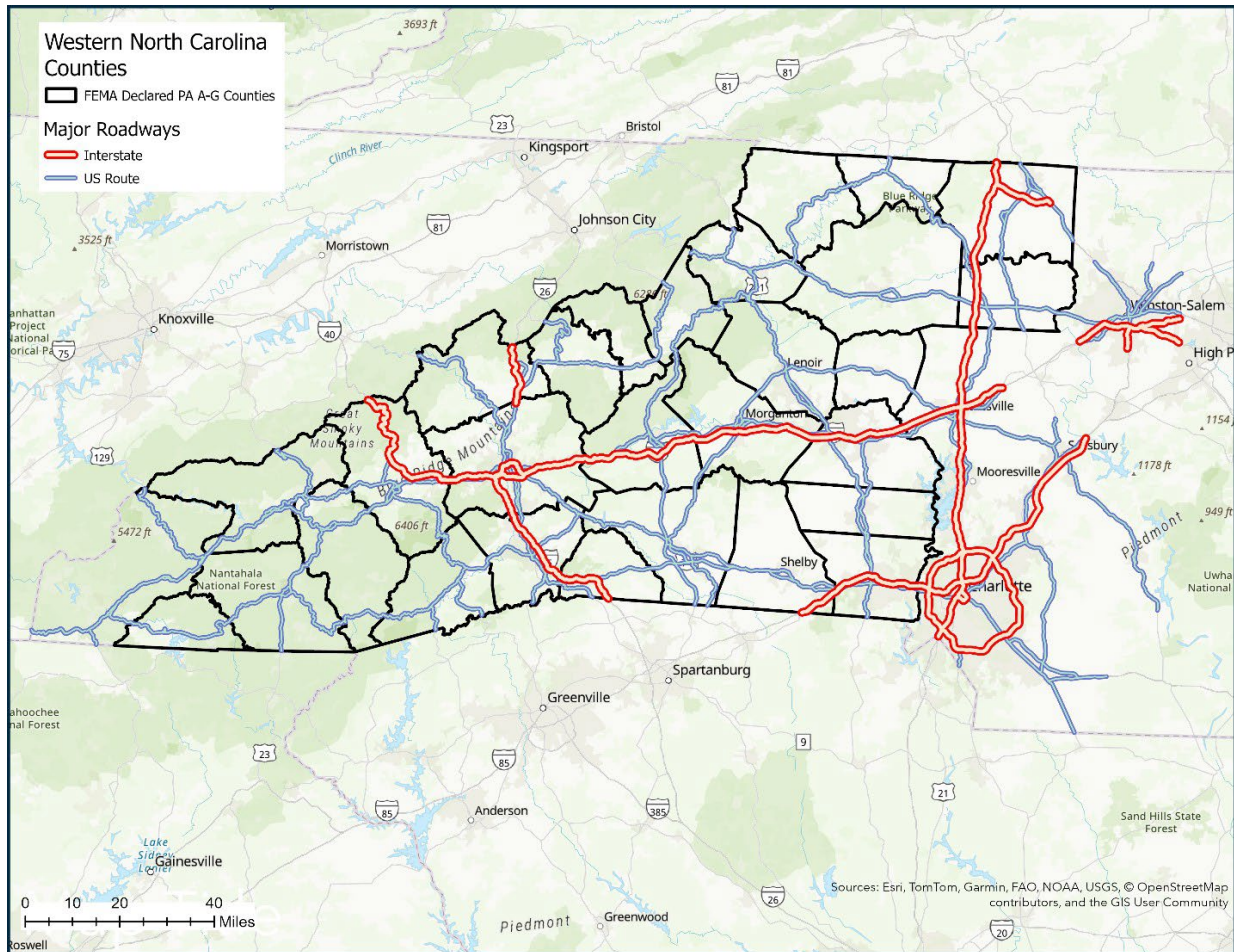
⁴ Much of the damage and unmet need information reflected in this Action Plan was initially developed as part of a December 2024 report for the North Carolina Office of State Budget and Management (OSBM). The complete report can be viewed at [Hurricane Helene Damage and Needs Assessment](#). The content of the OSBM report has greatly assisted in the rapid preparation of the Action Plan and is gratefully acknowledged.

Figure 1: View of Biltmore Avenue in Asheville, NC (Buncombe County) on September 28, 2024, looking south toward Swannanoa River. Credit: NCDOT



The impact of Helene was substantially to the west of the Interstate 77 corridor which bisects the State from north to south. Within the western portion of the State, rainfall was focused along the spine of the Blue Ridge Mountains as they run southwest from the Virginia-Tennessee-North Carolina border area to the North Carolina-South Carolina-Georgia border area. The following map highlights this portion of the State.

Figure 2: Map of Western North Carolina Showing Major Highways and Features



The following two maps present the concentrated nature of the rainfall associated with Helene and the areas of the State directly and severely impacted by the aftermath. The first map shows the estimated rainfall totals for western North Carolina associated with Helene. The second map indicates the counties covered by the FEMA major disaster declaration and eligibility for FEMA IA and PA.

Figure 3: Estimated Rainfall Totals Due to Helene

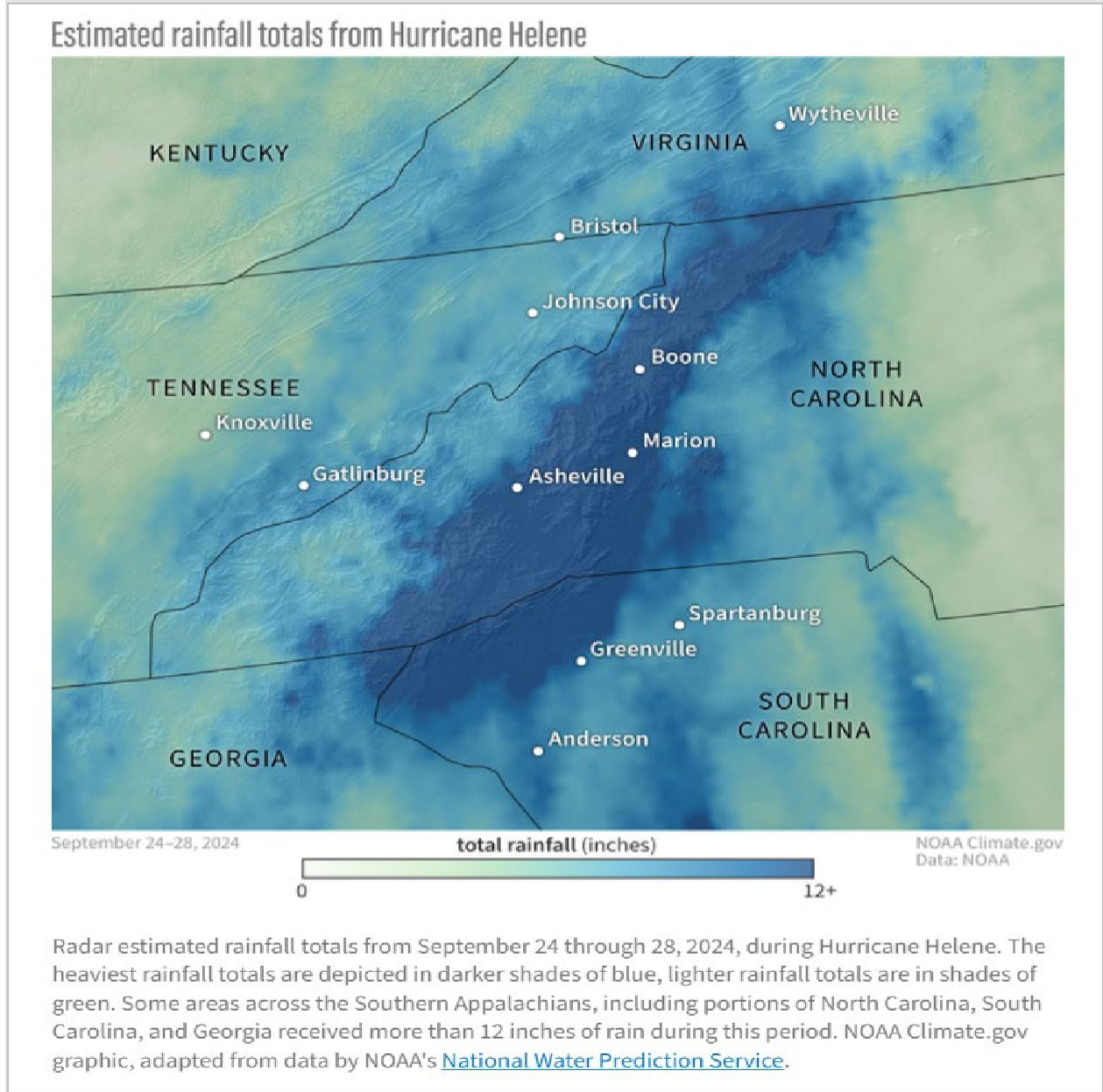
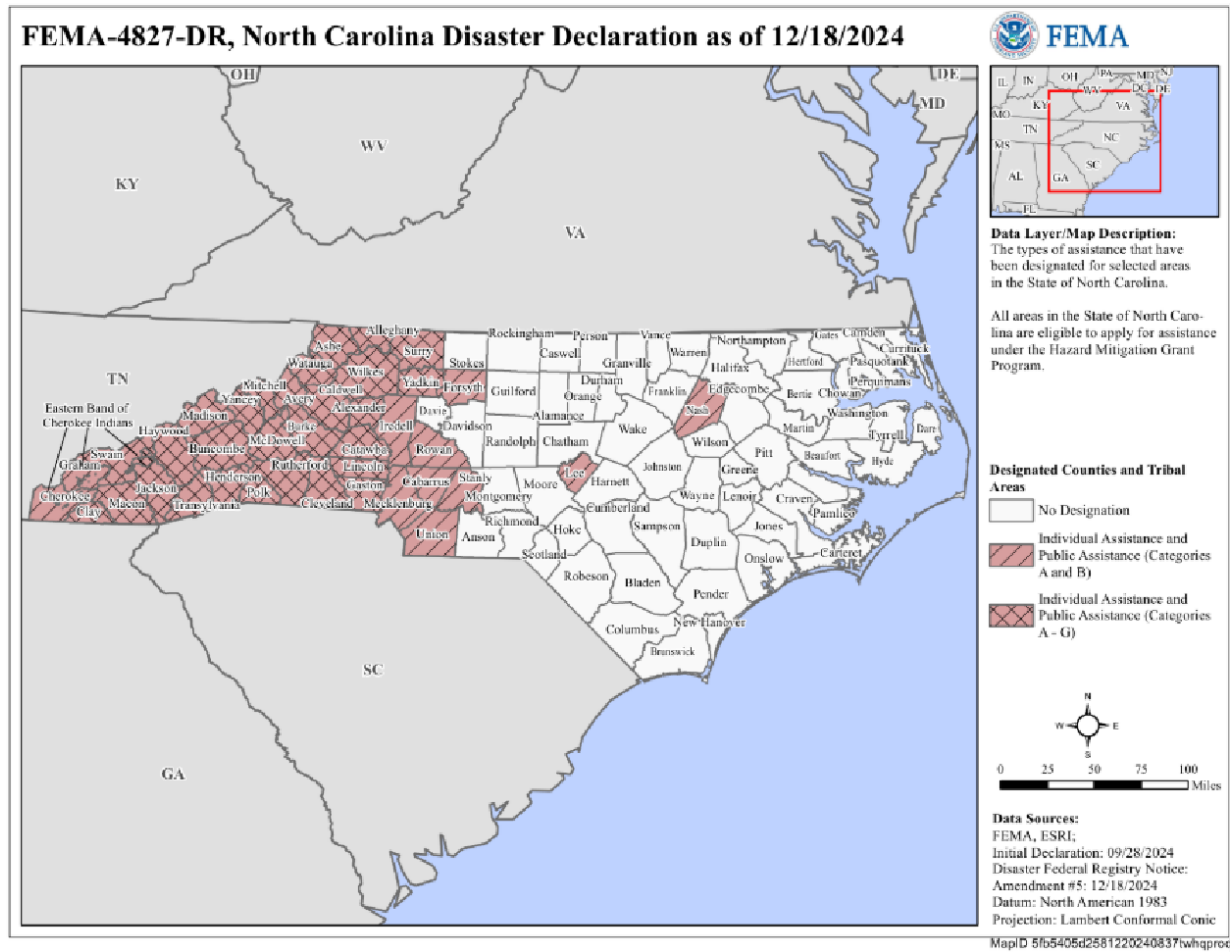


Figure 4: Counties Covered by the FEMA Disaster Declaration for Helene



1.2.1 Most Impacted and Distressed Areas

HUD’s Revised Universal Notice requires that at least 80% of CDBG-DR funds be used to address unmet needs or mitigation activities in the HUD-Identified Most Impacted and Distressed (HUD-Identified MID) area(s). In its AAN, HUD identified its MID area for the State at the county level and, in some cases, specific zip codes within counties. HUD also permits the State to identify additional areas as its own MID (State-Identified MID) but no more than 20% of the funds may be spent in the State-Identified MID areas. Collectively, the HUD-Identified and State-Identified MID areas are referred to as the Combined MID areas throughout the Action Plan. Table 2 below identifies the various MID areas.

1.2.1.1 Most Impacted and Distressed (MID) Areas

Table 2: HUD- and State-Identified MID Areas

Disaster Summary	
Qualifying Disaster:	DR-4827-NC (Tropical Storm Helene)
HUD-Identified MID Areas	<p>Full Counties: Ashe; Avery; Buncombe; Burke; Haywood; Henderson; McDowell; Mitchell; Rutherford; Transylvania; Watauga; Yancey</p> <p>Full Counties Based on HUD-Identified zip code: Caldwell (zip code 28645); Cleveland (zip code 28150); Madison (zip code 28753); Polk (zip code 28782)</p> <p>Partial Counties Based on HUD-Identified zip code: Mecklenburg (zip code 28214)</p>
State-Identified MID Areas	<p>Full Counties: Alexander, Alleghany, Catawba, Clay, Gaston, Jackson, Lincoln, Macon, Surry, Swain, Wilkes, Yadkin (to include any Indian territory located within the geographic boundaries of these counties, e.g., Swain and Jackson counties).</p>

The above table reflects several decisions made by NCDOC pursuant to the AAN and the Revised Universal Notice. First, NCDOC has opted to expand the HUD-Identified MID to include the entirety of four (4) counties in which HUD had identified a single zip code as a MID area. These four counties are: Caldwell, Cleveland, Madison, and Polk. Thus, funds expended for projects and activities in these counties will count toward the HUD-imposed requirement that at least 80% of CDBG-DR funds be expended in the HUD-Identified MID areas.

Second, while HUD also identified a single zip code in Mecklenburg County as MID, NCDOC will not expand the HUD-Identified MID area to the entire county.

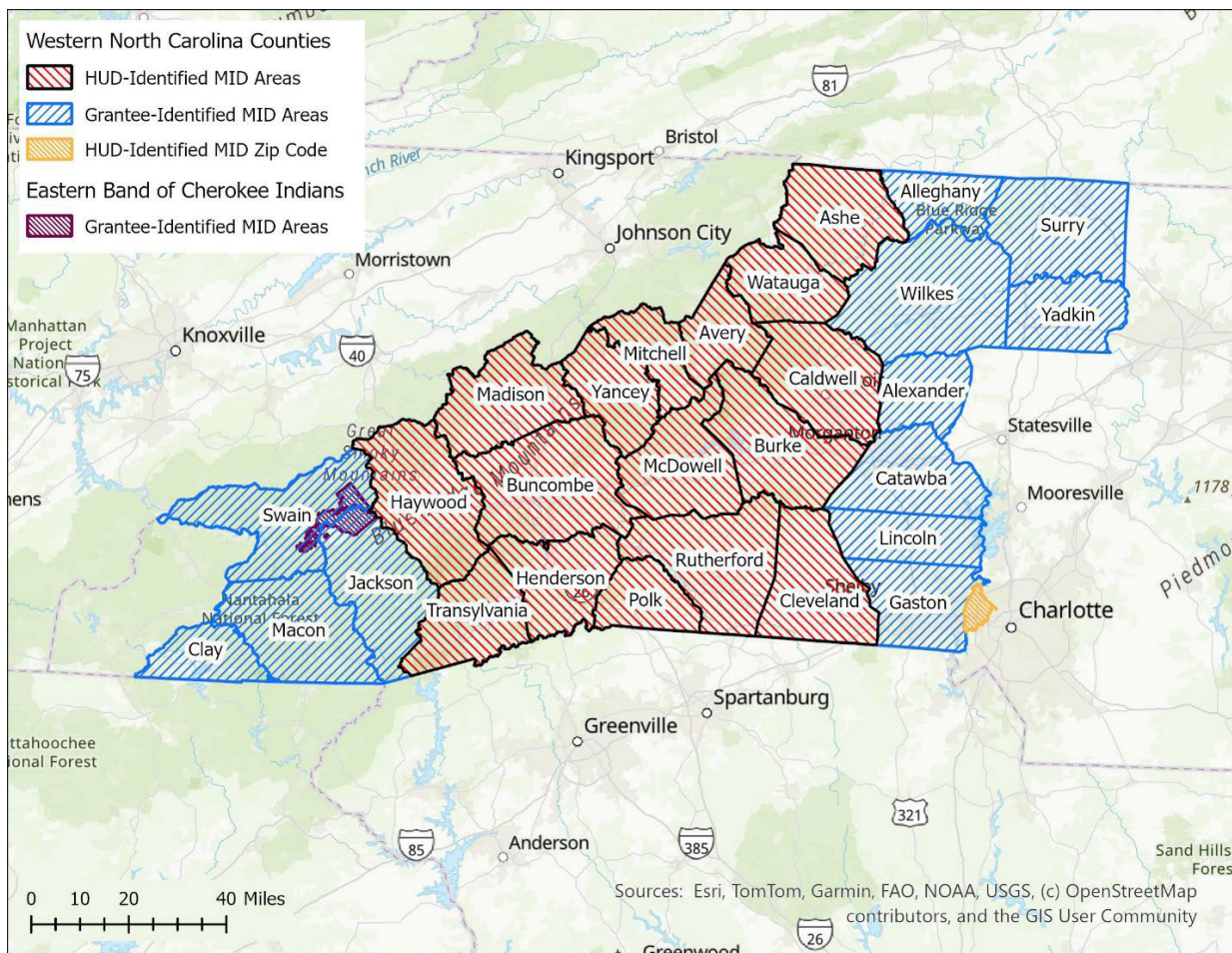
Central to these two decisions is the fact that Mecklenburg County has **not** been designated by FEMA, as of March 25, 2025, to receive aid for permanent reconstruction activities under Categories C through G of FEMA’s PA program. FEMA PA Categories C through G are:

- C – Roads and bridges
- D – Water control facilities
- E – Buildings and equipment
- F – Utilities
- G – Parks, recreational, and other facilities

The County has only been authorized to receive emergency and debris removal assistance under Categories A and B. The four counties that have been fully included in the HUD-Identified MID based on the zip codes have all been designated by FEMA to receive PA assistance for Category A through G. NCDOC sees this distinction as indicating a greater need for long-term recovery assistance in those four counties.

The following map provides a graphic illustration of the Helene-impacted area, including identification of the MID areas.

Figure 5: Helene MID Areas



1.2.1.2 Grantee-Identified MID

The Revised Universal Notice allows grantees to designate additional areas as State-Identified MID areas. NCDOC has designated the following counties—to include any Indian territory located within their geographic boundaries—as the State-Identified MID areas: Alexander, Alleghany, Catawba, Clay, Gaston, Jackson, Lincoln, Macon, Surry, Swain, Wilkes, and Yadkin. All State-Identified MID areas may apply for assistance only in accordance with the program requirements listed in Section 4 of this Action Plan, with the understanding that at least 80% of CDBG-DR funds, including mitigation set-aside funds, must be used in HUD-Identified MID areas. For all programs, eligible areas are limited to the Combined-MID areas specifically identified on pages 16 and 17.

1.2.1.3 Overview of Impacts of Qualifying Disaster

Damage across western North Carolina due to Helene is substantial and widespread. Table 3 below is from a report prepared by the North Carolina Office of State Budget and Management (OSBM) and reflects estimates of damage and needs across multiple economic sectors (amounts are expressed in millions). The estimated total losses to the State associated with Helene exceed \$57 billion, and necessary recovery investments will likely produce a substantial drag on the region’s economy for years into the future.

Table 3: Quantified Disaster Impacts of Helene - Damage and Needs Estimated by Sector (in Millions)

Category	Direct	Indirect/ Induced	Subtotal	Strengthening and Mitigation	Total
Economy	\$9,845	\$5,595	\$15,440	\$435	\$15,875
Housing ⁵	\$13,454	-	\$13,454	\$1,926	\$15,380
Utilities & Natural Resources	\$5,267	-	\$5,267	\$1,695	\$6,962
Transportation	\$8,962	\$100	\$9,062	\$1,280	\$10,342
Agriculture	\$3,903	\$782	\$4,685	\$209	\$4,894
Government & Recovery	\$1,512	\$2,685	\$4,197	\$214	\$4,411
Education	\$697	\$165	\$862	\$70	\$932
Health & Human Services	\$723	\$79	\$802	\$19	\$821
Tribal & Federal Lands ⁶	-	-	-	-	-
Helene Total	\$44,363	\$9,406	\$53,769	\$5,848	\$59,617

⁵ A more refined estimate for housing damage and needs appears in the housing portion of the unmet needs analysis in section 2 of the Action Plan.

⁶ While OSBM has been in communication with the Eastern Band of Cherokee Indians, they had not yet completed damage assessments as of December 2024. Further, OSBM has not included direct damage to federal lands in this assessment, as assessment and recovery work will be completed by the federal government.

The key takeaway from this table is that 30% of the total direct damage across all economic sectors arises from damage associated with housing and this fact drives the NCDOC's use of its allocated CDBG-DR funding as there are few federal financial resources to assist with housing recovery efforts. HUD, in its analysis of unmet needs, does not take the expansive view reflected in the OSBM report and uses data that considers only narrow segments of unmet need in the areas of housing, infrastructure, and economic revitalization. In light of these issues, NCDOC's position is that it is imperative to contribute in a significant way to housing recovery in western North Carolina and is proposing a set of programs that devote approximately 74% of available CDBG-DR funding, or \$1.052 billion, toward that goal.

With respect to housing needs, the OSBM report provided the following high-level information based on FEMA IA and American Community Survey (ACS) data available as of early December 2024. Certain data points have been updated where possible.

- More than 280,000 households have applied for FEMA IA, and **more than 157,000 households have been approved for some level of assistance** as of March 23, 2025.
- Approximately 73,700 homes are expected to be found to have suffered damage.
- Single-family homes, manufactured homes, and duplexes account for a majority of affected residential structures.⁷ This fact will be a principal influence upon the State's allocation of CDBG-DR funds.
- The overall need for housing assistance is estimated to be \$15.4 billion.
- This includes **\$12.7 billion due to residential structure damage**, which will change as FEMA conducts further on-the-ground assessments.
- Mobile homes were more prevalent as a share of all housing units in counties covered by the major disaster declaration. About 15.4% of housing units in those counties were mobile homes compared to 12% in the rest of the State.
- Displaced residents will need transitional and short-term housing, personal property replacement, and other assistance.

⁷ December 2024 Report for the NC OSBM, Page 32

1.2.2 General Matters

1.2.2.1 Management of Helene Recovery Efforts

Governor Josh Stein took office as the 76th Governor of North Carolina on January 1, 2025, and he has designated the NCDOC to administer the CDBG-DR funding allocated to the State in response to the impact of Hurricane Helene. NCDOC has experience working with CDBG funding as it is the recipient of the annual State CDBG program funding from HUD (\$42.2 million in fiscal year (FY) 2024) and will leverage that experience to provide a foundation for Helene CDBG-DR implementation efforts.

To provide an unwavering focus on Helene recovery efforts, Gov. Stein has taken several steps.

- First, he has established a new [Division of Community Revitalization](#) (DCR) within NCDOC to manage CDBG-DR funding, oversee the rebuilding of homes destroyed or damaged by Helene, and coordinate and lead efforts to revitalize the economy of western North Carolina.
- Second, DCR will work in conjunction with the newly established Governor’s Recovery Office for Western North Carolina (GROW NC), which will provide a cross-agency vision for Helene recovery efforts, coordinate the response of those agencies, and deploy the expertise and innovation necessary for a swift and robust recovery effort.
- Third, Gov. Stein has created the Governor’s Advisory Committee on Western North Carolina Recovery (the Committee), the membership of which includes more than two dozen public and private sector representatives from across western North Carolina. This committee will meet monthly and advise on strategies to address the needs of communities affected by Helene in areas such as housing, infrastructure, small business, and others related to the rebuilding of western North Carolina. The establishment of this multifaceted effort demonstrates Gov. Stein’s understanding that successful recovery efforts require a high level of on-going attention and engagement at the executive level and that business as usual will be inadequate to fully meet recovery needs arising from the damage inflicted by Helene. Further, NCDOC’s quick development of this Action Plan is a component of the State’s overall effort to accelerate recovery work in the spring of 2025.

To advance this effort, Gov. Stein is seeking funding from the North Carolina Legislature for various recovery activities and NCDOC has the intention of treating at least some portion of those expenses as pre-agreement costs to be repaid through CDBG-DR funds. Consistent with the requirements of the Revised Universal Notice, NCDOC will identify programs where pre-agreement cost reimbursement may be involved. NCDOC and, more specifically, DCR will have responsibility for the Helene-related CDBG-DR funding. Activities and programs funded with CDBG-DR provided in response to hurricanes Matthew (2016) and Florence (2018) will be seen to completion and closeout by the North Carolina Office of Recovery and Resilience (NCORR), but NCORR will have no role in management and oversight of the Helene recovery effort.

1.2.2.2 Environmental Review Responsibilities

Flowing from Gov. Stein’s designation of NCDOC to administer the CDBG-DR funding, NCDOC will be the Responsible Entity (RE) for carrying out actions required pursuant to HUD’s environmental review procedures at 24 CFR 58, including the responsibilities of States as defined at 24 CFR 58.4(b). To enhance NCDOC’s ability to effectively carry out these responsibilities, NCDOC will directly hire an individual with extensive environmental review experience to manage this critical process. NCDOC will conduct environmental assessments, environmental reviews, or environmental impact statements for CDBG-DR assisted activities, as appropriate, and will make determinations as to activities that are categorically exempt or categorically excluded activities from these requirements. NCDOC will process necessary filings such as the Finding of No Significant Impact (FONSI) or the Request for Release of Funds (RROF) as required under 24 CFR 58, Subpart E.

NCDOC does not intend for any subrecipient or contractor to carry out environmental review procedures with one exception. For administrative convenience as outlined in section 1.2.2.4., NCDOC may opt to allow the City of Asheville, North Carolina, to carry out certain environmental responsibilities related to the State’s CDBG-DR funding for activities that will take place within the boundaries of the city.

1.2.2.3 Relationship of Helene Recovery to HUD Consolidated Plan

As the lead agency for annual formula funding provided to the State by HUD’s Office of Community Planning and Development (CPD), NCDOC submits to HUD the State’s five-year Consolidated Plan and Annual Action Plan (the Consolidated Plan) as required by 24 CFR 91. The Revised Universal Notice at section III.B.6. provides time-limited waivers related to the consolidated planning process that are effective for 24 months (through January 16, 2027). Within this timeframe, grantees are directed to update consolidated plans to reflect disaster-related needs. The State’s existing five-year Consolidated Plan covers the period 2021 to 2025, and the process to update the plan will begin later in 2025, in anticipation of the submission to HUD of a new plan in the second quarter of calendar year 2026. When undertaking this update, NCDOC will ensure that Helene-related recovery needs are reflected in that Consolidated Plan, thereby meeting the Revised Universal Notice requirements.

1.2.2.4 Use of State CDBG-DR Funds in the City of Asheville

Concurrent with the allocation of \$1.4 billion in CDBG-DR funding to the State, HUD announced a separate CDBG-DR allocation of \$225,010,000 directly to the City of Asheville, North Carolina (the City). Pursuant to the AAN, the City must spend 100% of its funds to address unmet needs and mitigation activities within its HUD-Identified MID area, which is the entire city.

The City is located within Buncombe County, which is part of the State-Identified MID area, and this fact raises the question of whether State CDBG-DR funds should be expended in Asheville. NCDOC has had productive discussions with City officials regarding this issue, and a framework for coordinated action has been developed. The primary area of coordination relates to the Housing Reconstruction and Rehabilitation (Housing R&R) program described in Section 4 of this Action Plan. NCDOC will devote more

than \$800 million of CDBG-DR funding to the Housing R&R Program across the Combined MID areas and will have economies of scale that the City is unlikely to achieve with a much smaller program. NCDOC and City officials have tentatively agreed that NCDOC will entertain applications under the Housing R&R Program for qualifying homeowners in the City. If the homeowner meets program qualification criteria, NCDOC will undertake the necessary reconstruction or repairs. The City will ultimately use its CDBG-DR funding to reimburse NCDOC for the actual construction costs of each unit.

Further, NCDOC will permit the City and organizations in the City to apply to NCDOC for CDBG-DR funding for projects in the City, assuming such entities meet the specific qualifications specified for the respective programs. For administrative convenience, NCDOC may permit the City to perform certain environmental review procedures related to activities funded with the State's CDBG-DR funding and taking place within the boundaries of the City. NCDOC will provide greater detail on these matters as it develops policies and procedures for implementation of those programs.

1.2.2.5 CDBG-DR Website

The CDBG-DR language in the Disaster Relief Supplemental Appropriations Act, 2025, requires that each grantee establish and maintain a comprehensive disaster recovery website. NCDOC has established and will host the website for the Helene CDBG-DR allocation at: <https://www.commercerecovery.nc.gov/>.

This webpage CDBG-DR page will ultimately include and reflect the information required by HUD's guidance in section III.B.8. of the Revised Universal Notice. This will include the Action Plan and subsequent amendments, program application information, a portal for applicants to track the progress of their applications, program guidance, procurement contracts, quarterly performance reports, and other pertinent information.

1.2.2.6 Compliance with Applicable Statutes

On March 19, 2025, HUD issued a memorandum revising the Universal Notice to better align CDBG-DR program requirements with policies of the Trump Administration. One of the provisions revised by the March 19 memo is section I.C.1 and the new section I.C.1 c. explicitly requires that grantees use their CDBG-DR funds in a manner that complies with applicable statutes including:

- Section 109 of the HCD Act (42 U.S.C. 5309)
- Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.)
- Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.)
- Title VIII of the Civil Rights Act of 1968 (The Fair Housing Act) (42 U.S.C. 3601-19)
- Sections 504 and 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794)
- The Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.)
- Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) (Public Law 104-193).

NCDOC will use its CDBG-DR funds and implement its programs as proposed by this Action Plan consistent

with the laws cited in section I.C.1.c. of the Revised Universal Notice. Additional requirements under this section of the Revised Universal Notice are addressed in the program descriptions and discussion later in this Action Plan.

1.3 Unmet Needs and Mitigation Needs Assessment Summary

Table 4 below provides the overview of the State’s \$1.428 billion allocation of CDBG-DR funding across programs that begin to address the damaging impacts of Hurricane Helene. As the available CDBG-DR funding is less than the State’s estimated unmet recovery needs, it is targeted in three ways:

- First, to principally deliver benefit to individuals, households, and communities with the fewest resources to recover, pursuant to a federal statutory requirement that at least 70% of all funds be expended for activities that benefit low- and moderate-income (LMI) individuals;
- Second, to target at least 80% of those expenditures in the HUD-Identified MID areas; and
- Third, the directive of the federal appropriation law which directly references the “restoration of housing and infrastructure, economic revitalization, and mitigation...”.

While the need to comply with these fundamental requirements establishes outer boundaries for use of the funds, the State has substantial latitude in the mix of specific programs, funding levels for activities, and overall implementation. The choices reflected herein are informed not just by data on damage but also by consultation with and feedback from impacted individuals, communities, institutions, and other stakeholders. The framing for these choices can be found in subsequent sections of this Action Plan.

Table 4: Unmet Needs and Proposed Allocations⁸

Eligible Cost Category	CDBG-DR Allocation Amount	Percent of CDBG-DR Amount*	CDBG-Mitigation Set-Aside	Estimated Percent of CDBG-DR Mitigation Set-Aside	Total CDBG-DR and Mitigation Amounts by Eligible Cost Category	Estimated Percentage of All Funds to Combined MID Areas	Estimated Percentage of All Funds to Overall LMI Benefit
Administration (5% of \$1.428B)	\$71,406,000	5.00%	N/A	-	\$71,406,000	-	-
Rental Housing	\$172,712,300	12.09%	\$18,627,700	10.00%	\$191,340,000	100.00%	100.00%
Reconstruction and Rehabilitation of Owner-Occupied Housing/Workforce Housing for Ownership	\$721,026,250	50.49%	\$139,707,750	75.00%	\$860,734,000	100.00%	100.00%
Infrastructure	\$174,872,300	12.24%	\$18,627,700	10.00%	\$193,500,000	100.00%	80.00%
Economic Revitalization	\$101,826,150	7.13%	\$9,313,850	5.00%	\$111,140,000	100.00%	80.00%
CDBG-DR Mitigation Set-Aside	\$186,277,000	13.04%**	-	-	-	100.00%	97.00%
TOTAL	\$1,428,120,000	100.00%	\$186,277,000	100.00%	\$1,428,120,000	100.00%	95.73%
Percent of Total	100.00%	100.00%	15%**	100.00%	100.00%	100.00%	95.73%

* Percentages derived from total allocation (Activities + Mitigation) due to Administration amount applied to entirety of the allocation.

**CDBG-DR Mitigation Set Aside (\$186,277,000) is 15% of the CDBG-DR Allocation for Unmet Needs (\$1,241,843,000) but represents 13.04% of the CDBG-DR plus Mitigation total (\$1,428,120,000).

The restoration of housing for both renters and homeowners in Helene-impacted areas is the State’s highest priority as thousands of units have been determined by FEMA IA data to meet HUD’s definition of “most impacted.” The number of seriously damaged or destroyed by Helene is predicated upon self-assessments documented in the FEMA IA registration process.

Rehousing North Carolinians is a necessity to both keep smaller, rural communities in the western part of the State viable and to sustain an economy that depends significantly upon tourism and agriculture. In conjunction with housing restoration, the State will assist property owners in addressing repairs to private roads and bridges by providing mitigation funding to ensure public safety access and that future severe weather events do not trigger similar damage.

While infrastructure needs are significant, a substantial portion of permanent repair and reconstruction costs will be covered by FEMA’s PA program, which will cover 90% of those costs. To help address the required 10% state/local cost share under the PA program, the North Carolina Legislature has already provided \$250 million for non-federal cost share needs. Beyond these needs, NCDOT is proposing a community infrastructure program to address needs which may be outside the scope of FEMA’s PA

⁸ This table is a reiteration of Table 1.

program.

As western North Carolina has many small and rural communities, restoring downtown areas and commercial districts in a resilient manner in those communities will be a critical activity. To recreate focal points for regional commercial activity, the State will be reserving funding for this purpose as well.

2 Unmet Needs Assessment

2.1 Evaluate the Impacts of Three Core Aspects of Recovery

The Helene-impacted region of western North Carolina accounts for approximately 23% of the State's gross domestic product (GDP), and Hurricane Helene left significant, long-term impacts on that portion of the State. In addition to the devastating loss of life, the storm seriously damaged or destroyed more than 8,800 homes and damaged tens of thousands more. Millions of North Carolinians lost access to critical services like water, sewer, electricity, telecommunications, and healthcare facilities. Thousands of miles of roads and bridges were damaged, cutting communities off and limiting egress for residents and entrance by essential response and recovery teams. The region's economy has suffered a severe blow, threatening livelihoods and the long-term viability of communities.

Estimates of damage and needs as of December 13, 2024, are more than \$59.6 billion across the State, including \$44.4 billion of direct damage, \$9.4 billion of indirect or induced damage, and \$5.8 billion of potential investments for strengthening and mitigation. Five categories comprise close to 90% of estimated direct and indirect damage: Economy, Housing, Utilities and Natural Resources, Transportation, and Agriculture.

The damage attributable to Helene is roughly three and a half times the \$16.7 billion impact of Hurricane Florence upon the State in 2018.

Helene produced severe or catastrophic impacts on homes and essential services and those impacts can be summarized as follows:

- **Large-scale damage to homes:** Helene is projected to have damaged more than 73,000 homes, with many thousands having experienced severe or catastrophic impacts.
- **Disruption of life-sustaining services:** Helene damaged or destroyed sewage and water treatment systems in multiple communities and 44 emergency response facilities. The storm resulted in the evacuation of 145 healthcare facilities (including hospitals; nursing homes; and adult, family, mental health, and community health facilities) across western North Carolina.
- **Impacts to transportation and utilities:** Entire communities lost access to core services and communication. The storm caused damage to roads and bridges at more than 6,900 sites, forcing traffic closures, including on I-40. Landslides and flooding cut residents off from outside help and communication.

Some of Helene's impacts that may be particularly long-lasting include:

- **Delay in return-to-business:** With the loss of essential services, utilities, and transportation corridors came long-term cessations in operations for businesses across western North Carolina. The complexity of restoring infrastructure has directly slowed the reopening of businesses and has

impaired access to key customer bases. In turn, businesses face challenges to their survival, which may have significant impact on the region's communities.

- **Multi-year damage:** Key centers of production and revenue generation in industries such as agriculture and tourism experienced impacts that are likely to last for years (e.g., damage to nursery plants, which will need multiple seasons to regrow; damage to backcountry infrastructure and natural landscapes at State and national parks, which may not return to 'normal' for years). The longevity of this damage is likely to slow rebuilding and may make it more challenging for communities to recover, retain residents, and attract visitors.
- **Substantial uninsured home and property losses:** Helene damaged thousands of structures, including many residences. Unlike in coastal areas, most homeowners do not carry flood insurance. This coverage gap will dramatically reduce private financial resources for recovery. Increased costs to complete recovery and mitigate future harm
- **Increased construction costs:** Several factors are impacting construction costs. First, construction costs have risen significantly since COVID-19. Second, the need to work in rugged, highly sloped terrain adds cost across the board to construction design, materials, and implementation. Third, multiple recovery efforts from concurrent natural disasters across the Southeast may lead to higher-than-normal costs than for disaster recovery.
- **Opportunity for strengthening and mitigation:** Unprecedented damage and impact to the State have led to calls for strengthening and mitigation to prevent future disasters of this magnitude from happening again. Part of this effort will focus on ensuring more durable access to small, rural communities and individual homes by strengthening privately-owned roads and bridges.

These challenges complicate the comprehensive damage and needs assessment due to:

- **Impaired access:** Large-scale flooding and landslides caused extensive damage to transportation infrastructure in the region. The extensive road damage has at times slowed aid and hindered damage assessments of many of western North Carolina's more isolated communities. Road construction crews have worked tirelessly to make it safe for first responders and inspectors to move in and out on a limited set of transportation corridors.
- **Difficulty of communication:** Helene caused significant damage to communications infrastructure in western North Carolina. These impacts were amplified by damaged transportation infrastructure, which has slowed network restoration by service providers, and the region's mountainous topography, which limited the range and quality of connections provided by temporary solutions. The resulting severe, prolonged communications disruption has limited the ability of first responders and inspectors to communicate across and outside the region.
- **Disparate nature of communities:** Many affected communities and residences are spread far apart and isolated by western North Carolina's mountainous terrain. This is evidenced by the region's relatively low population density. Counties in the major disaster declaration that experienced greatest rainfall have an average population density of 156 residents per square mile, compared to 169 per square mile in Florence-affected counties and 223 per square mile for the State as a whole. The lower population densities in western North Carolina have consequences for CDBG-DR program and policies

choices as there is a distinct need to respond to the needs of a widely dispersed population living in difficult to access terrain.

Table 5: LMI Analysis - Federal Declared Disaster Areas⁹

County	Non-MID Total LMI Persons	Non-MID Total Population	Non-MID Percent LMI	Combined MID Total LMI Persons	Combined MID Total Population	Combined MID Percent LMI
Alexander	13,960	35,940	38.84%	0	0	0%
Alleghany	5,440	10,940	49.73%	0	0	0%
Ashe	0	0	0%	10,245	26,565	38.57%
Avery	0	0	0%	6,400	13,985	45.76%
Buncombe	0	0	0%	105,645	252,700	41.81%
Burke	0	0	0%	39,635	87,390	45.35%
Cabarrus	83,300	209,830	39.70%	0	0	0%
Caldwell	0	0	0%	34,755	81,060	42.88%
Catawba	55,965	155,930	35.89%	0	0	0%
Cherokee	12,975	27,965	46.40%	0	0	0%
Clay	4,465	11,100	40.23%	0	0	0%
Cleveland	0	0	0%	41,760	95,995	43.50%
Forsyth	155,370	367,500	42.28%	0	0	0%
Gaston	111,495	219,215	50.86%	0	0	0%
Graham	3,705	8,395	44.13%	0	0	0%
Haywood	0	0	0%	24,210	61,380	39.44%
Henderson	0	0	0%	44,800	114,925	38.98%
Iredell	70,140	177,625	39.49%	0	0	0%
Jackson	18,190	39,705	45.81%	0	0	0%
Lee	24,020	60,140	39.94%	0	0	0%
Lincoln	33,185	83,840	39.58%	0	0	0%
Macon	14,025	34,815	40.28%	0	0	0%
Madison	0	0	0%	9,245	20,530	45.03%
McDowell	0	0	0%	10,260	22,505	45.59%
Mecklenburg	433,880	1,020,925	0%	29,060	58,965	49.28%
Mitchell	0	0	0%	5,255	14,625	35.93%

⁹ The HUD-Identified MID includes five zip codes: 28645 (Caldwell County), 28150 (Cleveland County), 28753 (Madison County), 28214 (Mecklenburg County), and 28782 (Polk County). Source: HUD ACS 5-year 2016-2020 Low- and Moderate-Income Summary Data

County	Non-MID Total LMI Persons	Non-MID Total Population	Non-MID Percent LMI	Combined MID Total LMI Persons	Combined MID Total Population	Combined MID Percent LMI
Nash	34,935	92,245	37.87%	0	0	0%
Polk	0	0	0%	6,845	20,375	33.60%
Rowan	55,280	136,580	40.47%	0	0	0%
Rutherford	0	0	0%	29,550	65,530	45.09%
Stanly	21,645	59,945	36.11%	0	0	0%
Surry	31,645	70,945	44.60%	0	0	0%
Swain	5,910	13,940	42.40%	0	0	0%
Transylvania	0	0	0%	12,780	32,715	39.06%
Union	80,690	233,425	34.57%	0	0	0%
Watauga	0	0	0%	25,875	49,670	52.09%
Wilkes	28,110	67,440	41.68%	0	0	0%
Yadkin	16,070	37,255	43.14%	0	0	0%
Yancey	0	0	0%	7,440	17,725	41.97%
Total	1,314,400	3,175,640	-	436,320	1,018,915	-

2.2 Housing

Figure 6: Housing Foundation Damage, US Route 64, Bat Cave, NC. October 10, 2025.



Data regarding housing damage and recovery needs arising from the impact of Helene continues to accrue more than six months after the disaster declaration. The housing portion of this unmet needs assessment (UNA) relied substantially upon data available to OSBM as of early December 2024, roughly 10 weeks after Helene struck. It is further informed by the Housing Impact Assessment (HIA) done by the Federal Housing Recovery Support Function (RSF) pursuant to the National Disaster Recovery Framework (NDRF).

In both cases, there is a substantial reliance upon data collected by FEMA through the registration process for its Individuals and Households (IHP) or IA Program as well as data available from Census Bureau sources. The FEMA IA data will continue to evolve as the application deadline for Helene-related assistance has been extended until April 7, 2025. With more than 280,000 IA registrations and 157,000 applications approved as of March 23, 2025, it is clear that the majority of registrations have already taken place.

The Housing RSF is one of six RSFs, and HUD is the coordinating agency for the Housing RSF. The mission of the Housing RSF is to:

- Support efforts to address pre- and post-disaster housing issues;
- Facilitate delivery of federal resources to implement housing solutions;
- Support activities to assist local, state, and tribal governments in the reconstruction and

rehabilitation of damaged and destroyed housing; and

- Support efforts to develop new, accessible permanent housing options.

The Housing RSF Assessment was made available to NCDOC in mid-March and is particularly valuable in refining Helene’s impact upon the assisted housing stock in western North Carolina and impacts including, but not limited to, the pre-storm homeless, elderly, and those having access and functional needs. It will also identify key considerations for a broad, effective housing recovery effort. Consistent with the advisory in the draft Action Plan, NCDOC is incorporating information from the Housing RSF Assessment into the final Action Plan.

This much is clear from both the initial OSBM report and the RSF Housing Impact Assessment: Helene caused extensive damage to the western North Carolina housing stock. The following initial estimates with respect to housing damage and recovery needs are from the OSBM report of December 2024:

Table 6: Quantified Housing Damage, Necessary Investment Estimates, and Unmet Needs (in Millions)

Category	Damage & Needs			Necessary Investments			Unmet Need
	Direct	Indirect/ Induced	Total	Expected Federal	Expected Private	State Funded as of 12/12/24	
Residential*	\$12,700	-	\$12,700	\$4,771	\$2,650	\$20	\$5,259
Transitional Sheltering	\$11	-	\$11	\$11	-	-	-
Public Assistance	\$143	-	\$143	\$128	-	-	\$15
Other Needs Assistance**	\$600	-	\$600	\$450	-	-	\$150
Sub-Total	\$13,454	-	\$13,454	\$5,360	\$2,650	\$20	\$5,424
Strengthening & Mitigation	\$1,926	-	\$1,926	\$1,419	-	-	\$507
Total	\$15,380	-	\$15,380	\$6,779	\$2,650	\$20	\$5,931

*Includes Housing Assistance from FEMA.

**Includes assistance to repair or replace vehicles and other personal property.

The RSF Housing Impact Assessment provides a deeper evaluation of the post-Helene housing situation in western North Carolina as well as a more targeted data analysis. The following section integrates information from the OSBM reports and the Housing Impact Assessment.

The scope for housing repair estimates in the OSBM report includes:

- Residential housing: single-family, multi-family, rental residences, public housing, and supportive housing (including subsidized affordable housing);
- Transitional sheltering;
- Housing for individuals with disabilities, individuals experiencing homelessness, and individuals with severe mental illness; and,
- IA and PA payments, with additional non-housing assistance, such Other Needs Assistance (ONA) and other FEMA programs, separated out.

These estimates include damage to housing structures, registered motor vehicles, personal property, and buildable land but excludes losses from private, non-residential buildings or government buildings. In developing these estimates, OSBM relied primarily on Individual Assistance claims data and housing data from the U.S. Census Bureau’s ACS.

The takeaway from Table 6 is that the estimated housing damage plus necessary investments for mitigation and resilience is \$15.38 billion. OSBM projected that \$6.779 billion of that amount would be available from federal resources, most notably CDBG-DR at an estimated \$4.771 billion. The reality is that North Carolina was allocated \$1.428 billion in CDBG-DR by HUD, which is only 30% of the identified unmet need for housing.

Residential Damage: OSBM forecasted the total damage to residential structures using FEMA IA data through December 2, and scaling to project the total damage based on comparisons to Florence claims through the first three months and total claims. OSBM estimates \$12.7 billion in residential damage, including both single- and multi-family housing. The RSF Assessment, using FEMA IHP data available as of January 15, 2025, provided the following profile of housing damage:

Table 7: Units Experiencing Destruction and Major Damage by Occupancy

Damage Type	Owner-Occupied	Renter-Occupied	Totals
Destruction	619	350	969
Major Damage	1,842	548	2,390
Habitability Repairs	24,053	6,414	30,467
Totals	26,514	7,312	33,826

- **FEMA Assistance:** OSBM analyzed FEMA IA data published on December 2. The deadline to apply for FEMA IA has been extended to April 7, 2025, so OSBM projected the number based on the currently known number of applications. As noted above, IHP registrations total more than 280,000 and more than 157,000 applications for post-Helene assistance have been approved as of mid-March, 2025.

- **FEMA IA:** To estimate impacted households, OSBM reviewed IA claims presently submitted and projected the number of total applications received based on this data. OSBM estimates between 25,000 and 30,000 households receiving housing assistance through IA. As of March 23, 2025, FEMA reports that more than \$158 million has already been paid out to Helene survivors for housing assistance under the IA program with additional amounts to be paid in the future. An additional data point provided by the Housing Impact Assessment is that 492 of 2,978 households reviewed for direct housing have been approved for units by FEMA and that 75 households had units in place by the time the Assessment was issued.
- **FEMA ONA:** FEMA publishes daily data on approved ONA funds, which cover immediate housing and life needs, vehicles, essential household items, other personal property, and disaster-related funeral or child-care costs, with the other IA data. OSBM estimated 147,000 households will receive ONA, and FEMA reports more than \$252 million has been paid out to Helene survivors for ONA purposes with additional amounts to be paid in the future.
- **FEMA PA:** FEMA will reimburse housing-related expenditures through PA related to emergency protective measures and public housing facilities. OSBM scaled PA assistance from Hurricane Florence based on comparisons in storm damage to estimate FEMA PA for Hurricane Helene recovery. This projection includes public housing authority units and government programs that house certain populations, like Transitions to Community Living. Currently available PA data only includes approved payments for a small percentage of applicants and cumulative payments under all PA categories (A-G) are no longer available on FEMA's website as of March 2025.
- **Small Business Administration Loans:** The federal residential funding also includes disaster loans for homeowners and renters through the Small Business Administration (SBA). The SBA application window for physical property damage has been extended through April 27, 2025. OSBM projected the final recipients, 13,900 households, and total loan amount based on an average anticipated loan of \$74,100 by scaling the number of approved applicants and average loan from Hurricane Florence. The scaling factor was calculated by first projecting the Hurricane Helene FEMA IA home-damage inspection data to estimate the total number of inspection-verified damaged homes and the average damage per home. OSBM compared this estimate to the Hurricane Florence IA home-damage numbers and averages to determine the scaling factor. NCDOC received data from SBA via email in late January and at that point had only approved 1,703 homeowner/renter loan applications for a total of \$115.9 million. Of the 6,401 applications filed as of that time, 2,203 applications were reported as declined and 2,231 applications had been withdrawn.
- **Private Insurance:** OSBM used insurance coverage levels from IA data and Hurricane Florence to project the residential damage that private insurance would cover. This analysis divided potential claims into those with flood damage and all other claims. While OSBM's initial projection was that that only 5.2% of households with verified flood damage had flood insurance, the Housing Impact Assessment presents a more detailed and, in some ways, more dire picture regarding insurance

coverage through homeowners and flood insurance. The following two tables reflect coverage along these lines.

Table 8: Homeowners and Renters Insurance Coverage

Type	Total	With Homeowners Insurance	% of Total	Without Homeowners Insurance	% of Total
Owners	161,583	120,060	74.3%	41,523	25.7%
Renters	109,175	1,340	1.2%	107,835	98.8%
No Tenure	410	166	40.5%	244	59.5%
Totals	-	121,566	-	149,602	-

Table 9: Homeowners and Renters Flood Insurance Coverage

Type	Total	With Flood Insurance	% of Total	Without Flood Insurance	% of Total
Owners	161,583	2,051	1.3%	159,532	98.7%
Renters	109,175	844	0.8%	108,331	99.2%
No Tenure	410	5	1.2%	405	98.8%
Totals	-	2,900	-	268,268	-

The critical points made by these data are that renters were essentially not covered by either property or flood insurance and that 25% of homeowners were without property insurance and also has exceptionally low levels of flood insurance. The bottom line is that housing recovery in the Helene-impacted areas of western North Carolina will rely greatly upon public funding.

- **Transitional Sheltering:** This estimate includes both FEMA PA and HUD Rapid Unsheltered Survivor Housing (RUSH) program needs.
- FEMA PA will reimburse 100% of transitional sheltering costs in designated counties for the first six months following Hurricane Helene. At its peak on October 4th, counties in western North Carolina opened 22 shelters serving 1,162 occupants but, according to the Housing Impact Assessment, all congregate shelters were closed as of January 25, 2025. OSBM estimated the total cost of sheltering based on the number of occupants in disaster shelters. Using an American Red Cross (ARC) estimate of cost per occupant, OSBM estimated a transitional sheltering cost to FEMA of \$10.8 million over the first six months of recovery. The Housing Impact Assessment provides the following information regarding FEMA’s Transitional Sheltering Assistance (TSA):

Table 10: FEMA Transitional Sheltering Assistance in North Carolina Post-Helene

Measure	December 3, 2024, Totals	January 15, 2025, Totals
TSA Households Checked In	5,222	2,716
Number of Individuals in TSA	11,806	6,125
Hotels Utilized	461	341
Rooms Utilized	5,449	2,854

- HUD’s Rapid Unsheltered Survivor Housing (RUSH) program provides funding to states and local governments to address needs of individuals and families experiencing homelessness or at risk of homelessness in the wake of a federally declared disaster. North Carolina received \$3 million of RUSH funding in October 2024 and requested an additional \$7 million from this program. However, North Carolina was allocated only \$1.9 million of this request on February 27, 2025.¹⁰

Certain characteristics of the housing supply in western North Carolina create challenges for hurricane recovery and rehousing displaced individuals, such as:

- **Seasonal Housing:** In the 39 declared counties, seasonal housing represents approximately 10% of the total housing stock, with a range of less than 1% in many of the Piedmont counties to nearly 45% in Avery County. Statewide, seasonal housing is only 3.9% of the housing stock.
- **Vacant Units:** In the 39 declared counties, 7.3% of total housing units are designated as ‘vacant-other’ according to ACS data. Often, housing units designated as ‘vacant-other’ are indicated as such due to condition, foreclosure, or other legal reasons, or for personal/family reasons and cannot easily or quickly be reincorporated into the occupied housing stock. Statewide, vacant-other units are only 4.6% of total housing units.
- **Affordable Housing:** HUD defines housing cost burden at several levels: a moderate housing cost burden means that a household pays more than 30% of income for housing while a severely cost burdened household pays in excess of 50% of income for housing. According to the Housing Impact Assessment, 20% of all homeowners and 45% of all renters in North Carolina are cost burdened. Within the Combined MID areas, Buncombe County has the highest concentration of cost burdened households. Further, the OSBM report indicates that in disaster-declared counties, 40.8% of households earn less than 80% of the area median income (AMI), so affordable housing is a key issue for this population. As noted earlier, manufactured housing units (MHUs) (often referred to as mobile homes) represent a substantial proportion of the housing stock in the counties covered by the major disaster declaration for Helene (DR-4827-NC). The Housing Impact Assessment identifies the following counties within the Combined MID areas as having more than 20% of their housing primarily categorized as mobile homes but including several other alternatives: Alexander, Burke, Graham, McDowell, Madison, Surry, Swain, Wilkes, and Yadkin. This information provides important focus given NCDOC’s intention to focus on providing MHU owners with traditionally built houses in

¹⁰ Source: Combined MID area omits Charlotte/Mecklenburg and Winston-Salem/Forsyth CoCs. PIT and HIC Data 2007 – 2023 <https://www.hudexchange.info/resource/3031/pit-and-hic-data-since-2007/>

an effort to provide more resilient housing in response to these disaster impacted households.

- In proposing to allocate \$1.052 billion or 74% of its CDBG-DR allocation for housing recovery, NCDOC will seek to assist as many low- and moderate-income households as possible with their housing needs while still reserving 20% of funds for infrastructure and economic development needs and supporting the long-term oversight of these funds by using 5% for administrative costs.

2.2.1 Emergency Shelters and Interim and Permanent Housing

The following table uses data from HUD’s 2023 Point-in Time (PIT) count to demonstrate homelessness estimates for North Carolina as a whole, for the counties covered by the Helene disaster declaration (DR-4827), and for the Combined MID areas as defined by HUD and NCDOC. Consistent with the description of similar data in the Housing Impact Assessment, it should be noted that NCDOC has included the North Carolina Balance of State Continuum of Care in the combined MID estimate as the data for disaster impacted counties cannot be disaggregated. NCDOC sees this approach as a partial offset to the fact that PIT count is widely recognized as a significant undercount of homeless individuals.

Table 11: Point-in-Time (PIT) Count – Type of Shelter¹¹

Estimate Type	Emergency Shelter	Transitional Housing	Unsheltered Homeless	Total Known Homeless
Statewide Area Estimate	5,034	1,259	3,443	9,754
FEMA Disaster Declaration Area Estimate	3,784	951	2,337	6,853
Combined MID Area Estimate	2,225	582	1,730	4,541

2.2.2 Rental and Owner-Occupied Single Family and Multifamily Housing

The following table addresses HUD’s desire to understand the distribution of housing tenure along the lines of homeowners and renters. It demonstrates that within the Combined MID area, 71.7% of all households are homeowners with the converse being that 28.3% of households are renters.

¹¹ Source: Combined MID area omits Charlotte/Mecklenburg and Winston-Salem/Forsyth CoCs. PIT and HIC Data 2007 – 2023 <https://www.hudexchange.info/resource/3031/pit-and-hic-data-since-2007/>

Table 12: Housing Tenure¹²

Tenure	Statewide Estimate	Statewide %	FEMA Disaster Area Estimate	FEMA Disaster Area %	Combined MID Estimate	Combined MID %
Homeowner	2,778,672	100%	1,177,155	42.36%	546,439	19.67%
Renter	1,408,252	100%	579,227	41.13%	215,806	15.32%

2.2.3 FEMA Verified Loss by Occupancy

The Housing Impact Assessment provided the following data on FEMA verified losses for homeowners and renters. The underlying data set (FEMA FIDA Report) dates to December 21, 2024, when total registrants numbered 270,760 versus the March 2025 total in excess of 280,000. One observation is that the number of owner-occupied units with a verified real property loss greater than \$25,000 was 1,296 or 0.8% percent of the December total of 161,584 homeowner registrants. A second observation is that almost 92% of all registrants (248,801) did not have any FVL for personal property.

Table 13: FEMA Verified Loss (FVL) by Occupancy

Damage Category	Registrant Occupancy: Owner		Registrant Occupancy: Renter	
	Number of Owners	% of Total	Number of Renters	% of Total
No Real Property FVL	139,482	86.3%	-	-
Any Real Property Loss	22,102	13.7%	-	-
RP FVL <\$499	1,636	7.4%	-	-
RP FVL \$500-\$4,999	10,305	46.6%	-	-
RP \$5,000-\$24,999	8,865	40.1%	-	-
RP FLV >\$25,000	1,296	5.9%	-	-
No Personal Property FVL	149,284	92.4%	99,517	91.2%
Any Personal Property FVL	12,300	7.6%	9,659	91.2%
PP FVL <\$499	6,029	56.2%	5,433	56.2%
PP FVL \$500-\$4,999	5,100	35.7%	3,453	35.7%
PP FVL >\$5,000	1,171	8.0%	773	8.0%
TOTAL REGISTRANTS	161,584	-	109,176	-

¹² Source: 2023 ACS 5-year Estimates DP04: <https://data.census.gov/table?q=DP04%20all%20counties%20within%20north%20carolina>

2.2.4 Public Housing, HUD-Assisted Housing, and Other Affordable Housing

Thirty (30) PHAs have been identified as serving communities in the Combined MID areas. This census is based on information available on HUD’s website which provides contact information for PHAs in the State. These PHAs have a mix of Annual Contribution Contract (ACC) units, Housing Choice Vouchers (HCVs), and Project-Based Vouchers.

The Housing Impact Assessment indicates public housing damage assessments have been completed and reflect limited damage to public housing and to units where households use HCVs. On the public housing side, only 26 units were reported in the Assessment as having been damaged and while several others had yet to report their damage as of January 15, 2025. No data is available in the Assessment regarding damage to HVC units.

Concurrently, displacements as a result of damage were also limited and the Assessment indicates a total of 209 displacements between HCV holders (190) and public housing residents (19). Approximately 25% of those households displaced were rehoused by mid-January and additional progress has likely been made in the interim.

The Housing Impact Assessment also provides a useful picture of damage to the 465 properties in the HUD multifamily housing portfolio that are located in the 39 counties declared under DR-4827. These properties either have a Federal Housing Administration (FHA) mortgage insurance, Project-based Rental Assistance (PBRA), deed restriction covenants or a combination of these instruments. Of the 465 properties, only 10.45% sustained damage. The following table details the level of damages.

Table 14: HUD Multifamily Housing Program Property Damage

Category	Number of Properties	Total Units	Total Assisted Units	Percentage of Total Impacted Properties
Declared Counties	465	31,144	12,247	100%
No Damage	391	23,036	9,575	84.09%
Minor Damage	28	3,141	1,105	6.02%
Modest Damage	12	1,615	308	2.58%
Severe Damage	8	1,555	1,259	1.82%
No Report	26	1,797	0	5.59%

The Assessment reported that 71 households in HUD Multifamily properties were displaced as of early March 2025 and had been provided temporary housing. On a related point, the Assessment indicated that only 19 units at 6 multifamily properties in the North Carolina Housing Finance Agency (NCHSA) portfolio were off-line as of January 21, 2025. Similarly, the Assessment included data on damages to the USDA Rural Development multifamily portfolio, indicating that 66 properties suffered some damage but only 4 sustained major damage. This impact resulted in 21 units in Buncombe and Yancey counties being uninhabitable.

The following table provides a county-by-county summary of various types of housing assistance and units available within the counties covered by DR-4827.

Table 15: County-by-County List of Assisted Housing Impacted by the Disaster¹³

County	Total Housing Choice (HCV) Vouchers	Total LIHTC Units ¹⁴	Total Public Housing Dwelling Units
Alexander County	176	120	0
Alleghany County	209	96	0
Ashe County	293	166	0
Avery County	294	116	0
Buncombe County	2,828	2,509	0
Burke County	462	456	371
Cabarrus County	629	1,505	174
Caldwell County	490	637	158
Catawba County	940	1,016	0
Cherokee County	191	66	134
Clay County	176	0	0
Cleveland County	535	821	422
Forsyth County	3,410	3,940	1,696
Gaston County	1,395	1,937	96
Graham County	96	64	0
Haywood County	702	238	100
Henderson County	478	499	0
Iredell County	650	1,151	577
Jackson County	392	153	0
Lee County	432	801	268

¹³ Sources: Housing Choice Vouchers: <https://hudgis-hud.opendata.arcgis.com/datasets/HUD::housing-choice-vouchers-by-tract/about>; LIHTC Properties: <https://hudgis-hud.opendata.arcgis.com/datasets/HUD::low-income-housing-tax-credit-properties-1/about>; Public Housing Units: <https://hudgis-hud.opendata.arcgis.com/datasets/HUD::public-housing-developments-1/about>

¹⁴ LIHTC refers to Low Income Housing Tax Credits, a federal tax incentive that promotes development of affordable housing.

County	Total Housing Choice (HCV) Vouchers	Total LIHTC Units ¹⁴	Total Public Housing Dwelling Units
Lincoln County	153	292	250
Macon County	294	254	0
Madison County	182	90	197
McDowell County	255	234	0
Mecklenburg County	7,628	11,251	111
Mitchell County	423	78	84
Nash County	558	938	363
Polk County	90	66	0
Rowan County	711	1,033	194
Rutherford County	250	426	151
Stanly County	82	573	200
Surry County	319	565	300
Swain County	106	72	0
Transylvania County	183	224	163
Union County	295	104	173
Watauga County	213	161	0
Wilkes County	781	349	192
Yadkin County	146	108	0
Yancey County	415	154	0

2.3 Infrastructure

Figure 7: Bank and Road Erosion, NC Route 9, Buncombe County, NC. October 8, 2024. Credit: NCDOT



2.3.1 Electrical, Gas, Water, Sewer, Waste, and Telecom Infrastructure

The electrical, gas, water, sewer, waste, and telecom infrastructure of western North Carolina services about three million residents and 500,000 businesses. The geography of this area creates unique challenges for pipes, wires, transmission and pumping stations, and related equipment as it must span terrains that are uniquely susceptible to natural disaster and especially difficult to repair or rebuild (e.g., equipment traversing destroyed bridges or alongside high slopes; infrastructure that spans long distances to service low population density areas, etc.).

The total damage and need impact is estimated to be nearly \$7 billion. This is based on reports of damage from the NC Department of Environmental Quality (DEQ), NC Department of Natural and Cultural Resources (DNCR), municipal-owned electrical membership organizations, electrical cooperatives, private electricity and gas providers, and the Federal Communications Commission (FCC).¹⁵

The direct damage and needs estimate is comprised of:

¹⁵ December 2024 Report for the NC Office of State Budget and Management (OSBM) Page 47

- **\$1 billion** in damage to the electrical wiring and electrical infrastructure facilities of 25 municipal-owned systems, seven cooperative-owned electrical systems, and Duke Energy Carolinas and Duke Energy Progress (collectively referred to in this report as Duke Energy) in a region serving nearly two million households;
- **\$100 million** in damage to local parks, and erosion to riparian buffers and trail networks across the State;
- **\$41 million** in damage to gas lines impacting 400 customers and 10 retail propane locations that were severely damaged or destroyed resulting in the loss of 5,000 propane tanks;
- **\$205 million** in damage to 29 public and private high hazard dams and 13 mining sites;
- **\$3.7 billion** in damage to 163 water and sewer systems and hundreds of miles of impacted distribution pipes across more than 24 impacted towns in affected counties;
- **\$128 million** in damage at up to 400 facilities maintaining hazardous waste and 50 million cubic yards of debris, including 10 million cubic yards of curbside vegetative and construction / demolition waste needing to be recycled or disposed of in landfills;
- **\$100 million** in damage to telecommunications and internet infrastructure, including submerged substations, thousands of downed utility poles, and downed transmission towers, covering a region with over 70 independent telecommunications and internet providers; and
- **\$1.7 billion** in funding to make infrastructure and technology upgrades to secure a more resilient western North Carolina.¹⁶

The financial toll of the disaster remains staggering, with nearly \$7 billion in total damage and needs. OSBM estimates that the federal government and private sector will cover \$6 billion of this total, leaving \$730 million still unfunded, even after considering the State’s investments to date.¹⁷

OSBM projects that private businesses will bear more than \$1.2 billion in damage costs, drawing from multiple funding sources. Duke Energy, for instance, will shoulder the burden of restoring its infrastructure and will finance the repair costs by issuing storm bonds to cover over \$900 million in expenses. These funds will go towards replacing nearly 2,000 transformers, more than 12,000 power poles, and other critical infrastructure devastated by the storm. In western North Carolina, gas providers will rely on a combination of insurance and their internal pipeline integrity mechanisms to manage their \$41 million in repair costs.

Private stormwater system owners are expected to handle \$100 million in damage through private insurance claims wherever possible, minimizing public burden. Meanwhile, uninsured private stormwater system owners, including Homeowner Associations (HOAs), will either absorb the repair costs or pass them along to their customers in the form of higher fees over time. Similarly, telecommunications providers facing damage will likely absorb an estimated \$100 million in repair costs upfront, then shift

¹⁶ December 2024 Report for the NC OSBM, Page 48

¹⁷ December 2024 Report for the NC OSBM, Page 49

those expenses to consumers through rate hikes where feasible.¹⁸

2.3.2 Roads and Bridges

Hurricane Helene has severely impacted approximately 5,000 miles of State-maintained roads across the affected area in western North Carolina, including several major national interstates and arterial routes that serve as critical transportation corridors. The North Carolina Department of Transportation (NCDOT) has found damage to 674 bridges and 712 culverts. Western North Carolina has 25% more public bridges than the State average, with the percentage of private bridges likely even higher due to the terrain and population density.

The terrain in this region is especially challenging, as it is mountainous with an elevation on average two to three times that of the Piedmont, which complicates road and bridge repairs. Western North Carolina also includes a significant number of privately maintained roads, with municipal and private roads making up 48% of all roads in the region compared to 41% for the State as a whole. This higher proportion of non-State infrastructure adds further complexity to recovery efforts. The following outlines the methodology used to estimate transportation needs resulting from Hurricane Helene. Estimates are based on data provided by government agencies, damage models, historical data, and trends. The total transportation impact is estimated at \$10.3 billion, the vast majority of which is anticipated to be covered by federal funding sources.

Of this total need, the NCDOT highway and bridge system is projected to require \$6 billion in repairs and replacements. Once major repair and replacement projects are underway, NCDOT will require substantial cash flow support while awaiting federal reimbursements. The Department's existing cash reserves are already committed to routine operations and ongoing programs, making additional financial resources essential to ensure long-term sustainability and the continued functionality of vital infrastructure.

Structures in scope for transportation estimates include:

- Public roads, bridges, tunnels, and sidewalks maintained by the State;
- Municipal roads, bridges, tunnels, and sidewalks;
- Private roads, bridges, and culverts;
- Public transit, including bus systems;
- Rail and rolling stock; and
- Ports and airports.

Private Roads and Bridges – The OSBM’s Disaster Recovery section has extrapolated data from previous storms, such as Tropical Storm Fred, to estimate the impact on private infrastructure in counties affected by Hurricane Helene. OSBM used this to estimate the potential number of affected private roads and bridges across counties hit by Hurricane Helene and scaled up the impact based on North Carolina Emergency Management (NCEM) advice on the severity of the damage relative to previous events. Private

¹⁸ December 2024 Report for the NC Office of State Budget and Management (OSBM) Page 56

roads make up almost half of all roads in the region – more than 7,000 private roads, bridges, and culverts have been damaged.

While FEMA has already approved funding for over 3,000 minor repairs, significant support will be needed for larger repair and replacement projects. The unique nature of the mountainous terrain in western North Carolina presents additional challenges requiring specialized approaches to road and bridge repair, and the figure below is indicative of the terrain and issues faced in establishing and maintaining access to homesites via private roads and bridges. Note the steep incline of the road and the fact that there is significant washout along the edges of the road.

Figure 8: Photo of Damaged Private Access Road, Henderson County, October 9, 2024. Credit: NCDOT



Key issues of concern for repair of Helene-related infrastructure damage include:

- **Construction costs:** The assessment for infrastructure damage conservatively assumes construction costs will be 15% higher than estimated due to a shortage of available construction services and/or an increase in the cost of raw material and labor driven by multiple concurrent disasters across the Southeast. Experience from Hurricanes Matthew, Katrina, Harvey, and Florence, and Superstorm Sandy suggests similar shortages drove construction costs 8-20% higher in the aftermath of the event.¹⁹ In addition, Hurricane Helene construction costs are likely to be driven up by the continued impact of the pandemic recovery and more difficult terrain.
- **Damage Magnitude:** Proportional damage numbers, e.g., percent of roads damaged or destroyed, from county severity classification and inspection of locations with higher flooding, landslides, and

road incidents.

- **Hazard Mitigation Costs:** The damage to road and bridge infrastructure across the Helene-impacted area is substantial, and hazard mitigation measures will be necessary to reduce future risks and long-term costs. OSBM estimates that \$1.7 billion will be needed for infrastructure and technology upgrades across Western North Carolina, including improvements to strengthen transportation, utilities, and other critical systems. Of this total, \$1.28 billion is expected to be allocated for hazard mitigation efforts specifically related to roads and bridges. This estimate was calculated by applying OSBM-reported mitigation cost factors, which range from 10% to 30% of total repair and replacement costs, to the \$6 billion in state-maintained road and bridge damage, \$1.38 billion in municipal road network damage, and \$460 million in private road and bridge damage. Using midpoint values within these ranges, a conservative estimate of \$1.28 billion was determined.

2.4 Economic Revitalization

Western North Carolina is forever changed in the wake of the devastating impacts of Hurricane Helene, significantly impacting the area's economy. Thousands of businesses in the region suffered damage from rushing flood waters, landslides, wind, and falling trees. Even businesses spared from direct damage were often cut off from workers and customers due to washed-out roads or being unable to open due to extended outages of electricity, water, sewer, and communications.

Figure 9: Poverty Branch Road, Madison County, September 29, 2024. Credit: NCDOT.



The findings of this analysis confirm that the economic devastation from Hurricane Helene is unparalleled in modern State history: nearly \$16 billion in total impact. The total includes an estimated \$3 billion in damage to business and non-profit property, including structures, equipment, and vehicles; plus \$435 million in needs for hazard mitigation; and more than \$12.4 billion in economic loss from reduced business revenue, resulting in billions of dollars less income for workers and business owners. OSBM estimates payments from private insurance, federal grants and subsidized loans, State funding, unemployment insurance, and other assistance will cover about \$3 billion of the \$16 billion total damage and needs.

Most of the damage from Hurricane Helene was concentrated in the western third of the State. Western North Carolina is home to scenic parks and cultural attractions that drive tourism and support local hospitality, retail, and restaurant businesses. Seasonal tourism surrounding “peak leaf season” in fall is particularly important in many of the counties most affected by Helene, with local businesses regularly citing the relative importance of October to annual revenue. The mountains receive nearly 30% of annual visitor spending in fall and early winter, totaling more than \$2 billion in western North Carolina during the prior fall season.

Several counties within the affected region rely on arts, entertainment, recreation, accommodation, and food services for 5% or more of total employment, much higher than the 1-3% share for those industries in most other areas of the State. Of the 100 counties in the State, 39 are eligible for FEMA IA. Those counties:

- Make up 45% of the State’s total GDP (20% excluding Mecklenburg and Forsyth Counties);
- Host 115,237 separate employer business establishments (46% of which have five or fewer employees);
- Are home to an additional 384,000 “mom and pop” businesses with no employees and \$18.7 billion in receipts;
- Had an average unemployment rate of 3.3% in 2023, lower than the State average of 3.5%.
- Are home to unique businesses that play major roles in supplying products for specific industries, including Baxter International in McDowell County, an intravenous (IV) fluid manufacturer whose North Carolina plant supplies 60% of IV fluids nationwide, and quartz mining operations in Spruce Pine, which supply most of the world’s high-purity quartz for semiconductors and other technologies worldwide.²⁰ Following Hurricane Helene, some businesses have begun to clean up and reopen after initial disruptions but face obstacles to complete recovery, particularly in the hardest-hit counties.

Although regional unemployment data lags the effects of major disaster events, initial unemployment claims in the State in the week after Hurricane Helene spiked to more than three times the average in 2024 thus far. Although unemployment in the region was, on average, lower than the State unemployment rate before the storm, the unemployment rate in the affected region rose to a range of

²⁰ NPR. “A tiny town just got slammed by Helene. It could massively disrupt the tech industry.” October 1, 2024. <https://www.npr.org/2024/09/30/nx-s1-5133462/hurricane-helene-quartz-microchips-solar-panels-spruce-pine>

6% to 9% in the month after Hurricane Helene struck.

As of March 23, 2025, FEMA provided more than 157,000 households with housing and other assistance related to the effects of Hurricane Helene, totaling approximately \$410 million in support. FEMA assistance to families helps sustain local consumer spending, which helps businesses that remain open but are experiencing lower sales from a lack of out-of-town visitors.

FEMA reported that over 90% of gas stations, grocery stores, and pharmacies in the area affected by Helene had resumed conducting transactions by October 13. These locations represent key consumer staples, and spending levels in these stores were nearing pre-Helene levels. Other businesses, however, are operating far below pre-Helene levels.

2.4.1 Agricultural Economic Impacts

Economic damage in the agricultural sector due to Helene is estimated at \$4.9 billion. The direct damage and needs estimate is \$4.1 billion, comprising farm infrastructure, machinery, and equipment damage; crop, forestry, and trout farm losses; stream debris removal and stabilization needs; agricultural land restoration needs; wildfire risk response; and mitigation efforts. Livestock, dairy, and poultry producers experienced significant infrastructure damage but limited animal losses.

There is an estimated additional \$783 million in indirect and induced impacts from crop losses. In addition to these economic “ripple effects” from crop losses, the disruption of the peak tourism season in the region will have substantial, but unquantified, impacts on agricultural businesses. Agritourism and direct-to-consumer sales are a significant part of the agricultural economy in western North Carolina. Federal funding requests estimated insurance coverage, and State appropriations to date are expected to cover \$1.6 billion of the damage, leaving \$3.3 billion unfunded.

Agricultural production in the mountains tends to be predominantly small, diverse operations. As of 2022, U.S. Department of Agriculture – National Agricultural Statistics Service (USDA-NASS) survey data indicates there were approximately 18,600 farms in the 37 western counties impacted by Hurricane Helene. This western region is also home to large fresh produce farms. The region’s proximity to large population centers in the Southeast and its cooler mountain climate allow it to grow cool season crops near large markets.²¹

Agricultural production in the region is primarily specialty crops with limited federal crop insurance coverage. The Greenhouse, Nursery, and Floriculture sector is the largest sector of the farming community with annual revenues of over \$400 million. Nursery and vegetable produce operations were particularly devastated by Hurricane Helene. Many of these businesses are located in low-lying areas that suffered the worst flooding and swift water destruction. The majority of vegetable, nursery, and sod crops in these locations were lost. Initial estimates indicate that over 80% of plant nurseries were destroyed and inventories can take one to eight years to re-establish.

²¹ Of the 39 FEMA-designated counties, Lee and Nash are excluded from this analysis as they were only impacted by tornadic activity.

Beyond the immediate production losses, for the agricultural community to recover, significant remediation efforts are needed to restore farmland, pasture, and forestland from the effects of high winds, landslides, extreme erosion, sediment deposits, and stream redirection.

3 Mitigation Needs Assessment

Figure 10: Aftermath of Helene-Triggered Mudslide, September 28, 2024. Credit: NCDOT



Western North Carolina also includes a significant number of privately maintained roads and bridges, with municipal and private roads making up 48% of all roads in the region compared to 41% for North Carolina as a whole. This higher proportion of non-state-maintained infrastructure adds further complexity to recovery efforts. The Office of State Budget and Management (OSBM) has extrapolated data from previous storms, such as Tropical Storm Fred, to estimate the impact on private infrastructure in counties affected by Hurricane Helene. OSBM used this to estimate the potential number of affected private roads and bridges across counties hit by Hurricane Helene and scaled up the impact based on Emergency Management advice on the severity of the damage relative to previous events.

Private roads make up almost half of all roads in the region – more than 7,000 private roads, bridges and culverts have been damaged. The following table from the Housing Impact Assessment identifies the ten counties with the greatest number of private roads and bridges requiring replacement and repair. As this information is from a FEMA analysis in early November 2024, it is likely to underestimate the actual need.

Table 16: Top 10 Declared Counties with Private Bridges and Roads in Need of Replacement or Repair

County	Number of Roads and Bridges
Buncombe	1,480
Yancey	626
Henderson	591
Watauga	487
Mitchell	404
Avery	295
Haywood	277
McDowell	250
Ashe	242
Rutherford	119

While FEMA has already approved funding for over 3,000 minor repairs, significant support will be needed for larger repair and replacement projects. The unique nature of the mountainous terrain in western North Carolina presents additional challenges requiring specialized approaches to road and bridge repair. For this reason, NCDOC is planning on using a substantial portion of its CDBG-DR mitigation set aside to help address these costs for homeowners.

The following table sets forth NCDOC’s proposed allocation of CDBG-DR mitigation funding across the three core aspects of recovery as cited by HUD.

Table 17: CDBG-DR Mitigation Set-Aside Needs Assessment and Allocation (in Millions)

Categories Affected	Total Need (Column A) ²²	Financial Assistance Budgeted and Obligated as of March 23, 2025 (Column B)	Unmet Need (A-B)
Housing	\$1,926	\$0	\$1,926
Infrastructure	\$2,975	\$0	\$2,975
Economic Revitalization	\$644	\$0	\$644
TOTAL	\$5,545	\$0	\$5,545

²² Sourced from OSBM Report table referenced in section 1.2.1.3 of the Action Plan. Infrastructure amount is sum of Strengthening and Mitigation amounts for Utilities and Natural Resources plus Transportation. Economic Revitalization amount is sum of amounts indicated for Economy plus Agriculture.

3.1 North Carolina Enhanced Hazard Mitigation Plan

The [North Carolina Enhanced Hazard Mitigation Plan](#) (Enhanced HMP), updated in 2023, is a comprehensive, federally approved framework designed to identify and address the State’s most significant hazards. Developed collaboratively by State agencies, local governments, and key stakeholders, including EM professionals and environmental organizations, the Enhanced HMP serves as the foundation for guiding mitigation priorities and strategies statewide. The 2023 update reflects new data, emerging risks, and lessons learned from recent disasters, aligning with FEMA’s hazard mitigation planning requirements and serving as a critical resource for reducing the impact of natural and human-made disasters.

The Enhanced HMP outlines key priorities, including enhancing community resilience, reducing vulnerabilities in infrastructure and housing, and supporting at-risk populations. This mitigation section builds on the Enhanced HMP’s foundation by tailoring strategies to address the impacts of Hurricane Helene, leveraging recent findings from updated damage assessments and integrating targeted recommendations to address unmet needs in housing, infrastructure, and public health.

3.1.1 Current Mitigation Efforts by the State of North Carolina

The State has developed a range of mitigation programs to address North Carolina’s most pressing vulnerabilities. These initiatives are aligned with the goals of the Enhanced HMP and focus on reducing risks, building community resilience, and improving infrastructure. By prioritizing data-driven strategies and leveraging State and federal resources, these programs aim to address specific hazards while promoting equitable and sustainable recovery efforts.

FLOOD RESILIENCY BLUEPRINT

Led by the NCDEQ, [the North Carolina Flood Resiliency Blueprint](#) (the Blueprint) aims to identify and prioritize flood mitigation projects across the State. It provides tools to assist local governments in floodplain management, risk assessments, and implementation of nature-based solutions. Recent projects include comprehensive flood modeling in high-risk counties and the establishment of community-level flood action plans. More information is available at: <https://www.deq.nc.gov/energy-climate/flood-resiliency-blueprint>

NATURAL INFRASTRUCTURE FLOOD MITIGATION PROGRAM

[The Natural Infrastructure Flood Mitigation Program](#) (NIFMP), administered by NCDEQ, emphasizes using ecological approaches to mitigate flood risks in key watersheds. Projects include wetland restoration, stream bank stabilization, and the implementation of green infrastructure in urban areas to reduce runoff. The program has successfully funded initiatives that simultaneously improve water quality and reduce flooding. Additional details can be found at: <https://www.deq.nc.gov/about/divisions/mitigation-services/natural-infrastructure-flood-mitigation-program>

LAND AND WATER FUND FLOOD RISK REDUCTION GRANT PROGRAM

The North Carolina Land and Water Fund's (NCLWF's) Flood Risk Reduction Grant Program's focuses on economically distressed areas, providing grants for designing and implementing flood mitigation projects. Under the auspices of the NC DNCR, the NCLWF continues to prioritize resources for underserved communities and has funded projects such as levee repairs and stormwater management enhancements. More information is available at: <https://nclwf.nc.gov/>

HAZARD MITIGATION ASSISTANCE PROGRAMS

Administered by [North Carolina Emergency Management](#) (NCEM), this suite of programs includes the Hazard Mitigation Grant Program (HMGP), Building Resilient Infrastructure and Communities (BRIC) program, and Flood Mitigation Assistance (FMA) grant program. These programs provide critical funding for long-term mitigation measures, such as elevating homes, reinforcing public buildings, and improving drainage infrastructure. More information is available at: <https://www.ncdps.gov/our-organization/emergency-management/hazard-mitigation>

EMERGENCY MANAGEMENT DISASTER RELIEF AND MITIGATION FUND

The \$15 million Emergency Management Disaster Relief and Mitigation Fund, administered by [NCEM](#), supports technical assistance (TA) and disaster relief. It aims to close gaps in recovery and mitigation efforts by ensuring resources are available to communities most in need. Recent allocations have included support for rural areas to develop emergency response capabilities and integrate hazard mitigation into local planning efforts. More details can be found at: [NCEM Portfolio of Grants | NC DPS](#)

PRIORITY HAZARDS IDENTIFIED IN THE NORTH CAROLINA ENHANCED HMP

[The State's Enhanced HMP](#) identifies the hazards that pose the most significant risks to communities across the State. These hazards are prioritized not only based on their potential to disrupt daily life and cause extensive damage but also on their impact on public safety and long-term resilience. By serving as a foundational document, the Enhanced HMP ensures that mitigation strategies align with the State's overarching goals to protect people, property, and critical infrastructure. Central to this prioritization is the Priority Risk Index (PRI), a systematic tool used to evaluate and rank hazards. The PRI assigns numerical scores to hazards based on five key factors: probability, impact, spatial extent, warning time, and duration. Higher PRI scores indicate greater risk, with scores closer to 3.0 reflecting more severe threats compared to lower scores closer to 1.0, which denote less significant risks. This scoring system ensures that the State focuses its mitigation efforts on the most critical hazards. Historical data from the National Weather Service (NWS) Storm Events Database (<https://www.ncdc.noaa.gov/stormevents/>) complements this prioritization by providing empirical evidence on the frequency, severity, and impact of past events.

Table 18: Hazard Type and Key Impacts

Hazard Type	Fatalities	Injuries	PRI Score	Key Characteristics
Hurricanes and Coastal Storms	59	31	2.8	High winds, storm surges, and inland flooding
Flooding	173	37	2.8	Flash flooding and riverine flooding
Severe Weather Events	178	2,581	2.9	Tornadoes, thunderstorms, hail, and lightning
Wildfires	0	0	1.8	Increasing risks due to drought
Extreme Weather	54	209	2.5	Varied

HURRICANES AND COASTAL STORMS

Mitigation strategies for hurricanes and coastal storms focus on enhancing evacuation procedures, reinforcing coastal infrastructure, and promoting flood-resistant construction practices. Programs like the HMGP and BRIC provide critical funding for these efforts. Mitigation strategies include enhancing evacuation procedures, reinforcing coastal infrastructure, and promoting flood-resistant construction practices.

FLOODING

To address the recurring threat of flooding, the State prioritizes stormwater management, floodplain preservation, and infrastructure improvements. Initiatives such as the Blueprint and NIFMP emphasize nature-based solutions and community-level flood mitigation planning.

SEVERE WEATHER EVENTS

Mitigation strategies for severe weather include public awareness campaigns, advanced early warning systems, and adherence to storm-resistant building codes. These measures aim to reduce the impacts of tornadoes, thunderstorms, and hail on communities and infrastructure.

WILDFIRES

The State’s wildfire mitigation strategies focus on forest management, community outreach on fire prevention, and strategic fuel reduction practices. These efforts aim to minimize wildfire risks while protecting ecosystems and residential areas. Working through the Carolina Land and Lakes Resource Conservation and Development Council (Carolina Land & Lakes), a majority of counties encompassed by the Helene major disaster declaration are beneficiaries of [Community Wildfire Defense Grant](#) funding under the Bipartisan Infrastructure Law (BIL) and are updating expired Community Wildfire Protection

Plans (CWPPs) or developing their first CWPPs.

WEATHER-RELATED HAZARDS AND ADAPTATION

Mitigation efforts focus on strengthening community resilience to extreme weather events through risk reduction strategies, resilient infrastructure, and adaptation measures. These initiatives help address hazards such as extreme heat, cold, and flooding by enhancing infrastructure durability and reducing long-term vulnerabilities.

IMPACTS OF HURRICANE HELENE ON THE STATE

The following findings draw upon two key documents that analyze the impacts of Hurricane Helene and provide insights into the vulnerabilities and unmet needs across the State. These documents include the Saint Bernard Project Preliminary Unmet Needs Assessment (SBP PUNA), developed by the Saint Bernard Project (SPB), which assesses housing and infrastructure impacts, and the OSBM report from December 2024, which provides a comprehensive evaluation of the economic, infrastructural, and community-level damages. Together, these reports form the basis for identifying critical gaps and priorities in mitigation efforts.

HOUSING DAMAGE

Hurricane Helene caused severe damage to LMI housing in affected counties, particularly in rural and coastal regions, leaving many unable to return to their homes for prolonged periods. The SBP PUNA documents that over 30% of impacted households experienced displacements in the six months since Hurricane Helene impacted North Carolina. Families often relocated multiple times due to limited housing availability, compounding economic and emotional stress. Recovery challenges were particularly acute in rural areas where affordable housing stock was already limited, underscoring the need for targeted investments in housing resilience. Strategies such as retrofitting homes, elevating structures, and implementing acquisition programs for repetitive loss properties are critical. Funding programs like HMGP and CDBG-DR can support these efforts.

CRITICAL INFRASTRUCTURE

Key infrastructure such as transportation networks, water supply, and electricity systems suffered extensive damage during Hurricane Helene. Rural areas experienced power outages that lasted over 21 days, severely disrupting daily life and economic activity. Transportation disruptions further delayed emergency response and supply chains. Infrastructure assessments revealed that 70% of the damaged systems were constructed before 1980, highlighting the pressing need for modernization and improved resilience standards. Coordination with housing strategies is essential, as infrastructure resilience directly supports housing stability.

ECONOMIC IMPACT

The OSBM report estimates total economic damage from Hurricane Helene in the tens of billions of dollars, with significant losses in agriculture and fisheries. Crop failures due to prolonged flooding reduced annual revenues by 38% in some counties, crippling local economies and leaving many small farmers without viable recovery paths. Small businesses faced similar challenges, with an average of 45% reporting revenue losses post-disaster. Investment in resilient housing and economic recovery programs is vital to stabilizing these communities.

HEALTH AND SAFETY

Public health crises emerged in the aftermath of Hurricane Helene, including spikes in waterborne diseases and increased mental health challenges. Rural healthcare facilities reported a 150% increase in patient volumes, straining limited resources. Long-term mental health impacts were particularly pronounced among displaced populations, with a 30% increase in reported cases of anxiety and depression in impacted areas. Enhancing healthcare capacity and integrating health-focused elements in housing recovery plans are recommended.

CORRELATION AND SYNTHESIS

The findings from the OSBM report, the SBP PUNA, and the PRI rankings reveal overlapping vulnerabilities that highlight critical areas for intervention. Housing and infrastructure are particularly susceptible to damage from hurricanes and flooding. Furthermore, economic and public health consequences stress the need for integrated mitigation strategies that address immediate recovery and long-term resilience.

Recommendations for Mitigation Strategies:

The recommendations below are derived from the Enhanced HMP and OSBM Hurricane Helene Report.

One category of major need – addressing mitigation and resilience through repairs to private roads and bridges – cuts across both the housing resilience and the infrastructure categories outlined below.

Western North Carolina includes a significant number of privately-owned roads, bridges, and culverts that provide access to individual housing units or small clusters of houses.

The current estimate of private road and bridge projects to be addressed could be as high as 7,000. FEMA has been addressing the need for permanent repair if the repair is such that a temporary approach would fail to provide the requisite level of safety or emergency access. On this point, FEMA approved funding for over 3,000 minor repairs as of December 2024, but significant support will be needed for larger repair and replacement projects.

However, for many individuals who will qualify for CDBG-DR assistance to rebuild or repair a home, providing access is a critical component of returning them to their homes and they almost uniformly lack the resources to address road and/or bridge repairs. Further, NCDOT has an interest in mitigating against the possibility that a future flood event could again eliminate their ability to move out of harm's way.

OSBM originally projected that \$350 million in CDBG-DR funding would be necessary to address needs associated with rebuilding these critical links for homeowners. The reality is that NCDOC will be unable to adequately address this critical issue. However, as part of its overall mitigation strategy, NCDOC proposes distributing a portion of the ~\$130.4 million allocated for Reconstruction and Rehabilitation of Owner-Occupied Housing mitigation funding towards those efforts.

1. Enhancing Housing Resilience

- Improve safety for resident through mitigation and resilience investments that strengthen roads and bridges providing access to housing units that are difficult to access.
 - Implement stricter building codes focused on hurricane and flood resistance, as emphasized in the HMP.
 - Expand funding for retrofitting existing housing and developing affordable, resilient housing stock.
 - Promote acquisition programs for repetitive loss properties and support elevation projects in flood-prone areas, aligning with OSBM recommendations.

Example: Retrofitting homes in high-risk areas could yield a 4:1 return on investment by preventing future damages.

2. Upgrading Infrastructure

- Prioritize investments in stormwater management systems, transportation resilience, and utility redundancy, consistent with HMP goals.
- Establish regional hubs for emergency services to ensure faster response times, as highlighted in OSBM analyses of infrastructure weaknesses.

3. Creating Economic Recovery Programs

- Provide grants and low-interest loans to support small businesses and key sectors like agriculture, addressing economic vulnerabilities outlined in the OSBM report.
- Establish a State-backed insurance pool to ensure quicker financial recovery, connecting economic stability to housing recovery efforts.

4. Strengthening Emergency Preparedness

- Invest in modernized early warning systems and real-time monitoring technologies, aligning with HMP strategies for disaster preparedness.
- Expand training programs for local EM personnel, with a focus on protecting housing and infrastructure during disasters.

5. Integrating Public Health Measures

- Strengthen healthcare infrastructure in rural areas to handle surge capacity, a recommendation supported by OSBM findings on post-disaster health impacts.
 - Launch mental health support initiatives and public awareness campaigns on disaster preparedness, integrating health considerations into housing recovery plans.

Resiliency Efforts: The recovery investments afford an opportune time to efficiently introduce building, infrastructure, and technology upgrades that will ensure that future storms do not cause the same level of destruction, better safeguarding both public safety and economic stability. Four categories of resiliency efforts have been identified: Water Infrastructure Resiliency & Interconnections Fund (\$500 million), Stormwater Systems Resiliency (\$60 million), Dams Repairs & Overtopping Study (\$760 million), and Natural Resource Stewardship (\$375 million). Providing resiliency funding for water systems to interconnect to neighboring water systems supports communities with a backup option should a water system go offline for an extended period.

Due to the terrain in western North Carolina, interconnections that are more common in the rest of the State tend not to exist in the impacted region. DEQ estimates a need of \$500 million for interconnections between water and wastewater systems to join two water sources or systems allowing water to be transferred between them. Bolstering stormwater and dam resilience will curb against future catastrophic flooding. Before Hurricane Helene, there was already a high need for repair and upgrades to dams and stormwater systems across the region. DEQ estimates a need of \$60 million for stormwater measures for further resiliency, such as wet ponds, bioretention cells, infiltration systems, stormwater wetlands, sand filters, and permeable pavement.

DEQ estimates an additional need of \$760 million to assess and repair high-hazard dams that pose a substantial threat to the health, safety, and welfare of downstream residents and businesses. The renovations for resiliency measures previously made on the North Fork Dam stopped even more catastrophic damage from impacting communities, and additional dams across western North Carolina need to implement similar resiliency measures. DEQ estimates a total of \$375 million needed to increase natural resource resiliency. Part of this is a need of \$15 million for flood mitigation projects to prepare for future storms through the NIFMP within the Division of Mitigation Services and an additional \$20 million to protect water quality, wildlife habitat, and provide open space through DEQ's Stewardship Program.

DEQ also identified \$40 million in mapping needs, as Hurricane Helene caused over 2,000 landslides in western North Carolina, with 260 of them damaging multiple homes or posing an imminent threat to residents. Last, DEQ requires an estimated \$300 million for future-flood resiliency projects in eight river basins, including Hiwassee, Little Tennessee, Savannah, French Broad, Broad River, Catawba, Watauga, and New River, Yadkin-Pee-Dee.²³

EXPERIENCE USING CDBG FUNDING FOR MITIGATION PURPOSES

The State has experience using CDBG funding for mitigation purposes as it received CDBG-Mitigation (CDBG-MIT) funding in the wake of Hurricanes Matthew (2016) and Florence (2018). The State received a total of \$202 million of CDBG-MIT funding for these events and has implemented a series of programs and activities that address HUD's requirements for qualifying mitigation expenditures. These programs and activities are outlined below, and the State will leverage the experience gained with this portfolio to inform and improve its delivery of mitigation actions as part of the Helene recovery.

²³ December 2024 Report for the NC OSBM, Page 52

- **Strategic Buyout Program** – This program designates Disaster Risk Reduction Areas (DRRAs) in areas that are particularly vulnerable to property damage from future disasters and provides funding for the purchase of eligible properties in DRRAs.
- **Infrastructure Recovery Program** – This program provides funding to repair, replace, rebuild, make more resilient, or improve public facilities that were damaged by Hurricanes Florence and Matthew, and engages in public service activities that support community recovery. Projects are prioritized based on their ability to reduce risk and loss of life and property during future disasters and to improve resilience to future severe weather events.
- **Public Housing Restoration Fund** – This fund provides funding to rehabilitate, repair, or replace PHA properties that were negatively affected by Hurricanes Florence and Matthew. Funds are also used to address unmet recovery long term and mitigation, or to make facilities more resilient from future storm events.
- **Affordable Housing Development Fund** – The Affordable Housing Development Fund was established to create new housing stock in a way that is more responsive to the needs of the recovering community while mitigating the effects of potential future hazards through resilient design and planning.
- **Homeownership Assistance Program** – This program allows for up to \$20,000 in down payment assistance for eligible applicants and up to \$30,000 for applicants who are first-generation homebuyers, plus up to 5% in reasonable and customary closing costs incurred by first-time buyers to move to areas that would be more resilient to potential future hazards.
- **Code Enforcement and Compliance Support Program** – To account for the increased demand for code enforcement due to increased construction work associated with mitigation activities, the Code Enforcement and Compliance Support Program identifies deteriorated or deteriorating areas and provides funding and resources to carry out code enforcement activities necessary to complete disaster recovery in those areas.

Further, the State has undertaken or completed the following CDBG-MIT funded resilience planning and TA activities:

- **Regions Innovating for Strong Economies and Environment (RISE) Regional Resilience Portfolio Program** - [RISE](#) supported resilience in storm-impacted regions of the State by providing TA to partners to support risk assessments, identify priority risk reduction actions, and enhance resilience.
- **NC Resilience Exchange** - [The NC Resilience Exchange](#) is an online resource for data, case studies, guidance, and funding opportunities for NC communities. The site provides local leaders with information about how hazards will affect their communities and resources to plan and implement projects to address those risks.
- **Heat Action Plan Toolkit** - [The Heat Action Plan Toolkit](#) was developed by the State Climate Office (SCO) of North Carolina and the Carolinas National Oceanic and Atmospheric Administration (NOAA) Climate Adaptation Partnership (CAP) for use by local governments to reduce the human health impacts of extreme heat events and increasing temperatures.
- **Eastern NC Community Floodprints** - CDBG-DR and CDBG-MIT planning funds have been deployed

to develop landscape planning “floodprints” for MID communities affected by Hurricanes Matthew and Florence.

- **NC Resilient Coastal Communities Program (RCCP)** - This State, local, and private partnership provided partial funding for TA and financial assistance to help local communities overcome barriers in coastal resilience and adaptation planning, and to boost local government capacity in the State’s 20 coastal counties.
- **Statewide Probable Maximum Precipitation Study for North Carolina** - NCDEQ is supporting a study of the probable maximum amount of precipitation at a location for a given duration that is meteorologically possible (the “worst case” scenario for rain or snow). This updated data will support watershed and resilience planning by helping governments and other entities plan for the design, location, and relocation of water infrastructure — such as dams, culverts, and drainage networks — and ensure safety and functionality.
- **NIFMP and Nature-Based Flooding Solution** - NCDEQ is using planning funds to develop the NIFMP.
- **Atlas 14 Rainfall Statistics Update** - NCDOT is supporting actions to update the NOAA’s “Atlas 14” precipitation intensity, duration, and frequency estimates. This data is used by the public and private sectors for infrastructure design purposes.
- **Regional Precipitation Frequency Estimates and Data System** – Updates the Statewide Intensity-Duration-Frequency (IDF) curves to account for climate change projections and quantify future climate-related risks.
- **Downscaled Climate Projection Development** – The SCO is developing a suite of climate projections at smaller spatial scales, such as single watersheds, for use by local and regional stakeholders.

4 Connection Between Proposed Programs and Projects and Unmet Needs and Mitigation Needs Assessments

4.1 Allocation and Award Caps

The NCDOC is the lead agency and responsible entity for administering \$1,428,120,000 in CDBG-DR funds allocated for Helene recovery efforts. CDBG-DR funds available to address unmet needs will be allocated to basic program categories pursuant to the table below.

Table 19: CDBG-DR Program Allocation and Funding Thresholds

Eligible Cost Category	CDBG-DR Allocation Amount	Percent of CDBG-DR Amount*	CDBG-Mitigation Set-Aside	Estimated Percent of CDBG-DR Mitigation Set-Aside	Total CDBG-DR and Mitigation Amounts by Eligible Cost Category	Estimated Percentage of All Funds to Combined MID Areas	Estimated Percentage of All Funds to Overall LMI Benefit
Administration (5% of \$1.428B)	\$71,406,000	5.00%			\$71,406,000		
Rental Housing	\$172,712,300	12.09%	\$18,627,700	10.00%	\$191,340,000	100.00%	100.00%
Reconstruction and Rehabilitation of Owner-Occupied Housing/Workforce Housing for Ownership	\$721,026,250	50.49%	\$139,707,750	75.00%	\$860,734,000	100.00%	100.00%
Infrastructure	\$174,872,300	12.24%	\$18,627,700	10.00%	\$193,500,000	100.00%	80.00%
Economic Revitalization	\$101,826,150	7.13%	\$9,313,850	5.00%	\$111,140,000	100.00%	80.00%
CDBG-DR Mitigation Set-Aside	\$186,277,000	13.04%**				100.00%	97.00%
TOTAL	\$1,428,120,000	100.00%	\$186,277,000	100.00%	\$1,428,120,000	100.00%	95.73%
Percent of Total	100.00%	100.00%	15%**	100.00%	100.00%	100.00%	95.73%

* Percentages derived from total allocation (Activities + Mitigation) due to Administration amount applied to entirety of the allocation.

**CDBG-DR Mitigation Set Aside (\$186,277,000) is 15% of the CDBG-DR Allocation for Unmet Needs (\$1,241,843,000) but represents 13.04% of the CDBG-DR plus Mitigation total (\$1,428,120,000).

NCDOC’s program allocation choices have been primarily driven by the OSBM report which indicated housing recovery as being the area having overwhelming direct need. As there is no other significant source of public funding to promote housing recovery for low- and moderate-income North Carolinians negatively impacted by Helene, NCDOC views CDBG-DR as the appropriate resource for housing recovery given the needs presented. While the allocation of CDBG-DR to housing needs is above a strictly proportional share, NCDOC views this as an appropriate overweighting given the notable lack of other

Federal resources available for housing recovery.

To further support the proposed housing allocation, NCDOC notes that substantial infrastructure repair and reconstruction funding is available through FEMA's Public Assistance program and the US Department of Transportation's various federal highway programs. Regarding economic revitalization, the SBA has been active in promoting business loan programs that it administers, and the US Commerce Department's Economic Development Administration received funding in December 2024, a portion of which should ultimately be available to assist western North Carolina. Further, given the extensive damage to agricultural interest, North Carolina is counting on assistance via various programs available through the US Department of Agriculture to help stabilize the long-term situation.

The unique and rugged topography of western North Carolina means that flat, easily accessible land is at a true premium and that a high proportion of homes and other housing units can only be accessed by roads and bridges that are not publicly owned. It is unlikely that NCDOC can successfully implement an effective housing recovery program in western North Carolina without addressing the private road and bridge issue and thus sees CDBG-DR mitigation funding for these costs as a public safety concern given that ingress and egress is critical to the long-term viability of housing and communities in this mountainous region. On the other hand, NCDOC recognizes that there are other geographic challenges related to home construction in these areas that would warrant similar mitigation funding. In light of the varied needs and barriers for homeowners, then, NCDOC has allocated ~\$130.4 million of the available ~\$186.3 million of available CDBG-DR mitigation funding to the Housing Reconstruction and Rehabilitation Program for the benefit of owner-occupied single-family housing, with the expectation that some portion may be utilized to address damaged private roads and bridges on a case-by-case basis.

NCDOC notes that it is not proposing to implement any programs focused on the acquisition or buyout of real property but does permit acquisition as a complimentary eligible activity under each program to be funded. To minimize displacement and assist those who might be displaced by projects funded with CDBG-DR dollars, NCDOC will follow the requirements of the Uniform Relocation Act (URA), applicable HUD and US DOT regulations implementing the URA, as well as other Federal statutes bearing on the rights of individuals and businesses if they are impacted by those Federally funded projects. NCDOC will develop and follow a Residential Anti-Displacement and Relocation Assistance Plan to guide its actions and those of its subrecipients where necessary.

On a related point, NCDOC recognizes HUD's directive to provide a general exception criteria, when necessary, to maximum award amounts for each program to comply with federal accessibility standards or to reasonably accommodate a person with disabilities. NCDOC will incorporate this general exception into its policies and procedures for each program.

At a minimum, 70% of program funds must meet the LMI National Objective. The flagship Housing Reconstruction and Rehabilitation (Housing R&R) program will prioritize very low- and low-income households, with the greatest prioritization for households with incomes less than 60% of AMI. Households with income at or above 120% of AMI will not be eligible for this program.

NCDOC is procuring an implementation vendor to assist with the operation of intake centers for program applicants. This vendor will be procured with an emphasis on ample outreach and program accessibility. In partnership with this vendor, the State will develop a comprehensive outreach campaign and, where applicable and feasible, may provide services and mobile outreach centers to ensure all households have support to complete a pre-application survey, and will provide additional assistance to those invited to formally apply.

Additionally, households with one or more of the following characteristics will be prioritized and invited to apply in the earliest applicable phase: households with members 62 and older, households with children under the age of 18, and households with special needs or special accommodation requirements (disabled).

The Workforce Housing Program will be 100% targeted to LMI individuals, including the elderly. The housing ownership opportunities created by this program will also reduce the risk of homelessness by funding developments to serve LMI households.

Table 20 below responds to HUD's request for side-by-side review of unmet needs and related program allocations. NCDOC has used the direct impact data collected by OSBM as reflected in Table 3 regarding Quantified Disaster Impacts. As OSBM did not break out rental versus owner occupied housing, NCDOC opted to allocate 30% of total direct housing need to rental housing and 70% to owner occupied housing which is consistent with many public comments received on the draft Action Plan. The infrastructure unmet need is the sum of the utilities and transportation line items from Table 3 while economic revitalization is the sum of the economy and agriculture line items. The public service estimate relies upon the health and human services line item from Table 3.

Table 20: Unmet Needs and Proposed Allocations of CDBG-DR and Mitigation Funds

Eligible Cost Category	Direct Unmet Need (Based on NC OSBM Estimates)	% of Unmet Need	% of CDBG-DR Funding to be Expended in the Combined MID Areas	CDBG-DR Plus Mitigation Allocation	% of CDBG-DR Allocation (Including 15% Mitigation Set-Aside)
Administration (5% cap)	-	-	-	\$ 71,406,000	5.00%
Rental Housing	\$4,063,500,000	9.63%	13.40%	\$ 191,340,000	13.40%
Owner-Occupied Housing	\$9,417,800,000	22.33%	60.27%	\$ 860,734,000	60.27%
Infrastructure	\$14,229,000,000	33.73%	13.55%	\$ 193,500,000	13.55%
Economic Revitalization	\$13,748,000,000	32.59%	7.78%	\$ 111,140,000	7.78%
Public Service (15% cap)	\$723,000,000	1.71%	0.00%	\$ -	0%
Total	\$42,181,300,000	100.00%	95%	\$ 1,428,120,000	100%
Funds Not Allocated	-	-	-	\$ -	0%

As noted elsewhere in the Action Plan, NCDOC sees restoration of owner-occupied single-family housing as the key to recovery in western North Carolina. The allocation to that purpose is overweight but the estimated unmet need but that allocation is essentially at the expense of infrastructure and economic revitalization activities. Again, NCDOC sees other sources of funding as available to address those needs while housing recovery is substantially reliant on CDBG-DR as a funding source.

From an overall program implementation standpoint, NCDOC’s goal is to describe its programs and goals in plain language so that Helene survivors and impacted communities can easily understand the recovery assistance that may be available to them and how they may access that assistance. NCDOC understands its responsibility to implement its CDBG-DR program in compliance with the various Federal statutes identified in section 1.2.2.6. of this Plan as well as related certifications and, given the strong focus on housing recovery, will work to ensure that physical accessibility to housing assisted with CDBG-DR funding complies with applicable standards. Finally, NCDOC intends to collect data consistent with applicable requirements and will leverage those data as part of a continuous improvement effort to enhance recovery outcomes for Helene-impacted survivors and their communities.

4.2 Funding Criteria

4.2.1 Administration

NCDOC allocates \$71,406,000 of the total CDBG-DR award for administrative costs associated with the life of the grant. This represents the maximum amount permissible for administrative costs per the CDBG-DR appropriation language of Public Law 118-158 and HUD’s requirements under the Revised Universal Notice. NCDOC advises HUD that it may seek to recover pre-award and/or pre-application costs related to administrative expenses consistent with the guidance provided by Section III.B.14. of the Revised Universal Notice. Such costs may be incurred back to the date of the presidential disaster declaration date (September 28, 2024, for DR-4837-NC).

Table 21: Grantee Administration Activities Overview

Eligible Cost Category	CDBG-DR Allocation Amount	Percent of CDBG-DR Allocation
Administration Total	\$71,406,000	5%
TOTAL	\$71,406,000	5%

4.2.2 Planning

NCDOC is opting not to provide CDBG-DR funding under this allocation for planning activities. The State’s goal is to provide the maximum amount possible for recovery activities given the discrepancy between estimated unmet needs and the CDBG-DR award. Due to the limited initial appropriation, the State will seek to promote planning activities related to recovery by using available State resources and leveraging key partners across the State.

Table 22: Grantee Planning Activities Overview

Eligible Cost Category	CDBG-DR Allocation Amount	Percent of CDBG-DR Allocation (May not exceed 15%)
Planning Programmed TOTAL	\$0	0%
TOTAL	\$0	0%

4.2.3 Housing

The State proposes implementing a series of housing programs to address housing damage caused by Hurricane Helene. These programs will address needs across the housing spectrum, specifically the homeowner, small rental, and larger multifamily segments. Within these programs, there will be the opportunity to address several key priorities expressed by HUD in the Revised Universal Notice, notably supporting public housing and other assisted units. To the extent that special-needs assistance housing has been impacted by Helene, those units may also be eligible for assistance for reconstruction and repair funding.

Table 23: Housing Programs Overview

Eligible Cost Category	CDBG-DR and Mitigation Allocation Amount	Percent of CDBG-DR and Mitigation Allocation
Reconstruction and Rehabilitation (R&R) for Owner-Occupied Units	\$807,354,000	56.53%
Workforce Housing for Ownership	\$53,380,000	3.74%
Multifamily Construction Program	\$191,340,000	13.40%
Housing Programmed TOTAL	\$1,052,074,000	73.67%
TOTAL	\$1,052,074,000	73.67%

4.2.3.1 Reconstruction and Rehabilitation of Owner-Occupied Housing

Table 24: Reconstruction and Rehabilitation of Owner-Occupied Housing Details

Program Title	Reconstruction and Rehabilitation of Owner-Occupied Housing
Total Budget/CDBG-DR Allocation	<ul style="list-style-type: none"> \$807,354,000 (\$676,960,100 CDBG-DR plus \$130,393,900 for mitigation)
Eligible Activities Referenced to Title I of Housing and Community Development Act of 1974 (42 USC 5305(a)) or HUD Revised Universal Notice	<ul style="list-style-type: none"> §5305(a)(1) – Acquisition §5305(a)(3) – Code Enforcement §5305(a)(4) – Clearance, Rehabilitation, Reconstruction and Construction of Buildings, including housing §5305(a)(5) – Removal of Architectural Barriers §5305(a)(7) – Disposition §5305(a)(8) – Public Services §5305(a)(11) – Relocation Payments §5305(a)(13) – Administrative Costs §5305(a)(14) – Assistance to Non-Profit Entities §5305(a)(15) – Assistance to Neighborhood-Based Organizations §5305(a)(20) – Housing Services §5305(a)(24) – Direct Assistance for Homeownership Activities §5305(a)(25) – Tornado Shelters §5305(a)(26) – Lead-Based Paint Hazard Evaluation and Reduction FR Notice -- New Housing Construction FR Notice – Mitigation FR Notice – Buyout
National Objective(s) Referenced To 24 CFR 570, Subpart I and/or HUD Revised Universal Notice	<ul style="list-style-type: none"> LMI Benefit through Housing - 24 CFR 570.483(b)(3) Urgent Need (UN) - 24 CFR 570.483(d)
Lead Agency and Distribution Process	<ul style="list-style-type: none"> NCDOC will oversee the program with contractor support and will undertake necessary environmental review procedures per 24 CFR 58. Distribution process will be direct implementation.
Program Description	<ul style="list-style-type: none"> Program will provide grants for reconstruction or rehabilitation of owner-occupied units seriously damaged or destroyed by the effects of Hurricane Helene. See detailed description following this table.

Program Title	Reconstruction and Rehabilitation of Owner-Occupied Housing
Eligible Geographic Area	<ul style="list-style-type: none"> • Priority will be for seriously damaged or destroyed units in the HUD-Identified MID areas with the State-Identified MID areas having a secondary priority.
Other Eligibility Criteria	<ul style="list-style-type: none"> • Application intake will be staged based on household income level, beginning with households at or below 60% AMI.
Maximum Amount of Assistance per Beneficiary	<ul style="list-style-type: none"> • Grant of up to \$450,000 for reconstruction/rehabilitation including mitigation actions.
Maximum Income of Beneficiary	<ul style="list-style-type: none"> • 120% of AMI
Mitigation Measures	<ul style="list-style-type: none"> • Mitigation will be key component of reconstruction and rehabilitation efforts as road and bridge access to isolated properties will be funded to maintain public safety entry and exit. Elevation of properties will be eligible as mitigation and other property-specific measures. Mitigation represents approximately \$130.4 million of the total budget for this program.
Reducing Barriers for Assistance	<ul style="list-style-type: none"> • Case management services will be provided to applicants. Housing counseling and certain legal services will also be available. The staged application process and related outreach will include a focus on low-income homeowners.

The cornerstone of post-Helene housing recovery will involve the reconstruction and rehabilitation (R&R) of owner-occupied, single-family units across counties covered by the HUD-Identified MID designation. The Housing R&R Program will prioritize homeowners that have major damage to their unit or a unit that has been destroyed (as both are defined by HUD in the Revised Universal Notice or AAN) with the opportunity to have their homes reconstructed or rehabilitated consistent with applicable code requirements. The program may also provide mitigation funding for:

- Measures designed to protect residents and structures against predictable hazards given their location; and
- Replacement or repair of private roads and bridges that provide access to housing being reconstructed or rehabilitated.

NCDOC advises HUD that it may seek to recover pre-award and/or pre-application costs related to administrative and construction-related expenses under the Housing R&R Program consistent with the guidance provided by section III.B.14. of the Revised Universal Notice. Such costs may be incurred back to the date of the presidential disaster declaration date (September 28, 2024, for DR-4837-NC). NCDOC is hopeful of obtaining access to State funds in the second calendar quarter of 2025 to begin work through the Housing R&R Program. This will enable progress in addressing housing unmet need in the 2025 construction season.

NCDOC will use contractors to manage and complete the construction process for homeowners approved for funding through the Housing R&R Program. With the assistance of staff and contractors, the State will work with a pool of qualified contractors assigned to repair, reconstruct, or replace damaged properties; applicants will not select their own contractors. The program will pay contractors directly, and no funds will be paid to homeowners for construction costs except under the reimbursement option described below. Applicants will be required to enter into agreements with NCDOC setting forth the terms and

conditions of the program. For this program, NCDOC will be the Responsible Entity and will carry out the environmental review procedures under 24 CFR 58 unless it invokes the previously described exception for the City of Asheville.

Maximum awards under the Housing R&R Program may include funding to implement mitigation and resilience actions, including elevation, restoration, and improvement of private roads and bridges, which reduce the risks to inhabitants and protect the public investment in the reconstructed units. NCDOC emphasizes the fact that the aggressive topography of western North Carolina can make access to home sites impossible without private roads and bridges. To help address this issue, the State may, but is not required to, utilize a portion of the ~\$130.4 million of mitigation set aside funding allocated for the R&R Program to reduce the risk that LMI homeowners receiving assistance under the Housing R&R Program could face similar access challenges in the future and to support safe access and egress for public safety purposes.

NCDOC views this approach to mitigation as consistent with guidance provided in section III.D.4. of the Revised Universal Notice which defines mitigation activities as “those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, or damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.” Further, this provision instructs grantees “to incorporate mitigation measures when carrying out activities to construct, reconstruct, or rehabilitate residential or non-residential buildings.” NCDOC interprets the investment in resilient private roads and bridges in this mountainous region to be within the scope of this definition and directive.

Construction standards will be a combination of requirements. The fundamental standard will be the North Carolina Building Code (NC Code). The [2024 Revision of the NC Code](#) will go into effect on July 1, 2025, and for purposes of the Housing R&R Program, all construction funded by the Housing R&R Program will be subject to the 2024 Revision as all components of the 2024 Revision are accessible on the State Fire Marshall’s website via the link above. Any additional municipal building requirements will apply to construction in that jurisdiction. Finally, construction will comply with standards imposed by HUD in its Revised Universal Notice for all reconstruction of residential buildings and for all reconstruction of substantially damaged residential buildings (i.e., where repair costs exceed 50% of replacement or reconstruction cost).

All housing units assisted through the Housing R&R Program (and related mitigation and access assistance) shall either provide benefit to LMI persons through housing (LMI Housing) or meet Urgent Need (UN) criteria as outlined, respectively, at 24 CFR 570.483(b)(3) and 24 CFR 570.483(d) and modified by the Revised Universal Notice. While NCDOC does not anticipate widespread use of UN National Objective under the Housing R&R Program, it may be a necessary, for example, in situations to ensure housing is reconstructed or rehabilitated for certain populations that are over the 80% AMI threshold; promote more complete recovery of small rural communities; or address other anomalies that could halt the provision of assistance to households that lack the resources to recover from the impacts of Helene. In instances where NCDOC uses the UN National Objective to qualify assistance under the Housing R&R Program, NCDOC will comply with the requirements of section III.B.2.(iii) of the Revised Universal Notice and

document how the activity responds to the urgency, type, scale, and location of the disaster-related impact described in the UNA.

All housing activities will address unmet housing needs in counties encompassed by the Combined MID areas and will ensure that all participants in the program can demonstrate that damage to the home can be tied back to damage from Hurricane Helene.

Recognizing that the funds allocated to the Housing R&R Program will likely not address all needs, populations with the greatest needs will be prioritized. At a minimum, at least 70% of program funds must be expended for Housing R&R activities that meet the criteria for the LMI Housing National Objective, but NCDOC is projecting that level to be at least 90%.

To ensure effective pursuit of LMI benefit in the Housing R&R Program, NCDOC will prioritize very low- and low-income households, with the highest prioritization for households with incomes less than 60% of AMI. As a secondary criterion, households with one or more of the following characteristics will be prioritized and invited to apply in the earliest applicable phase: households with members 62 and older; households with children under the age of 18; and households having physical accessibility needs or individuals with documented disabilities. Applications will be accepted for households between 80 and 120% AMI, but they will be in the final phases and would need to be qualified as meeting the UN National Objective. Households with income at or above 120% of AMI will not be eligible for this program under any circumstance.

NCDOC is procuring an implementation contractor to assist with the implementation of the Housing R&R Program and the operation of intake centers for program applicants. This contractor will be procured with an emphasis and goal of ample outreach and program accessibility. In partnership with this contractor, NCDOC will develop a comprehensive outreach campaign and, where applicable and feasible, may provide services to ensure eligible households can apply.

NCDOC is implementing an application process designed to ensure compliance with HUD's overlapping requirements that at least: 1) 80% of the funds be expended in the HUD-Identified MID areas; and 2) 70% of funds be expended for activities that benefit LMI persons. Given these requirements, NCDOC will first invite applications from households in the HUD-Identified MID areas and will prioritize those applications based on household income and subsequently on characteristics described above. Accuracy of all information provided by potential applicants through the application process will be verified by NCDOC or its contractor.

Table 25: Application Phasing Criteria for Housing R&R Applicants

Phase	Priority	MID Status	Percent of AMI	Is any member of the household: under 18, over 62, disabled, or has accessibility needs?
Phase 1	1	HUD	< 60%	Yes
	2	HUD	< 60%	No
	3	State	< 60%	Yes
	4	State	< 60%	No
Phase 2	1	HUD	60-80%	Yes
	2	HUD	60-80%	No
	3	State	60-80%	Yes
	4	State	60-80%	No
Phase 3	1	HUD	≤80% Reimbursement	No
	2	State	≤80% Reimbursement	No
Phase 4	1	HUD	80% - 120%	N/A
	2	State	80% - 120%	N/A

Based on comments received during the public comment on the draft Action plan, NCDOC is opting to include a reimbursement component in the Housing R&R Program. Reimbursement will constitute Phase 3 of the Housing R&R Program, will only be available to homeowners at or below 80% AMI, and will only be implemented after the managed construction process under Phases 1 and 2 have addressed all applications eligible for funding.

Also pursuant to public comment, NCDOC has opted to change the phasing and prioritization for households at or below 60% AMI in the State-defined MID areas. Households in this group have been moved to Phase 1 and have been assigned the 3rd and 4th priority slots while households between 60% and 80% AMI in the HUD-Identified MID areas have been moved to Phase 2 and assigned the 1st and 2nd priority levels. NCDOC will closely monitor the application portal and may choose not to accept remaining potential applicants to apply or place remaining applicants on hold until prioritized household applicants are fully processed and their needs addressed.

The treatment of MHUs under the Housing R&R Program is substantially guided by HUD’s [Notice CPD-2023-10](#), entitled “Use of Community Development Block Grant (CDBG) Funds in Support of Housing,” and issued on October 26, 2023. Several key takeaways from the Notice include the statement that purchases of MHUs that are part of a community’s permanent housing stock are eligible as acquisition or direct homeownership assistance; that land acquisition for placement of the MHU is permissible; and that grantees may consider supporting tenant acquisition of an MHU community as part of an overall strategy.

Wherever possible, NCDOC shall work to replace severely damaged MHUs or MHUs located on the owner’s property with stick-built or modular housing units of appropriate size based on household size and other factors. This approach is grounded in the idea that the additional marginal cost associated with a permanent structure is justified given the ability to incorporate additional resilience and mitigation

measures, provide greater value appreciation for the owner, and better address site-specific topographical considerations. Alternatively, NCDOC may opt to replace a damaged/destroyed MHU with another MHU based upon a site review and consultation with the homeowner.

In instances where the previous site of a housing unit is no longer viable due to localized changes in the topography or a destroyed or severely damaged MHU is located on leased land, NCDOC may opt to buyout the real property or MHU (as appropriate) as a cost effective approach to relocating the household out of harm's way. Such buyouts could be accompanied by downpayment assistance in certain instances to be defined in the program's policies and procedures.

Applicants to the Housing R&R Program will be required to provide information regarding all assistance received for recovery purposes as required by section 312 of the Stafford Act. Any funds found to be duplicative will be deducted from the CDBG-DR award prior to the disbursement of the award amount. A review of potential duplication of benefits (DOB) is necessary for all CDBG-DR funded activities as this assistance is intended to supplement—not replace—other public, private, and non-profit sector resources that have already been provided for the same need or loss and are legally required to constitute a duplicative source of financial assistance.

NCDOC will issue uniform policy guidance which will govern DOB process applicable to all CDBG-DR funded programs described in this Action Plan, and that policy guidance will be available on its disaster recovery website.

Homeowners assisted under this program will generally be required to maintain homeownership and primary residency of the assisted property for a minimum period of three years beginning at the time construction is completed. During this time, NCDOC has the right to request documentation for proof of occupancy to ensure the applicant has continued owning and residing in the home for the required three-year period. The total grant award must be repaid, at a prorated amount, if the homeowner is determined to be out of compliance before the three-year occupancy period has expired. Pursuant to public comment on the draft Action Plan, NCDOC will implement an appeal process to address specific cases where an exception to the three-year requirement may be warranted. The appeal process will be identified in the program policies and procedures.

A second home is defined in the Revised Universal Notice as a home that is not the primary residence of the owner, a tenant, or any occupant at the time of the disaster or at the time of application for CDBG-DR assistance. Second homes, vacation residences, and short-term, seasonal, and vacation rental properties are not eligible for assistance under the Housing R&R Program. Applicants who purchased or moved into a damaged property after the date of FEMA's major disaster declaration for Helene in North Carolina are not eligible for assistance under this program.

The funds awarded under the Housing R&R Program may not be used for the following actions:

- Forced mortgage payoffs.
- Compensation payments.

- Temporary housing assistance benefits, including mortgage and rental assistance.
- Reconstruction of housing units in a designated floodway.

NCDOC shall prepare detailed operating policies and procedures for the Housing R&R Program which will both provide greater definition on points highlighted herein and serve as working guidance for the implementation of the program.

4.2.3.2 Workforce Housing for Ownership

Table 26: Workforce Housing for Ownership Details

Program	Workforce Housing for Ownership
Total Budget/CDBG-DR Allocation	<ul style="list-style-type: none"> • \$53,380,000 (\$44,066,150 CDBG-DR plus \$9,313,850 for mitigation)
<p>Eligible Activities Referenced to Title I of Housing and Community Development Act of 1974 (42 USC 5305(a)) or HUD Revised Universal Notice</p>	<ul style="list-style-type: none"> • §5305(a)(1) – Acquisition • §5305(a)(3) – Code Enforcement • §5305(a)(4) – Clearance, Rehabilitation, Reconstruction and Construction of Buildings, including housing • §5305(a)(5) – Removal of Architectural Barriers • §5305(a)(7) – Disposition • §5305(a)(8) – Public Services • §5305(a)(11) – Relocation Payments • §5305(a)(13) – Administrative Costs • §5305(a)(14) – Assistance to Non-Profit Entities • §5305(a)(15) – Assistance to Neighborhood-Based Organizations • §5305(a)(20) – Housing Services • §5305(a)(24) – Direct Assistance for Homeownership Activities • §5305(a)(25) – Tornado Shelters • §5305(a)(26) – Lead-Based Paint Hazard Evaluation and Reduction • Revised Universal Notice - New Housing Construction – Section III.D.5.a.
<p>National Objective(s) Referenced to 24 CFR 570, Subpart I and/or HUD Revised Universal Notice</p>	<ul style="list-style-type: none"> • LMI Benefit through Housing - 24 CFR 570.483(b)(3)
<p>Lead Agency and Distribution Process</p>	<ul style="list-style-type: none"> • NCDOC will be lead agency with contractor support and will undertake necessary environmental review procedures per 24 CFR 58. • Process will be competitive application.
<p>Program Description</p>	<ul style="list-style-type: none"> • Fund construction of units for purchase by LMI households. See description following this table for complete description. Approach may include repurposing of existing buildings.
<p>Eligible Geographic Area</p>	<ul style="list-style-type: none"> • Program will provide homeownership opportunities in HUD-Identified MID areas with 100% of funds to be expended for construction of units to be purchased by LMI households.
<p>Other Eligibility Criteria</p>	<ul style="list-style-type: none"> • Eligible applicants will include local governments, public, private, or non-profit organizations, and Community Development Housing Organizations (CHDOs)/Community Based Development Organizations (CBDOs).

Program	Workforce Housing for Ownership
Maximum Amount of Assistance per Beneficiary	<ul style="list-style-type: none"> Awards of \$2 million to \$5 million in the form of a grant to eligible applicants to undertake development of workforce housing for ownership purposes. Proposed developments must be in HUD-Identified MID areas with 100% of funds to expended in HUD-Identified MID areas.
Maximum Income of Beneficiary	<ul style="list-style-type: none"> Purchasers must be at or below 80% AMI.
Mitigation Measures	<ul style="list-style-type: none"> Application scoring will include criteria focused on mitigation and proposed projects must incorporate mitigation actions as appropriate based on evident risks. 5% of the CDBG-DR Mitigation set aside will be reserved for use with activities and projects funded under this program.
Reducing Barriers for Assistance	<ul style="list-style-type: none"> Developers shall price units to be affordable to LMI households.

There is a distinct need within the HUD-Identified MID areas for additional homeownership opportunities that are affordable to broader segments of the workforce to incentivize them to remain in western NC following Helene and to partially remedy inadequate housing production in past years across western NC. The term “workforce,” as used under this program, refers to households up to 80% of AMI.

NCDOC will implement this program with contractor support but NCDOC will be the Responsible Entity and will carry out the environmental review procedures under 24 CFR 58 unless it invokes the previously described exception for the City of Asheville.

To address this need, the Workforce Housing for Ownership (WHO) program will fund development of workforce housing units for ownership. Qualified local governments, public, private, or non-profit organizations, and Community Development Housing Organizations (CHDOs)/Community Based Development Organizations (CBDOs) may be eligible to apply for WHO program funds.

NCDOC anticipates conducting only one application round in 2026 for the WHO program. The competitive criteria will reflect HUD’s standard approach to competitive programs outlined in the HUD Grants Management Handbook (HUD Handbook 2210.17) and summarized below. NCDOC will further define these criteria when it issues the notice of funding opportunity (NOFO) for the WHO Program.

Table 27: Competitive Framework - Workforce Housing for Ownership Program

Criteria	Weight
Capacity of the Applicant	10%
Community Need for Workforce Housing	20%
Soundness of Approach	40%
Leverage of Other Resources	20%
Achieving Results	10%
TOTAL	100%

For clarity purposes, HUD and the public are advised that 100% of WHO Program funds will be expended in the Combined MID areas and that 100% of funds will be expended for units to be purchased by qualifying LMI individuals.

NCDOC will make exceptions to the maximum award amounts, when necessary, to comply with federal accessibility standards or to reasonably accommodate persons with physical disabilities.

Scoring criteria will be described in the NOFO documents and will incorporate concepts focused on project site; development team experience; project readiness; resilient and/or innovative design components; community need; value of the CDBG-DR investment; level of community engagement; unit and income mix; and the leveraging of partnerships. Consistent with public comment received on the draft Action Plan, NCDOC will also establish policies to achieve geographic distribution within the HUD-Identified MID areas. If funds remain after the initial selection round, any subsequent round will also be competitive consistent with criteria used in the initial round.

4.2.3.3 Multifamily Construction and Repair Program

Table 28: Multifamily Construction and Repair (MCR) Program Details

Program	Multifamily Construction and Repair Program
Total Budget/CDBG-DR Allocation	<ul style="list-style-type: none"> • \$191,340,000 (\$172,712,300 CDBG-DR plus \$18,627,700 for mitigation)
<p>Eligible Activities Referenced to Title I of Housing and Community Development Act of 1974 (42 USC 5305(a)) or HUD Revised Universal Notice</p>	<ul style="list-style-type: none"> • §5305(a)(1) – Acquisition • §5305(a)(3) – Code Enforcement • §5305(a)(4) – Clearance, Rehabilitation, Reconstruction and Construction of Buildings, including housing • §5305(a)(5) – Removal of Architectural Barriers • §5305(a)(7) – Disposition • §5305(a)(8) – Public Services • §5305(a)(11) – Relocation Payments • §5305(a)(13) – Administrative Costs • §5305(a)(14) – Assistance to Non-Profit Entities • §5305(a)(15) – Assistance to Neighborhood-Based Organizations • §5305(a)(20) – Housing Services • §5305(a)(24) – Direct Assistance for Homeownership Activities • §5305(a)(25) – Tornado Shelters • §5305(a)(26) – Lead-Based Paint Hazard Evaluation and Reduction • FR Notice - New Housing Construction - Section III.D.5.a. • FR Notice – Mitigation
<p>National Objective(s) Referenced To 24 CFR 570, Subpart I and/or HUD Revised Universal Notice</p>	<ul style="list-style-type: none"> • LMI Benefit through Housing - 24 CFR 570.483(b)(3) • UN – 24 CFR 570.483(d)

Program	Multifamily Construction and Repair Program
Lead Agency and Distribution Process	<ul style="list-style-type: none"> • NCDOC will implement the program and undertake necessary environmental review procedures per 24 CFR 58. Underwriting support will be provided by contractors. • Small project component – open window • Large project component - Competitive application process
Program Description	<ul style="list-style-type: none"> • Program will restore housing and promote development of new multifamily housing in the Combined MID areas and will focus benefit on LMI groups by imposing affordability requirements on new construction. Funding will be via competitive process. Funding will be split between small projects (4 or fewer units) and large projects (5 or more units). Both small and large projects may have mixed-use components.
Eligible Geographic Area	<ul style="list-style-type: none"> • Projects must be in Combined MID areas.
Other Eligibility Criteria	<ul style="list-style-type: none"> • Eligible applicants will include private developers, local governments, public or non-profit organizations, and CHDOs/CBDOs.
Maximum Amount of Assistance per Beneficiary	<ul style="list-style-type: none"> • Suballocation is approximately 30% for small projects (\$57.4 million) and 70% (\$133.94 million) for large projects. • Small projects – Grant assistance may not exceed \$1,800,000 per project, including mitigation costs. • Large projects - Grants of a minimum of \$500,000 to a maximum of \$15 million to eligible applicants.
Maximum Income of Beneficiary	<ul style="list-style-type: none"> • 80% of AMI for occupants for units to qualify as providing LMI benefit
Mitigation Measures	<ul style="list-style-type: none"> • Project proposals should include mitigation measures and include distinct cost breakout in funding request. 10% of the CDBG-DR Mitigation set aside will be reserved for use with activities and projects funded under this program.
Reducing Barriers for Assistance	<ul style="list-style-type: none"> • NCDOC will establish requirements for the number of accessible units and deeply affordable units based on project size.

The Multifamily Construction and Repair (MCR) Program seeks to reconstruct, rehabilitate, or construct the rental housing stock in a way that is responsive to the needs of Helene-impacted communities. The program will fund reconstruction/rehabilitation activities and new construction and will entertain applications from two categories of projects: small projects having four or fewer units and large projects having five or more units. Projects may be either single structures or may involve multiple structures in proximity to one another. Pursuant to public comments received on the draft Action Plan, both small and large projects may include mixed-use components, with requirements to be identified in the notice of funding availability and program policies and procedures.

NCDOC will implement this program with contractor support but NCDOC will be the Responsible Entity and will carry out the environmental review procedures under 24 CFR 58 unless it invokes the previously described exception for the City of Asheville.

The small project component will provide a priority for projects in the HUD-Identified MID areas and will adopt an “open application window” for qualifying projects, meaning that applications may be submitted

at any time so long as funding remains available. NCDOC is suballocating approximately 30% or \$57,400,000 of the total allocation for small projects. To implement this program, NCDOC will require property owners/applicants to use contractors selected to participate in the single-family Housing R&R Program to assure effective cost and quality control. NCDOC will assign a contractor to a project upon submission of a pre-application.

Each award will be calculated using consistent program construction and award calculation standards, which are summarized further in this section and will be detailed in the program guidelines. Grant assistance may not exceed \$1,800,000 per project, including any mitigation costs. NCDOC may make exceptions to the maximum award when necessary, to comply with federal accessibility standards or to reasonably accommodate persons with disabilities.

Because each award will be evaluated based on a necessary and reasonable scope of work (SOW) and cost of materials using industry standard cost estimating software, comparative market analysis, or price per square foot and/or review of multiple construction bids, NCDOC anticipates that on average, most awards will be lower than the maximum award.

Small projects will be required to meet rent and occupancy requirements over the length of a compliance period, known as the affordability period, which will be detailed in the program guidelines. Rental units must be restricted during the affordability period for LMI persons and the rents, at a minimum, must comply with the High HOME Investment Partnerships (HOME) Rent.

In the small project program, the NCDOC will prioritize applications from property owners who owned the property as of September 28, 2024, the date of the Helene major disaster declaration.

For the large project component (five or more units), eligible applicants will be multifamily property owners and developers including, but not limited to:

- For-profit entities;
- Non-profit organizations;
- Public sector partners, such as local governments, PHAs, and other designated public agencies;
- CHDOs; and
- CBDOs.

The large project component will be suballocated 70% or \$133,940,000 of the total allocation for the program. The program structure will be competitive in nature and NCDOC will conduct multiple rounds to select projects for funding. Proposals will be evaluated and selected pursuant to project application processes issued by NCDOC via NOFOs. Each NOFO will establish the details for application associated deadlines, selection criteria, and the award process. NCDOC has increased the maximum amount available for a project from \$10 million to \$15 million based upon public comment received on draft Action Plan.

NCDOC will consult with the North Carolina Housing Finance Agency (NCHFA) regarding projects that may seek or have been awarded LIHTCs. NCDOC will implement a funding priority for projects located in

Difficult Development Areas (DDAs) and Qualified Census Tracts (QCTs) within the Combined MID areas regardless of whether the project is receiving LIHTCs. In designing the large project criteria, NCDOC will design such efforts in consultation with NCHFA.

- **Difficult Development Areas (DDAs)** - NCDOC has sought criteria which may help to further refine the targeting of assistance to communities across western North Carolina. One useful tool is HUD's DDA designation which identifies areas with high construction, land, and utility costs relative to area median gross income. This designation helps attract Low Income Housing Tax Credit (LIHTC) projects to the DDA by providing enhanced tax benefits to projects located in the DDA, thereby making those projects more attractive to investors. Two counties in western North Carolina have DDA designations by HUD for 2025: Avery and Transylvania. In addition, there are seven (7) DDAs in the Asheville Metro Fair Market Rent (FMR) area and are designated by zip codes: 28704; 28732; 28759; 28790; 28801; 28803; and 28804. Additional DDAs are in the Iredell County Metro FMR area (zip codes 28036 and 28117) and the Hickory/Lenoir/Morganton Metropolitan Statistical Area (MSA) (zip code 28673 and 28682). Finally, there are six DDAs in the Charlotte-Concord-Gastonia Metro FMR area: 28705; 28079; 28202; 28203; 28204; and 28277. NCDOC will leverage these designations to target certain programs to the benefit of the DDA areas.
- **Qualified Census Tracts (QCTs)** - Similarly, NCDOC will examine the use of the QCT concept to also target CDBG-DR funding to areas of need. QCTs are defined as areas where at least half of households have incomes less than or equal to 60% of AMI or a poverty rate of 25% or higher. Counties in the Combined MID have QCTs, representing approximately 86 census tracts based on HUD's 2025 data. NCDOC believes this designation holds value for targeting CDBG-DR funds to historically distressed communities and will seek to incorporate it within overall constraints on the use of the funds.

The definition NCDOC will use for affordable rent is the same as the HOME Investment Partnerships Program (HOME) definition. These rental limits are updated periodically and are calculated by metro area or county. The affordable rent limits methodology is available at <https://www.huduser.gov/portal/datasets/HOME-Rent-limits.html>, and specific affordable rent limits are updated annually. Units created or rehabilitated using CDBG-DR funds for rent must not exceed these rent limits, based on the geographic location and bedroom size of the unit. New construction project will be obligated to a 20-year affordability period, again using HOME criteria.

NCDOC will evaluate proposals and prioritize proposals for projects which are located within the HUD-Identified MID areas. New construction and rehabilitation must occur outside of the HUD-defined floodplain, or where floodplain designation is peripheral and distinct from the location of any planned development activity for the project.

NCDOC anticipates conducting multiple application rounds over the next several years for the large project component of the program. The competitive criteria will reflect HUD's standard approach to competitive programs outlined in the HUD Handbook 2210.17 and summarized below. NCDOC will further define these

criteria in its forthcoming policies and procedures and will repeat those criteria when it issues the NOFO for the program.

Table 29: Competitive Framework – Multifamily Construction and Repair Program

Criteria	Weight
Capacity of the Applicant	10%
Community Need for Multifamily Housing	20%
Soundness of Approach	40%
Leverage of Other Resources	20%
Achieving Results	10%
TOTAL	100%

The above categories will incorporate the following criteria which will be further outlined in program NOFO:

- Site location and suitability;
- Proposer capacity;
- Affordability structures, with a preference for projects with units set aside to serve Extremely Low Income and Very Low Income populations;
- Proposals with units and amenities set aside for those with disabilities or for special needs populations;
- The total development cost versus the CDBG-DR share of that cost;
- Proposal feasibility;
- Proposed development’s Readiness to Proceed;
- Coordination with resiliency and disaster recovery planning and/or design; and
- Proposals or solutions which present innovative and leveraged approaches to the affordable housing problem after disaster.

Specific prioritization for the selection of projects will be published prior to the launch of applications and, consistent with public comment received on the draft Action Plan, NCDOD will also establish policies to achieve geographic distribution within the HUD-Identified MID areas.

4.2.4 Infrastructure

Table 30: Infrastructure Programs Overview

Eligible Cost Category	CDBG-DR and Mitigation Allocation Amount	Percent of CDBG-DR and Mitigation Allocation
Community Infrastructure Program	\$193,500,000	13.55%
Infrastructure Programmed TOTAL	\$193,500,000	13.55%

4.2.4.1 Community Infrastructure Program

Table 31: Community Infrastructure (CI) Program Details

Program	Community Infrastructure Program
Total Budget/CDBG-DR Allocation	<ul style="list-style-type: none"> \$193,500,000 (\$174,872,300 CDBG-DR plus \$18,627,700 for mitigation)
Eligible Activities Referenced to Title I of Housing and Community Development Act of 1974 (42 USC 5305(a)) or HUD Revised Universal Notice	<ul style="list-style-type: none"> §5305(a)(1) – Acquisition §5305(a)(2) – Acquisition, Construction, Reconstruction, and Installation of Public Facilities and Other Site Improvements §5305(a)(3) – Code Enforcement §5305(a)(4) – Clearance, Rehabilitation, Reconstruction and Construction of Buildings, including housing §5305(a)(5) – Removal of Architectural Barriers §5305(a)(7) – Disposition §5305(a)(9) – Non-Federal Match §5305(a)(11) – Relocation Payments §5305(a)(13) – Administrative Costs §5305(a)(14) – Assistance to Non-Profit Entities §5305(a)(15) – Assistance to Neighborhood-Based Organizations §5305(a)(25) – Tornado Shelters §5305(a)(26) – Lead-Based Paint Hazard Evaluation and Reduction
National Objective(s) Referenced to 24 CFR 570, Subpart I and/or HUD Revised Universal Notice	<ul style="list-style-type: none"> LMI Benefit on Area Basis, Housing, or Creation/Retention of Jobs Elimination of Slums and Blight (both area and spot basis) UN
Lead Agency and Distribution Process	<ul style="list-style-type: none"> NCDOC will administer the program and will undertake necessary environmental review procedures per 24 CFR 58. Process will be competitive application for local governments.
Program Description	<ul style="list-style-type: none"> Provides funding for infrastructure projects that will help impacted communities become more resilient to current and future natural hazards.
Eligible Geographic Area	<ul style="list-style-type: none"> Eligible applicants (local governments) must be located in HUD- or State-Identified MID areas, and projects will be required to document a link to disaster recovery needs.
Other Eligibility Criteria	<ul style="list-style-type: none"> N/A
Maximum Amount of Assistance per Beneficiary	<ul style="list-style-type: none"> Maximum of \$15,000,000 for eligible projects with floor of \$500,000.

Maximum Income of Beneficiary	<ul style="list-style-type: none"> • N/A
Mitigation Measures	<ul style="list-style-type: none"> • Applicants must identify specific mitigation actions as part of the basic application and include costs in the funding request. 10% of the CDBG-DR Mitigation set aside will be reserved for use with activities and projects funded under this program.
Reducing Barriers for Assistance	<ul style="list-style-type: none"> • NCDOC will establish program criteria that guide eligible applicants to investments that benefit LMI communities.

The Community Infrastructure (CI) Program will deploy CDBG-DR funding to aid local governments by funding:

- “Stand-alone” projects, which may be funded with up to 100% CDBG-DR funding, and are necessary to address identified unmet disaster recovery needs arising from the impact of Helene in communities and counties that are not funded by other federal recovery; and
- Improvements to FEMA-assisted PA or HMGP funded projects, if such improvements improve resiliency, useful life, or otherwise provide a housing recovery benefit or long-term housing need not covered by the PA or HMGP portion of the project.

This competitive program provides funding for infrastructure projects that will help impacted communities become more resilient to current and future natural hazards. The program will require mitigation components to be included within the scope(s) of awarded projects to advance long-term resilience. Applicants will be asked to itemize costs and benefits when submitting applications for funding, in accordance with program requirements to be outlined by NCDOC. Proposed activities must also consider local plans and policies; reduce future risk to the recovering jurisdiction or municipality; and include an analysis of how multiple sources of funds may be leveraged to complete the project.

NCDOC will implement this program with contractor support but NCDOC will be the Responsible Entity and will carry out the environmental review procedures under 24 CFR 58 unless it invokes the previously described exception for the City of Asheville.

In evaluating applications, NCDOC will consider a variety of projects such as:

- Projects which demonstrate adaptable and reliable technologies to guard against premature obsolescence;
- Projects with a substantial amount of other funding available;
- “Shovel ready” projects;
- Projects which provide greater benefit to housing recovery; and
- Projects which serve areas with higher LMI percentages will be favored in the scoring criteria.
- NCDOC will not entertain requests to fund county or local government emergency operations centers.

NCDOC anticipates conducting only one application round for the CI program. The competitive criteria will

reflect HUD’s standard approach to competitive programs outlined in the HUD Handbook 2210.17 and summarized below. NCDOC will further define these criteria when it issues the NOFO for the program.

Table 32: Competitive Framework – Community Infrastructure Program

Criteria	Weight
Capacity of the Applicant	10%
Community Need for Infrastructure Financing	20%
Soundness of Approach	40%
Leverage of Other Resources	20%
Achieving Results	10%
TOTAL	100%

NCDOC will review projects for CDBG-DR and program eligibility and will select projects based on scoring and ranking approaches that are in alignment with NOFO and application processes. Consistent with public comment received on the draft Action Plan, NCDOC will also establish policies to achieve geographic distribution within the HUD-Identified MID areas.

4.2.5 Economic Revitalization

Table 33: Economic Revitalization Programs Overview

Eligible Cost Category	CDBG-DR Allocation and Mitigation Amount	Percent of CDBG-DR and Mitigation Allocation
Commercial District Revitalization	\$111,140,000	7.78%
Economic Revitalization Programmed TOTAL	\$111,140,000	7.78%

4.2.5.1 Commercial District Revitalization

Table 34: Commercial District Revitalization (CDR) Program Details

Program	Commercial District Revitalization
Total Budget/CDBG-DR Allocation	<ul style="list-style-type: none"> \$111,140,000 (\$101,826,150 CDBG-DR plus \$9,313,850 for mitigation)

Program	Commercial District Revitalization
<p>Eligible Activities</p> <p>Referenced to Title I of Housing and Community Development Act of 1974 (42 USC 5305(a)) or HUD Revised Universal Notice</p>	<ul style="list-style-type: none"> • §5305(a)(1) – Acquisition • §5305(a)(2) – Acquisition, Construction, Reconstruction, and Installation of Public Facilities and Other Site Improvements • §5305(a)(3) – Code Enforcement • §5305(a)(4) – Clearance, Rehabilitation, Reconstruction and Construction of Buildings, including housing • §5305(a)(5) – Removal of Architectural Barriers • §5305(a)(7) – Disposition • §5305(a)(9) – Non-Federal Match • §5305(a)(11) – Relocation Payments • §5305(a)(13) – Administrative Costs • §5305(a)(14) – Assistance to Non-Profit Entities • §5305(a)(15) – Assistance to Neighborhood-Based Organizations • §5305(a)(17) – Assistance to For-Profit Entities • §5305(a)(25) – Tornado Shelters • §5305(a)(26) – Lead-Based Paint Hazard Evaluation and Reduction
<p>National Objective(s)</p> <p>Referenced to 24 CFR 570, Subpart I and/or HUD Revised Universal Notice</p>	<ul style="list-style-type: none"> • LMI Benefit through Area Benefit – 24 CFR 570.483(b)(1) • LMI Benefit through Creation/Retention of Jobs - 24 CFR 570.483(b)(4) • Elimination of Slum/Blight under either area or spot blight criteria – 24 CFR 570.483(c) • UN – 24 CFR 570.483(d)
<p>Lead Agency and Distribution Process</p>	<ul style="list-style-type: none"> • NCDOC will implement the program with contract support and will undertake necessary environmental review procedures per 24 CFR 58. • Process will be competitive approach.
<p>Program Description</p>	<ul style="list-style-type: none"> • Program will provide grants to local governments or non-profit organizations to carry out revitalization activities in commercial areas located in the Combined-MID areas. Program will provide grants to local governments or non-profit organizations to carry out revitalization activities in commercial areas located in the Combined-MID areas.
<p>Eligible Geographic Area</p>	<ul style="list-style-type: none"> • Eligible activities or projects must be located in HUD- or State-Identified MID areas, and projects will be required to document a link to disaster recovery needs.
<p>Other Eligibility Criteria</p>	<ul style="list-style-type: none"> • NCDOC and subrecipients will work within HUD’s applicable Guidelines and Objectives for Evaluating Project Costs and Financial Requirements for assistance to for-profit businesses.
<p>Maximum Amount of Assistance per Beneficiary</p>	<ul style="list-style-type: none"> • Up to \$10,000,000 with floor of \$500,000.

Program	Commercial District Revitalization
Maximum Income of Beneficiary	<ul style="list-style-type: none"> N/A
Mitigation Measures	<ul style="list-style-type: none"> 5% of the CDBG-DR Mitigation set aside will be reserved for use with activities and projects funded under this program.
Reducing Barriers for Assistance	<ul style="list-style-type: none"> NCDOC will provide priority consideration for applications from communities within both the HUD-Identified and State-Identified MID areas having a high percentage of LMI individuals.

NCDOC is establishing the Commercial District Revitalization (CDR) program for eligible local governments and non-profit organizations to revitalize designated commercial districts damaged by Hurricane Helene. Encouraging economic opportunities, while supporting the recovery of commercial areas, is essential to ensuring that commercial tenants, customers, and jobs are restored. By facilitating the return of commercial districts and businesses to profitability, jobs will be created or retained within the community and residents will continue to have access to the products and services they need within their local community.

NCDOC will implement this program with contractor support but NCDOC will be the Responsible Entity and will carry out the environmental review procedures under 24 CFR 58 unless it invokes the previously described exception for the City of Asheville.

NCDOC must focus its investment in the HUD-Identified MID areas and will structure the application process to provide a priority for eligible applicants in those areas. Eligible uses of funds under the CDR will include, but not be limited to:

- Acquisition, demolition, site preparation, or rehabilitation of commercial structures carried out by a subrecipient;
- Assistance to small businesses for rehabilitation and physical improvements to their places of business;
- Mixed-use projects involving commercial revitalization and housing components; and
- Facade improvements to private or public structures in commercial areas.

The inclusion of mixed-use projects under this program is a direct response to public comments received on the draft Action Plan and will be further clarified. Note that CDBG-DR funds may not be used under this program for the purpose of acquiring property through the exercise of eminent domain authority.

NCDOC anticipates conducting two application rounds for the CDR program. The competitive criteria will reflect HUD’s standard approach to competitive programs outlined in the HUD Handbook 2210.17 and summarized below. NCDOC will further define these criteria when it issues the NOFO for the program.

Table 35: Competitive Framework – Commercial Revitalization Program

Criteria	Weight
Capacity of the Applicant	10%
Community Need for Commercial Area Investment	20%
Soundness of Approach	40%
Leverage of Other Resources	20%
Achieving Results	10%
TOTAL	100%

NCDOC will review applications for CDBG-DR and program eligibility and will select projects based on scoring and ranking approaches that are in alignment with NOFO and application processes. Consistent with public comment received on the draft Action Plan, NCDOC will also establish policies to achieve geographic distribution within the HUD-Identified MID areas.

4.2.6 Public Services

NCDOC will not fund or implement any stand-alone public service programs as part of this Action Plan. However, NCDOC may opt to provide specific public services as part of the delivery of the three housing recovery programs identified in section 4.2.3. above.

4.2.7 CDBG-DR Mitigation Set-Aside

Table 36: CDBG-DR Mitigation Set-Aside Programs Overview

Eligible Cost Category	Percent of CDBG-DR and Mitigation Funding to Combined MID	CDBG-DR Mitigation Set-Aside Allocation Amount	Percent of CDBG-DR Mitigation Set-Aside
Housing	73.67%	\$158,335,450	85%
Infrastructure	13.55%	\$18,627,700	10%
Economic Revitalization	7.78%	\$9,313,850	5%
TOTAL²⁴	95%	\$186,277,000	100%
Mitigation Funds Not Allocated	-	\$0	0%
GRAND TOTAL (Recovery + Mitigation + Unallocated)	-	\$186,277,000	100%

The CDBG-DR Mitigation Set-Aside, pursuant to HUD’s Allocation Announcement Notice, is \$186,277,000.

²⁴ Exclusive of \$71,406,000 (5%) for State administrative costs.

These funds have been allocated to each of the five programs described through this section and will be integrated into projects and activities funded through those programs. NCDOC’s approach is consistent with HUD’s directive to ensure that funded projects and activities incorporate mitigation and resilience components. It is not NCDOC’s intention to operate a stand-alone mitigation program and, as a result, there are no individual mitigation programs. The table below reflects the spread of the Mitigation Set-Aside funding across housing, infrastructure, and economic revitalization programs.

Table 37: Grantee CDBG-DR Mitigation Set-Aside Programs Overview

Eligible Cost Category	CDBG-DR Mitigation Set-Aside Allocation Amount	Percent of CDBG-DR Allocation for LMI Benefit	Does this Program Have Tie Back to Helene Related Damage?
Homeowner Reconstruction/Rehabilitation Program	\$130,393,900	100%	Yes
Workforce Housing for Ownership	\$9,313,850	100%	Yes
Multifamily Construction Program	\$18,627,700	100%	Yes
Community Infrastructure Program	\$18,627,700	80%	Yes
Commercial District Revitalization	\$9,313,850	80%	Yes
TOTAL	\$186,277,000	97%	-

5 General Information

5.1 Citizen Participation

NCDOC invites and encourages citizen participation in the Action Plan development process and subsequent amendments with a focus on outreach to LMI persons and disaster-impacted communities. This approach is consistent with NCDOC's existing citizen participation plans related to annual CDBG funding and prior CDBG-DR awards to the State related to Hurricanes Matthew and Florence.

NCDOC will advertise opportunities for comment on the Action Plan through various State and local resources. Additionally, NCDOC will work with Councils of Government throughout western North Carolina to ensure that local voices are heard through local forums. NCDOC is committed to ensuring that all populations impacted by the storm are aware of and have equal access to information about the programs to assist in the recovery from Hurricane Helene. Through in-person meetings, outreach events, and online and traditional media, NCDOC has publicized existing programs, will publicize changes to such programs, and has conducted outreach efforts throughout the storm impacted areas.

NCDOC will post its full Citizen Participation Plan to the CDBG-DR website at [Plans, Policies and Reports | DCR](#).

5.1.1 Consultation in Developing Action Plan

NCDOC has undertaken a broad outreach program to obtain feedback on unmet needs in the Helene-impacted area. Consistent with HUD's guidance in the Revised Universal Notice, NCDOC developed a survey tool which was distributed to several hundred entities across the state in late January. This collection of interested parties spans not only the list identified by HUD (see Table 38: Action Plan Consultation Efforts below) but goes well above and beyond HUD's expectations. The survey approach enabled NCDOC to gather broader and more valuable feedback than would have been possible with a series of in-person or teleconference meetings.

The survey tool (included as Appendix 7.4 to this Action Plan) identified a series of issues to help frame unmet needs across western North Carolina and provided respondents with multiple responses as well as the opportunity to provide additional contextual feedback. NCDOC will retain the full set of responses and have them available for inspection by HUD and other interested parties. The survey indicates a low level of satisfaction among respondents regarding the current state of housing supply in their community following Hurricane Helene. On this point, 121 responses collectively yielded a satisfaction level of 3 out of 10 (with 10 being the highest level). Similarly, when respondents were asked about the current state of housing conditions in their communities, the satisfaction level crept up to 4 out of 10. When respondents were presented with a list of potential programs and asked to rank them in importance from 1 to 7 (1 being most important), housing reconstruction and rehabilitation were seen as the most

important needs, but it is important to note that housing-oriented programs occupied the top four spots followed by an infrastructure improvement program.

Overall, NCDOC’s proposed program is highly reflective of the feedback received during this consultation effort with more than \$1.052 billion to be dedicated to housing needs and \$193.5 million for infrastructure needs. These two areas account for 87% of the State’s CDBG-DR allocation of \$1.428 billion.

NCDOC’s approach to consultation is that it is a team effort and the agency has collectively sought information from across the full spectrum of Governor Stein’s team since he took office on January 1, 2025. NCDOC does not see itself as operating in vacuum and seeks to leverage the multiple discussions of the Governor’s team on issues that will directly or indirectly impact the success of initiatives funded through CDBG-DR. The composite nature of this information has been invaluable in development of the Action Plan and look forward to sustaining these discussions as the program moves toward implementation.

Table 38: Action Plan Consultation Efforts

Partner Consulted	Consultation Description
Federal Partners	The Governor’s Office and NCDOC are working closely with FEMA as it is tasked with leading the Federal response and recovery effort. Other key Federal partners have included HUD, the US Army Corps of Engineers, US Department of Transportation, and the Environmental Protection Agency and State officials are in regular contact across a range of critical issues as activity moves from response to long-term recovery. Further, Gov. Stein has been in regular contact with the State’s congressional delegation to provide information and ensure coordination in joint efforts to obtain necessary assistance from Federal agencies.
State/Local Government	Fifty-three (53) local governments responded to NCDOC’s survey and offered feedback on recovery needs. NCDOC and other senior staff also provided a presentation in early 2025 to local officials on the broad outlines of the Action Plan. Further, the Governor established an advisory council on western North Carolina recovery and a significant proportion of its members are local elected leaders. The council provides local officials with a direct conduit to express ideas and opinions to senior state leadership. The full cross-section of state leadership conducts daily calls with local officials regarding recovery needs and this daily contact is of great value in understanding community-level needs and desires. Of note is the evolving working relationship with two of the most hard-hit jurisdictions, the city of Asheville and Buncombe County. The Governor’s team has also been active in sharing information with members of the General Assembly to assure better coordination that has been the case with recent disaster recovery efforts.

Partner Consulted	Consultation Description
Indian Tribes	<p>NCDOC has had high level discussions with leadership of the Eastern Band of the Cherokee on tribal needs arising from the impacts of Helene. Additional outreach will be conducted as the Action Plan moves toward implementation and the state team can better focus on ensuring that tribal leadership has the information necessary to make informed decisions about CDBG-DR opportunities that can benefit tribe members.</p>
Private Sector	<p>The Governor and senior leadership are focused daily on the needs of private sector entities as they attempt to recover from the impacts of Helene. It is difficult to describe the breadth of these conversations and feedback received but the need to re-establish business operations and ensure that jobs are created and retained for residents of western North Carolina is one of the key recovery priorities along with launching housing reconstruction efforts.</p>
State and Local EM Agencies that have primary responsibility for administering FEMA funds	<p>The Governor’s Office, NCEM and NCDOC work closely together to coordinate activities and federal and state funding streams for Helene recovery. These agencies have a longstanding partnership and history of working together on disaster recovery and traditional government projects. Beyond the interaction at the state level, NCDOC is working with NCEM to improve its profile with local emergency management as there have been only limited number of instances over time when NCDOC and local EM officials have interacted.</p>
Agencies that manage local Continuums of Care (CoC)	<p>NCDOC has contacted leadership for the four CoCs that serve most of the Helene-impacted area. This effort has been slow to yield results but NCDOC is committed to further conversations to better understand homeless assistance needs that have been exacerbated by the damage Helene has caused to the region’s housing stock.</p>
Public Housing Authorities (PHAs)	<p>PHAs were included in the survey but collectively they provided only a limited number of responses and have expressed only limited recovery needs. NCDOC intends to promote its multifamily and infrastructure programs with PHAs to ensure that they are well informed of the funding options that may be available to them to repair and improve their properties and the public housing experience.</p>
HUD-Approved Housing Counseling Agencies	<p>Senior leadership has had conversations with the North Carolina Housing Coalition, which is the regional HUD-approved intermediary for North and South Carolina. In this role, they provide technical assistance to the network of local housing counseling providers across the state.</p>
Other Stakeholders	<p>As part of the survey, NCDOC contacted an array of groups and 45 non-governmental organizations submitted responses.</p>

5.1.2 Public Comments

NCDOC takes seriously the need to collect and evaluate public comments offered on the draft Action Plan and subsequent amendments. Comments were received at public hearings (as described below in section 5.1.3) and through a form on the NCDOC website to collect feedback and comments from individuals and organizations who found that approach more convenient. Collected comments and responses are included as the last attachment to the Action Plan. Based on these comments, NCDOC made several changes to the draft Action Plan such as including a reimbursement option within the Housing R&R Program and specifically permitting mixed use projects under the Multifamily and Commercial Revitalization programs.

5.1.3 Public Hearings

Since the amount allocated by HUD to NCDOC exceeds \$500 million, NCDOC was required to conduct at least three public hearings on the draft Action Plan in the HUD-Identified MID areas as required by section I.C.2.b. of the Revised Universal Notice. NCDOC worked with Councils of Government (COGs) throughout western North Carolina to facilitate these hearings. Use of the COGs as partners ensured geographic balance across both the HUD-Identified MID areas (four hearings) but the Combined MID areas (two hearings).

Each of the six COGs sent out the public information session to the local governments and housing partners in their regions. Others also published the information on their websites and at least one took advanced registration information. Each of the hearings took place at sites well known to the local populations and each was fully accessible to individuals with disabilities. The details of these hearings are provided below:

Table 39: Hearing Details

Date	Council of Gov't (COG) Host	Location	Time (EST)	Number of Attendees
February 18	Foothills	Isothermal Community College, Business Sciences Building, Room 15 286 ICC Loop Rd, Spindale, NC 28160	2:00-4:00pm	23
February 21	Southwestern	Haywood County Historic Courthouse, 2nd FL, 215 N Main Street, Waynesville, NC	10:00am-12:00pm	46 (plus Live Stream and YouTube)
February 24	Land of Sky	Office of Land of Sky Regional Council, 339 New Leicester Highway, Suite 140, Asheville, NC 28806	11:30am-2:30pm	97 (plus Virtual)
February 25	High Country	468 New Market Blvd, Boone, NC	10:00am-12:00pm	41 (plus Live Stream)
February 27	Western Piedmont	Western Piedmont Council Office, 1880 2nd Avenue NW, Hickory, NC 28601	1:30-3:30pm	32
February 28	Centralina	Centralina Regional Council Office, 10735 David Taylor Dr Ste 250, Charlotte, NC 28262	10:00am-12:00pm	17

Each of these hearings was conducted in accordance with the public hearing standards outlined in the Revised Universal Notice.

5.1.4 Citizen Complaints

NCDOC shall provide a written response to every complaint relative to CDBG-DR within fifteen (15) working days of receipt. NCDOC will execute its Appeals Process in response to appeals received and will require subrecipients to adopt a similar process. The process will enable appeals and further review from another level. All subrecipients will be required to develop an appeals and complaint procedure to handle all complaints or appeals from individuals who have applied for or have an interest in CDBG-DR funding.

A written appeal may be filed when an individual is dissatisfied with program policies, eligibility, level of service, or other issues. The appeal shall include a statement of facts and circumstances regarding the situation as well as any supporting documentation that substantiates the claim. Materials related to the appeal may be submitted to NCDOC via email at helene.recovery@commerce.nc.gov. NCDOC will review the submitted materials and provide the appellant with a written response, which may be by email. If NCDOC denies the appeal, the final step in the internal appeals process is to appeal to the Secretary of the NCDOC. In programs that serve individual applicants, applicants may appeal their award determinations or denials that are contingent on program policies. However, it should be noted that the NCDOC does not have the authority to grant an appeal of a statutory, regulatory, or HUD-specified CDBG-DR requirement.

5.1.5 Modifications to the Action Plan

5.1.5.1 Substantial Amendments

NCDOC identifies the following criteria which constitute a substantial amendment:

- A change in program benefit or eligibility criteria;
- The addition or deletion of an activity or program;
- An allocation or reallocation of \$28.562 million or more. This threshold represents 2% of the total CDBG-DR allocation;
- Any proposed reduction in the overall benefit requirement which currently requires that at least 70% of the full \$1.428 billion CDBG-DR allocation must be expended for activities that benefit low-and moderate-income persons; or
- Any update to the Action Plan if the original submission was deemed incomplete by HUD.

Pursuant to section I.C.6.a of the Revised Universal Notice, NCDOC will make substantial amendments available for public comment for no less than 30 days. Amendments will be posted online at [Disaster Recovery | NC Commerce](#). Following the public comment period, NCDOC will address comments received and then submit the substantial amendment for HUD's review and approval. NCDOC will address any question and make any revisions sought by HUD and, once the amendment is approved, immediately act to implement the amendment. Every amendment to the Action Plan (substantial and non-substantial) will

be numbered sequentially, cited in the Action Plan change log, posted on the NCDOC's CDBG-DR website, and consolidated into the Action Plan.

5.1.5.2 Non-Substantial Amendments

A non-substantial amendment is an amendment to the plan that includes technical corrections and clarifications and budget changes that do not meet the threshold for substantial amendment thresholds noted above and does not require posting for public comment. NCDOC will notify HUD five (5) business days before the change is effective. All amendments will be numbered sequentially, cited in the Action Plan change log, and posted to the Action Plan as available on the CDBG-DR website.

6 Appendix

6.1 Certifications

NCDOC acknowledges that it will administer the CDBG-DR grant consistent with the following certifications required by Federal statute and regulation.

6.1.1 Certifications Involving Waivers and Alternative Requirement

- a. Uniform Relocation Act (URA) and Residential Anti-displacement and Relocation Plan (RARAP)—NCDOC certifies that it:
 - (1) will comply with the acquisition and relocation requirements of the Uniform Relocation Act, and implementing regulations at 49 CFR part 24, as such requirements may be modified by waivers or alternative requirements;
 - (2) has in effect and is following a RARAP in connection with any activity assisted with CDBG-DR grant funds that fulfills the requirements of Section 104(d), 24 CFR part 42, and 24 CFR part 570, as amended by waivers and alternative requirements.
- b. Authority of Grantee—NCDOC certifies that the Action Plan for disaster recovery is authorized under State and local law (as applicable) and that NCDOC, and any entity or entities designated by NCDOC, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations as modified by waivers and alternative requirements.
- c. Consistency with the Action Plan—NCDOC certifies that activities to be undertaken with CDBG-DR funds are consistent with its action plan.
- d. Citizen Participation—NCDOC certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 or 91.105 (except as provided for in waivers and alternative requirements). Also, each 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 waivers and alternative requirements).
- e. Consultation with Local Governments – NCDOC certifies that it has consulted with all disaster-affected local governments (including any CDBG entitlement grantees), Indian Tribes, and any local public housing authorities in determining the use of funds, including the method of distribution of funding, or activities carried out directly by the State.
- f. Use of Funds—NCDOC certifies that it is complying with each of the following criteria:

(1) Purpose of the funding. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas for which the President declared a major disaster pursuant to the Stafford Act (42 U.S.C. 5121 et seq.).

(2) Maximum Feasibility Priority. With respect to activities expected to be assisted with CDBG–DR 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) Overall benefit. The aggregate use of CDBG–DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent (or another percentage permitted by HUD in a waiver) of the grant amount is expended for activities that benefit such persons.

(4) Special Assessment. NCDOC will not attempt to recover any capital costs of public improvements assisted with CDBG–DR 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, NCDOC certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a)

g. Grant Timeliness—NCDOC certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that NCDOC has reviewed the requirements applicable to the use of grant funds.

h. Order of Assistance—NCDOC certifies that it will comply with the statutory order of assistance listed in Appendix C paragraph 9 and will verify if FEMA or USACE funds are available for an activity, or the costs are reimbursable by FEMA or USACE before awarding CDBG–DR assistance for the costs of carrying out the same activity.

Further, as required by Paragraph 64 of HUD’s March 19, 2025, memorandum revising Appendix B of HUD’s Universal Notice issued on January 8, 2025, NCDOC hereby provides assurance that it shall comply with the following certifications:

- a. General Certifications at 24 CFR 91.325(a)(1), (3), and (7)
- b. Community Development Block Grant Program Certifications at 24 CFR 91.325(b)(5), (6), and (7).

6.2 Waivers

NCDOC does not request any waivers as part of the initial submission of this Action Plan for Disaster Recovery but may seek waivers in the future.

6.3 North Carolina Community Helene Questionnaire

Below are the questions that were used in collecting feedback from individuals and community level organizations as part of NCDOC's consultation effort.

1. What type organization do you represent?
2. What County (or counties) does your organization represent? Select all that apply.
3. On a scale from 0 to 10, How would you rate the current state of housing supply in your community following Hurricane Helene? 0 being extremely poor, 10 being the excellent.
4. On a scale from 0 to 10, How would you rate the current state of housing conditions in your community following Hurricane Helene? 0 being extremely poor, 10 being excellent.
5. On a scale from 0 to 10, How would you rate the economy in your community following Hurricane Helene? 0 being extremely poor, 10 being excellent.
6. Have any particular populations in your community been underserved in the recovery process from Hurricane Helene?
7. Please rank these programs 1-7, 1 being the most important to your community, 7 being the least:
 - Homeowner Repair/Reconstruction Program: Direct repair to Helene damaged homes as well as reconstruction of homes that were completely destroyed.
 - Workforce Housing for Ownership.
 - Small Rental Repair: Reconstruction/rehabilitation of small rental properties with seven or fewer units.
 - Multi-Family: Program to reconstruct, rehabilitate or construct new rental housing stock.
 - Community infrastructure program: Fund projects that are necessary to address identified unmet disaster recovery needs in communities and counties that are not funded by other federal recovery programs.
 - Business Sustainment Grants: The Business Sustainment Grant (BSG) Program addresses the distinct needs of the thousands of small businesses and microenterprises by rapidly providing funding that will enable them to retain employees and sustain operations as the western North Carolina economy recovers from the aftermath of Hurricane Helene.
 - Commercial District Revitalization: Assist small and rural communities in addressing recovery needs in local commercial districts in effort to retain jobs and shopping/service opportunities for residents.
8. Not-including state and nationally-led programs, are there any ongoing locally-organized disaster recovery initiatives in your community?
9. Are there any additional unmet needs resulting from Hurricane Helene?

6.4 Standard Form 424

The [Application for Federal Assistance Standard Form 424 \(SF-424\)](#) can be accessed online through HUD’s website.

6.5 Public Comments and Responses on Draft Action Plan

As required under the terms of Revised Universal Notice, NCDOC is providing a full accounting of public comments received between February 18, 2025, and March 20, 2025, on the draft Action Plan. Comments were collected via several means pursuant to the NCDOC citizen participation plan for its CDBG-DR funding. NCDOC has provided a response to each comment.

Table 40: Public Comments and Responses

#	Comments/Questions Received	NCDOC Response
1	Helping people would be great even if you have home owners insurance the High deductible hurts.	The intention is for the Housing R&R Program to address funding gaps between insurance payouts and reconstruction/rehabilitation costs. and will aim to help as many people as possible with the priority being on those that are low-to-moderate income.
2	Please invest in local food and water infrastructure. Protect our water and food production capacity	Approximately 13.5% of the entire CDBG-DR allocation will be available for infrastructure projects that can encompass water and wastewater projects. This funding will be in addition to extensive funding provided by FEMA under its Public Assistance program. Additional resources will be devoted to agricultural needs through various programs administered by the US Department of Agriculture and the Small Business Administration.
3	It would be great if some of that money could be used to help with bridges and culverts,	NCDOC is devoting more than \$130 million of CDBG-DR funding toward addressing the repair and reconstruction of private roads, bridges and culverts as part of the Housing R&R Program. To the extent that funding is required for such activities in the public right of way, assistance may be available through the Community Infrastructure Program.

#	Comments/Questions Received	NCDOC Response
4	<p>I believe if a substantial amount of money pays residents to help with clean up helping build. I know contractors are drooling hoping to get a piece of the grant. But getting local community not only would economically it will give NC residents a purpose maybe some companies around would donate some time to help make western Carolina better in all future devastation in other states a new fresh approach. Not only could people begin to get their lives back. Heath reasons for all less depression a new zest for all. Utilize your people in NC keep money flowing staying in NC. Yes there are things that have to be done by professionals. But those big corporations don't spend back into our economy but the locals will. IT TIME FOR A NEW ERA. HAVE THE STATE EMERGENCY LOOSE THE RED TAPE. and This is a better way for NC. These people need paychecks . NC looks like it doesn't care about it people. If you want to be a historical Governor you can't stay the same way it always been done. Give a new way to bring life back to western NC. I think that could send a powerful message about who you are.</p>	<p>CDBG-DR funds are covered by an economic opportunity requirement established by Section 3 of the Housing and Urban Development Act of 1968. Section 3 directs grantees and their subrecipients to make best efforts to use local labor and businesses to implement covered programs such as CDBG-DR. NCDOC is responsible for ensuring compliance with Section 3 in administration of the CDBG-DR funding.</p>
5	<p>1 - Reems Creek is still full of debris, including shipping containers and RV's etc.. A housing development along the creek is moving right along even though cleanup has not happened. Why would we clean it all up just to have it flood again? I've lived in Weaverville for 10 years, this is the second time I've seen it flood. Please put caps on where people can rebuild. This is going to happen again. 2- The Parkway, will the state have to help the government clean it up? It is a total mess and will severely affect NC revenue from tourists. We live 4 miles from the Tanbark overlook and Rattlesnake Lodge trail. It's absolutely decimated. No idea how we recover the Parkway and the amount of money to clean it up is astronomical. 3- Riverside Drive in Asheville. As above, I drive this route every day to take my daughter to school. It routinely floods and they close the road. Do not allow rebuild unless they are back above depot street. Keep it a pedestrian walking path but the industrial buildings should not be built back. The plastics factory sent plastic pipes all over the river. We need to realize that these once in a lifetime storms are no longer once in a lifetime. Rebuild should focus on being strategic going into the climate crisis.</p>	<p>HUD directs grantees to incorporate mitigation and resilience concepts into CDBG-DR construction activities. Mitigation reduces or eliminates the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters. Construction in any floodplain or other high risk flood area be undertaken consistent with applicable Federal standards.</p>
6	<p>Any funds that can be appropriated and directed to Western North Carolina to help with hurricane relief should definitely be collected and distributed as quickly as possible. We used to live in Yancey County and everything just over the ridge from our first house was washed away by the South Toe River, so we're completely sympathetic to the plight of our old mountain neighbors. In addition, my wife worked for an agency that visited every home affected by a much smaller storm back in the 70's and can remember how traumatic it was for people. How much worse it must be to lose homes, livelihood, and lives compared to just losing your low water bridge!</p>	<p>NCDOC intends to rapidly launch programs and begin awarding funds upon approval of this Action Plan by HUD.</p>
7	<p>Please use some of the funds to clean our river debris. I live in Sugar Grove NC one of the worst hit areas. The roads are still falling off the sides everywhere and trash is as far as you can see.</p>	<p>Debris removal is principally being funded under FEMA's Public Assistance program as a "Category A" expense. Some debris removal may be funded with CDBG-DR if incidental to implementation of a funded activity.</p>
8	<p>I would propose alternate text for the section on the NCLWF Grant Programs on Page 46: NORTH CAROLINA LAND AND WATER FUND GRANT PROGRAMS The North Carolina Land and Water Fund (NCLWF) makes grants to protect and restore natural lands and waterbodies in the state. Much of this work preserves and enhances the ability of the landscape to naturally attenuate flood water. In 2021, the NCLWF was also given one-time funding of \$15 million to establish a Flood Risk Reduction Grant Program, which provided grants to design and implement flood mitigation projects. Under the auspices of the NC DNCR, the NCLWF has funded 18 projects that will increase the capacity for flood storage by an estimated 1,918 acre-feet. More information is available at: https://nclwf.nc.gov/. Here is a screen shot of the reline if helpful:</p>	<p>NCDOC has made the suggested changes.</p>

#	Comments/Questions Received	NCDOC Response
9	I am writing to voice my concern about the lack of resources and funding for the many, many owners of private investment property or second homes who have lost their entire investment – a lot of which were intended to be their place of retirement. These losses are obviously not as horrible as the losses of primary residences, but they are still losses that alter ones course in life. Everything is turned upside down and there is no help in sight for these folks. They should not be ignored and should have equal access to recovery funds and resources.	Investment properties that provide permanent rental housing are eligible for assistance via Small Rental. Second homes are not eligible for assistance per HUD requirements.
10	The Town of Waynesville experienced significant damage to 1.) Our standalone Finance Department-the former Hazelwood Town Hall 2.) Sewer Plant 3.) A major bridge in town 4.) Ballparks, Park Facilities, trails, and streambank buffers We have ongoing projects to repair the damage to these facilities. We are hopeful that we will receive major reimbursement from FEMA. But FEMA will only pay to build back what was there at the time of the flood. It will not pay for any upgrades to floodproof the infrastructures or to make them more resilient in future floods. And we can't wait to repair and rebuild. Our small staff has spent countless hours complying with conflicting FEMA requirements, doing our best, and still praying that we will be reimbursed. We have advanced hundreds of thousands of dollars from our Fund Balance which are no n under the proposed Plan requires money and expertise that our town does not have. Even if we expend the time and money to hire an outside consultant, there is no guarantee of funding. An application describing a simple scope of work, a set aside of CDBG money, and a Department of Commerce that works with us to design a plan is what we need. We don't mind rigorous evaluation, but we need you to work with us rather than judge us.	Waynesville is located in Haywood County which has been identified as a "Most Impacted and Distressed" (MID) county by HUD due to the damage inflicted by Helene. NCDOC must expended at least 80% of its CDBG-DR funds in the HUD-defined MID areas and projects from the HUD-defined MID areas will be prioritized under the Community Infrastructure Program. CDBG-DR funding may be used to compliment FEMA Public Assistance funding to enhance repair and reconstruction efforts.
11	Why not give everyone who filed FEMA claim that was denied so much money? And who also filed insurance that didn't pay as much as it will cost to repair.	The Housing R&R Program can fill the gap between a homeowners' insurance payout and the actual cost to rebuild. In general, the CDBG-DR program does not pay cash to individuals and households as does the FEMA Individual Assistance Program.
12	I represent an HOA whose property borders Owens Park and the Swannanoa River. During Helene the river roared over its banks across our property and wiped out the base of a steep slope. Four duplex cottages sit at the edge the slope. Stable now but in danger if another big storm occurs. Slope rebuilding and stabilization is being sought. It seems appropriate that the Park be rebuilt to control the water flow, returning the river to its original course, and assistance to rebuild our slope.	CDBG-DR assistance to address potential project costs may be available through any of several programs under the Action Plan depending on the details of the project.
13	One primary thing that I see we need to do is to focus on re-greening all our flood plains and moving any further development on higher ground. We need to invest in planting deep rooted, native species to preserve what remains of the soil and to slow future water flow when flooding happens again. This represents a chance to cultivate our waterways, and can be an ongoing job akin to forest management. Our recent "recovery" actions have flattened out the land, and stripped it of all the organic matter in many of the flooded areas, which will be making runoff and soil loss worse, and future flooding more extreme. Local nurseries and environmental organizations are starting riverbank repair, and money should be sent to them to start jobs and keep the necessary plants coming. This can be part of helping farmers rebuild as well, since much of our farmland was destroyed and needs remediation to become plantable again, if it is salvageable at all. Money needs to be sent to towns on the river areas to buy out properties on the water edge at a fair rate. We also must require that future development incorporate permeable pavement and focus on density, which will keep us out of the way of the water. The flooding in the mountains was not a problem, that is what nature makes floodplains for, the problem came when we were in the way. Development grants to minimize sprawl and concrete will help greatly, while putting people back in safe shelter. Asheville must redevelop its major thoroughfares with multi use building projects that have living and working areas on already denuded land. Also, we need to invest in mass transit that brings down the number of cars, the traffic situation was bad before and the extra vehicles since the storm have meant doubled drive times. More buses are needed to make commuting on a bus possible for those who live outside the bus line without access.	Given limited CDBG-DR funding, NCDOC has opted to focus on housing recovery while also attempting to assist communities with infrastructure and economic revitalization needs. Reconstruction of housing will involve mitigation against future damage of a similar nature.

#	Comments/Questions Received	NCDOC Response
14	our HOA was seriously affected when the Swannanoa River massively overflowed its banks and caused rapids to wash over or property and erode the base of a slope causing collapse. At the top of the slope, on the edge, are four duplex cottages. Stable now, but in danger should another big storm happen. We are working to rebuild and stabilize the slope. This is a major project: first step is to clear the huge piles of debris at the base which was washed there by the raging river. It is very appropriate that Owens Park be rebuilt, at least in so far as the river is returned to the original course, and that financial assistance provided to clear the debris and help stabilize the slope.	CDBG-DR assistance to address potential project costs may be available through any of several programs under the Action Plan depending on the details of the project.
15	Can infrastructure include environmental remediation?	Site preparation and environmental remediation are eligible activity costs under the various programs described in the Action Plan.
16	Will low-income folks who have already done work be reimbursed?	The design of the Housing R&R program has been revised to encompass potential reimbursement of work already performed.
17	Are projects in the City of Asheville eligible for this money or is it double-dipping?	NCDOC will operate its Housing R&R program in Asheville to take advantage of the economy of scale associated with the program and the city will reimburse the NCDOC for R&R program funds expended on housing units assisted in the city. Further, Asheville will be permitted to apply for competitive grant programs implemented by NCDOC.
18	Is the Department of Commerce anticipating impacts from federal funding status?	NCDOC is closely monitoring developments surrounding the availability of federal funding. As of mid-March, 2025, NCDOC is unaware of any impact on the availability of CDBG-DR funding in response to Helene.
19	Is there any particular data needed?	Comment is not specific to any Action Plan issue.
20	How does this Action Plan differ from other NC CDBG-DR action plans? Is this addressing long term recovery?	This Action Plan is the long term recovery plan required by HUD to access the \$1.4 billion of CDBG-DR funding allocated to North Carolina to address unmet needs associated with Helene. It stands separate and apart from prior CDBG-DR action plans done by the State in response to hurricanes Matthew and Florence as well as the CDBG-DR Action Plan being developed by the City of Asheville.
21	Is there a plan to phase in the use of this funding—maybe housing first then infrastructure and economy later?	NCDOC's priority is to rapidly launch the Housing R&R program as quickly as possible with other programs to follow as they are developed.
22	How many utility lines were impacted? (refer to website for disaster needs assessment).	Attention is directed to the Unmet Needs Analysis in Section 2 of the Action Plan which includes a high-level discussion of Helene-related impacts upon utility services in western North Carolina.

#	Comments/Questions Received	NCDOC Response
23	Are there options for receiving funds besides reimbursement? Paying the full expense up front may be a challenge for some.	The Housing R&R program is primarily intended to be a managed construction program and but has been revised to include a reimbursement component.
24	How will vendors be selected?	Vendors will be contracted through a stringent procurement process consistent with federal regulations at 2 CFR 200. All awarded contracts will be available via NCDOC's CDBG-DR website as required by HUD..
25	How will unincorporated areas be able to apply for funds?	Counties will be able to apply for projects within their unincorporated areas.
26	How will this impact the proposed budget for the General Assembly? Extra state \$ may be in addition to this program.	The General Assembly has discussed appropriating funding for various actions which may compliment CDBG-DR funding but full details are not known at this time.
27	Will applying for other programs make applicants ineligible for this program?	The only CDBG-DR program open to households will be the Housing R&R program. NCDOC's concern is whether an application for CDBG-DR assistance would be duplicative of assistance received from some other source, such as FEMA IA Assistance. This is why NCDOC is required by the Stafford Act and HUD to carry out a duplication of benefit (DOB) analysis. Individuals can receive IA but it is federal law not to duplicate benefits. If you receive assistance from multiple funding sources
28	Goal for state to be reimbursed from Federal funds for this program.	NCDOC has inserted language in the Action Plan to enable it recovery certain pre-agreement costs related to front-end administrative costs and, potentially, housing program costs if such programs are launched with state funds.
29	Plans for a tiered environmental assessment that is planned to come out of program costs with this program.	Environmental reviews costs are chargeable to the project as activity delivery costs.
30	How will areas be prioritized? Could this program fund mitigation projects for future storms?	HUD has identified certain areas affected by Helene as "Most Impacted and Distressed" and NCDOC is required to expend at least 80% of its CDBG-DR funds in these areas. This is a de facto prioritization established by HUD. The various programs proposed under the Action Plan all include a mitigation funding component.
31	How does this program work with hazard mitigation grant? It could fill the gap on items such as private roads and bridges.	NCDOC has designed the Housing R&R program to incorporate funding for private road and bridge reconstruction expenses. CDBG-DR can be used as non-federal matching funds to FMEA's HMG program.

#	Comments/Questions Received	NCDOC Response
32	What is the next step before the state is able to secure the funding?	NCDOC must finalize its CDBG-DR Action Plan and submit it to HUD for review and approval. Upon approval, HUD and NCDOC will execute a grant agreement and HUD will make funds available on a line of credit. NCDOC will then be able to draw upon the funding to pay expenses as they are incurred.
33	So this CDBR process is significantly different from the past.	The basic process remains the same in that HUD allocates funds, grantees must develop a plan to use the funds, and receive HUD approval of that plan. It is different in that NCDOC will be administering these funds and that the mix of programs and areas eligible for assistance are different.
34	We got to do the application process on an individual basis, or can we get mass money for the church through one application to manage multiple clients' projects?	Assuming that the question relates to the Housing R&R program, each applicant must be considered by NCDOC on their own merits. The program will be centrally managed by NCDOC and not subrecipients.
35	NCORE was a nightmare!	Comment is not specific to Action Plan issues.
36	Local government makes an application within these categories, is it a first come first serve or what is the criteria for awarding the grants?	Eligibility criteria and application processes are identified for each program included in the Action Plan.
37	Local government says need to award community infrastructure fast, don't delay.	NCDOC understands the desire to move as quickly as possible. Funding under FEMA's Public Assistance Program will be the primary source of infrastructure repair funding but NCDOC will work to rapidly implement its Community Infrastructure Program to compliment that work.
38	The infrastructure and home rebuild need to go hand in hand, houses do not need to be built before the infrastructure is in place.	NCDOC will work to ensure that housing and infrastructure work will be coordinated to the greatest extent possible. If the concern relates to private road and bridge access to housing units, note that the Housing R&R Program includes \$130 million dedicated to addressing those needs.
39	Does the hazard mitigation money fall within one of the three buckets?	HUD has provided \$186 million for mitigation activities and NCDOC has allocated those funds across its various housing, infrastructure, and economic revitalization programs.
40	Are you talking with other departments about their funding and how they will work together?	In preparing the Action Plan, HUD required that NCDOC consult with a wide range of local, state and Federal partners. NCDOC will remain in constant contact with those partners during the recovery efforts, under the umbrella of the Governor's Advisory Committee on Western North Carolina Recovery.

#	Comments/Questions Received	NCDOC Response
41	I am a homebuilder. Typically, I build market rates. I have been talking with non-profits about helping them build homes. Is there anything I can do to assist in this process. Example – I can build 50 homes in Burke County and 100 homes in this county.	Please consider working with a local government or non-profit partner in applying for funding under the Workforce Housing for Ownership Program when it begins accepting applications.
42	If we as contractors were qualified during NCORE, would we be qualified under this CDBG-DR Program?	NCDOC will shortly define opportunities for housing contractors to participate in various housing programs. NCDOC may explore options to expedite contractor qualifications based on prior performance under state programs.
43	What's the coordination behind the scenes for a universal intake form for multiple pots of money? C – so what I am hearing today, if a property owner has multiple types of damage to home, road, and agricultural farm property, the individual landowner may not know the difference between the multiple sources of money. Gaps will show up as we move through the process. In the perfect world, the landowner would be able to complete one application.	Under the Housing R&R Program, funding for housing repairs can be paired with mitigation funding to address necessary private road and bridge costs. A single application will cover both.
44	I get the double dipping. Is that exclusive of private donations?	Context of comment is unclear. All CDBG-DR assistance is subject to a duplication of benefit (DOB) analysis to ensure that no recipient of Federal assistance receives a duplicative benefit.
45	if a homeowner received a donation for another reason, that does not count toward your grant award towards rebuilding your home.	NCDOC is required by HUD to carry out a duplication of benefit (DOB) review for each funded activity/project. The question will be whether the CDBG-DR assistance would be duplicative of the donation.
46	If homeowner takes on a loan to rebuild home, will that count against the grant award and need to be subtracted?	The nature/status of the loan will be evaluated through the duplication of benefit process. The question is whether the benefit would be duplicative.
47	Is there low income on the other two buckets of community Infrastructure and the Economy commercial district revitalization?	NCDOC is required by law to expend at least 70% of CDBG-DR funds on activities that benefit low- and moderate-income persons. NCDOC has consciously designed its programs to achieve this legal requirement.
48	Walk me through the process. An 80-year-old lady lost her 5-bedroom house. By HUDs definition, she only needs a 1-bedroom. How will this play out?	NCDOC will evaluate each application under the Housing R&R program to determine the appropriate level of assistance consistent with program funding caps and household needs.
49	The HOW plan, is that something that goes through public comment plan or who makes that decision?	Comment is unclear but may refer to the Workforce Housing for Ownership (WHO) program. This process provides the public with the opportunity to comment on program goals and design.
50	Do you see the plans for the homes being built going smaller?	Under the Housing R&R program, house size will be a function of CDBG-DR funding limitations per unit in combination with homeowner resources such as insurance proceeds.

#	Comments/Questions Received	NCDOC Response
51	Does the local government have the authority or flexibility to maneuver zoning and code for building the new homes?	NCDOC housing program guidelines will be designed to work within 1) applicable state building codes 2) local zoning requirements and 3) federal requirements associated with CDBG-DR funding.
52	Commercial Districts to receive money, do they have to be in a low income census track?	NCDOC will evaluate each application under the Commercial Revitalization Program for compliance with a CDBG-DR national objective, most likely low- and moderate-income benefit on an area basis.
53	My daughter lost her home in Spruce Pine, how long will it take to get this funding?	NCDOC expects to launch the initial phase of the Housing R&R program in late spring or early summer of 2025. Potential applicants to the program should review the application matrix for the Housing R&R programs described in the Action Plan to better understand how the process will be implemented.
54	Housing money, does this also include well and septic coverage. Does it also include access to the house? When does private road end and driveway begin?	Well and septic systems may be addressed under the Housing R&R Program. Road and bridge costs may be eligible as a mitigation cost associated with the housing repair. All such costs are subject to the overall Housing R&R program assistance limitations.
55	Housing agencies are able to help be the boots on the ground.	NCDOC will manage the various recovery programs funded with CDBG-DR funding.
56	Is there a process within HUD where an owner of a property can provide ownership without showing Title?	NCDOC will provide alternative methods for demonstrating legal title to damaged or destroyed property and may provide assistance in the form of legal services in support of establishing valid ownership.
57	Will all the reconstruction be a HUD approved contractor or can applicants get their own contractor?	Contractors under the Housing R&R program will be selected by NCDOC, not HUD.
58	Housing is the greatest need, but it's also the toughest to manage!!!	NCDOC will manage the housing recovery programs with the support of contract vendors.
59	Commercial district – will grants be giving to individual business owners?	Funding will be targeted to local governments and, potentially, non-profit organizations working in those communities.
60	Do you have something on how to navigate the entire disaster process? Step by step guide...FEMA, Insurance, HUD, Federal/State grants, etc.....	NCDOC's website will provide extensive support and guidance for housing program applicants.

#	Comments/Questions Received	NCDOC Response
61	Will this be a lot of citizens applying to Commerce and not local governments?	NCDOC recognizes there will be an extensive number of applications under the various programs, most notably the Housing R&R program. For the Housing R&R program, applications will be staggered consistent with the matrix included in program description in section 5 of the Action Plan.
62	84% of HUD staff being cut, going through the process, is there any guarantees that this process and funding will actually happen?	NCDOC has no indication that the funding will not be made available consistent with HUD's published guidance.
63	Local Governments are unable to draw down federal money right now so we are anxious about this funding and process.	NCDOC recognizes and shares concerns about the availability of federal funding in the coming years but has no indication that disaster recovery funding will be negatively impacted.
64	Clarification on timing of funding for housing, are we talking 2025 or 2026?	NCDOC expects to launch the Housing R&R program in the late spring or early summer of 2025 and that the program will operate over the subsequent several years.
65	Individuals with FEMA applications...it is important to understand duplication of resources...important for people to understand if they are getting FEMA money, they need to spend it on that because other money will be subtracted.	NCDOC is required by the Stafford Act and HUD requirements to conduct a duplication of benefits (DOB) analysis for each funded activity. This process will identify and address any problematic DOB early in the process.
66	40% of renters in Ashe County are burdened already.	To help address rent affordability, the Multifamily Construction Program will, in some instances, invoke affordability covenants for specific periods.
67	Are you thinking about creating vouchers for this program?	NCDOC does not contemplate establishing a housing voucher program with CDBG-DR funds.
68	Is there a way to control or prevent the increase in housing rent costs after the rehabs are completed with this HUD money?	To help address rent affordability, the Multifamily Construction Program will, in some instances, invoke affordability covenants for specific periods.
69	How can we ensure renovated rental properties are not going to be used for short term rentals like Air BnB?	NCDOC may consider the use of restrictive covenants or resale/recapture provisions to address concerns associated with short-term rental of properties repaired under the Housing R&R program.
70	Can this money be used for riverbank improvements and preparation to keep from flooding when small amounts of rain happen?	Riverbank mitigation may be funded as a component of housing programs or the Community Infrastructure Program.

#	Comments/Questions Received	NCDOC Response
71	Local Governments are already burdened and short staffed. With these funds being channeled through local governments, how would compliance and reporting burdens be handled?	When opting to use CDBG-DR funds for recovery purposes, any funding recipient assumes responsibility for complying with the full range of federal requirements that accompany the funds.
72	COGS are already very helpful in managing the process of other grants for local governments, we have no problem with funds being channeled through non-governmental agencies (COGS).	NCDOC will continue to evaluate ways to make use of the Council of Governments framework throughout western North Carolina to facilitate recovery.
73	Many municipalities may not have the capacity to manage this funding process. If not, will this burden fall on the county governments to handle the capacity. This will put an additional burden on our staff.	When opting to use CDBG-DR funds for recovery purposes, any funding recipient assumes responsibility for complying with the full range of federal requirements that accompany the funds.
74	You mentioned issues that happened in East Carolina with previous storm, what things will be different operationally here in the West than happened in the East?	NCDOC has evaluated outcomes associated with the Florence and Matthew recoveries and is developing its implementation effort based on lessons learned from those experiences.
75	This comment is about the workforce for small businesses. I don't think they have the capacity for managing any reporting requirements on workers' payroll.	NCDOC is not proposing to establish a business assistance program. To the extent that programs do require contractors and vendors to report certain outcomes, NCDOC will attempt to minimize that reporting consistent with HUD requirements.
76	in Ashe County, resident witnessed people getting a SNAP card for groceries. It was so nice to see something so easy to get help. At the same time, I applied to FEMA for assistance, almost half a year has passed, and I got nothing from FEMA.	Comment is non-specific to the Action Plan. However, NCDOC understands the frustration associated with recovery delays and will seek to expedite implementation of its proposed programs.
77	When a citizen goes to apply for HUD funding, but their road and bridge is washed out. What should they do to start getting their house rehabbed?	Private road and bridge funding may be available through the Housing R&R program as a mitigation cost.
78	No singular funding source is going to make everyone whole. Use stack approach to cover bit by bit for your project.	NCDOC is fully aware that available CDBG-DR funding is inadequate to address all unmet needs arising from Helene and has targeted its funding to the most serious need - housing recovery.
79	This question is regarding Community Infrastructure for unincorporated areas that do not have local government in place. Is there an avenue for rural areas to get funds for rehabbing community parks or spaces? Maybe allow local non-profits to assist these small rural communities to apply for the funding. (Valle Crucis Park example)	Counties may apply for the Community Infrastructure Program on behalf of their unincorporated areas. NCDOC will evaluate altering the program to permit non-profits to apply on behalf of unincorporated areas.
80	Were the rejected FEMA claims included in the determination?	FEMA data was only used for the purpose of identifying unmet need and is not determinative of eligibility for CDBG-DR assistance.

#	Comments/Questions Received	NCDOC Response
81	Is it possible to prioritize hiring of local contractors who businesses were impacted by the storm allowing them the opportunity to be hired under contract for this work of building homes?	NCDOC expects to use local contractors for the Housing R&R program. For other programs, NCDOC is responsible for implementing HUD's "Section 3" requirement which directs subrecipients of funding to prioritize economic opportunities in communities receiving the funding.
82	Workforce or small rental – concern – more predatory practices that has happened – provision that give precedence to local community land trusts to build more affordable housing? What does it look like to ensure affordable housing is not BIG corporations or developers who have the resources to cut through the red tape?	NCDOC encourages community land trusts to propose projects under the workforce and multifamily programs.
83	by the Avery County Commissioner – We have been looking at this for years and its very complex and hard to do!	This comment is non-specific to the Action Plan.
84	Any conversations about developing a task force to monitor large land grabs?	This comment is beyond the scope of the Action Plan.
85	How money should be spent – Include and add weight on proposals that add houses that offer energy efficiency and more cost effective...	HUD's current guidance requires a focus on energy efficiency and resilient building and NCDOC will incorporate such concepts consistent with HUD guidance as it may evolve.
86	Can you allow for weight in the application rankings recognizing those communities that have low-income areas for more affordable housing? (example about lower income in Ashe County vs areas in Henderson County who have higher median income)	NCDOC incorporated several priorities into its multifamily program structure including use of difficult development areas and qualified census tracts from the low income housing tax credit program.
87	Can you use income levels and poverty levels as a criterion of what is going on in that community to evaluate competitive scoring on applications?	By law, NCDOC must expend at least 70% of its CDBG-DR funds on activities that benefit low- and moderate-income persons. This requirement will drive investments to neighborhoods consistent with the expressed concerns.
88	Individual Assistance – prior to hurricane, 40% were Air BnB and have businesses, cars, etc. are registered at those Air BnB. How will this be addressed with this funding?	NCDOC may consider the use of restrictive covenants or resale/recapture provisions to address concerns associated with short-term rental of properties repaired under the Housing R&R program.
89	Is the homeownership program also being looked at to get out of flood plain?	NCDOC will work with evolving HUD guidelines on rehabilitation of housing within floodplains. At a minimum, flood insurance coverage will be a necessity for reconstructed or rehabilitated units in floodplains.
90	Community Housing trust are VERY complicated!!! It has benefits, but it is not a good fit for all communities. Can look into the Blue Ridge Conservancy for guidance.	NCDOC encourages community land trusts to propose projects under the workforce and multifamily programs.
91	Get involved with long-term recovery groups for getting involved in housing in your community. They have highly trained case managers to assist.	NCDOC will evaluate how best to handle case management needs for the Housing R&R program and will work with contractors to effectively implement case management.

#	Comments/Questions Received	NCDOC Response
92	Allocation for Administrative funds...Will those admin funds be used to assist small communities, or is that for in-house use only?	NCDOC's approach will be to retain the 5% administrative allowance to manage the program over its expected 6 year term. Subrecipient will be eligible to access activity delivery costs associated with direct implementation of funded activities.
93	Workforce housing – for clarity – that funding could come to COG for nonprofits to apply or nonprofits would apply to the state?	Non-profits are eligible to apply under the Workforce Housing for Ownership program.
94	if the planning budget was zero. IF we move housing out of flood plains, then who plans where to put the new housing?	Architectural and engineering costs associated with reconstructing housing may be considered activity delivery costs and can be paid from Housing R&R program funds for the project.
95	Talk more about what mitigation can be used for? Access to small rural communities? Are public roads that are LMI or private roads?	NCDOC has opted to provide mitigation funding in conjunction with each of its five designated programs. The priority will be to address private road and bridge needs as a mitigation cost within the Housing R&R program.
96	Several of us were in DC advocating for money. Virtual chain saw in Washington wanting to cut HUD staff...it is a race against time...this meeting is a process. But don't need to delay. I have a letter to address adding another meeting...What is next? What comes out of this meeting? How does the meeting today impact what the next steps are in moving forward?	This comment is not specific to Action Plan issues.
97	Infrastructure – could local governments apply to shore up water and sewer infrastructure? Can this money be used on the electrical grid? (Jefferson example of water and sewer)	Within the Community Infrastructure Program it may be possible to address utility issues.
98	Would it be possible to have some of these meetings at more assessable times for working people?	NCDOC has provided ample opportunities for comment on the proposed Action Plan. Individuals may submit comments via the NCDOC website.
99	Can this presentation be used for a Zoom meeting to get more responses?	NCDOC has provided ample opportunities for comment on the proposed Action Plan. Individuals may submit comments via the NCDOC website.
100	is there anything communities can do to help people apply?	Local governments may elect to set up processes to assist residents in applying for assistance under the Housing R&R program but NCDOC is not offering any financial support for such efforts.
101	Ashe County historically seems to be lost or forgotten. Raliegh forgets where we are. What can we do to reach the people to make sure they are applying for this money?	NCDOC and its chosen program contractors will undertake a broad outreach effort to ensure that eligible households apply for the Housing R&R program.
102	Ashe County would not be considered for any additional NCWorks funding. May have to shut down at the end of March. Case management load is still high in Ashe. Can you address this?	Case management for applicants to the Housing R&R program will be handled through NCDOC's chosen contractors. Case management for non-CDBG-DR funded actions will not be supported by NCDOC.

#	Comments/Questions Received	NCDOC Response
103	In order of priority: Repair or provide housing for those who lost their homes. Clean up all debris from streams and waterways. Remove debris on public and private properties, which is especially important to avoid fire hazards.	NCDOC's priority is implementation of the Housing R&R program to rebuild owner-occupied housing.
104	Hello - I recommend spending money on infrastructure improvements to the areas of Buncombe County that generate the greatest number of jobs and tax revenue, in the River Arts District and Biltmore Village.	Both the River Arts District and Biltmore Village are within the corporate limits of the city of Asheville. Asheville received a direct CDBG-DR allocation of \$225 million and is expected to use funding to address needs associated with those areas.
105	I work for the Buncombe County School system and spend time driving all over WNC going to schools. What I see just breaks my heart. First, I applaud the amazing job of NCDOT workers getting roads and bridges reopened. Those people all deserve raises! When I40 reopens, I can only hope the traffic through I26 lessens a bit. That road is getting destroyed and will need repair work. The biggest need I see is debris removal and clean up. There are piles of debris still everywhere, especially in the River Arts District, Swannanoa and trash in the trees all along the French Broad River. It is stunning to me that as I drive to work in Asheville, I still see garbage hanging over the river in trees and piles of asphalt along the roads. There is a major slide on I26 in Woodfin that is right on the edge of the road that has not been addressed and a sinkhole on 26 in Weaverville off of Exit 17 that continues to grow. Debris removal and river cleanup efforts need to be increased. While there are debris trucks all over the place, it does not feel like enough and it is painfully slow. 5 1/2 months and it still looks like a garbage dump along the river.	General debris removal is not being funded under NCDOC's CDBG-DR program. Site specific clearance may be done in order to complete projects selected for CDBG-DR funding.
106	I'm former NC Commerce Regional Manager for Northwest Region. Nothing happens without ground to build on, and pipes in the ground to serve it. Two parts to this - 1. Public Sector - spend money immediately to - secure land for new housing (contracts, options or purchase) OR - offer surplus land already owned by city or county - get land planning done ASAP to identify number of units - coordinate the public sector land planning with private sector partners (per below) wherever possible, but do not wait for them - waive all development fees - offer package to housing contractors to include extension of all utilities to each homesite with meter installed, or to multi-family meter pit - if funds allow, perform the grading/site prep with utilities installed per above 2. Private Sector - partner with qualified construction companies/non-profits that can build at cost - avoid bidding - only drives the cost up - go modular for rapid deployment of units - forego single family homes in locations where more units are needed Approach this as an economic development project. Use CDBG funds to do the public sector work, which may have to be bid. Place the land in local non-profit Econ Dev entities (every county has one). That allows each unit of government to use private sector partners, not go out to bid. This saves months of time and so much money. NOTE - for homeowners receiving FEMA funds to rebuild on existing single-family site - offer same free extension or rebuilding of utilities to homesite, and waive all development fees. NOTE2 - may need to amend existing NC Econ Dev law to allow residential development as an economic development "Project" which authorizes direct partnering through Econ Dev entities.	Property acquisition and site work are both eligible costs under the Workforce Housing and Multifamily programs proposed by NCDOC. Further, NCDOC understands that owner-occupied housing being re-sited under the Housing R&R program may need utility work and such costs are eligible are part of the reconstruction effort.

#	Comments/Questions Received	NCDOC Response
107	<p>Quantity of Homes Rebuilt/Repaired First, I noted that NCDOC expects the funds to provide for only about 2000-3000 homes. I am confused regarding this number given the \$807MM allocation. At 3000 homes, that would be \$269K per home. I would hope that some of the homes only require repair, and thus the average cost per home could be lower and the number served could be higher. Also, the \$269K value can likely be reduced if the baseline is a 1500 square foot, three bedrooms, two bath home. Requirements for Homes/Contractors There were a number of comments related to the requirements for the homes and the recipients. I will comment only on the requirements for the homes and contractors; it is the decision of NCDOC to determine the criteria for recipients. • NC Building Code – the minimum requirement for any and all construction for homes. This incorporates requirements for the structure as well as MEP [Mechanical, Electrical, Plumbing]. Chapter 11 of the Code stipulates thermal envelope and energy efficiency requirements. • Flood insurance requirements – In order to qualify for flood insurance under the National Flood Insurance Program, the home must be above Base Flood Elevation [BFE]. Some localities have higher elevations known as Design Base Flood Elevation [DBFE]. I recommend that all homes be built above BFE/DBFE in order to qualify for flood insurance and, more importantly, to not be subject to future flooding. The issue is thornier for repairs – should a home be repaired if it remains below BFE/DBFE? The FEMA threshold is that the repairs may not exceed fifty percent of the value of the home, but even that leaves the home uninsurable and subject to possible future flooding. I would suggest that repairs to homes below BFE/DBFE be closely scrutinized in order to not waste the available funds on work which is subject to known future risk. • Other insurance requirements – the insurance industry is becoming more selective in the requirements of a home in order to be insured at a reasonable rate. I recommend that all homes be built to meet currently accepted insurance industry requirements. However, I do not recommend that the increased requirements of some programs be adopted. For example, I do not recommend the requirements of Fortified Homes as set forth by the Insurance Institute for Business & Home Safety; I consider those requirements to be excessive.</p>	<p>NCDOC has carefully balanced available CDBG-DR funding with potential demand and has established program parameters that are intended to maximize impact across western North Carolina. Many issues raised in this comment are addressed in HUD requirements or will be addressed in the Housing R&R program policies and procedures.</p>
108	<p>I am writing to urge you to ensure that the arts are an integral part of any recovery plan for Western NC. As has been seen in past disasters in Puerto Rico and New Orleans prioritizing the arts was essential for their economic revitalization. The creative economy in the area of impact generated \$1.2 billion in sales and 17.5k full-time and thousands of part-time jobs prior to the hurricane. We cannot afford to ignore the arts sector.</p>	<p>NCDOC is prioritizing commercial corridor investments and expects that the arts sector will see collateral benefit from these investments.</p>
109	<p>Please include strong consideration of supporting the arts, as a key part of hurricane recovery. I live in Asheville, and was out of town during the storm. I was heartbroken watching it from afar. And as soon as I could get back home, I dug into being a part of several groups responding to the hurricane with theatre. It felt like something important that I could do to help uplift the traumatized people. The arts need support to do what they do, and that support was greatly affected by the hurricane's effect on the local economy.</p>	<p>NCDOC is prioritizing commercial corridor investments and expects that the arts sector will see collateral benefit from these investments.</p>
110	<p>Hello, I am a small business owner that tragically suffered during the Hurricane. We lost 80% of our business. Total damage loss exceeds \$380,000. I have received grants at a total of \$30,000, which I am super helpful for because they were a lifeline at the most critical time. I am asking if any of the funding that the federal and state government is providing can be allocated to helping small businesses recover. I did have insurance but not flood insurance, I would have never thought that I would need flood insurance in the mountains. Getting a loan is helpful and I am thankful for SBA and Mountain Bizworks, but at the moment I have received a loan to "pay off a loan". You see I already had a loan on the business and was able to purchase the inventory that I had, but that inventory was lost in the flood. And now I have had to get another loan to help to survive. Please help us small businesses to survive and not file bankruptcy. Thank you for your time.</p>	<p>NCDOC appreciates the comment but, given limited CDBG-DR funding, NCDOC will not be implementing a business assistance program.</p>

#	Comments/Questions Received	NCDOC Response
111	<p>I strongly recommend increasing the Total Budget for the Multifamily Construction and Repair Program by \$100 million, supplementing the existing \$172,712,300, to rapidly address the critical workforce rental housing shortage in Helene’s Most Impacted and Distressed (MID) areas. Immediate Impact: This additional funding will allow for the construction of at least 1,600 new workforce rental units, based on an average per-unit construction cost of \$165,000. Key Advantages: · Accelerated Development via Regional Nonprofit Developers Direct funding to Western North Carolina’s leading nonprofit housing organizations — such as Givens Estates, Mountain Housing Opportunities, Housing Assistance Council, and Western North Carolina Housing Partnership — bypasses the delays of the LIHTC process. These organizations have collectively delivered over 2,100 affordable housing units in the far-west counties of North Carolina and have the infrastructure, experience, and local networks to break ground and deliver units within two years. · Maximizing Impact with Debt-Free Construction By fully funding 60-80 unit developments through 100% CDBG-DR grants, projects will remain debt-free. This allows rental revenue— after reserve capitalization—to be reinvested into additional developments, creating a self-sustaining affordable housing model rather than one-time investments. · Streamlined Implementation Solely utilizing CDBG-DR funding avoids the complexities and delays associated with combining it with LIHTC, particularly the imposition of Davis-Bacon requirements on the entire project. This streamlined approach ensures faster project deployment. · Targeted Support for Disaster Recovery Western North Carolina’s nonprofit developers have ongoing projects in nearly every MID-designated county, with a specific focus on areas devastated by recent disasters. Expanding this program will directly address housing shortages where they are needed most. This strategic and immediate investment will increase affordable housing stock this year, ensuring new units come online by 2026-2027—a timeline essential to stabilizing Helene’s most vulnerable communities. Thank you for your time and consideration. I would be happy to discuss this strategy in further detail if you would like.</p>	<p>NCDOC appreciates the comment but, given the limited CDBG-DR funding vis a vis unmet needs, an additional \$100 million is not immediately available for the multifamily programs. Multifamily developers will be able to apply directly to NCDOC for funding under the Multifamily program and there is no requirement that projects be tied to the LIHTC program.</p>
112	<p>Upon reviewing the State’s draft Action Plan, we are concerned that there is not any funding allocated for planning activities. After this unprecedented disaster, communities are now tasked with rebuilding critical infrastructure along with including proposed mitigation measures. As a result of the storm, infrastructure project needs have completely shifted, which is why communities (that were already strapped for cash) need significant planning funds. Planning is needed to assess feasibility, produce engineering studies, and create design and construction documents to ensure their projects are competitive in the Community Infrastructure Program, as described in the current draft. Please consider adjusting the budget to include planning activities for communities to complete these essential preliminary steps in the project development cycle. Additionally, we want to elevate a study that was completed in 2007 by the Flood Damage Reduction Task Force , specifically for Buncombe County. The resulting report detailed watershed-scale flood mitigation projects that may be better positioned as state-selected projects to be considered for direct funding—projects that mitigate future flood risk and build community resilience. Lastly, we encourage you to review two State Action Plan’s from Louisiana that allocated significant funds for planning activities in addition to budget items for competitive grant programs for shovel-ready infrastructure projects. Hopefully these plans can provide inspiration for the next iteration of North Carolina’s State Action Plan.</p>	<p>Given estimated recovery needs in excess of \$50 billion and the fact that NCDOC received only \$1.428 billion in CDBG-DR funding, NCDOC was faced with a series of difficult funding decisions. These considerations led to a decision not to allocate funding for planning activities as there may be other avenues to fund such activities through various federal, state, local, and nonprofit resources.</p>
113	<p>We have reviewed your Disaster Recovery Plan and we see a significant component missing: The Federal Casualty Loss Provision of the U.S. Tax Code, And it could return as much as \$2.5 billion to the State of North Carolina. This often overlooked provision offers the only means by which those who have suffered unreimbursed losses because of a federally declared disaster can recover those losses. The Casualty Loss Provision provides the following: "If your home is damaged or destroyed as the result of a federally declared disaster, you may claim unreimbursed losses as a deduction against your federal income tax liability - past, present, and future" Here's how this relates to your recovery effort:</p>	<p>NCDOC appreciates the comment but is not in a position to offer tax advice to individual homeowners and recommends that disaster-impacted homeowners contact their tax advisor to further explore this matter.</p>

#	Comments/Questions Received	NCDOC Response
	<ul style="list-style-type: none"> • Tropical Storm Helene qualifies as a federally declared disaster. • Western NC Homeowners will have unreimbursed losses: Only 5.2% of those with verified flood damage had flood insurance. 13% of the homeowners in western NC were uninsured or underinsured, but this may be an underestimate. According to the CoreLogic research group, 64% of all homes in the U.S. are underinsured by an average of 27%. • Homeowners can get payments based on the prior tax year, the current tax year, and unused losses can be carried forward until they are exhausted. <p>The OSBM expects 126,000 were damaged by Helene. According to the North Carolina Association of County Commissioners, the median household income for those same counties was \$61,323. They also report the average price of homes in those counties to be approximately \$462,000. Households with no flood insurance, might be able to claim unreimbursed losses approaching \$250,000 resulting in as much as \$25,000 to \$30,000 in direct payments from the Government. The IRS has committed to expedite payments this year in these cases.</p> <p>In aggregate, the payments could exceed \$2.5 billion dollars to disaster victims in your state. We can help make that happen. Our team of experts is dedicated to assisting individuals who have experienced the devastating loss of their homes due to natural disasters. We understand the emotional and financial stress that comes with such events, and we are here to provide guidance and support throughout the recovery process.</p>	
114	<p>On behalf of the Town of Wilkesboro, I would like to voice our support for the focus on infrastructure proposed in the CDBG-DR money and advocate for an increased focus on mixed-use redevelopment in this Helene disaster response. Approximately 14% of the funding is proposed to be spent on infrastructure within hurricane-impacted communities (p.20), which we believe to be a worthwhile use of funding. We have multiple proposed projects in our community that would increase our resilient housing stock (p.51, 91). The missing link in one of these projects is to provide for adequate sewage disposal of the development. We have a shovel-ready (p.91) plan to install sewer lines and a pump station for this development in a way that is hardly enough to survive future flooding events. The CDBG-DR money can bridge this gap in a way that responds to hazard mitigation concerns.</p> <p>There is no question that Western North Carolina's housing stock should be a high priority in our recovery. The Town of Wilkesboro wishes to make application to use some of this money to install infrastructure that would increase housing stock above the regulated floodplain.</p> <p>Approximately 80% of the funding is proposed to be spent on housing and economic revitalization within hurricane-impacted communities (p.20), yet there is no mention of mixed-use development within the action plan. The Town of Wilkesboro believes an emphasis on mixed-use build back would be the best case of hitting two birds with one stone with this money. Further, this mixed-use approach should allow for private application for the monies, rather than the current split that would require towns to apply for the commercial aspect of the project (p.92). If left in the planned approach, this split would create an inefficiency best alleviated by allowing the private sector to manage implementation.</p> <p>The State's emphasis on economic revitalization (p.42) and increasing resilient housing stock (p.51) is well placed, however the Town of Wilkesboro would like to see an emphasis on these two items combined, especially in a manner that would result in increased housing stock above the regulated floodplain. There is potential in our community to add commercial and residential stock in a responsible way that would increase our resiliency to another Helene. I'm sure we are not the only community in the program area situated as such.</p> <p>Page references are to the State of North Carolina Action Plan of February 18th, 2025. Thank you for your consideration.</p>	<p>NCDOC will revise the Commercial Revitalization and Multifamily program descriptions to accommodate limited mixed use activities.</p>

#	Comments/Questions Received	NCDOC Response
115	<p>A lot of the rural areas feel that we've been left out while urban centers have received the bulk of assistance. This is a very common conversational piece amongst constituents in the west. Please keep this in mind in talking points that it's not only Asheville that's suffering from this, but also Burnsville. And Waynesville. And Marshall. And those who don't actually live in any municipality, but outside the city limits.</p> <p>Please consider enhanced prioritization for the following areas (I have not travelled all the MID counties, but my observations have shown these to be the most impacted):</p> <ul style="list-style-type: none"> ● Yancey County ● Mitchell County ● McDowell County (portions) ● Avery County ● Watauga County ● Ashe County (portions) ● Buncombe County* <p>Do note that the majority of recovery efforts have gone towards Buncombe county, and Asheville in particular, an area that was already significantly more affluent than surroundings. This is not to say that they don't have additional needs to be filled; just simply want to highlight that they have received most of the attention to date, and that rural areas have not received much.</p>	<p>NCDOC will work to address needs in rural areas consistent with HUD's definition of the Most Impacted and Distressed area. Concurrently, NCDOC will evaluate options for including a geographic distribution factor to the award criteria in program policies and procedures.</p>
116	<p>One thing I would caution about funding in WNC; Although many of the people in these communities are some of the poorest in the state, they actually have an above high average salary due to pockets in which some of the wealthiest families and individuals live in gated communities (driving up that average). Protections should be built into these efforts to preclude those at the highest income levels from siphoning off funding for those who truly need it most.</p> <p>Along the same lines – many of the citizens in this area have low or low quality information, getting information mostly through vicarious means via conversation with friends and neighbors. Many of these folks may have difficulty navigating complicated grant/awards systems; therefore, I would recommend to keep the barrier of consideration for funding as low as possible.</p>	<p>NCDOC is bound by the statutory requirement that at least 70% of the CDBG-DR funds be expended for activities that benefit low- and moderate-income (LMI) persons, with the LMI limit set at 80% of area median income. Further, NCDOC has clearly stated that under the R&R program, households with income above 120% of area median income are not eligible for assistance.</p>
117	<p>Regarding Mecklenburg County – Need to be very targeted in recovery efforts here, only to affected areas. The damage here is nowhere near that in less affluent areas. Charlotte is already making plans to exploit any money they can siphon off of the recovery, and they have grant-getting teams (another advantage they have over WNC) that are actively targeting this money. My advice would be that any money spent here needs to be verified as 1 essential for recovery only, because if you give them an angle on this money, there won't be any left for the people who really need it.</p>	<p>HUD identified one zip code within Mecklenburg County as part of the Most-Impacted and Distress (MID) area as a result of Helene. NCDOC expects that CDBG-DR investments in that single zip code will be minimal in comparison to investments in the broader scope of counties in the MID area.</p>
118	<p>Regarding expenditures, I would like to see a higher percentage put towards economic revitalization. WNC thrives on agriculture and tourism, both of which are going to take a significant, long-term hit. My family has already decided not to grow crops this year due to the amount of pickup required from upriver debris, and I imagine we are not alone in that calculation.</p>	<p>NCDOC has opted to focus its economic revitalization investment into commercial districts throughout the Helene-impacted areas. This decision is based on the limited amount of CDBG-DR funds available and the availability of assistance through the Small Business Administration and/or the US Department of Agriculture.</p>
119	<p>Bridges need to be a major priority, at least initially. Without our bridges, many areas are inaccessible or at least not safely accessible. I've seen families using bridges that I'd never consider driving over for several months now. For my family to replace a bridge on our property that connects the two sides of the farm on opposite sides of the Cane River, a bridge was estimated at \$35,000. There are many other farms with similar setups that get irrigation water directly from the river.</p>	<p>Private road and bridge costs may be available as mitigation funding through the R&R program. We urge to review eligibility for that program.</p>

#	Comments/Questions Received	NCDOC Response
120	I would also like to see speeding up of replacement of water treatment plants, and perhaps some measures to insulate them from future disasters. When the water came through the treatment plants, it washed the entire contents of those facilities miles downstream, so having a way to prevent this in the future would be wise.	Projects of this nature will be eligible for funding under the Community Infrastructure Program and mitigation funds to prepare for future storms may be available for projects under this program. Note that substantial costs for rebuilding water treatment facilities will be available through FEMA's Public Assistance Program.
121	Current state in my hometown (Burnsville) is that most of the debris is out of the roads, but it's just sitting there off to the side of the road. There are places where entire buildings washed onto someone's property in a tangle, or part of an old factory is flattened in the corner of a parking lot. This debris is going to become a problem, either as a fire hazard (this has already caused some wildfires) or a breeding ground for pests. We need to have a focus on removal.	Debris removal is principally being funded under FEMA's Public Assistance program as a "Category A" expense. Some debris removal may be funded with CDBG-DR if incidental to implementation of a funded activity.
122	We also really need some public mental health services, particularly for treatment of PTSD. I have PTSD from driving through dangerous areas in the days/weeks after the storm, and I know many others do as well. I know a man that couldn't hold onto his wife as she got pulled into the river, and another family that lost 4 members + 2 houses right in front of their eyes. We are all keenly aware of the real price of untreated mental health issues, so please, keep this at a high priority.	While NCDOC recognizes the seriousness of mental health needs post-Helene, CDBG-DR funding will be focused on the physical recovery of our western North Carolina communities. Other programs may be better suited to provide funding and deliver services for these needs than the CDBG-DR program.
123	I know he's newly elected and likely swamped in obligations, but I think it'd go a long way to have some elected officials from either the Governor's office or state legislature visit somewhere other than Asheville. When things warm up a little more, please consider coming up to some of the more remote areas and doing a workday, clear some brush with us or serve some meals. My communities in Burnsville (where I'm from) or Marion (where I live now) would be grateful, as would many of the others around WNC. Yes, it would be largely symbolic, but it would be good old-fashioned PR in a part of the state that feels a little hopeless right now. Just give it a little contemplation, if you would.	Comment is not specific to the Action Plan but NCDOC will convey the sentiment to senior state officials.
124	Lastly, WNC was already an area that was hit hard prior to this storm by the opioid epidemic, the migration of industries, and rising costs of living paired with increasing gentrification. We need to consider what types of economic drivers we can bring to this region long-term that would turn things around. Maybe we can try to bring some next-generation manufacturing companies here (I'm particularly interested in partnering with Biotech companies and then training folks to work there), or provide some incentives to get companies to relocate to our part of the state. The people of WNC are among the hardest working you'll ever meet; that's got to be worth something to somebody out there.	NCDOC hopes that the basic investments being made through the CDBG-DR funding will help stabilize the economic situation for western North Carolina and help set the stage for greater private sector investment as the post-Helene recovery proceeds.
125	We are a HUD Housing Counseling agency based in Asheville and actively invested in the long-term recovery of WNC post-Helene. OnTrack WNC has offered financial literacy and crises prevention services to the 18 westernmost counties of North Carolina for over 51 years. Today, due to Helene, we're seeing a striking increase in demand for our Foreclosure Prevention counseling. Impacted families are suffering from lost or reduced work and income, damaged property, and/or unsafe living conditions, and are struggling to cover their living and housing expenses. Our area has a dire need for direct assistance for rent and mortgage arrears. Home repairs and utility assistance have been prioritized in relief efforts, and we're hearing from clients that they've been able to connect with these services. But payments to keep people safe from foreclosure and eviction remain hard to find and secure. We are actively working with families who are having to cobble together each monthly payment from multiple sources, which is both time consuming and extremely stressful. Clients report calling one assistance resource only to be told they're out of money or can't get funds to them faster than 8 weeks. To make matters worse, the foreclosure moratorium sunsets April 11th, and households who have found temporary relief from mortgage payments will	Given CDBG-DR's focus on housing, infrastructure, economic development, and mitigation, NCDOC has chosen to prioritize these long-term investments as opposed to activities that have different outcomes.

#	Comments/Questions Received	NCDOC Response
	have to negotiate work outs with their mortgage servicers; a complex process that varies by lender. In order to prevent mass displacement of local households we need personal finance assistance to keep people in their homes. Preserving the fabric of our community remains essential. Thank you for considering and incorporating local feedback.	
126	Please begin funding opportunities for the new work force and multi housing initiatives concurrently with home repair initiatives. Ashe County has a current affordable housing shortage for low and middle income working families. This is independent of the Hurricane Helene tragedy. Consequently, if the HUD funding is released, do not wait to start the multi housing initiatives ...begin in 2025.	Each program description contains a projected start date and NCDOC hopes to initiate the Housing R&R program as quickly as possible and then follow it with other programs as quickly as feasible.
127	Section: General Reimbursement of Replacement/ Reconstruction Work: Consider allowing local contractors to perform work according to the program's standards in advance of the program's launch and be eligible for reimbursement of that work, as under prior CDBGDR programs, in anticipation of this common practice, Housing Assistance Corporation was in conversation on a \$1-2M loan to begin work immediately on our existing client list and seek reimbursement of the funds. We would ask that this recovery plan incorporate that practice.	NCDOC will provide for a reimbursement phase for low- and moderate-income (LMI) households but only after addressing the demand for Housing R&R assistance for those who have been unable to rebuild with other resources.
128	Section: p. 27, Table 6 Housing Damage and Necessary Investment Estimates: Recommend all FEMA IA data be included through March 8 or later. Funding should be proportional to IA requests and not awards to date. The table on p.27 understates the gap in federal funding appropriated vs. the full estimated cost of recovery. FEMA has awarded approx. \$6,000 per household across our three counties. Inspections by our general contractors have shown an average funding gap exceeding \$54,000 per household. The current FEMA awards are not indicative of actual damage.	While NCDOC can access current FEMA IA data through its relationship with North Carolina Emergency Management, it will not alter the amount of CDBG-DR funding allocated to NCDOC by HUD. This comment may be useful in evaluating minimum and maximum amounts available to homeowners under the Housing R&R program.
129	Section: p. 27, Table 6 Expectation of Private Funding: The anticipation of private funding of \$2.65B is beyond what we would reasonably expect to see in the region. The region's largest foundation, the Dogwood Health Trust, has pledge \$90M to date.	The questioned amount appears to include private insurance payouts.
130	Section: p. 49 Mitigation Strategies: Please clarify how mitigation strategies detailed in this section will be incorporated into the plan in concrete terms. As an affordable housing nonprofit, we are glad to see the strategic buyout program, affordable housing development fund and homeownership assistance program in the list and hope they will see funding detailed in the final version.	Available CDBG-DR mitigation funds have been allocated across the five different programs proposed in the Action Plan: Housing R&R; Workforce Housing for Ownership; Multifamily Reconstruction; Community Infrastructure; and Commercial Revitalization.
131	Section: p. 75 Case Management: Recommend significant effort to mobilize local contractors with case management systems and intake already underway since the storm to ensure residents will be reached and served.	NCDOC will contract for support for the Housing R&R program and a dynamic case management effort will be one of the responsibilities of the contractor.
132	Section: p. 74-75, Table 21 CDBG-DR Mitigation Allocation: Please clarify whether the mitigation set-aside is included in the total or will be in addition to the CDBG-DR allocation amount.	Available CDBG-DR mitigation funds have been allocated across the five different programs proposed in the Action Plan: Housing R&R; Workforce Housing for Ownership; Multifamily Reconstruction; Community Infrastructure; and Commercial Revitalization.

#	Comments/Questions Received	NCDOC Response
133	<p>Section: p. 75 Allocation and Award Caps: Recommend that the “Workforce Housing Program” be specifically targeted to individuals actively employed in the region.</p>	<p>NCDOC will further define beneficiaries under the Workforce Housing program as part of the program policies and procedures. The key at this point is to demonstrate that 100% of the units will be available to low- and moderate-income households.</p>
134	<p>Section: p. 77, Table 24 Housing Programs Overview: Recommend increasing overall allocation to workforce and rental housing development, given the overlay between LMI and the region’s workforce.</p>	<p>NCDOC has evaluated the allocation of CDBG-DR funds between the various housing programs and intends to proceed with the proposed allocations. NCDOC will have the ability to move up to \$28 million between programs without a substantial amendment if program demand is not consistent with projections.</p>
135	<p>Section: p. 78 Maximum Assistance: Recommend increasing the maximum award for reconstruction/rehabilitation. The median home sale price in Transylvania County last year exceeded \$699,000. To build in the mountains for \$375,000 is difficult and does not appear to account for the cost of land or extensive site work often needed to build.</p>	<p>The \$375,000 cap for the Housing R&R program is predicated upon the price of reconstruction, the availability of insurance payouts, and other factors. The overall goal is to assist as many households as possible through the program.</p>
136	<p>Section: p. 78 Land Acquisition: Please define a path for land acquisition to rebuild houses beyond the floodway, floodplain, and landslide-impacted property. Land is limited and very expensive – Transylvania County is approx. 60% conservancy of some kind, 20% floodplain, and just 20% buildable. To build with the aim of mitigating future disasters, there needs to be a firm plan for where to build.</p>	<p>Land acquisition is an eligible activity under each of the three housing programs to facilitate long-term housing recovery.</p>
137	<p>Section: p. 79 Use of Local Contractors: Prioritize use of local contractors in the MID region who are well established and known to area residents for a portion of this disaster work. This supports economic revitalization for local businesses and minimizes further displacement of residents from hotel and rental properties. Considering providing administrative resources to support CDBG-DR compliance requirements.</p>	<p>NCDOC will attempt to address this issue through procurement of a contractor to administer the Housing R&R program and program policies and procedures. NCDOC is also mindful of the economic opportunity overlay on CDBG-DR funding pursuant to Section 3 of the Housing and Urban Development Act of 1968.</p>
138	<p>Section: p. 81 MHU Replacement: Create a specific allocation for MHU replacement and replace with like housing. The prevalence of MHUs in the region speaks to local preferences. In addition, the “additional marginal cost” between an MHU and stick-built cost is unattributed in the document an unfounded in this context. With the significantly greater value of a stick-built house, LMI owners may struggle to pay property taxes over time. It will also rapidly deplete available funding within the program, limiting total households served.</p>	<p>NCDOC evaluated this issue in developing the Housing R&R program and established a clear preference for permanent housing structures while allowing for MHU replacement where necessary or desirable.</p>

#	Comments/Questions Received	NCDOC Response
139	<p>Section: p. 87 Multi-Family – Large Project Component:</p> <p>Recommend adding an additional point for disaster to 2025 LIHTC applications for WNC. Past applications in disaster areas have been awarded an additional point to make them more competitive in the process. Currently, the 2025 QAP provides the opportunity for a 30% bonus basis boost for projects in the Helene disaster declared area. Because the LIHTC limits by project are already very low, this boost does little to provide additional support to these projects.</p> <p>Recommend allocating funding to existing, shovel-ready LIHTC projects to realize a significant amount of affordable rental housing in the region quickly. There were 18 shovel-ready projects submitted in WNC in January. Ours, Meadowcrest, was submitted as a 60-unit plan for phase I. In reality, it could be as many as 172 if adequate funding were available this cycle.</p> <p>Recommend allocating additional LIHTC awards to WNC in the 2025 and 2026 cycles. NCHFA funded 50% of LIHTC applications across the state in 2024, but only 17% (or 3 of 18 projects) in WNC. WNC is at a consistent disadvantage because of the limited list of amenities, unavailable in the West, for which points are awarded in the scoring.</p>	<p>NCDOC will engage NCHFA in development of the policies and procedures for the Multifamily Reconstruction program to design an approach that will promote multifamily development in the Most Impacted and Distressed area.</p>
140	<p>Due to these impacts, it is imperative to efficiently direct resources to the region to address these compounded challenges. After review, on behalf of Mountain Housing Opportunities, we request the following comments to be considered regarding the CDBG-DR Action Plan for the State of North Carolina:</p> <ol style="list-style-type: none"> 1. Section 5.2.3.1, page 77: The majority of the budget is allocated to owner-occupied reconstruction and rehabilitation (R&R program). We ask that you make an explicit allowance for flexibility to reallocate unused or uncommitted R&R funds for multifamily rehabilitation or new construction. 2. Section 5.2.3.3, page 87: Incorporate a preference for awarded and existing LIHTC developments into the large project component of the MCR (Multifamily Construction and Repair) Program. Eliminate the prioritization for QCT and DOR for repairs or rehabilitation of existing LIHTC properties. Additionally, coordinate with NCHFA to recommend allocating additional LIHTC awards to WNC in the 2025 and 2026 cycles. As the most powerful tool available for subsidizing affordable housing, the affected western NC region must be able to leverage the LIHTC program to the fullest extent and not lose ground in ongoing recovery. 3. Section 5.2.3, pages 76-77: Include reimbursement options for local governments and organizations to recover funds already spent on rental assistance, disaster-related repairs, and rebuilding efforts made eligible for CDBG-DR funds, per this Action Plan. 4. Section 1.2.2.3, page 19, and Section 5.2.3.2, pages 76-77, 83: The City of Asheville has allocated a substantial portion of its \$225 million CDBG-DR funds to infrastructure improvements and economic revitalization. Section 1.2.2.3 contemplates the use of State funds for eligible uses within the City of Asheville. We ask the State to explicitly allow allocation of the Multifamily Construction and Repair Program funds for housing developments within the City of Asheville, including the flexibility to reallocate any unused or uncommitted R&R funds toward multifamily rehabilitation or new construction. 5. Section 5.2.3.2, pages 83-85: Expand the Workforce Housing for Ownership Program to include a down payment assistance program to assist low- to moderate-income buyers purchase homes for ownership in areas more resilient to future hazards. 6. Section 5.2.2, page 76: Ensure funding is allocated for Planning. The current State plan designates \$0 for planning. The Action Plan instead relies on "available State resources and leveraging key partners across the State." Planning funds will be essential to ensure smaller municipalities and rural communities have the capacity and compatible land-use regulations in place for CDBG-DR-funded programs to benefit their residents. We request that 5% of the total funds be specifically allocated to Planning to strengthen the resilience of this plan, along with a detailed strategy outlining how the State intends to utilize available State and private resources. 	<p>NCDOC has ability under the Action Plan to move up to \$28 million between programs without a substantial amendment if program demand is not consistent with projections. NCDOC will engage NCHFA in development of the policies and procedures for the Multifamily Reconstruction program to design an approach that will promote multifamily development in the Most Impacted and Distress areas. NCDOC does not intend to implement a reimbursement program for pre-agreement costs. Negotiations are ongoing with regard to the use of the state's CDBG-DR funding in Asheville. the Workforce Housing program does include a downpayment assistance option. NCDOC does not intend to allocated funding to planning given the limited amounts available for long-term recovery.</p>

#	Comments/Questions Received	NCDOC Response
141	<p>Increase the allocation to multi-family rental units. The state’s action plan allocates approximately \$807.4 million (57% of the total grant) to the reconstruction and rehabilitation of owner-occupied units, but only \$191.3 million (13% of the total grant) to multi-family rentals. That means that of the \$1.05 billion allocated to housing, 77% will be directed at owner-occupied homes, and 18% will be directed at multi-family rental units. Yet according to the US census, 66% of North Carolinians own their homes, while 34% are renters. Across the Most Impacted and Distressed (MID) counties identified by the state and the US Department of Housing and Urban Development (HUD), 70% of North Carolinians own their homes, while 30% are renters. We believe that the distribution of funding across these two programs should reflect the distribution of owners and renters in the MID areas. So, we propose increasing the funding dedicated to multi-family rentals by reducing the funding dedicated to owner-occupied homes.</p>	<p>NCDOC notes that the availability of \$130 million of mitigation funding under the Housing R&R program to address private road and bridge issues skews this analysis and that deducting the mitigation funding for both housing programs would bring them into closer alignment.</p>
142	<p>Add a housing stabilization fund. One of the most urgent unmet needs in Western North Carolina is rental assistance. In October 2024, OSBM identified a need of \$25 million for rental and utility assistance. To date, the General Assembly has provided \$9 million for utility assistance and a mere \$1 million for rental assistance. To put these figures into context, Buncombe County has received just under \$200,000 of the \$1 million in rental assistance. Based on fair median rental prices for a 2 bedroom unit in Buncombe County, \$200,000 is enough to cover rent for 132 families for a single month. We are now approaching six months since Hurricane Helene hit, and we have seen hundreds of eviction cases filed. We understand that CDBG-DR funding moves slowly and so is not the most apt mechanism for providing rental assistance. However, given the inaction by the General Assembly on this front, we recommend that the state include \$10 million in the action plan for a housing stabilization fund to provide services and assistance to people who are now more susceptible to homelessness because they have been displaced or lost income. Given the size of the \$1.4 billion grant, \$10 million is less than 1% of the total grant and would go a long way toward helping families who are desperately in need.</p>	<p>NCDOC has opted to focus the limited CDBG-DR funding on long-term investments.</p>
143	<p>Remove the requirement to maintain in residence for 3 years. One of the requirements of the R&R Program is that participants in the program must maintain ownership and primary residence of the assisted property for a minimum of 3 years after construction is completed. While we understand the desire to prioritize homes that function as a primary residence, we are concerned that this requirement may create impossible choices for some people who have lost their homes and are unable to find work in the region. In these cases, households will be forced to choose between having their home rebuilt or leaving the region to find work. Given that many households still will have ongoing mortgage payments, they may have no choice but to leave the region to find work. Yet as the R&R Program is currently structured, this would mean the loss of eligibility for the program, along with everything that they have invested into their home. This is even more worrisome given that we know there are families in Eastern North Carolina who are still waiting for their homes to be rebuilt following hurricanes Matthew and Florence in 2016 and 2018. Since the R&R Program already restricts eligibility to families below 120% of the area-median income (AMI) and further prioritizes those below 60% AMI, we think that this program requirement is well-intentioned but ultimately unnecessary and harmful. As such, we urge you to remove it.</p>	<p>NCDOC acknowledges the expressed concern and may consider implementing a case by case review option for households that need to sell homes within 3 years of completion under the Housing R&R program.</p>
144	<p>Clarify the eligibility of those located in a floodway. We are also concerned that the R&R Program prohibits the reconstruction of housing units in a designated floodway. We are sympathetic to not wanting to rebuild houses in a designated floodway, but we want to ensure that those located in a floodway are still entitled to assistance through the R&R program, especially people who purchased their homes before the area was designated as a floodway. We recognize that the program does not exactly say that households located in a floodway are ineligible, but it also is unclear whether they are eligible. We ask that you address this ambiguity by stating that such individuals are eligible for the R&R Program and clarifying how such cases will be handled. Some options might be relocating these homes outside floodways or providing a timely buyout option. As was done in Puerto Rico, this could be a good use of some of the CDBG-DR Mitigation Set Aside funds.</p>	<p>NCDOC is working to understand the changing federal requirements regarding construction in floodplains as regulations implemented in 2024 have been called into question pursuant to recent Executive Orders. NCDOC will clarify its position and understanding of applicable requirements prior to launching the Housing R&R program.</p>

#	Comments/Questions Received	NCDOC Response
145	Reimburse homeowners who have already completed work. Many Low- and Moderate-Income (LMI) homeowners within the MID area may have taken steps to address the damage to their homes. We want to ensure that these homeowners receive reimbursement for eligible costs they otherwise would receive through the R&R Program. Prohibiting such reimbursement punishes those who took proactive steps to rebuild and to remain in their community, and it establishes a harmful precedent.	NCDOC will provide for a reimbursement phase for low- and moderate-income (LMI) households but only after addressing the demand for Housing R&R assistance for those who have been unable to rebuild with other resources.
146	Clarify the affordability requirements. The Workforce Housing Program aims to construct affordable housing units for purchase by LMI households, and it restricts the maximum income of households purchasing the units to 80% AMI. However, the action plan gives no details about what constitutes “affordability.” Given the norm of treating households as housing-cost burdened if they spend more than 30% of their income on housing costs, we recommend that these houses be priced so they do not cost burden those at 80% AMI.	NCDOC will address this matter through program policies and procedures. Note that downpayment assistance may be an eligible activity as part of a Workforce Housing project.
147	Ensure quality control. We want to ensure that homes are built and rehabilitated with the state’s CDBG-DR funds meet basic quality-assurance standards. We know from the rebuilding effort in Eastern North Carolina that many of the rebuilt homes were falling apart in less than a year despite passing inspection. In some cases, they were not rebuilt properly and yet somehow passed the initial inspection. For instance, we have heard of houses with doors that were installed backward. To avoid wasting essential disaster recovery dollars on poor craftsmanship, we request that the state institute a robust quality-assurance mechanism that is informed by those with the relevant expertise. We also ask you to consider offering warranties that cover these issues.	NCDOC is prioritizing quality control in the Housing R&R program and that is why we have opted for a managed program using pre-screened contractors. Also note that the Housing R&R program will employ the updated North Carolina building codes that will be effective in July 2025.
148	Expand eligibility for legal services. As noted above, we are very happy to see that the R&R Program includes money for legal services, case management, and housing counseling. We want to make sure that this stays in the action plan. However, we do not think that legal services should be restricted to homeowners in the R&R Program. For example, as we know from the rebuilding effort in Eastern North Carolina, there are numerous instances where homes that were rebuilt or repaired had issues. Renters also should be entitled to legal services to help navigate these circumstances. Since it is difficult to anticipate all the ways that legal services might be needed, we request that the action plan be amended to include a general provision for legal services across all CDBG-DR programs rather than tie these essential services to a specific program.	NCDOC does not see the need for similar legal services across other proposed programs.
149	Ensure program accessibility. We think that those identified to provide legal services, as well as case management services and housing counseling, should be properly trained to interact with people who have a disability or accessibility needs. Similarly, all program documents should be written in plain language and be translated to languages spoken by residents of the MID areas. Interpretation services should be provided for individuals with low English proficiency, as well for those requiring audio or visual interpretation. These recommendations will bolster the state’s commendable effort to prioritize people with disabilities and accessibility needs by ensuring that they do not drop out of the CDBG-DR programs due to an inability to navigate these programs, as sometimes has occurred in Eastern North Carolina.	NCDOC will task its Housing R&R contractor with ensuring program accessibility to the full range of Helene-impacted households.

#	Comments/Questions Received	NCDOC Response
150	<p>Ensure accessible floorplans. We appreciate the state’s commitment to ensuring the homes constructed are accessible. However, we know from Eastern North Carolina that these standards are not always lived up to. A major problem included floorplans used by contractors that were not drawn to scale, so once the homes were completed, they were inaccessible to individuals living with disabilities, especially people who required wheelchairs. We submit that any homes built under this plan, as well as common-use facilities in developments with covered dwellings, should meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619), the design and construction requirements of the Fair Housing Act Design Manual, and the ADA 2010 requirements with HUD exceptions (79 FR 29671, May 23, 2014). Moreover, developments involving the new construction of multi-floor units, which are normally exempt from fair housing accessibility requirements, should include units with accessible entries. We recommend a minimum of 20% for each unit type (e.g., one bedroom, two bedrooms, three bedrooms, etc.) as well as requiring that all common-use facilities follow the design and construction requirements of the Fair Housing Act Design Manual. A compliance certification from an inspector, architect, or accessibility specialist should be required after the development is completed.</p>	<p>NCDOC will address requirements of this nature through policies and procedures for the Multifamily Reconstruction program.</p>
151	<p>Prioritize historically underutilized businesses and union labor. For the various housing programs in the action plan, the state plans to use contractors from a qualified pool. In addition, we would like to encourage the state to consider how it can leverage the Historically Underutilized Business certification to engage contractors with that designation, as well as contractors who use union labor.</p>	<p>NCDOC will work with its selected program vendors to leverage local businesses and labor to the extent permissible under evolving requirements provided by HUD.</p>
152	<p>Facilitate the use of IRA tax credits and rebates. We also would like to request that the action plan include a recommendation and guidance for property owners and contractors to take advantage of the tax credits and rebates made available through the Inflation Reduction Act (IRA) where possible. Many of the tax credits and rebates are contractor friendly — although homeowners must apply for them, they are designed to be facilitated and handled by contractors. Where they are not as contractor-friendly, there may be workarounds. For instance, with the solar investment tax credits, our understanding is that contractors can price tax credits into the contract and arrange to receive payment at a later date once the credit is received by the homeowner. We request that, at the very least, the availability of these tax credits and rebates be made known to property owners and contractors receiving CDBG-DR funds and that assistance be provided so they can understand how to take advantage of them if desired. Beyond this minimum, we would like to see the prioritization of contractors who are open to working with property owners to take advantage of these benefits, and we would like the state to encourage property owners to take advantage of them as well.</p>	<p>NCDOC appreciates the comment and may attempt to address it through policies and procedures for the Housing R&R program. However, NCDOC will not offer tax advice to program beneficiaries but will advise that they contact their own tax advisors.</p>
153	<p>Rebuild resilient food systems and maintain childcare access and health services. We appreciate the dedication of a portion of the state’s CDBG-DR funding to community infrastructure projects that will help impacted communities become more resilient to current and future climate disasters, but we would particularly like to name the importance of rebuilding resilient food systems and maintaining access to childcare and healthcare services. We would like to see the state prioritize these kinds of community infrastructure projects in the way that the action plan prioritizes LMI households below 60% AMI and elderly households, households with minors, households with disabled individuals, and households that have accessibility needs.</p>	<p>A broad range of projects may be implemented through the Community Infrastructure program with the underlying asset owned either by a governmental entity or a non-profit entity.</p>
154	<p>Finally, we submit that the state should prioritize transparency so that the public can be confident that CDBG-DR funds are reaching those most impacted by Hurricane Helene. To this end, the state should ensure that quarterly information on the progress of funded projects and activities be made available to the public in an accessible format. Additionally, aggregate information on the households served should be made available; this information should include geographic identifiers, household income, gender, race, and ethnicity. This information should be as granular as possible without compromising privacy — census tracks may be ideal for geographic identifiers provided this doesn’t reveal personally identifiable information.</p>	<p>NCDOC appreciates the comment and will attempt to develop tools that increase the transparency of use of the CDBG-DR funding and make those tools available on the NCDOC website.</p>

#	Comments/Questions Received	NCDOC Response
155	<p>The comment below pertains to the proposed CDBG-DR 5.2.4 Infrastructure, page 89, should be modified to include public recreation areas such as Buncombe County's Charles Owen Park. The plan does not appear to include any references to public parks. The 29 acre Charles Owen Park, 2 miles from the town of Swannanoa, has been closed due to the destruction by Helene. I live in Swannanoa and like thousands of others, including Asheville residents, recreated at Charles Owen Park. It is the only park within 8 miles of Swannanoa that has baseball fields, basketball courts, a pavilion, playgrounds and a fitness trail. The 0.83 mile fitness trail, configured like the number eight, encircled two large fishing ponds each approximately 6 acres. The trail like the ponds bordered the Swannanoa River. Levees retained the water that formed the ponds. The levees were completely breached in three places and a stream of water flows where the ponds had been. The gaps in the levees are up to 75ft wide. The ponds had the capability to temporarily store excess water from the Swannanoa River. The primary damage to the Park involved the levees.</p>	<p>Recreational facilities such as parks are eligible to be assisted through the Community Infrastructure program.</p>
156	<p>The Southwestern Commission Regional Council of Government appreciates the opportunity to provide comment on the CDBG-DR Annual Action Plan being administered through Grow NC. 5.2.3.3 Multifamily Construction and Repair Program We recommend increasing the Total Budget for the Multifamily Construction and Repair Program by \$100 million, supplementing the existing \$172,712,300, to rapidly address the critical workforce rental housing shortage in Helene's Most Impacted and Distressed (MID) areas. Immediate Impact: This additional funding will allow for the construction of at least 1,600 new workforce rental units, based on an average per-unit construction cost of \$165,000.</p> <p>Key Advantages:</p> <ul style="list-style-type: none"> ● Accelerated Development via Regional Nonprofit Developers Direct funding to Western North Carolina's leading nonprofit housing organizations — such as Givens Estates, Mountain Housing Opportunities, Housing Assistance Council, and Western North Carolina Housing Partnership — bypasses the delays of the LIHTC process. These organizations have collectively delivered over 2,100 affordable housing units in the far-west counties of North Carolina and have the infrastructure, experience, and local networks to break ground and deliver units within two years. ● Maximizing Impact with Debt-Free Construction By fully funding 60-80 unit developments through 100% CDBG-DR grants, projects will remain debt-free. This allows rental revenue—after reserve capitalization—to be reinvested into additional developments, creating a self-sustaining affordable housing model rather than one-time investments. ● Streamlined Implementation Solely utilizing CDBG-DR funding avoids the complexities and delays associated with combining it with LIHTC, particularly the imposition of Davis-Bacon requirements on the entire project. This streamlined approach ensures faster project deployment. ● Targeted Support for Disaster Recovery <p>Western North Carolina's nonprofit developers have ongoing projects in nearly every MID designated county, with a specific focus on areas devastated by recent disasters. Expanding this program will directly address housing shortages where they are needed most.</p> <p>This strategic and immediate investment will increase affordable housing stock this year, ensuring new units come online by 2026-2027—a timeline essential to stabilizing Helene's most vulnerable communities.</p>	<p>NCDOC is comfortable with the proposed allocation for the Multifamily program and notes that non-profit developers may apply for assistance under the program. Developers seeking CDBG-DR funding should anticipated the need to show leverage of other financial resources for their projects in order to be competitive in the review process.</p>

#	Comments/Questions Received	NCDOC Response
157	<p>The Southern Environmental Law Center, MountainTrue, North Carolina Conservation Network, MDC, Inc., and Environmental Defense Fund offer these comments on the N.C. Department of Commerce (“NCDOC”) Community Development Block Grant – Disaster Recovery draft action plan (“draft Action Plan”) for Tropical Storm Helene recovery and rebuilding efforts. We appreciate the opportunity to provide comments on the draft Action Plan and look forward to continued engagement with NCDOC and the Governor’s Recovery Office for Western North Carolina (“GROW NC”) as the recovery process moves forward. We commend Governor Stein for prioritizing recovery from Tropical Storm Helene since his first day in office. His continued leadership is essential for a full, resilient recovery for Western North Carolina (“WNC”), and we stand ready to support his continued efforts to support survivors of the storm and rebuild the region in the months and years to come. The State has put forward a strong proposal to meet the significant housing, infrastructure, and economic recovery needs for communities across WNC in the wake of Tropical Storm Helene, which led to historic flooding and landslides throughout the region. Tropical Storm Helene displaced thousands of North Carolinians, flooded entire communities, moved rivers, and closed and damaged countless businesses across the region. As discussed in more detail below, we urge NCDOC to use CDBG-DR funds quickly, efficiently, and thoughtfully while prioritizing climate resiliency and equity. The scale of the devastation is enormous. It is critical that NCDOC integrate resiliency into rebuilding housing, businesses, and other aspects of life to protect communities from devastating flooding, landslides, and other climate disasters in the future. We are pleased to see that the vast majority of the \$1.4 billion allocation will go towards housing needs in WNC; this is a significant and urgent need for survivors of Helene. The mitigation strategies outlined in the draft Action Plan are a starting point for resilient rebuilding, and we urge NCDOC to elaborate on the existing strategies and expand the universe of implemented strategies based on the recommendations below. Moreover, we urge NCDOC to consider committing funds to long-term hazard mitigation planning that is focused on the unique topography and needs of WNC. If NCDOC chooses not to reallocate CDBG-DR funds for planning, we strongly urge the agency to identify sources of funding for these critical planning activities as soon as possible.</p>	<p>It is NCDOC’s intention that the long-term recovery effort in western North Carolina yield a more resilient region and the CDBG-DR funded program will be implemented to achieve that goal.</p>
158	<p>Enhance mitigation strategies and integrate resiliency into all project areas:</p> <ul style="list-style-type: none"> ● Siting of new construction: Siting decisions should not solely rely on the Flood Insurance Rate Maps (FIRM). Instead, determinations for locations for new housing, private roads or bridges, and other infrastructure should be informed by available climate risk mapping tools and updated hydrologic conditions to minimize exposure of flood-prone areas or incorporate the necessary resilience mitigation measures as stipulated in 24 CFR Part 55. In addition, we support the plan to build new workforce housing and encourage NCDOC to prioritize siting in walkable, transit-connected areas. Doing so will not only improve resilience by reducing reliance on personal vehicles in disaster recovery scenarios but also help prevent sprawl and lower long-term climate pollution. ● Hiring contractors: NCDOC should incorporate resilience criteria into the request for proposals when soliciting contractors for repairs and reconstruction of residential properties. ● Building codes:10 Housing built using CDBG-DR funds should meet current international energy and wind resistance codes, which perform better in disasters, keep families safer and more comfortable during power outages or interruptions of fuel deliveries, and may ultimately save lives during and after natural disasters as compared to the existing state building code.11 As demonstrated by the National Institute of Building Sciences and reinforced by the Chamber of Commerce,12 investing in upgraded building codes and design standards can save \$11 for every dollar invested.13 Hurricane-impacted states have experienced the payoffs of upgrading reconstruction standards in the recovery process. For example, after Hurricane Andrew in 1992, Florida updated its building code standards and saw significant loss avoidance in future storms. 	<p>Many of these concepts will be addressed through policies and procedures for the various CDBG-DR programs to be implemented by NCDOC.</p>

#	Comments/Questions Received	NCDOC Response
	<ul style="list-style-type: none"> • Landslides: New housing should not be built in high-hazard landslide locations. • Wildfire risk: Removal or management of downed timber around structures should be eligible for housing funding in the wildland-urban interface. Any removal or management of timber should be consistent with county fire management plans. • Stormwater infrastructure: Stormwater systems designs should minimize erosion risks and maximize healthy hydrological conditions to store and slow excess waters. • Private roads and bridges: NCDOC should partner with the Departments of Transportation and Public Safety to determine resilient design standards for private roads and bridges that restore safe access to homes and businesses and account for altered hydrologic and hydraulic conditions post-Helene. • Ensuring safe choices and resilience for rebuilding existing homes in flood-prone areas: The draft Action Plan does not currently provide for managed relocation or managed retreat, but should NCDOC choose to fund these activities, it is essential to implement safeguards that prevent disproportionate harm to low-income and historically burdened communities. Disaster recovery programs often restrict rebuilding in place and prioritize buyouts or relocation without considering the needs and preferences of residents who wish to remain in place. While managed retreat may be the right option for some, homeowners and communities should also have the choice to rebuild a previously existing home in a flood-prone area when it is safe and feasible to do so. CDBG-DR funds should support measures such as elevating structures, incorporating flood-resistant materials, and improving drainage infrastructure to reduce future risks for those who rebuild a previously existing home. If relocation is required, NCDOC should provide displaced families adequate financial support and equitable relocation opportunities that allow them to move to safer, well-resourced communities—rather than being forced into areas with fewer economic opportunities and higher long-term risks. 	
159	<p>There are a lot of private roads with private rights-of-way in Ashe County. Many of these roads have NCDOT road names. However, these private ROW roads are not maintained by NCDOT or typically by any Homeowners Association. These roads are maintained by rural neighbors working with neighbors periodically. Rural communities depend on these private roads extensively for commerce, emergency vehicle access, etc.. Money should be allocated to repair private ROWs that serve mostly rural community areas in Ashe. The middle of Ashe County was hit with up to 21" of rain by Hurricane Helene. Hurricane Helene's destruction in Ashe County began around the Creston area and proceeded up to Warrentonville and then to Lansing before entering Virginia. A neighbor on William T Calloway Road measured 21" of rain that night. Another neighbor on William T Calloway Road measured 13.5" of rain in just 3 hours. We've had several mudslides and rockslides that the State probably doesn't know about. Our main creek (Three Top) through the valley is filled with debris in various segments, including filling a significant wild trout nursery area. Some streams are relocated. Portions of William T Calloway Road continue to flood intermittently whenever over an inch of rain falls. Segments of this road are incised where the creek overflowed during Helene. The road became the creek! Bridges and road materials flushed away by the storm's surge. We also need our State and County officials to start preventing new developments upslope from causing damages to their downstream neighbors. Existing citizens who have been paying taxes for decades should have protections from elevated storm surges caused by new homes, new subdivisions, and new developments. That is the only way to preserve our natural trout streams and minimize damage to our mountain valley landscapes. There are some areas affected by Hurricane Helene that could have been further exasperated by poor land use planning, unmitigated development, land clearing violations, and dead-end roads delivering surges of stormwater on neighboring properties. I have property located at 1194 William T Calloway Road. The road before Hurricane Helene was easily used by a small Toyota Prius. Now the road requires a pickup or at least a high clearance vehicle for safe passage. I can use a pickup truck to go in and out. I cannot pull a trailer without destroying the trailer and potentially damaging equipment. In essence, this end of William T Calloway Road is severely degraded and its use much limited. The use of my property has been</p>	<p>NCDOC is devoting more than \$130 million of CDBG-DR funding toward addressing the repair and reconstruction of private roads, bridges and culverts as part of the Housing R&R Program.</p>

#	Comments/Questions Received	NCDOC Response
	significantly diminished and the property's value has been diminished.	
160	There are a lot of trout streams that have been filled with woody debris, cobble and larger stone. Many of these are on private lands. In order to restore essential aquatic habitats and fish passage, it is necessary to clean out all this blockage. If this isn't done, this loss of habitats will harm recreational fishing and harm imperiled fish and wildlife. Landowners who lost access and ability to manage their natural resources (forests, streams, ponds, logging roads, culverts, fords) could benefit from a cost share program whether they are officially involved in any agricultural programs or not.	Debris removal is principally being funded under FEMA's Public Assistance program as a "Category A" expense. Some debris removal may be funded with CDBG-DR if incidental to implementation of a funded activity.
161	Recommendation 1: Alternative Payment Distribution Methods We recommend that the state consider alternative methods for distributing funds to counties that differ from the reimbursement model. Many counties have expressed concerns regarding the financial burden of a reimbursement-based system, especially those that have already expended limited cash reserves for large debris removal contracts or used other programs, such as cash flow loans, to cover upfront disaster recovery costs. Providing flexibility in fund distribution would enable counties to plan more effectively and participate in recovery efforts without facing financial strain.	NCDOC intends to provide prompt payment on invoices presented for payment. There should be no need to local governments to "front" costs so long as they submit accurate and timely invoices to NCDOC for payment.
162	Recommendation 2: Use of Existing Disaster Recovery Centers for Housing Assistance We recommend that the state encourage or require the selected vendor to utilize existing Disaster Recovery/Resource Centers as part of the housing program intake process. As Disaster Recovery Centers transition to county-led, FEMA supported Community Resource Centers, these locations are well-known to residents and could be leveraged to facilitate housing assistance programs. Utilizing these established centers would provide continuity of service, streamline access to various types of assistance, and ensure residents can access multiple forms of support from familiar locations.	NCDOC will evaluate this comment for inclusion in the request for proposals when procuring a contractor to administer the Housing R&R program.
163	Recommendation 3: Enhanced Communications Strategies for Remote Areas We recommend that the state implement strategies to ensure that residents in remote or rural areas can effectively access information and assistance. Given the geographic challenges in certain affected counties, equitable access to recovery resources is essential. We encourage the state to consider outreach strategies such as mobile intake services, partnerships with local organizations, or enhanced digital access, which could help bridge the gap and ensure that all residents have the opportunity to engage in the recovery process. In addition, we would like to explore ways to strengthen our partnership with the state to enhance intergovernmental coordination and communication with counties on key aspects of the program. We would welcome the opportunity to share information with counties about the vendor selection and management process and how CDBG-DR will interact with other state and federal recovery programs. As counties will be managing multiple funding streams, understanding how CDBG-DR funds will coordinate with other sources, such as state-funded loans and FEMA assistance, will help counties plan more effectively and avoid financial challenges related to eligibility or the duplication of benefits.	NCDOC will seek multiple avenues to distribute information about its recovery programs and looks forward to working with entities can enhance dissemination of that information.
164	I'm concerned about what systems and processes will be in place to ensure that small, rural communities will have equitable access to CDBG-DR funds. Processes must be structured and supported in a way that doesn't disadvantage unincorporated rural areas without elected town representatives, paid town staff, consultants, and other resources. How will communities like Swannanoa that suffered some of the worst damages from the storm be prioritized in the allocation of these federal funds?	NCDOC is required by HUD to expend at least 80% of CDBG-DR funds in the Most Impacted and Distressed (MID) area defined by HUD. This area includes Buncombe County and the related expenditure requirement will help direct funding to highly impacted communities.

#	Comments/Questions Received	NCDOC Response
165	Equitable distribution of CDBG-DR funds depends on accurate data that reflects true unmet needs. We need reliable and complete community-specific data to ascertain where those needs are, and to prioritize accordingly. The State will need to work to gather this data from all available sources, and make necessary amendments to the State Action Plan as unmet needs are better quantified and understood.	The North Carolina Office of State Budget and Management (OSBM) conducted an extensive post-Helene needs study and it served to inform the CDBG-DR Action Plan. NCDOC will carefully evaluate emerging data and trends on an on-going basis to identify potential changes to the Action Plan and underlying programs.
166	Much of the workforce housing that supports businesses in Asheville and surrounding areas is located in Swannanoa. As one of the few comparatively “affordable” areas in a county with one of the highest costs of living in the state, Swannanoa is home to many working families, seniors and lower-income residents who struggle to make ends meet even in the best of times. Post-storm, our pre-existing affordable housing crisis has become exponentially worse. Many residents are struggling to pay rent, and are facing evictions. Rental assistance will be a critical need for a long time to come. Since this need cannot be adequately met by existing resources, rental assistance funding should be included in the State Action Plan.	NCDOC is opting to focus CDBG-DR funding on long-term investments to maximize the ultimate return on the use of the funds.
167	Given the high percentage of renters in the impacted areas, the State’s plan for allocation of CDBG-DR funding between rental housing and owner-occupied housing is too heavily weighted towards owner occupied. The allocation should be modified to provide more funding for rental unit repairs and construction. Additionally, the funding cap for multifamily housing is likely too low to allow for development of the types of projects needed to meet critical housing needs.	NCDOC notes that the availability of \$130 million of mitigation funding under the Housing R&R program to address private road and bridge issues skews this analysis and that deducting the mitigation funding for both housing programs would bring them into closer alignment.
168	Many of Swannanoa’s businesses were destroyed or heavily damaged by the storm. Those that survived have struggled to support their payroll and attract customers amidst the destruction and devastation that surrounds them. Swannanoa’s long-term recovery is directly tied to the recovery of our local businesses and economy. These struggling businesses can’t afford to take on more debt, regardless of how low the interest rate might be. Providing funding for business grants in the State Action Plan could be the difference between survival and permanent closure for many Swannanoa businesses.	NCDOC has opted not to fund a business assistance program given the limited CDBG-DR funds available.
169	The current draft of the plan doesn’t appear to contemplate mixed use development, which is one of the keys to building back our local business economy, as well as addressing our critical housing shortage. I’d suggest revising the plan to expressly provide funding for mixed use development, instead of dividing everything into separate residential and commercial categories.	NCDOC will revise the Commercial Revitalization and Multifamily program descriptions to accommodate limited mixed use activities.
170	Some critical infrastructure and revitalization projects are not expressly called out as being eligible for funding. These would include parks, public gathering spaces, and resilience/resource hubs; as well as sidewalks, greenways, and related improvements like crosswalks and lighting. These types of projects are essential for creating safer, healthier, more resilient, and better connected communities, and should be expressly listed as being eligible for CDBG-DR funding.	Activities such as those identified in the comment are considered to be public facility/infrastructure activities under CDBG-DR and are eligible for assistance through the Community Infrastructure program.
171	The Action Plan states that an implementation vendor will be hired to assist with operation of intake centers for program applicants (p. 75). Could this critical function be more efficiently and effectively handled by the COG? The COG has invaluable local knowledge and connections, and could likely perform this task more equitably, and at less cost, than an outside vendor.	NCDOC will proceed with its intention to integrate case management for the Housing R&R program with its chosen program vendor but will seek opportunities to partner with COGs to improve overall program delivery.
172	It doesn’t appear that developers and businesses are eligible applicants for commercial revitalization projects (p. 92)?	That is an accurate observation although NCDOC is considering broadening eligible applicants to include non-profit organizations.

#	Comments/Questions Received	NCDOC Response
173	<p>Based on our extensive experience, we anticipate the following legal services will be necessary to assist applicants in eliminating their barriers to receiving assistance: 1. Researching applicants' ownership interests (including title searches) to provide the strongest proof of ownership possible and providing attorney certifications of the research conducted. 2. In the event that other forms of proof of ownership are unavailable, preparing affidavits of ownership. 3. When appropriate, preparation and execution of Quitclaim Deeds to provide clear (or clearer) title to secure funding to rebuild a family home. 4. Affidavit preparation to address other eligibility issues such as affidavits to certify occupancy, duplication of benefits, etc. 5. Eviction Prevention Services. 6. School enrollment and educational accommodations for displaced families. 7. Reasonable Accommodations requests for persons with a disability under the Fair Housing Act. 8. Reasonable Modifications requests for persons with a disability under the Fair Housing Act. 9. Contractor fraud suits 10. Homeowner insurance disputes (including issues with forced placed insurance) 11. Assistance with delinquent mortgages (including loan modifications, foreclosure, and forbearance) 12. Providing proof of Successor in Interest status 13. Assistance with delinquent property taxes (including setting up payment plans with municipalities; holding payments in escrow when official payment plans are not feasible or accepted; completing applications for Homestead Property Exemptions; and requesting property reevaluations and appeals of evaluations)</p>	<p>Legal service assistance will be available to participants in the Housing R&R program on an as needed basis.</p>
174	<p>Housing counseling and legal aid organizations will also play a key role in outreach and education efforts, ensuring that disaster survivors are aware of their rights and the resources available to them. Outreach strategies will include: · Community-based legal clinics to assist survivors with barriers to accessing CDBG DR funds. · Partnerships with local governments, community organizations, and disaster case managers to connect residents with legal resources. · Targeted outreach to vulnerable people and families through multilingual materials, in-person workshops, and virtual information sessions. · Coordination with housing counseling agencies to provide a comprehensive support system for disaster-impacted households.</p>	<p>Housing counseling and legal aid are eligible public services under the Housing R&R program but are restricted to households receiving assistance under that program.</p>
175	<p>In disaster-declared counties, 40.8% of households earn less than 80% of the area median income (AMI), so affordable housing is a key issue for this population. Already 55.4% of low-income households are paying more than two thirds of their income for rent. Public housing authorities serve only 2% of residents in this region. We urge NCDOC to: 1. Allocate a greater portion of CDBG-DR funds to the construction and repair of multifamily affordable housing units in Western North Carolina. 2. Utilize best practices from other inclusionary housing programs to ensure continued affordability. 3. Utilize N.C.G.S. 42-14.1(3) to "enact ordinances or resolutions restricting rent for properties assisted with Community Development Block Grant Funds." 4. Set the period of affordability at the maximum allowable duration and have this period reset upon sale of any multifamily properties constructed through use of these funds.</p>	<p>NCDOC carefully evaluated the distribution of CDBG-DR funds across its various programs and continues to see the distributions as warranted. NCDOC does note that depending upon demand for any of the proposed programs, up to \$28 million can be transferred to the Multifamily programs without a substantial amendment. Policies and procedures for the three housing programs will incorporate appropriate affordability requirements.</p>

#	Comments/Questions Received	NCDOC Response
176	<p>We urge NCDOC to take proactive steps to ensure recovery is equally accessible to all survivors with disabilities and offer the following recommendations:</p> <ol style="list-style-type: none"> 1. Hire a dedicated 504 Coordinator. 2. Designate disability navigators to serve as case managers who receive additional training to understand the unique challenges that applicants with disabilities must navigate and are prepared to assist those applicants with those challenges. 3. Whenever possible, use accessible language⁷ in all program forms and provide additional assistance for applicants who meet the criteria for low- or no literacy.⁸ 4. Develop clear policy and procedure for an applicant to request and receive accessible housing. 5. Develop clear policy and procedure for an applicant to request and receive accessible housing. This policy should include an individualized assessment to ensure that housing meets the needs of the individual's disabilities and is not a "one size fits all" approach. 6. Develop a clear procedure and policy through which an applicant can request and receive reasonable accommodation. This procedure should comply with the Fair Housing Act, including guidance issues by HUD and DOJ⁹. It should also include clear timelines for program decisions and an appeal process that ensures review from those not involved in the initial determination. 7. Mandate that general contractors follow Uniform Federal Accessibility Standards¹⁰ when building homes or when ordering/modifying mobile home units. 8. Require regular construction inspections for individual and multifamily homes to ensure adherence to these standards before, during, and after construction. 	<p>NCDOC's intention is to have the Housing R&R program vendor incorporate these actions into policies and procedures.</p>
177	<p>The CDBG-DR Action Plan should allocate a portion of Economic Revitalization funds to continue support to the Western North Carolina Small Business Initiative small business grant program, already supported directly in its immediate emergency grants rounds by the State of NC budget, in partnership with the Dogwood Health Trust and the Duke Endowment.</p>	<p>NCDOC has opted not to fund a business assistance program given the limited CDBG-DR funds available.</p>
178	<p>Create a dedicated Rural Business Recovery Initiative within the CDBG-DR Action Plan, with priority for: - - - Micro-business lending through CDFIs. Flexible loan terms, including revenue-based financing. Technical assistance & financial coaching for business resilience, in coordination with regional business support organizations (BSOs), technical and community colleges, and the like.</p>	<p>NCDOC has opted not to fund a business assistance program given the limited CDBG-DR funds available.</p>
179	<p>The Action Plan should establish a Small Business Recovery Intermediary Fund, channeling capital through CDFIs with: - Loan loss reserves. - - Technical assistance grants. Flexible low-cost liquidity lines.</p>	<p>NCDOC has opted not to fund a business assistance program given the limited CDBG-DR funds available.</p>
180	<p>Integrate disaster recovery financial technology tools into the CDBG-DR Economic Revitalization Program to: - - - Expedite disaster relief financing. Improve risk modeling & underwriting. Enhance coordination across CDFIs & lenders.</p>	<p>NCDOC has opted not to fund a business assistance program given the limited CDBG-DR funds available.</p>
181	<p>To enhance the effectiveness of the CDBG-DR Action Plan, ACC recommends:</p> <ol style="list-style-type: none"> 1. Expanding Economic Revitalization funding to include targeted small business financing. 2. Further building on the WNC Small Business Initiative for further stabilization of vulnerable and recovering businesses (note that of over 7,500 small business grant applications received thus far, currently available funding is only sufficient to fulfill roughly 20% of these requests for assistance). 3. Prioritizing rural and underserved businesses with CDFI-led lending solutions. 4. Providing financial intermediary support (loan loss reserves, liquidity lines) for CDFIs and community lenders. 5. Leveraging financial technology tools to streamline disaster recovery lending. By integrating these elements, the State of North Carolina can build a more resilient small business ecosystem, ensuring long-term economic recovery in Western North Carolina and the broader Appalachian region. 	<p>NCDOC has opted not to fund a business assistance program given the limited CDBG-DR funds available.</p>

#	Comments/Questions Received	NCDOC Response
182	<p>Reimbursement for homeowner repairs. In addition, many LMI homeowners within the MID Area will have already taken steps to mitigate damage to their homes on their own. These LMI homeowners should not be prevented from receiving funds for actions taken before federal assistance for such costs became available. It punishes LMI homeowners who took proactive steps to remain in their community. As a result, where homeowners previously utilized private funds to procure construction materials and utilize contractors or other means of repairing their homes, the Plan should allow for the reimbursement of eligible costs if the homeowner would otherwise be eligible to receive funds under the R&R program. These reimbursements should occur in accordance with HUD's requirements surrounding Duplication of Benefits. These reimbursements are permitted under the rules of the Universal Notice published by HUD in January of 2025.</p>	<p>NCDOC will provide for a reimbursement phase for low- and moderate-income (LMI) households but only after addressing the demand for Housing R&R assistance for those who have been unable to rebuild with other resources.</p>
183	<p>Quality control. The program will pay contractors directly, and no funds will be paid to homeowners. We ask the state to consider issues experienced by eastern North Carolinians of contractor fraud and quality concerns, including basic things like doors being put on backwards, but with lengthy times to remedy.</p>	<p>NCDOC's position is that quality control under the Housing R&R program will be enhanced by direct control over contractors performing work.</p>
184	<p>Increasing the allocation for rental units. The State Action Plan allocates approximately \$807.4 million (57% of the total grant) to the reconstruction and rehabilitation of owner-occupied units, while only \$191.3 million (13% of the total grant) to multi-family rentals. This means that of the \$1.05 billion allocated to housing, 77% will be directed at owner-occupied homes, while 18% at multi-family rental units. Yet across the HUD- and State-identified Most Impacted and Distressed (MID) Counties, 70% of North Carolinians own their homes, while 30% are renters. We believe that the distribution of funding across these two programs should reflect the distribution of owners and renters in the MID areas. As a result, we propose that NCDOC increase the funding dedicated to multi-family rentals by reducing the funding dedicated to owner-occupied homes to match the housing tenure data for MID Counties. While the first time homeowners programs within the Action Plan are exceptionally important, the current economic situation within the MID area, the decrease in available rental housing stock created by Helene, and the corresponding increase in rental housing needs, require additional construction of rental units. This will assist in stabilizing the area's rental market, and allow for even more families to transition to home ownership in the long term.</p>	<p>NCDOC carefully evaluated the distribution of CDBG-DR funds across its various programs and continues to see the distributions as warranted. NCDOC does note that depending upon demand for any of the proposed programs, up to \$28 million can be transferred to the Multifamily programs without a substantial amendment.</p>
185	<p>Need for rental assistance and housing stabilization funds. While the long timeline makes their use for rental assistance unideal, our experiences tell us rental assistance and housing stabilization funding is nonetheless needed, including for individuals displaced when FEMA resources end and repairs or construction are complete under CDBG-DR. Following parameters from the CDBG-CV rental assistance program may help with distribution of these funds in a timely manner.</p>	<p>NCDOC is opting to focus CDBG-DR funding on long-term investments to maximize the ultimate return on the use of the funds.</p>
186	<p>Maintaining affordability for R&R homes. While we generally support the provision that requires homeowners to maintain ownership and primary residency for a minimum of three years, we are also concerned about public supports for homeowners who may return to an unstable job market. If a homeowner is unable to pay a mortgage due to unemployment, this provision may miss its mark of promoting affordability.</p>	<p>NCDOC acknowledges the expressed concern and intends to implement a case by case review option for households that need to sell homes within 3 years of completion under the Housing R&R program.</p>
187	<p>Maintaining affordability for Workforce Housing for Ownership homes. The goal of the Workforce Housing Program is to build affordable homes for people with low and moderate incomes. To qualify to buy these homes, a household's income can't be more than 80% of the area's median income. However, the plan doesn't define "affordable" in terms of the price of these homes. We suggest that the prices of these homes should be set so that people earning 80% of the area's median income don't have to spend more than 30% of their income on housing costs, per standard definitions of cost-burdened housing.</p>	<p>NCDOC will address issues of this nature when designing the competitive program structure.</p>

#	Comments/Questions Received	NCDOC Response
188	<p>Floorplan accessibility. In Eastern NC, floorplans for homes constructed using CDBG-DR funds were not accessible. The lack of clear floorplans – including the measurement of things such as the distance between walls, countertops, and kitchen appliances – resulted in homes that were inaccessible to individuals living with disabilities who required mobility aids like powerchairs. This lack of clarity allowed contractors to deviate from accepted accessibility requirements. Any multifamily dwelling built under this plan, as well as common use facilities in developments with covered dwellings, must meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601–3619), the design and construction requirements of the Fair Housing Act Design Manual and the ADA 2010 requirements with the HUD exceptions (79 FR 29671, May 23, 2014). Additionally, developments involving new construction (excluding construction of nonresidential buildings) where some units are two-stories and are normally exempt from fair housing accessibility requirements, a minimum of 20 percent of each Unit type (e.g., one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the design and construction requirements of the Fair Housing Act Design Manual and include a minimum of one bedroom and one bathroom or powder room at the entry level. A compliance certification will be required after the development is completed from an inspector, architect, or accessibility specialist.</p>	<p>NCDOC will address these issues in designing the procurements for the various housing programs.</p>
189	<p>Program accessibility – case management, plain language, legal services. Many individuals living with a disability will require additional assistance navigating both the application process, and the additional administrative burdens for acquiring housing via the program. Case management conducted by organizations familiar with assisting individuals with disabilities should be made available to assist applicants in navigating this process. This will also be the case for individuals with Low English Proficiency; such services should also be available to them. NCDOC should consider connecting FEMA-based case-management with CDBG-DR case management to streamline the process. This approach has been utilized successfully in South Carolina through close coordination between The South Carolina Office of Resilience’s DCM branch, Palmetto Disaster Recovery and multiple CDBG-DR programs. More than 1,350 applicants that originated as clients in South Carolina’s Disaster Case Management Program were transferred directly into the state’s CDBG-DR program.</p>	<p>NCDOC will incorporate case management into its procurement of a vendor for the Housing R&R program and intends to leverage existing case management information to the extent permissible.</p>
190	<p>NCDOC should ensure program documents written in plain language and are translated into languages spoken by residents of the MID area and provide interpretation services both for individuals with Low English Proficiency as well as individuals requiring audio/visual interpretation to fully participate in the application and program process. Such upfront accessibility and clarity will limit applicants getting stuck at any particular stage.</p>	<p>NCDOC will comply with applicable fair housing and civil rights requirements as they are defined by HUD.</p>
191	<p>Mitigation and resilience. We agree with comments submitted by our partners at Southern Environmental Law Center amplifying the need for dedicated funding streams for mitigation and resilience activities above and beyond those integrated into the CDBG-DR Draft Action Plan. Planning efforts now are critical to updating and incorporating the unique topography and hazards, such as landslides, into the state’s hazard mitigation plan. We encourage NCDOC DCR to join with other relevant divisions at NCDPS, NCDEQ, and NCDOT to advocate for funding towards programs and projects such as those envisioned in the NC Flood Resiliency Blueprint to enhance resilience at a regional, watershed level.</p>	<p>NCDOC is deploying its CDBG-DR mitigation set-aside across the five different programs to be implemented. Proposed projects will have the opportunity to be allocated mitigation funding from the amounts set aside under each of the programs.</p>
192	<p>Ensuring transparency. NCDOC should also prioritize transparency. The agency should ensure that information on the progress of funded projects and activities is available to the public in an accessible format. In addition to program-specific information, aggregate information on the households being served, including the most granular geographic data possible, household income, gender, race, and ethnicity should be publicly accessible to ensure that funds are reaching those most impacted by Hurricane Helene. None of this information should contain personally identifiable information. NCDOC should consider the creation of a portal holding this information similar to that utilized by Puerto Rico for its CDBG-DR/MIT programs (available here and here). The inclusion of these types of transparency tools will build trust for program activities within impacted communities and prevent the spread of misinformation.</p>	<p>NCDOC will comply with applicable fair housing and civil rights requirements as they are defined by HUD.</p>

#	Comments/Questions Received	NCDOC Response
193	<p>(2.2, p.26) Buncombe County seeks clarification with regard to all competitive grant programs about use of funds within Asheville City Limits: Will state managed CDBG-DR funds be able to be applied to projects and activities supporting Buncombe County's recovery but occurring within the City of Asheville's jurisdictional boundaries given that the City of Asheville received its own direct allocation of CDBG-DR funds? Mixed Use Development and Infrastructure for Affordable Housing - will local governments be able to use funding from multiple programs for projects? For example, water, sewer, and sidewalk infrastructure for the development of a multi-family 80% AMI housing development. Or a mixed commercial and affordable housing development. Buncombe County requests that the state consider using local governments, councils of government, and nonprofits for planning, engagement, and intake activities related to the proposed CDBG DR programs. Local organizations will be able to leverage their existing relationships in the community to ensure successful implementation and delivery of services.</p>	<p>Asheville will be permitted to apply for competitive grant programs implemented by NCDOC and Buncombe County may obtain and expend CDBG-DR funding available under this Action Plan in the city. Funding from different programs may be combined in a singular project but NCDOC notes that programs are competitive and no guarantees of funding can be made. NCDOC intends to leverage councils of governments where possible to enhance program delivery.</p>
194	<p>1. (5.2.3, p. 77) Buncombe County recommends allocating \$746,994,000 for owner-occupied housing and \$305,080,000 for renter-occupied housing.</p> <ul style="list-style-type: none"> a. This suggested allocation of funds aligns with the unmet needs in Table 9 (2.2.2, p. 33) in the State's Draft Action Plan, which estimates there are 546,439 (71%) homeowner households and 215,806 (29%) renter households that were impacted by Helene in the combined MID areas. b. The funding currently allocated to rehabilitating or constructing rental units represents only 18% of housing funds (1.1, p. 8, Table 1). c. For the suggested \$305,080,000 for renter-occupied housing, the County recommends: <ul style="list-style-type: none"> i. Increasing funding for rental housing repair and construction to match MID area estimates (approximately \$280,080,000). ii. The County also suggests the state consider funding a rental assistance program at \$25,000,000: <p>2. (5.2.3.3, p. 86) Buncombe County recommends increasing the funding cap for large multifamily projects from \$10 million to \$25 million. Based on Buncombe County experience we believe the current limit on this gap funding source may be insufficient to support the development and completion of impactful multifamily housing projects. In Buncombe County, we have seen gaps range from \$5 million to \$34 million in recent years. Increasing the cap would allow communities to pursue large-scale developments that deliver units available to low- and moderate-income household with critical housing needs in disaster-affected areas.</p> <p>3. (5.2.3.3, pg. 87) Buncombe County recommends removing the following text from the Draft Action Plan: "NC DOC will consult with the North Carolina Housing Finance Agency (NCHFA) regarding projects that may seek or have been awarded LIHTCs. NCDOC will implement a funding priority for projects located in Difficult Development Areas (DDAs) and Qualified Census Tracts (QCTs) within the Combined MID area regardless of whether the project is receiving LIHTCs. In designing the large project criteria, NCDOC will design such efforts in consultation with NCHFA."</p>	<p>NCDOC appreciates the suggestion to increase funding to the Multifamily program but intends to maintain the allocation amounts offered in the draft Action Plan. If it becomes evident that demand for the Housing R&R program will be less than anticipated, NCDOC will give strong consideration to transferring any remaining funding to multifamily purpose. Regarding the maximum amount available for large multifamily projects, NCDOC is revising the cap as listed in the Action Plan from \$10 million to \$15 million.</p>
195	<p>Workforce Housing and Multifamily Construction Programs: Will the State consider pre-disaster affordable housing needs, as identified in previous housing needs assessments, in prioritizing projects to receive funding under these programs? For example, in 2021, the Bowe11_J3.e_p_oct demonstrated a need of 5,400 affordable rental units in Buncombe County and over 13,000 affordable rental units across 18 counties in Western North Carolina. This affordable housing gap has been exacerbated by Helene.</p>	<p>NCDOC's considerations will be driven by the need to expend at least 80% of the funds in the HUD-defined Most Impacted and Distressed (MID) area.</p>

#	Comments/Questions Received	NCDOC Response
196	<p>Reconstruction and Rehabilitation Program: How will the reconstruction benefit be available to homeowners who cannot rebuild their previously permitted structure due to location within the floodplain or an unstable landslide-impacted slope? How will residents who live in counties with the highest rates of damage be prioritized to receive services and how will the state track and report use of reconstruction and rehabilitation services?</p>	<p>The Housing R&R program allows for the acquisition of property as a new homesite. NCDOC will review the need for acquisition on a case by case basis and will reserve the ability to exclude acquisition costs from the program cap.</p>
197	<p>Multifamily Construction Program: Will the state consider distributing this funding directly to local governments (similar to practices in federal programs, such as LIHTC, where local government involvement is prioritized)? This model has many benefits including: accelerating housing recovery efforts; supporting long-term disaster recovery goals; streamlining project execution; leveraging existing relationships; ensuring efficient use of funds; improving affordability; generating local jobs; and aligning projects with regional housing needs, zoning regulations, and infrastructure requirements.</p>	<p>NCDOC will not be distributing funds to local governments although local governments may compete for funding under the Multifamily Reconstruction program.</p>
198	<p>(5.2.4.1, pg. 90) Buncombe County requests further definition of the types of eligible projects for the Community Infrastructure program. For counties to begin planning projects that align with the state's Infrastructure CDBG DR program, the state should define the types of eligible infrastructure. Please indicate whether the state intends to include the below types of projects: a. emergency operation center and response facilities, b. communication systems resilience, c. emergency sheltering, d. community resource centers, e. water system improvements, f. sewer expansion, and g. flood mitigation and detection.</p>	<p>Some of the cited activities would be eligible for funding under the Community Infrastructure program such as water and wastewater improvements/expansions and community resource centers. Flood mitigation could be undertaken as part of an otherwise eligible public facilities activity. NCDOC is unlikely to use CDBG-DR funding for emergency operations centers.</p>
199	<p>(5.2.4.1, pg. 90) The FEMA Public Assistance and Hazard Mitigation Grant Program (HMGP) timelines will impact local governments' ability to use these funds. How will the state align the competitive grant process with the end of HMGP acquisition for mitigation projects and the conclusion of FEMA PA projects?</p>	<p>NCDOC is likely to collect information on community/project specific status under the HMG and PA programs as part of the CDBG-DR application process. This information, along with NCDOC's working relationship with NCEM, should be adequate to understand the coordination among these various funding sources.</p>
200	<p>(5.2.5.1, pg. 93) Given that the extensive damage to commercial districts in Western North Carolina was the result of many commercial areas' proximity to the floodplain, revitalization of these districts will require planning and mitigation. In addition to the activities already included in the Commercial District Revitalization program, Buncombe County requests that the activities listed below also be included as eligible. Please indicate whether the state intends to include these activities in the Commercial District Revitalization program: a. planning, b. public services, c. mitigation, d. streetscaping (sidewalks, ADA accessible features, and lighting), and e. place-making activities.</p>	<p>Under CDBG-DR, public facilities activities can include streetscaping and certain place-making activities as well as mitigation. NCDOC is not intending to implement planning or public service activities through the Commercial Revitalization program other than planning costs that can be addressed as direct activity delivery costs.</p>
201	<p>(5.2.5.1, pg. 93) Farms and agricultural businesses were significantly impacted by Helene. The storm altered waterways, destroyed tracts of land, deposited debris, and removed topsoil across Western North Carolina's farms. Buncombe County requests that the State include funds for land restoration and agriculture recovery activities.</p>	<p>The Action Plan does not include funding for the actions and NCDOC is unlikely to make CDBG-DR funds available for these purposes.</p>
202	<p>(5.2.5.1, pg. 93) Small businesses in Western North Carolina are still recovering from the financial impact of COVID and cannot afford to take on additional debt from loans. Buncombe County requests that the State includes funds for small business grants.</p>	<p>NCDOC has opted not to fund a business assistance program given the limited CDBG-DR funds available.</p>

#	Comments/Questions Received	NCDOC Response
203	Significantly increase the funding allocation for Economic Revitalization. The draft plan identifies the Economy sector as having the greatest Helene impacts at \$15.875 billion, representing 27% of total estimated Helene impacts. The proposed 7.78% allocation (\$111.14 million) is insufficient to materially support the level of recovery required for a robust recovery and to prevent a prolonged economic decline that jeopardizes progress on other sectors (Housing, Health & Human Services, etc.).	NCDOC is focusing its CDBG-DR funding on addressing long-term housing recovery needs as other public and private sources of funding may be available for economic recovery purposes.
204	Include a clear and substantive small business recovery framework within Economic Revitalization. As described in additional detail below, WNC small businesses have acute unmet recovery needs including: (A) a long-term affordable recovery loans program that can make loans from \$100,000 to \$5 million to help the most impacted small businesses rebuild and recover. (B) small business recovery grants (as specifically enabled in the Emergency Supplemental bill passed by Congress).	NCDOC has opted not to fund a business assistance program given the limited CDBG-DR funds available.