



Substantial Action Plan Amendment 3
V4.0, April 7, 2026

Tropical Storm Fred Public Action Plan

State of North Carolina

For CDBG-DR Funds
(Public Law 117-43)

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Review History

Version	Date	Description
1.0	August 1, 2022	Initial Action Plan
2.0	April 3, 2023	Revised CDBG-DR budget and funding allocations for Tropical Storm Fred following the allocation of an additional \$5,211,000 from HUD in January 2023. Reanalysis of Unmet Need specifically related to owner-occupied housing, rental housing, economic revitalization, infrastructure, and mitigation using additional and more recent disaster recovery data sets. Added the Homeownership Assistance Program and Housing Counseling Fund as activities.
3.0	October 23, 2024	Addition of the Rapid Recovery Fund to address the emergent, worsening of unmet recovery needs from Tropical Storm Fred following the impacts of Hurricane Helene.
4.0	April 7, 2026	Transfer grantee from North Carolina Office of Recovery and Resiliency to North Carolina Department of Commerce.

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Summary of Action Plan Changes – Amendment 3

Grantee Transfer

Substantial Action Plan Amendment 3 formally designates the North Carolina Department of Commerce, Division of Community Revitalization (DCR) as the direct recipient of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds from the U.S. Department of Housing and Urban Development (HUD) for recovery efforts related to Tropical Storm Fred (FEMA DR-4617), as published in the Federal Register, Vol. 87, No. 100, on May 24, 2022 (87 FR 31636).

The North Carolina Office of Recovery and Resiliency (NCORR) administered this grant prior to this amendment. DCR will administer the grant from HUD approval of this amendment to final closeout.

Table 1 - Substantial Action Plan Amendment 3 Allocations

Program	SAPA 2 Allocations	SAPA 3 Allocations	% of Total Allocation	\$ to LMI	% to LMI	\$ to HUD-defined MID areas	% to HUD-defined MID areas
Administrative Costs	\$659,300	\$659,300	5%	--	--	--	--
Planning Costs	\$875,000	\$875,000	7%	--	--	\$700,000	80%
Rapid Recovery Fund (Total)	\$0	\$4,000,000	30%	\$2,800,000	70%	\$4,000,000	100%
<i>Rapid Recovery Fund - Housing</i>	<i>\$0</i>	<i>\$3,320,000</i>	<i>25%</i>	<i>\$2,324,000</i>	<i>70%</i>	<i>\$3,320,000</i>	<i>100%</i>
<i>Rapid Recovery Fund - Mitigation</i>	<i>\$0</i>	<i>\$680,000</i>	<i>5%</i>	<i>\$476,000</i>	<i>70%</i>	<i>\$680,000</i>	<i>100%</i>
Affordable Housing Development Fund (Total)	\$10,526,700	\$6,526,700	49%	\$6,526,700	100%	\$6,526,700	100%
<i>Affordable Housing Development Fund - Housing</i>	<i>\$8,806,700</i>	<i>\$5,282,700</i>	<i>40%</i>	<i>\$5,282,700</i>	<i>100%</i>	<i>\$5,282,700</i>	<i>100%</i>
<i>Affordable Housing Development Fund - Mitigation</i>	<i>\$1,720,000</i>	<i>\$1,244,000</i>	<i>9%</i>	<i>\$1,244,000</i>	<i>100%</i>	<i>\$1,244,000</i>	<i>100%</i>
Homeownership Assistance Program	\$1,100,000	\$1,100,000	8%	\$550,000	50%	\$1,100,000	100%
Housing Counseling Fund	\$25,000	\$25,000	<1%	\$12,500	50%	\$25,000	100%
Total	\$13,186,000	\$13,186,000	100%	\$9,889,200	75%	\$12,226,700	93%

1. Executive Summary

Overview

The U.S. Department of Housing and Urban Development (HUD) announced that the State of North Carolina will receive \$13,186,000 in funding to support long-term recovery efforts following Tropical Storm Fred. Community Development Block Grant- Disaster Recovery (CDBG-DR) funding is designed to address needs that remain after all other assistance has been exhausted. This Action Plan details how CDBG-DR funds will be allocated to address remaining unmet need in most impacted areas.

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 quicker recovery. HUD allocated \$7,975,000 CDBG-DR funds to the State of North Carolina in response to Tropical Storm Fred, FEMA DR-4617, through the publication of the Federal Register, Vol. 87, No. 100, May 24, 2022, <https://www.federalregister.gov/d/2022-10969> (87 FR 31636). This allocation was made available through the Disaster Relief Supplemental Appropriations Act, 2022. This was later updated to \$13,186,000 through the publication of the Federal Register, Vol. 88, No. 11, January 18, 2023, <https://www.federalregister.gov/d/2023-00721> (88 FR 3198). The entirety of both allocations are being transferred to DCR

On September 26, 2024, a subsequent disaster, Hurricane Helene made landfall at the State of Florida's Big Bend region as a Category 4 hurricane. Helene trekked northward, eventually crossing through Western North Carolina, where some areas experienced two feet of rain in already saturated conditions. A disaster declaration was issued for 25 counties and the Eastern Band of Cherokee Indians Tribal Area on September 28, 2024. More counties have been declared since that initial declaration. Each county that received a disaster declaration for Tropical Storm Fred was also declared for Hurricane Helene, worsening and complicating the ongoing Tropical Storm Fred recovery.

In 84 FR 28836, HUD established some conditions that would allow for the use of funds for one disaster to be used for a subsequent disaster. To the extent that the Tropical Storm Fred recovery was incomplete and ongoing for communities and individuals impacted by Hurricane Helene, funds may be available from the Tropical Storm Fred CDBG-DR grant funds to address those new unmet recovery needs.

Authority & Appropriations Act

As established by Public Law 117-43, \$6,935,000 of the total allocation is earmarked for the unmet needs of MID areas. Additionally, \$1,040,000 is set aside for mitigation measures. The Continuing Appropriations Act (Public Law 117-180) approved on September 30, 2022 made available \$2,000,000,000 in Community Development Block Grant Disaster Recovery (CDBG-DR) funds to "most impacted and distressed" areas resulting from a qualifying major disaster in 2021 or 2022. The notice allocates \$1,446,629,000 from the 2023 Appropriations for disaster occurring in 2021. Resulting from the 2023 Appropriations act, on January 18, 2023, HUD subsequently allocated \$5,211,000 to North Carolina in disaster recovery funds earmarked

\$4,531,000 for the unmet needs of MID areas and \$680,000 set aside for mitigation measures.

Federal Register Notices 87 FR 31636 and 88 FR 3198 include allocations, common application, waivers, and alternative requirements for CDBG-DR grantees. Prior to this allocation, HUD has issued separate guidance for other CDBG-DR funding and CDBG – Mitigation (CDBG-MIT) funds which are addressed in separate Action Plans.

To fulfill the requirements of this allocation, the State of North Carolina must submit an Action Plan for CDBG-DR activities that identifies unmet recovery needs to HUD and promotes programs to address those recovery needs. These activities primarily address housing recovery needs, but other activities are considered if they increase the State's ability to continue to meet its housing recovery obligations. This Action Plan provides a summary of the actions, activities, and resources used to address the State's priority recovery needs and goals. It is designed to help the State, local units of government, and other recovery partners assess current and future needs, and will be updated as new information or changing conditions warrant a change in recovery approach.

Plan Accessibility

The State of North Carolina is committed to ensuring that all populations impacted by the presidentially declared disaster of Tropical Storm Fred are aware of available resources, have an opportunity for input, and have equal access to information about the programs to assist in recovery and mitigation efforts. Through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, and/or contacts with neighborhood organizations, the State requests public comments on plans, publicizes existing programs and changes to existing plans and programs, and conducts outreach efforts throughout the storm-impacted areas. In addition to these targeted efforts, other state agencies have also actively engaged the public as a key stakeholder in the recovery efforts of Tropical Storm Fred.

This Action Plan will be available for public comment for 30 days. Public comments will be collected and responses will be incorporated into the final version submitted to HUD at the end of the public comment period.

These documents will be made available in a form accessible to persons with disabilities and those with Limited English Proficiency (LEP). For more information on how people with disabilities can access and comment on the Action Plan, dial 984-833-5350.

Disaster Specific Overview

Pre-Disaster Conditions

The areas impacted by the remnants of Tropical Storm Fred in Western North Carolina host a variety of elevation gradients, precipitation patterns, and geologic features that sustain a diversity of ecosystems and thriving socioeconomic conditions and population trends largely driven by the natural amenities of the area. However, as outlined in the 2020 Climate Risk Assessment and Resilience Plan for North Carolina, the areas are also highly susceptible to drought, heat, and extreme rainfall that could result in catastrophic conditions for properties, residents, and

communities in the area. In fact, in September 2004, the area was hit by two hurricanes within nine days. The storms lead to severe damage to properties and losses to the agricultural and tourism industries.¹

Prior to Tropical Storm Fred, local governments and institutions in the area had already been collaborating to address the aging infrastructure and deteriorating slopes along major transportation routes that increase the likelihood of landslides during heavy rainfall events. Moreover, local communities had been engaged to address ongoing recovery efforts from the 2004 storm events and an array of potential hazards, such as flash flooding, that needed continued mitigation in the region. Nonetheless, as reported by the North Carolina State Climate Office, days before Tropical Storm Fred the region endured heavy rainfalls, up to six inches in Haywood and Transylvania counties, which left communities and local infrastructure little time to recover and prepare before Tropical Storm Fred arrived in the area.²

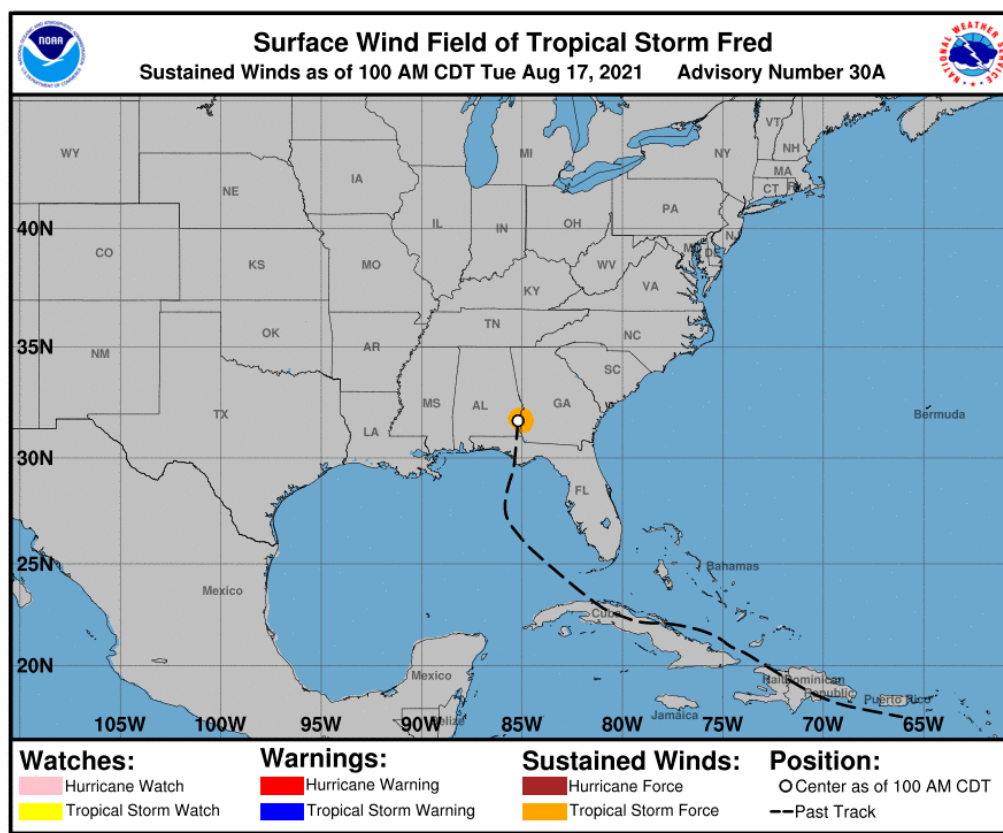
Description of Storm Events

According to the National Weather Service, Tropical Storm Fred made landfall on August 16, 2021 and moved northeast through western and northern Georgia before crossing the southern Appalachians and Western North Carolina on the 17th of August.

¹ 2020 Climate Risk Assessment and Resilience Plan, State of North Carolina, June 2020.
<https://files.nc.gov/ncdeq/climate-change/resilience-plan/2020-Climate-Risk-Assessment-and-Resilience-Plan.pdf>

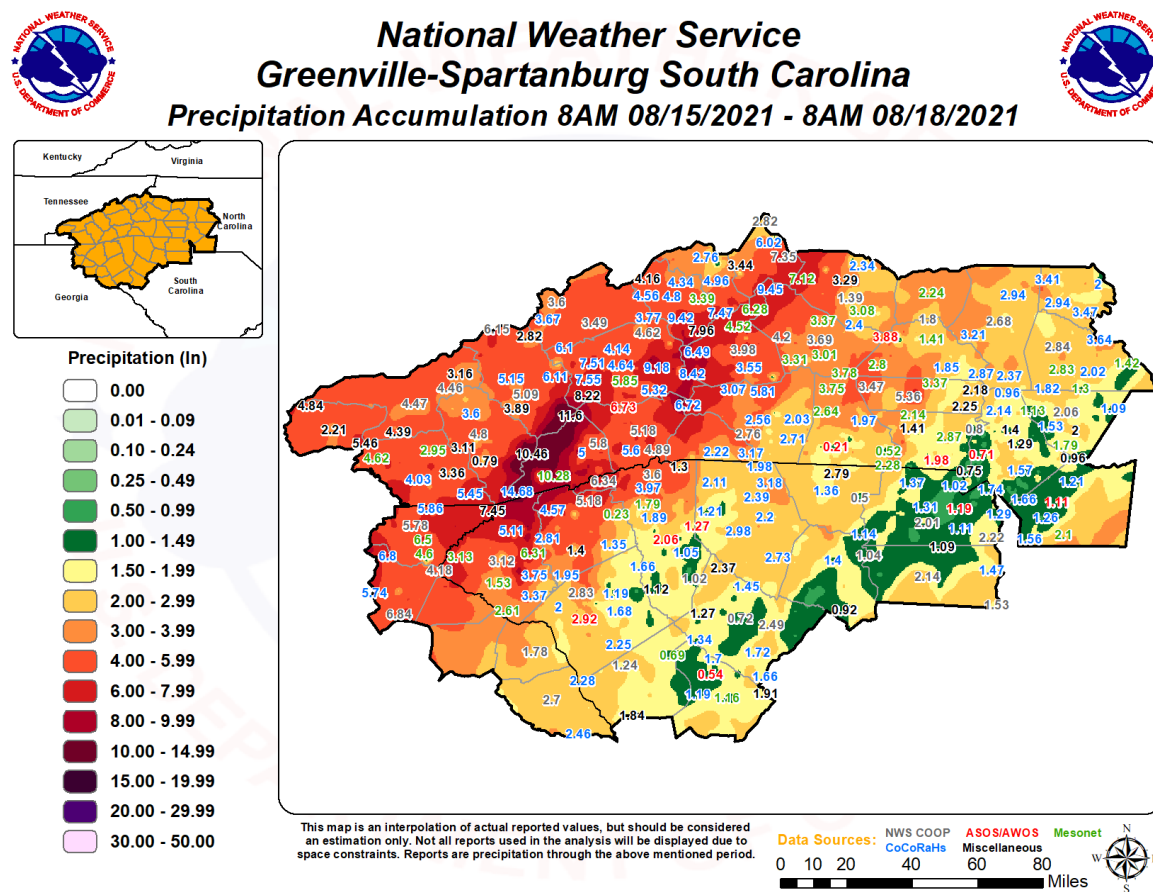
² Rapid Reaction: Fred Fosters Floods in Western NC, North Carolina State Climate Office, August 19, 2021.
<https://climate.ncsu.edu/blog/2021/08/rapid-reaction-fred-fosters-floods-in-western-nc/>

Figure 1: Tropical Storm Fred Trajectory, August 17, 2021



Tropical moisture combined with local topographical conditions resulted in enhanced rainfall rates across the southeast-slopes of the North Carolina mountains, with storm total rainfall of 5-10 inches reported across the impacted region. The heavy rains from Tropical Storm Fred occurred right after a previous heavy rain event a few days earlier that poured up to 10 inches of rain in the same region. As reported by the National Weather Service, the combination of the two heavy rain events resulted in significant flash flooding near the headwaters of the French Broad River in Transylvania County, where an automated gauge at Rosman reported its highest level in almost 30 years and the fourth highest level since 1935, and along the headwaters of the Pigeon River in Haywood County. Moreover, a stream along the East Fork of the Pigeon River near the Cruso community exceeded its previous record, which was set by Tropical Cyclone Ivan in 2004, by more than three feet. Combined with the rapid flow of water, at some point the river rose more than 2.5 feet in 30 minutes, and areas near the Pigeon River in Haywood County experienced catastrophic flash flooding and major landslides. In Canton, for example, major flooding developed for the first time in almost 20 years and reached its fourth highest level on record since 1928.

Figure 2: Precipitation Accumulation, August 15-August 18, 2021, Tropical Storm Fred



After the storm left the region, six deaths were attributed to the event. Damage estimates to public infrastructure total more than \$18.7 million, while damage estimates to private property included 56 homes destroyed and more than 200 homes that suffered major damage.³

Disaster Response & Recovery

On August 27, 2021, Governor Roy Cooper requested a major disaster declaration due to the remnants of Tropical Storm Fred. Governor Cooper requested a declaration for Individual Assistance for three counties (Buncombe, Haywood, and Transylvania), Public Assistance for seven counties (Avery, Buncombe, Haywood, Madison, Transylvania, Yancey, and Watauga), and Hazard Mitigation statewide.⁴

³ Press Release by Governor Cooper on Major Disaster Declaration Granted for Seven Western North Carolina Counties Recovering after Tropical Storm Fred, September 8, 2021. <https://governor.nc.gov/news/press-releases/2021/09/08/major-disaster-declaration-granted-seven-western-north-carolina-counties-recovering-after-tropical>

⁴ Press Release by Governor Cooper Requests Federal Major Disaster Declaration for Western Counties after Tropical Storm Fred, August 27, 2021. https://www.fema.gov/sites/default/files/documents/PDARreport_FEMA4617DR-NC.pdf

On September 8, 2021, President Biden declared a major disaster due to the remnants of Tropical Storm Fred in North Carolina. The declaration made the FEMA Individual Assistance and Public Assistance requested by Governor Cooper available to individuals and entities in the impacted areas.⁵

Recovery Process

In response to Tropical Storm Fred, immediate disaster recovery efforts were led by North Carolina Emergency Management (NCEM), a division of the North Carolina Department of Public Safety, and the North Carolina Office of State Budget & Management (NCOSBM). Since the storm, NCEM and NCOSBM have worked with individuals, families, local government, private and nonprofit institutions, and communities in the impacted areas to recover from immediate impacts of the storm.

According to FEMA, two months after the major disaster declaration, more than \$18 million in federal grants, loans and flood insurance payments were approved for homeowners, renters, and businesses in Buncombe, Haywood, and Transylvania counties. This included:

- \$3.18 million in FEMA grants for 673 individuals and households.
- \$3.5 million in disaster loans from the U.S. Small Business Administration for businesses, homeowners, and renters.
- \$11.8 million in National Flood Insurance Program claims paid to policyholders.⁶

In addition to the assistance provided by FEMA, the State of North Carolina offered \$44 million in additional disaster recovery state funding and support to help impacted properties and individuals in: Avery, Buncombe, Haywood, Henderson, Madison, McDowell, Mitchell, Rutherford, Transylvania, Watauga, and Yancey counties. As of July 2022, the State, through NCOSBM, has received 632 applications for housing recovery assistance in those counties.

Recovery Field Operations

In the immediate aftermath of Tropical Storm Fred, Governor Cooper issued a State of Emergency to activate the state's emergency operations plan. The state of emergency also allowed first responders to access the impacted areas and offer immediate assistance in restoring power, removing debris, and bringing supplies.⁷

Haywood, Jackson, McDowell, Madison, Mitchell, Rutherford, Transylvania, and Yancey counties were all initially declared local states of emergency by Governor Cooper, which allow first responders to set up emergency relief and recovery field operations in those areas.

⁵ Preliminary Damage Assessment Report, FEMA, September 8, 2021.

https://www.fema.gov/sites/default/files/documents/PDARreport_FEMA4617DR-NC.pdf

⁶ Press Release, State, FEMA Continue Recovery Work in Western North Carolina, FEMA, November 9, 2021.

<https://www.fema.gov/press-release/20211109/state-fema-continue-recovery-work-western-north-carolina>

⁷ Press Release, Governor Roy Cooper Issues State of Emergency in Response to Severe Weather, August 18, 2021.

<https://governor.nc.gov/news/press-releases/2021/08/18/governor-cooper-issues-state-emergency-response-severe-weather>

Disaster Recovery Centers

Following the catastrophic rainfall and flash flooding of Tropical Storm Fred, NCOSBM opened a public website, storm relief hotline, and office to help impacted individuals apply for assistance.

Since providing these communication tools and disaster recovery center, the North Carolina Residential Recovery Program, established by NCOSBM to provide state grants and repair funds, has received 205 applications from Haywood County. About 45 percent of those applications are for housing repairs, while 37 percent are for road/bridge/culvert assistance.⁸

Preliminary Damage Assessments

As part of President Biden's declaration of a major disaster in North Carolina following the remnants of Tropical Storm Fred in the region, a preliminary damage assessment was conducted by FEMA.⁹ The preliminary damage assessment to residences is outlined in the following table:

Table 2: Residences Impacted, Preliminary Damage Assessment Report, FEMA

Level of Impact	Number of Residences
Destroyed	56
Major Damage	206
Minor Damage	160
Affected	141
Total	563

The degree of damage of the impacted residence is defined and measured by FEMA in the following ways:

- **Destroyed:** Total loss of structure, structure is not economically feasible to repair, or complete failure to major structural components (e.g., collapse of basement walls/foundation, walls, or roof).
- **Major Damage:** Substantial failure to structural elements of residence or damage that will take more than 30 days to repair.
- **Minor Damage:** Home is damaged and uninhabitable but may be made habitable in short period of time with repairs.
- **Affected:** Some damage to the structure and contents, but still habitable.

In addition to the level of impact to residences, FEMA also assessed the characteristics of individuals and households impacted. The table below provides the estimates for those characteristics and the total individual assistance preliminarily assessed by FEMA.

⁸ Recovery Haywood, NC Residential Recovery Program. Accessed May 20, 2022. <https://recoverhaywood.com/>

⁹ Preliminary Damage Assessment Report, North Carolina – Remnants of Tropical Storm Fred FEMA-4617-DR, September 8, 2021. https://www.fema.gov/sites/default/files/documents/PDARreport_FEMA4617DR-NC.pdf.

Table 3: Individual Assistance, Preliminary Damage Assessment Report, FEMA

Characteristic	Estimate
Percentage of insured residences	1.3% (Flood Insurance)
Percentage of poverty households	13.3%
Percentage of homeowners	70.8%
Population receiving other government assistance	
<i>Temporary Assistance for Needy Families (TANF)</i>	0.2%
<i>Medicaid and Children's Health Insurance Program (CHIP)</i>	16.6%
<i>Supplemental Security Income (SSI)</i>	2.2%
<i>Supplemental Nutrition Assistance Program (SNAP)</i>	13.0%
Pre-Disaster Unemployment	4.5%
Age 65 and older	16.7%
Age 18 and under	21.9%
Persons with disabilities	13.9%
Individuals and Households Program Cost to Capacity (ICC) Ratio	12
Total Individual Assistance Cost Estimate	\$7,679,686

FEMA also calculated the preliminary impact to state, tribal, territorial, and local governments and the potential resources needed to recover from Tropical Fred. The following table summarizes FEMA's preliminary assessment for public assistance:

Table 4: Public Assistance, Preliminary Damage Assessment Report, FEMA

Impact	Estimate
Primary Impact	Damage to utilities
Total Public Assistance Cost Estimate	\$18,744,951
Statewide per capita impact	\$1.97
Statewide per capita impact indicator	\$1.55
Countywide per capita impact	
<i>Avery</i>	\$5.11
<i>Buncombe</i>	\$8.04
<i>Haywood</i>	\$216.33
<i>Madison</i>	\$29.60
<i>Transylvania</i>	\$42.49
<i>Watauga</i>	\$16.97
<i>Yancey</i>	\$60.54
Countywide per capita impact indicator	\$3.89

The statewide and countywide per capita impact indicators were based on Fiscal Year 2021 and established in the Federal Register Notice published on October 1, 2020.

Disaster Declaration

Under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, President Biden issued a declaration for a major disaster in North Carolina due to the remnants of Tropical Storm Fred on September 8, 2021.¹⁰ The declaration was made at the request of Governor Cooper on August 27, 2021. The declaration authorized the allocation of funds to provide disaster assistance and meet the necessary administrative expenses to carry out the immediate disaster recovery response.

Presidentially Declared Counties Eligible for Assistance

The declaration on September 8, 2021, allowed for financial assistance to be made available to support immediate disaster recovery efforts. The funding made available to designated counties was categorized in the following way:

FEMA Individual Assistance (IA): Direct assistance provided to individuals and households through Individuals and Households Program (IHP). Individual Assistance provides financial assistance and direct services to eligible individuals and households who have uninsured and underinsured necessary expenses and serious needs. FEMA IA is not a substitute for insurance and cannot cover all losses.¹¹

¹⁰ 4617-DR-NC Initial Notice, FEMA, September 8, 2021. <https://www.fema.gov/disaster-federal-register-notice/4617-dr-nc-initial-notice>

¹¹ FEMA, 2019. Individuals and Households Program. Retrieved at https://www.fema.gov/media-library-data/1571949706314-838a916aad698391afe34b45ac13100a/1_FACTSHEET_Individuals_and_Households_Program.pdf

FEMA Public Assistance (PA): Assistance provided to state and territorial governments, local governments, Indian tribal governments, and private non-profit organizations.

Public Assistance is provided through categories of activities:

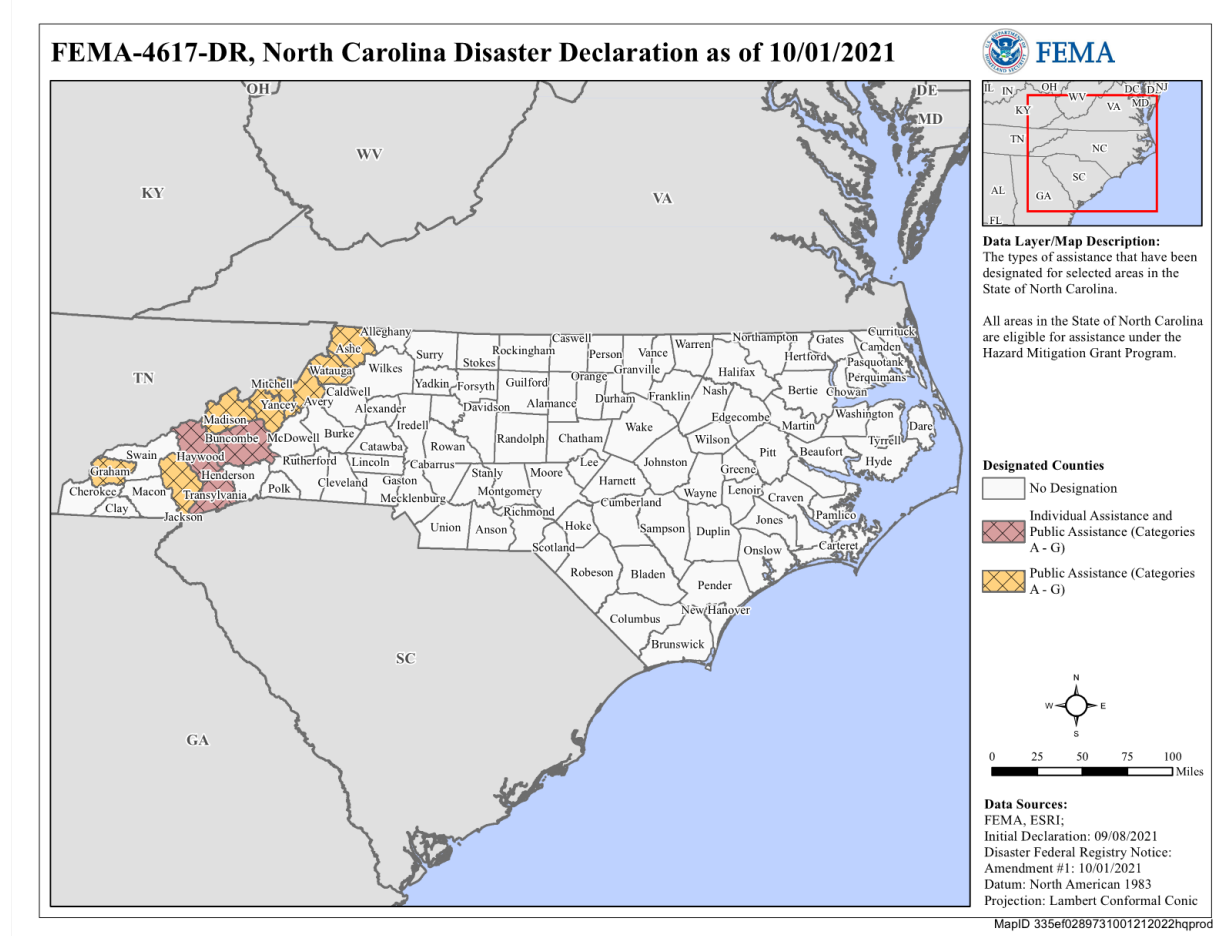
- Emergency Protective Measures for Debris Removal (Category A) and Emergency Protective Measures (Category B); and,
- Permanent Work for the Restoration of Roads and Bridges (Category C), Water Control Facilities (Category D), Buildings and Equipment (Category E), Utilities (Category F), and Parks, Recreational, and Other Facilities (Category G).¹²

Table 5: FEMA DR-4617, FEMA Funding Availability by County

County	FEMA IA	FEMA PA (Categories A-G)
Buncombe	Yes	Yes
Haywood	Yes	Yes
Transylvania	Yes	Yes
Ashe	-	Yes
Avery	-	Yes
Buncombe	-	Yes
Graham	-	Yes
Haywood	-	Yes
Jackson	-	Yes
Madison	-	Yes
Mitchell	-	Yes
Transylvania	-	Yes
Watauga	-	Yes
Yancey	-	Yes

¹² FEMA 2020. Public Assistance Program and Policy Guide, Version 4, Effective June 1, 2020. Retrieved at https://www.fema.gov/media-library-data/1594239534694-ea876c73c2135c4273e4914586e7879f/PAPPG_V4_Final_6-1-2020_508.pdf

Figure 3: FEMA DR-4617, Designated Areas



Summary

The initial (2022) assessment of unmet recovery needs related to DR-4617 revealed remaining needs across housing and infrastructure activities; housing, however, presents the greatest unmet recovery need. The analysis detailed in this Action Plan identifies the methodology and results of the unmet needs relative to housing, infrastructure, and economic recovery. The table below provides an overview of the unmet recovery needs from DR-4617 by category based on data provided by FEMA. In July 2022, comprehensive SBA loan level data was not yet available to definitively determine unmet economic revitalization needs; however, the available data shows minimal impacts to homeowners, renters, and businesses eligible for SBA disaster loans in the most impacted areas.

The unmet needs assessment was revisited in February 2023 under Substantial Amendment 1 using the most recent recovery data sets from FEMA and SBA.

The housing programs outlined in this Action Plan focus on permanent affordable housing needs, as interim housing needs were not identified during the unmet needs assessment performed in Substantial Amendment 1. The resources or activities of volunteer organizations were not

accounted in the unmet needs analysis due to the lack of specific projections from those organizations and general data availability. It is also worth noting that the State of North Carolina has appropriated state funds to meet programmatic needs.

In order to efficiently address these unmet needs, CDBG-DR programming and activity delivery will rely on the expertise and on-the-ground capacity of selected partners to carry out the recovery efforts. Given the relatively small CDBG-DR allocation, a streamlined approach is the most effective way to distribute the funding and meet the needs of local communities.

Guiding Principles and Citizen Engagement

To further augment the analysis and findings of previously published Action Plans, the State engaged state agencies, local governments, nonprofit organizations, housing-specific stakeholders, public housing authorities, community-based organizations, and other local entities focused on recovery. Engagement with these organizations started in April 2022, in anticipation of the Federal Register Notice detailing the allocation provided by HUD. The State also collected information and feedback through a site visit in Haywood County in June 2022 and ongoing conversations with local partners and experts. During the site visit, the preliminary analysis was presented to county officials, community-based organizations, and the county's public housing authority after the announcement of the CDBG-DR appropriation in May 2022. The State held its public comment period on the initial action plan from August 1, 2022 through August 30, 2022. The in-person public hearing for the Action Plan on August 15, 2022, was streamed live for virtual attendees by administrators at Haywood County, but it was not recorded. All relevant comments received verbally at the public hearing, as well as those received through other channels, were noted and considered for incorporation into the Action Plan.

Based on what is known to date, Tropical Storm Fred directly impacted over 500 residences and contributed to over \$18 million in assessed infrastructure damage in North Carolina. However, such estimates likely only provide a snapshot of the long-term needs for communities in the area to recover and prepare for the potential of another disaster.

CDBG-DR Budget

As required by the Federal Register Allocation Announcement and Consolidated Notices, the most significant consideration in developing CDBG-DR activities and the allocation of funds is the unmet needs assessment. The assessment reviews the various recovery needs of the impacted communities following Tropical Storm Fred. The unmet needs assessment also includes an identification of increased unmet need following Hurricane Helene for Haywood County. Meanwhile, other sections throughout this Action Plan make the connection between those identified unmet needs and the budgeted CDBG-DR funds for programming.

Overall, as detailed in the CDBG-DR budget below, the recovery programs for Tropical Storm Fred focus on recovery efforts related to the impacted affordable housing stock and activities intended to address the specific recovery needs worsened by the impacts of Hurricane Helene on recovering communities. Other expenditures listed in the budget include:

- **Administration Costs:** Limited to 5 percent, or \$659,300, of the updated allocation.

- **Mitigation Activities:** At least 15 percent of the total allocation must be used for mitigation activities and/or through the incorporation of mitigation measures into recovery activities.
- **HUD-Identified Most Impacted and Distressed (MID) Areas:** At least 80 percent of the total allocation must benefit the HUD-identified areas.
- **Benefit to Low- to Moderate-Income (LMI) Persons:** At least 70 percent of the allocation (less planning and administration costs) must be used for activities that benefit LMI persons.

Table 6: CDBG-DR Budget

Program	SAPA 2 Allocations	SAPA 3 Allocations	% of Total Allocation	\$ to LMI	% to LMI	\$ to HUD-defined MID areas	% to HUD-defined MID areas
Administrative Costs	\$659,300	\$659,300	5%	--	--	--	--
Planning Costs	\$875,000	\$875,000	7%	--	--	\$700,000	80%
Rapid Recovery Fund (Total)	\$0	\$4,000,000	30%	\$2,800,000	70%	\$4,000,000	100%
<i>Rapid Recovery Fund - Housing</i>	\$0	\$3,320,000	25%	\$2,324,000	70%	\$3,320,000	100%
<i>Rapid Recovery Fund - Mitigation</i>	\$0	\$680,000	5%	\$476,000	70%	\$680,000	100%
Affordable Housing Development Fund (Total)	\$10,526,700	\$6,526,700	49%	\$6,526,700	100%	\$6,526,700	100%
<i>Affordable Housing Development Fund - Housing</i>	\$8,806,700	\$5,282,700	40%	\$5,282,700	100%	\$5,282,700	100%
<i>Affordable Housing Development Fund - Mitigation</i>	\$1,720,000	\$1,244,000	9%	\$1,244,000	100%	\$1,244,000	100%
Homeownership Assistance Program	\$1,100,000	\$1,100,000	8%	\$550,000	50%	\$1,100,000	100%
Housing Counseling Fund	\$25,000	\$25,000	<1%	\$12,500	50%	\$25,000	100%
Total	\$13,186,000	\$13,186,000	100%	\$9,889,200	75%	\$12,226,700	93%

Mitigation Set-Aside

As further described in the unmet needs assessment for mitigation only activities, a variety of hazards were identified that may threaten at various degrees the wellbeing of households, infrastructure, and industries. Based on such analysis, it was determined that the most impactful mitigation measures that can be accomplished using CDBG-DR funds are the construction of safe and affordable housing in geographic areas that may help to reduce or eliminate potential hazards, such as flooding and landslides, and the augmentation of long-term mitigation planning

efforts by local entities. Through such recovery activities, the State aims to help mitigate future risks and to help communities recover in a safe and resilient manner. These efforts align with HUD’s national objectives by benefiting low-income individuals in a MID area, and meet a community development need that poses a threat to community health and welfare in the absence of other financial support.

To further meet mitigation aims, and as required by HUD’s Consolidated Notices, 87 FR 31636 and 88 FR 3198, the funded programs incorporate the necessary mitigation measures when carrying out activities to construct, reconstruct, or rehabilitate residential or non-residential structures with CDBG-DR funds as part of activities eligible under 42 U.S.C. 5305(a) (including activities authorized by waiver and alternative requirement). Additionally, the funded program guidelines establish resilience performance metrics for those activities in the policies and procedures for the CDBG-DR funded programs. Such measures include enhanced building and construction standards and other resilient efforts to help individuals mitigate for future disasters. Selected subrecipients are also required to follow the set metrics and policies.

For the purposes of inputting and reporting the incorporated mitigation activities in HUD’s Disaster Recovery Grant Reporting (DRGR) System, both the Rapid Recovery Fund and the Affordable Housing Development Fund appear as two components: a housing component and a mitigation component.

To count the activities in this Action Plan towards the HUD mandated CDBG-DR mitigation set-aside, the following has taken place:

1. Documenting how the activities and the incorporated mitigation measures meet the definition of mitigation, address the current and future risks as identified in the grantee’s mitigation needs assessment in the MID areas, be CDBG-eligible activities under title I of the HCDA or otherwise eligible pursuant to a waiver or alternative requirement, meet a national objective, and
2. Report the activities as a “MIT” activity type in DRGR so they are easily tracked.

Program Year & Time of Performance

The CDBG-DR grant began in 2022 and in accordance with the Federal Register Notices, all funds will be expended within six years of HUD’s initial grant agreement.

Unmet Need and Proposed Allocations: Summary Table

Category	Estimated Remaining Unmet Need	% of Unmet Need	Program Allocation Amount*	% of Program Allocation
Housing (Serious)	\$25,465,587	66%	\$9,931,700	75%
Economic Revitalization (Serious)	\$6,185,272	16%	\$0	0%
Mitigation (Serious)	\$5,020,559	13%	\$1,720,000	13%
Infrastructure	\$1,819,536	5%	\$0	0%
Planning	N/A	N/A	\$875,000	7%
Administrative Costs	N/A	N/A	\$659,300	5%

*Allocation Amount includes project delivery costs.

Amendment 1 Update (April 3, 2023) – Reassessment of Unmet Needs & Funding Allocations

Two Unmet Needs Assessments have taken place in the State of North Carolina following Tropical Storm Fred. Under Substantial Amendment 1, the most recent Small Business Administration (SBA) and Federal Emergency Management Agency (FEMA) data sets were used to reevaluate unmet needs specifically related to housing, infrastructure, economic revitalization, and mitigation.

Reanalysis of the owner-occupied and rental housing unmet need under Substantial Amendment 1 indicated the housing unmet need has increased when compared to initial housing unmet need estimates. Through reanalysis of the infrastructure unmet need under Substantial Amendment 1, it was determined the infrastructure unmet need has increased when compared to the initial infrastructure unmet need estimates. The increases in the housing and infrastructure unmet need estimates were largely attributed to the availability of additional and more recent recovery data sets, which have also allowed revisions of preliminary estimates of economic revitalization and mitigation unmet needs.

Based on the Substantial Amendment 1 reanalysis, North Carolina's current unmet recovery needs for Tropical Storm Fred total to \$38,490,954 summarized in the table below.

Table A1: Tropical Storm Fred Unmet Need Summary

Category	Estimated Unmet Need <i>(Estimated Total Loss less Estimated Resources Available/ Received)</i>	% of Total Unmet Need
Housing (Serious)	\$25,465,587	66%
Economic Revitalization (Serious)	\$6,185,272	16%
Mitigation (Serious)*	\$5,020,559	13%
Infrastructure	\$1,819,536	5%
Total	\$38,490,954	100%

*Assumes an additional 15% of Estimated Non-Mitigation Unmet Need is related to Mitigation Unmet Need, or costs to mitigate for future risks.

Sources: FEMA Individual Assistance (IA) data as of March 26, 2022; SBA Residential Loan data as of January 22, 2023; SBA Business Loan data as of February 7, 2023; and FEMA Public Assistance (PA) data as of February 7, 2023.

The estimated funding gaps were also analyzed against the estimated unmet needs calculated through Substantial Amendment 1 versus the total HUD funding allocations. This analysis highlighted that 88 percent of the funding gap is related to housing (serious), economic revitalization (serious), and infrastructure unmet needs summarized in the table below.

Table A2: Tropical Storm Fred HUD Funding Allocation Gaps Based on Estimated Unmet Need

Category <i>(Excludes Administration and Planning)</i>	Total HUD Allocations	Estimated Unmet Need	Estimated Funding Gap <i>(Estimated Unmet Need less Total HUD Allocations)</i>	% of Total Estimated Funding Gap
CDBG-DR Unmet Needs	\$9,931,700	\$33,470,395*	\$23,538,695	88%
CDBG-DR Mitigation Set-Aside	\$1,720,000	\$5,020,559	\$3,300,559	12%
Total	\$11,651,700	\$38,490,954	\$26,839,254	100%

**Sum of Housing (Serious), Economic Revitalization (Serious), and Infrastructure Estimated Unmet Need*

Sources: FEMA Individual Assistance (IA) data as of March 26, 2022; SBA Residential Loan data as of January 22, 2023; SBA Business Loan data as of February 7, 2023; and FEMA Public Assistance (PA) data as of February 7, 2023.

It is important to note that the serious housing category (owner-occupied and rental housing) has the highest estimated unmet need with over \$25 million in unmet need, representing 66 percent of the total estimated unmet need. The estimated serious unmet need for the housing category is four times greater than the estimated serious economic revitalization unmet need, the next highest category.

The funding gaps analysis and unmet needs analysis further validates the Action Plan’s allocation to address continuing housing unmet need. The State of North Carolina recognizes the significant estimated unmet need across all categories of recovery, however, has rooted CDBG-DR allocations in addressing the most significant estimated unmet need – owner-occupied and rental housing. Given the limited HUD funding available to address the total estimated unmet need, the State will continue to assess current allocations and estimated unmet need to use the limited funding to reduce the estimated funding gap for those categories with the most significant unmet need.

Amendment 2 Update (October 23, 2024) – Changing Unmet Recovery and Mitigation Need Following Hurricane Helene

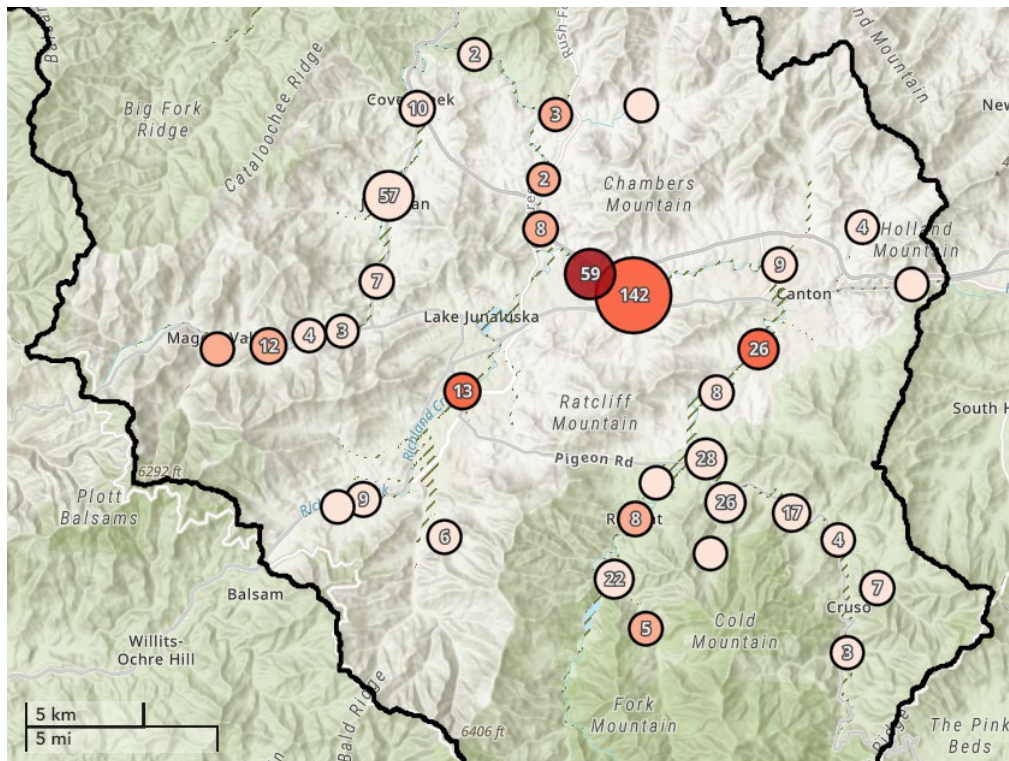
The second assessment followed Hurricane Helene in October 2024. Haywood County maintained good records of impacted structures, bridges, and roads following Tropical Storm Fred and has begun collecting information on Hurricane Helene impacts in the form of damage assessments. As of October 23, 2024 Haywood County was tracking 510 reports of damage to residences. A breakdown of the reported damage from Hurricane Helene is below. The totally destroyed and complete loss properties include those that are reported as “Totally Destroyed” (42 properties) and “Structure off foundation” (11 properties).

Table 7 - Preliminary Property Condition, Hurricane Helene Impacts

Reported Condition	Count
Totally Destroyed/Complete Loss	53
Major Damage	134
Moderate Damage	115
Minor Damage	208
Total	510

The map below shows a partial view of Haywood County, focused on the areas of Canton, Clyde, and Cruso. These areas are focused on because of the significant overlap in impacted geography between Tropical Storm Fred and Hurricane Helene.

Figure 4 - Hurricane Helene Preliminary Damage Assessments



In early discussions with Haywood County following Hurricane Helene, the county had both preliminary and informal estimates of property damage overlap by area – meaning properties that were impacted directly by Tropical Storm Fred and then subsequently impacted by Hurricane Helene – as well as reports of overlapping damage from both recovering county citizens and inspection personnel.

The estimate of the value of impacted properties is \$141.1 million county-wide as of October 23, 2024. The average building value is \$294,600. Focusing on the areas of Canton, Cruso, and particularly Clyde, there were approximately 399 damaged properties in those areas alone. Approximately 253 of those properties were predominantly in the “Moderate” damage group or higher.

Using the county’s average building value as a baseline, an estimate for the repair of these properties was created using a value multiplier for each damage category. Minor damage was estimated at 10 percent of the average value of a property, Moderate was estimated at 25 percent of the average value of a property, Major was estimated at 51 percent of the average value of a property, and Destroyed was estimated at 100 percent of the average value of a property. The Major damage estimate indicates that the property likely meets the definition of substantial

damage and would also need to comply with any elevation height requirements if located in the floodplain. These costs are not included in the analysis as it is intended to represent the replacement value of an average property and no further mitigation measures. The estimate of increased unmet recovery need using this methodology is below.

Table 8 - Preliminary Unmet Recovery Needs - TS Fred and Hurricane Helene Areas

Damage Type	Count	Estimate
Minor	146	\$ 4,301,160
Moderate	13	\$ 957,450
Major	181	\$ 27,194,526
Destroyed	59	\$ 17,381,400
Total	399	\$ 49,834,536

A preliminary estimate of 399 impacted units and \$49.8 million in new unmet recovery needs is possible in a tightly confined geographic area impacted by both Tropical Storm Fred and later impacted by Hurricane Helene. The true impact of Helene is continuing to be calculated and will only grow.

Individuals, entities, infrastructure, and communities impacted by Tropical Storm Fred and then subsequently impacted by Hurricane Helene are likely to have a change in their unmet recovery needs and further mitigation needs revealed by Hurricane Helene impacts.

2. Unmet Needs Assessment

Overview

The unmet needs assessment of this Action plan remains unchanged from the October 23, 2024 needs assessment presented in Amendment 2. A Preliminary Damage Assessment was conducted by FEMA in partnership with state and local agencies in order to support a disaster declaration, which led to the obligation of FEMA Individual Assistance (IA) and Public Assistance (PA) funds as well as the allocation of state funds for disaster recovery. Findings from the Preliminary Damage Assessment and state funding allocations are described in other sections.

The unmet recovery needs assessment primarily addresses how CDBG-DR funds can be applied in Haywood County, the county surrounding the HUD-Designated MID ZIP code. Some unmet recovery needs will not be covered by CDBG-DR funds, but there are other recovery funds available to assist in the storm-affected region, including FEMA Individual Assistance, Other Needs, and Public Assistance funding, as well as private insurance and NFIP flood insurance, SBA loans, agriculture recovery programs and insurance, and other resources from the state and localities.

Additional needs may arise from the planning process for this CDBG-DR grant. Any changes or additions to the unmet needs that would affect eligibility, alter an activity, or change the way that funds are allocated, will result in a plan amendment.

Calculating Unmet Needs

Since the time that FEMA made an official disaster declaration for the damage caused by the remnants of Tropical Storm Fred on September 8, 2021, the agency has obligated \$4,986,055.38 in total individual and household program dollars through their Individual Assistance (IA) program across impacted counties. As of June 2022, the agency had also obligated \$8,201,111.33 in public assistance funds for Tropical Storm Fred recovery and \$182,464.00 in Hazard Mitigation Assistance.¹³ The total amount awarded for Housing Assistance under the FEMA Individual Housing Program for Haywood County was \$3,032,749.69 and the total dollar amount awarded for Other Needs Assistance from the IHP for Haywood County was \$446,962.55.¹⁴ The methodology for calculating unmet need for housing, as well as infrastructure unmet needs, in the MID area are described in detail in later sections as well as in the Appendix section. With regard to CDBG-DR funding, the May 2022 Federal Register Notice published by HUD stated that at least \$6,935,000 of \$7,975,000 granted should be allocated for total unmet needs related to the HUD MID areas. The January 2023 Federal Register Notice increased the allocation for unmet needs to \$11,466,000 of \$13,186,000.

Most Impacted and Distressed Areas (MIDs)

The HUD-designated MID areas for DR-4617 includes Zip Code 28716, which is in Haywood County. CDBG-DR regulations require that 80 percent of CDBG-DR funding be spent within areas designated as Most Impacted and Distressed (MID areas). HUD determines MID areas using the following factors¹⁵:

- Areas where FEMA has determined the damage was sufficient to declare the disaster eligible for Individual Assistance (IA).
- Areas with concentrated damage defined as:
 - Counties exceeding \$10 million in serious unmet housing needs—and most impacted zip codes.
 - Zip codes with \$2 million or more of serious unmet housing needs.
 - Disaster meeting the Most Impacted threshold.
 - One or more counties that meets the definition of Most Impacted and Distressed.
 - An aggregate of Most Impacted zip codes of \$10 million or more.

Expanding MID Zip Codes to Full Counties

The Federal Register Notice provided clarification that, where HUD has identified an entire zip code as a MID area for the purposes of allocating funds, a grantee may expand program operations to the whole county or counties that overlap with that zip code. The figure below highlights the zip code and its corresponding county.

Table 9: ZIP and County Overlap

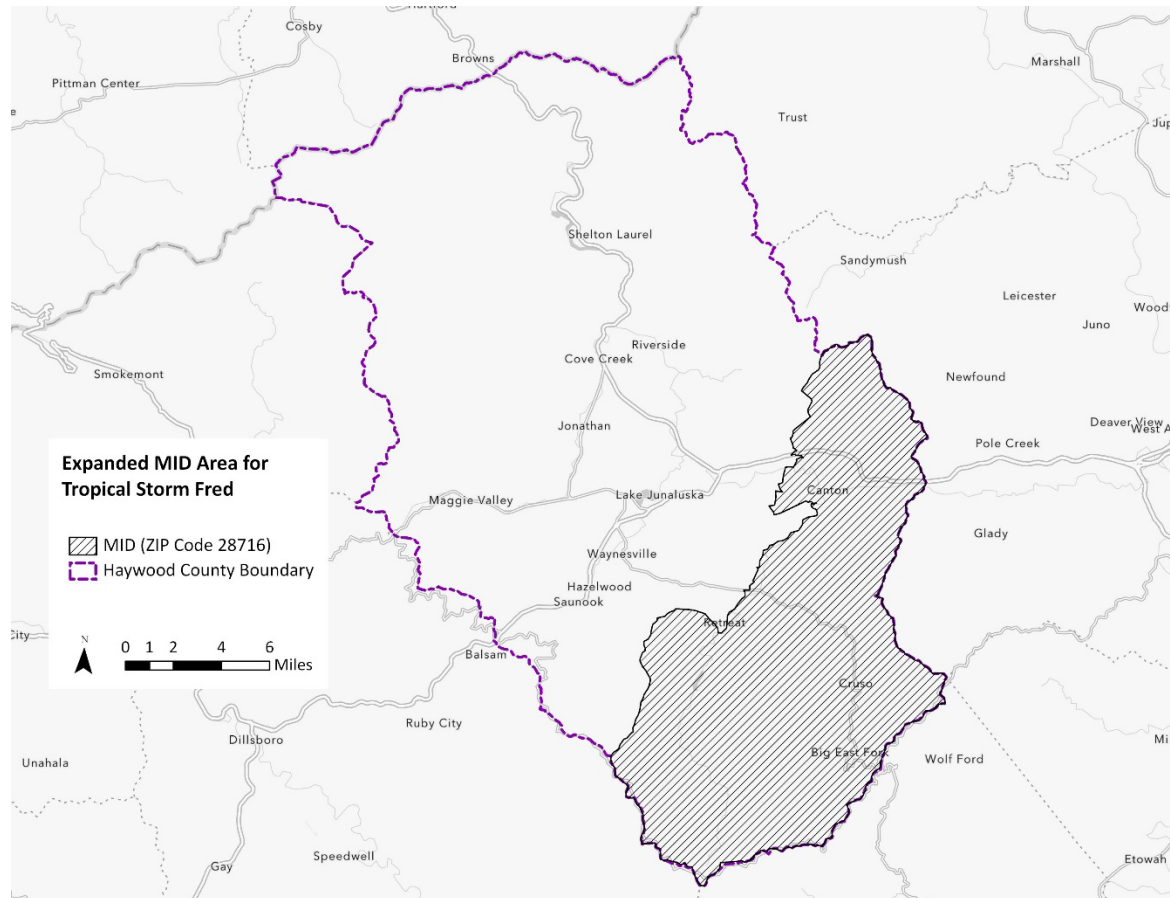
¹³ North Carolina Remnants of Tropical Storm Fred: 4617-DR-NC. [4617 | FEMA.gov](#).

¹⁴ [Individuals and Households Program - Valid Registrations - v1 | FEMA.gov](#).

¹⁵ HUD, Federal Register Vol. 87, No. 100, May 24, 2022. <https://www.govinfo.gov/content/pkg/FR-2022-05-24/pdf/2022-10969.pdf>

HUD-Designated MID ZIP Code Overlapping County	Overlapping County
28716	Haywood

Figure 5: Map of Expanded MID Areas for Tropical Storm Fred



a. Housing Unmet Needs

Affordable housing was already a critical unmet need in the MID area prior to Tropical Storm Fred. Housing is considered affordable when it comprises no more than 30% of a household's income. Households that spend over 30% on housing costs are cost-burdened. In Haywood County, 26.67% of households, or 7,171 units, are considered cost-burdened.¹⁶ Fair Market Rent in 2020 for Haywood County was \$652 for an efficiency apartment, \$806 for a one-bedroom, and \$918 for a two-bedroom.¹⁷ The median family income for this area was \$51,548 in 2020.¹⁸ In order to afford a two-bedroom apartment on the area's estimated mean renter wage of \$10.37, an individual would have to work 68 hours per week.¹⁹

¹⁶ 2020 American Community Survey

¹⁷ [FY 2020 Fair Market Rent Documentation System — Calculation for Haywood County, NC HUD Metro FMR Area \(huduser.gov\)](#)

¹⁸ 2020 American Community Survey

¹⁹ [WesternNC-ExecSum.pdf \(dogwoodhealthtrust.org\).](#)

American Community Survey data gathered in 2020 indicates that there is a 72.7% owner-occupied housing unit rate in Haywood County, as compared to 63.4% in nearby Buncombe County and 75.6% in Transylvania County.²⁰ Lower rates of owner-occupied housing units in Buncombe may be due to the fact that this county is a popular tourism destination and therefore may have a higher proportion of short-term rental units, a trend that was likely exacerbated during the COVID-19 pandemic. The lower owner-occupied rate in this neighboring county may create a spillover of housing needs into surrounding counties including Haywood, and a resulting tightening of availability of affordable rental and owner-occupied units in that area. Vacancy rates in Haywood County as of 2020 were relatively high, at 24.6%,²¹ but this suggests an atypical housing market that may have an excess of poor housing stock. Meanwhile, vacancy rates in neighboring Transylvania County are less than one percent, which may create pressure on housing options and affordability Haywood County. Haywood County is also among the top three counties in the region along with Buncombe and Henderson in terms of growth of new households over the past decade, with 2,276 households added to the county, creating additional pressure on housing stock.²²

Affordable housing is a significant challenge for renters in Haywood County, and across Western North Carolina. A recent study conducted between January and June of 2021 found that more than one in five renter households were severely cost burdened in Haywood County, as well as in six other counties in the surrounding region.²³ The same report found that, using North Carolina Housing Finance Agency (NCHFA) guidelines for their calculation, there was a rental housing gap of 884 general occupancy units in Haywood County, across all Area Median Household Income (AMHI) levels. AMHI is defined by HUD as the median income for families (metropolitan and non-metro areas) based on the median family income in an area adjusted for family sizes, that the individual household's income is a percentage of the area median income. Of these, 575 rental units were needed for older adults ages 55 and over, using NCHFA guidelines for the calculations. Using HUD guidelines, there would be more available general occupancy units needed (1,043), but the HUD calculations yielded fewer older adult units (402) as a baseline need to close the rental housing gap.²⁴ The same trends persisted with regard to *for-sale* housing.

A Housing Needs Assessment conducted by Bowen National Research in 18 Western North Carolina counties including Haywood County also found a shortage of available rental and *for-sale* housing, with significant impacts on the lowest income households (under 50% AMI), and the report recommended establishing resources for repair, stabilization, increasing housing choice voucher use, building new units, and pursuing creative community-based solutions and outreach efforts to provide housing resources and services.²⁵

²⁰ American Community Survey 2020. [Census.Gov](https://www.census.gov).

²¹ [Haywood County, North Carolina - Census Bureau Profile](https://www.census.gov/quickfacts/HaywoodCountyNorthCarolina)

²² [WesternNC-ExecSum.pdf \(dogwoodhealthtrust.org\)](https://www.dogwoodhealthtrust.org/wp-content/uploads/2021/06/WesternNC-ExecSum.pdf).

²³ [WesternNC-ExecSum.pdf \(dogwoodhealthtrust.org\)](https://www.dogwoodhealthtrust.org/wp-content/uploads/2021/06/WesternNC-ExecSum.pdf).

²⁴ [WesternNC-ExecSum.pdf \(dogwoodhealthtrust.org\)](https://www.dogwoodhealthtrust.org/wp-content/uploads/2021/06/WesternNC-ExecSum.pdf).

²⁵ [WesternNC-ExecSum.pdf \(dogwoodhealthtrust.org\)](https://www.dogwoodhealthtrust.org/wp-content/uploads/2021/06/WesternNC-ExecSum.pdf).

With regard to public housing and multifamily housing, Haywood County was listed as a “low vacancy” area for public housing availability by HUD in 2021, because the county has an occupancy rate of 96 percent for public housing and multifamily assisted properties, which surpasses the HUD threshold for Tenant-Protection Voucher set-aside of 90 percent or greater.²⁶ HUD data from 2021 shows that there were 1008 subsidized units available in Haywood County, with 83% occupied. Of those households, 31% of tenants were people with disabilities.²⁷ A recent survey of 11 multifamily rental housing units in the region found an overall vacancy rate of zero; there are 734 total multifamily housing units in Haywood County.²⁸

Community-identified Needs

Prior to Tropical Storm Fred, Smoky Mountain Housing Partnership, Inc. identified the following needs related to affordable housing in their service area, which includes Haywood County: 1) an aging population that faces affordability challenges due to accessibility needs, fixed incomes, and medical costs; 2) poverty and low-paying jobs due to a tourism-based service economy, and a lack of career skill resources; and 3) a lack of affordable housing that impacts workforce housing for public servants including teachers, law enforcement officers, etc.²⁹ The Haywood County Affordable Housing Strategy drafted in 2017 noted constraints of developing additional affordable housing in the county including uneven terrain, with most of the flat land prime for development located in flood plains.³⁰

Data sources and limitations

The initial Action Plan and its unmet needs analysis reflected the best available datasets at the time it was prepared in July of 2022. At that time, a full breakdown of Small Business Administration disaster loan data was not available, however, since then the data has become available, thus giving the opportunity to update the analysis and provide a more accurate picture of those unmet needs as reflected in Amendment 2. FEMA Individual Assistance data only includes applicants who volunteered to register and apply, and this official dataset may not capture the true disaster impact on unsheltered persons or migrant workers. American Community Survey data provides a helpful resource for demographic and population data between the 10-year census, but the data is based on a sample rather than population count data like the census and therefore incorporates a degree of uncertainty (sampling error). The Centers for Disease Control (CDC) social vulnerability data is a helpful planning resource that provides indexed ranks for census tract based on a series of 15 social factors, but 2018 was the last year in which it was updated, so it does not represent the most current conditions. Likewise, data from the Environmental Protection Agency (EPA) EJSCREEN tool does not necessarily represent “up to date” conditions in 2021-2022.

HUD Methodology

Unmet housing need is typically defined by HUD as the number of housing units with unmet needs multiplied by the estimated cost to repair those units, minus funds already provided by FEMA and SBA for repairs, as long as the activity can be covered by CDBG-DR funds. Among

²⁶ [Low-Vacancy Areas – Set-Aside Tenant Protection Vouchers | HUD USER.](#)

²⁷ [Assisted Housing: National and Local | HUD USER.](#)

²⁸ [WesternNC-ExecSum.pdf \(dogwoodhealthtrust.org\)](#)

²⁹ [Smoky Mountain Housing Partnership - Waynesville, North Carolina](#)

³⁰ Affordable Housing Plan JUN 9 Presentation (regiona.org)

homeowners, HUD normally categorizes unmet needs using FEMA Verified Loss (FVL) values as those greater than zero dollars, at a property located outside the one percent flood risk hazard area, with no insurance to cover the damage. Additionally, the unit may have an FVL greater than zero at a property inside the flood hazard area, but with a household income less than 120 percent of AMI. Or, the FVL can be greater than zero dollars with no hazard insurance and non-flood damages, with an income for the household below the greater of the national median or 120 percent AMI. For renters, the standard for unmet needs includes FVL to personal property more than zero dollars, and a household income below 50 percent of AMI. HUD only considers the “Major” and “Severe” damage categories for owner-occupied and rental households in calculations of unmet need.

The 2022 HUD CDBG-DR Federal Register Notice provides the following damage categories for owner-occupied and rental units:

FEMA Owner Unit Damage Level as categorized by HUD:

- Minor-Low: Less than \$3,000 of FEMA inspected real property damage (FVL).
- Minor-High: \$3,000 to \$7,999 of FEMA inspected real property damage.
- Major-Low: \$8,000 to \$14,999 of FEMA inspected real property damage and/or 1 to 3.9 feet of flooding on the first floor.
- Major-High: \$15,000 to \$28,800 of FEMA inspected real property damage and/or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than \$28,800 of FEMA inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

If an owner-occupied property also has a personal property inspection by FEMA or if they *only* have a personal property inspection, then if the personal property assessment puts the owner in a higher need category the personal property assessment will be used.

FEMA Owner Personal Property Based Need Categories:

- Minor-Low: Less than \$2,500 of FEMA inspected personal property damage.
- Minor-High: \$2,500 to \$3,499 of FEMA inspected personal property damage.
- Major-Low: \$3,500 to \$4,999 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor.
- Major-High: \$5,000 to \$9,000 of FEMA inspected personal property damage or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than \$9,000 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor

Homes are considered “most impacted” with a high level of damage if they have “major-low” designation or higher (FEMA real property damage assessed at or above \$8000, personal property damage at or above \$4,500, or flooding one foot or more on the first floor of the unit.)

Homeowners with no flood insurance outside the 100-year flood plain also have unmet needs if they reported any flood damage. If they are in the floodplain with flood damage, but below 120

percent Area Median Income (AMI), they also have an unmet need. HUD also determines that homeowners without hazard insurance that have incomes below 120% AMI or the national median (whichever is greater) have unmet needs.

FEMA Renter Personal Property Based Need Categories:

- Minor-Low: Less than \$1,000 of FEMA inspected personal property damage.
- Minor-High: \$1,000 to \$1,999 of FEMA inspected personal property damage or determination of “Moderate” damage by the FEMA inspector.
- Major-Low: \$2,000 to \$3,499 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor or determination of “Major” damage by the FEMA inspector.
- Major-High: \$3,500 to \$7,500 of FEMA inspected personal property damage or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than \$7,500 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor or determination of “Destroyed” by the FEMA inspector.

Fred Unmet Need Methodology

The Fred unmet need analysis was modeled after other State grantees, such as California and Oregon, for their own CDBG-DR Public Action Plans, while following HUD guidance and the details of the Federal Register Notices.³¹

Unmet Needs for Renters

The following table breaks out renter-occupied units from the FEMA IA applications in Haywood County into respective HUD-defined damage categories. Only personal property verified loss is included, and only verified losses that are over \$0 in damage are used in the analysis.

Table 10: FEMA IA renter applications by HUD-defined damage category in Haywood County (Source: FEMA IA)

	Minor-Low	Minor-High	Major-Low	Major-High	Severe
Haywood County Renters	78	51	50	98	16

According to the Federal Register, 87 FR 31636, rental properties are considered to have a high level of damage if they are in the “Major-Low” category or higher. This means that the FEMA personal property assessment was \$2,000 or more, or there was flooding of one foot or more on the first floor of the unit. A total of 164 renters in Haywood County fall into this category, with total personal property FVL estimates at \$654, 847.97 (see table below).

Table 11: Renter Personal Property FVL by HUD Damage Category in Haywood County (Source: FEMA IA)

	Major-Low	Major-High	Severe	Total Damage
Renter count	50	98	16	164
Total Personal Property FVL	\$189,808.40	\$404,832.06	\$60,207.50	\$654,847.96

Additional analysis of renter income level using HUD-defined income categories yields potential unmet needs for this population. According to the Federal Register, rental units with a tenant earning less than the poverty level or 50 percent of the area median income (AMI) --whichever is greatest—are used to calculate likely unmet needs for affordable rental housing. HUD uses the following income categories:

- Low and Moderate Income (LMI) - 80 percent Area Median Income and below
- Very Low Income (VLI) - 50 percent AMI and below
- Extremely Low Income (ELI) - 30 percent AMI and below

In Haywood County, as of 2021, the 80 percent AMI level in Haywood County for an individual was \$35,500, the 50 percent AMI was \$22,200, and 30 percent AMI was \$13,300.³² For the purposes of this analysis, the LMI and VLI categories were combined because FEMA IA data uses self-reported gross income ranges of \$15,000-30,000, and \$30,000-\$60,000. Everyone in the ELI category listed a gross income of \$0.

Table 12: Rental Unit Damage Category Grouped by HUD Income Level of Renter (Source: FEMA IA)

	Low and Moderate Income (LMI) and Very Low Income (VLI)	Low and Moderate Income (LMI) and Very Low Income (VLI)	Extremely Low Income (ELI) - Below 50% AMI	Extremely Low Income (ELI) - Below 50%	
	Renter Count	Personal Property FEMA Verified Losses	Renter Count	Personal Property FEMA Verified Losses	Total Damaged Units By Damage Category (LMI, VLI, and ELI)
Major-Low Damage	18	\$54,373.65	3	\$7,927.36	21
Major-High	44	\$218,846.35	3	\$16,314.74	47
Severe Damage	6	\$499,571.08	1	\$8,237.40	7
Grand Totals	68	\$772,791.08	7	\$32,479.50	75

Overall, 68 of 399 applicants (17%) who were renters and applied for FEMA IA in Haywood County fell into the LMI/VLI category and 75 (18.7%) were in the ELI category. In the ELI

³² [FY 2021 Income Limits Documentation System -- Summary for Haywood County, North Carolina \(huduser.gov\)](#)

category, which means that gross income fell below 50% AMI, there was a total amount of personal property FEMA Verified Losses of \$32,479.50, which represents unmet housing need for affordable housing.

With regard to other available resources to meet the need for affordable housing, it should be noted that the North Carolina Housing Finance Agency is providing additional points in its scoring for affordable housing development projects for renters in areas that were impacted by Tropical Storm Fred.³³

Unmet Needs for Homeowners

HUD describes in the Federal Register notice that the average cost to repair a home is found by using the median real property damage repair costs as determined by the SBA for its disaster loan program. As of June 2022, SBA individual-level data was not available due to the lack of a formal data sharing agreement. Therefore, the FEMA IA data and real property values were used to estimate unmet needs of homeowners. Only the “Major” and “Severe” categories were considered in the unmet need analysis for homeowners. The alternative use of the FEMA IA data and real property values also reflected a more accurate assessment of the unmet needs for homeowners due to the relatively minimal analysis possible through the small sample size highlighted in the publicly available SBA data, which shows approval of only \$695,900 in SBA disaster loans to 23 applicants in Haywood County.

Table 13: Homeowner Real Property FVL by HUD Damage Category, Haywood County (Source: FEMA IA)

	Major-Low (\$8k-14,999k) and/or 1-3.9 feet of flooding on 1 FL	Major-High (\$15,000- \$28,800) and or 4-5.9 feet of flooding on 1st fl.	Added to “Major- High” category (PPFVL > \$3500)	Severe (More than \$28,800 of RPFVL and/or 6+ ft flood on 1 FL	Added to “Severe” category (PPFVL > RPFVL)	Total
Owner count	62	53	1	22	1	139
Real Property FVL	\$623,038.52	\$983,643.52	PPFVL = \$5763.47	\$2,309,937.66	\$11,100.99	\$3,933,483.69

The Major-Low category includes 13 units that had a water level listed in the FEMA IA data of 1-3.9 feet with the location of the high water mark the first floor, but that did not have a Real Property FEMA Verified Loss of \$8,000 or greater. There were two owners in the Haywood County dataset who did not meet the threshold for Major-Low damage or higher with regard to their Real Property FEMA Verified Loss (RPFVL), but whose Personal Property FEMA Verified Loss (PPFVL) amount was greater than \$3,500. In one of these cases, the PPFVL was higher than the RPFVL (\$11,100.99), which put them in a higher category of need. As specified in the Federal Register notice, this PPFVL was added to the other Real Property FVL values and included in the “Severe” category.

³³ [Microsoft Word - Final 2022 QAP \(nchfa.com\)](#)

As described in the 2022 Federal Register, HUD encourages that grantees explore these populations for estimating serious unmet needs for housing:

- Homeowners with personal property damage that places the home in a higher need category than the real property assessment (above \$3500 of personal property FEMA Verified Loss).
 - This is described in the table above.
- Homeowners without flood insurance, outside the 100-year flood plain, with flooding damage
- Homeowners without flood insurance inside the 100-year flood plain, with flood damage, below the greater of a) the national median or b) 120% AMI
- Homeowners without hazard insurance with non-flood damage and income below the greater of a) the national median or b) 120% AMI

Analysis of data related to the first three bullet points is presented below. Data capturing Tropical Storm Fred damage compiled by North Carolina Emergency Management (NCEM) shortly after the storm details the number of damaged structures, victims, as well as other hazards in the 100-year floodplain.³⁴ Analysis of this data in ArcGIS demonstrated that approximately 536 damaged structures fell in the 100-year flood plain in Haywood County, in addition to 74 "Hazards" that were mostly infrastructure-related, along with 229 types of damage listed in the "other" category. Additionally, the "Victim" category documented victims of personal property damage as well as individuals who were assisted or rescued.

Table 14: Tropical Storm Fred Damage Data in the 100-year flood plain in Haywood County (Source: NCEM³⁵)

Type of Damage	Count
Damage (primarily to structures)	536
Hazards (e.g. infrastructure/roads/bridges)	74
Other	229
Victim	15
Total	854

While this dataset did not capture whether the damaged structures were occupied by owners or renters, the number of owners with damaged structures in the 100-year flood plain can be estimated using the percentage of owner-occupied versus renter-occupied units from FEMA IA claims. 870 of 1286 FEMA IA applicants in Haywood County (68%) were owners, and 399 of 1286 were renters (31%). Using these proportions, it can be estimated that approximately 363 of the damaged structures in the 100-year flood plain were owner-occupied units. Among Haywood County owners, the percentage who reported having flood insurance as part of their FEMA IA claim was 79 out of 1,286 applicants, or six percent. Applying this percentage to the estimated number of damaged owner-occupied units in the 100-year flood plain, we would anticipate that

³⁴ <https://ncem-gis.maps.arcgis.com/home/item.html?id=dfde86dabc9f426f89c77850db4ebf92>

³⁵ TSFredDamage - Overview (arcgis.com)

approximately 341 homeowners without insurance in the 100-year flood plain would have experienced damage to their property due to flooding.

By subtracting the estimated number of owner-occupied structures in the 100-year floodplain from the total of 870 Haywood County FEMA IA claimants (870-363), it can be assumed that 507 owner-occupied units are located outside the 100-year floodplain. Applying the proportion of homeowners who do not have flood insurance according to FEMA data, the approximate total number of homeowners without flood insurance, outside the 100-year floodplain, with flooding damage is 477.

Calculating Unmet Needs

To calculate serious unmet housing needs for homeowners, Amendment 2 totals the number of Haywood County owner-occupied units with Major-High (53) and Severe (22) damage, and used an alternative multiplier to capture a more realistic understanding of the lingering impacts of Tropical Storm Fred. The alternative multiplier was also needed due to the relatively minimal analysis possible through the small sample size highlighted in the available SBA data, which shows an approval of only \$695,900 in SBA disaster loans to 23 applicants in Haywood County. The North Carolina Housing Finance agency uses \$106,000 as the cost per unit maximum to develop a unit for the Low Income Housing Tax Credit (LIHTC) program in their 2022 Qualified Allocation Plan, and the Program has adopted this figure as the multiplier in the following analysis.³⁶ While this multiplier was intended for single family houses or duplexes, and therefore does not accurately reflect costs to rebuild mobile homes for the 189 applicants to FEMA IA in Haywood County who were living in mobile home units or the 54 who reported living in travel trailers. It does, however, provide a baseline estimate. The final unmet need amount may increase with additional analysis of SBA data in the future.

Using the alternative multiplier, the unmet need for homeowners amounts to 75 units multiplied by the cost per unit to develop a home (\$106,000) for a total of \$7,950,000, minus the repair costs provided by FEMA (\$3,293,581.18 in Real Property FEMA Verified Losses for homeowners, plus any additional repair funds provided by SBA). This provides a baseline estimate of total serious unmet housing needs for homeowners at \$4,656,418.82. Some of this amount may be covered by state allocated funds, but CDBG-DR funds will be useful in addressing these needs.

For renters, there were 114 units that had Major-High or Severe Damage. Using the selected multiplier of \$106,000, the total amount of serious unmet housing need comes to \$12,084,000, minus FEMA Personal Property Verified Losses provided to renters in the amount of \$465,039 in those categories. Therefore, the total serious unmet housing need for renters using this method amounts to \$11,618,961.

It is worth noting that while this analysis merely provides an approximated proxy of the potential unmet housing needs of HUD MID areas, what is clear from the assessment is that the needs of household renters require additional attention. The identified unmet needs do not take into

³⁶ [Microsoft Word - Final 2022 QAP \(nchfa.com\)](#)

account the nearly \$29 million in state funds that have been allocated for housing assistance related to the impacts of Tropical Storm Fred.

As of the drafting of this Action Plan, additional analysis is needed to understand the number of homeowners without hazard insurance with non-flood damage and income below the greater of a) the national median or b) 120% AMI that were impacted by the storm and who received assistance from FEMA IA.

Amendment 1 Update – Reanalysis of Housing Unmet Need

This revised Housing Unmet Needs Assessment supplements the previous analysis in the initial Tropical Storm Fred Action Plan. The revised Housing Unmet Needs Assessment is based on the most recent disaster recovery data sets, applying the methodology and assumptions outlined below in the tables below.

Table A3: Methodology and Assumptions for Estimating Housing Unmet Need

Data Source	Methodology & Assumptions Estimated Total Loss (Need)	Methodology & Assumptions Estimated Resources Available/Received
Tropical Storm Fred SBA Residential Loans as of 1/22/2023	<i>Based on verified damage amounts:</i> Sum of verified damage amounts excluding contents, debris removal, landscaping, motor vehicle and other land improvements.	<i>Based on current amounts for non-canceled loans:</i> Sum of current amounts excluding contents, debris removal, landscaping, motor vehicle and other land improvements.
Tropical Storm Fred FEMA IA as of 3/26/2022*	<i>Based on Real Property (RP) Verified Loss for Owners:</i> Multiplied by 5 based on multiplier.	<i>Based on FEMA IA Repair/Replace assistance received for Owners:</i> No other assumptions.
	<i>Based on Personal Property (PP) Verified Loss for Renters:</i> Multiplied by 7 based on multiplier.	<i>Based on Renter Income reported to FEMA for Renters:</i> Renters with income below the county's 50 percent area median income limit likely have landlords without insurance to cover estimated total loss (\$0.00 for assistance available/received).

* FEMA IA applicants that were indicated as SBA Approved in the FEMA IA dataset were excluded from Estimated Total Loss (Need) calculations to avoid duplication. FEMA IA applicants with an Unknown designation for Own/Rent classification were also excluded.

Table A4: Historical Analysis Comparing FEMA Verified Loss and SBA Verified Damage

Owners versus Renters	Total Applicants Analyzed	FEMA Verified Loss (FVL)	SBA Verified Damage Amount	Percent Difference	Determined Multiplier Applied to FEMA Verified Loss (FVL)
Owners	10,403	\$64,189,984	\$427,199,692	566%	5
Renters	1,034	\$2,664,706	\$23,012,782	764%	7

It is important to note, because FEMA’s initial inspections arriving at verified loss historically underestimate total damage and typically only estimate costs to make the home habitable, FEMA’s verified loss amounts were adjusted upwards based on a State Determined Multiplier. Historical data sets for similar North Carolina major flooding disaster events over the previous seven years were used to determine the multiplier applied in this reanalysis.

The multiplier was calculated based on comparing the FEMA Verified Loss for owners and renters to the SBA Verified Damage amounts within the historical data sets. The FEMA and SBA data sets were matched based on the FEMA Registration ID, and only includes owners and renters with loss amounts calculated by both FEMA and SBA. The analysis shows that for owners the SBA Verified Damage Amount in total is roughly 5 times higher than FEMA’s Verified Loss, and for renters the SBA Verified Damage Amount in total is roughly 7 times higher than FEMA’s Verified Loss.

Owner-Occupied and Rental Housing Unmet Need

The revised Housing Unmet Needs Assessment examines the estimated post-disaster total loss (need) and resulting unmet needs for owner-occupied and rental housing. As previously noted, the Assessment is aligned to HUD’s own standard approach to analyzing housing unmet need, with slight modifications to the initial methodology and assumptions based on reanalysis of the most recent data sets under Substantial Amendment 1.

The reanalysis uses the most recent FEMA Individual Assistance (IA) data and SBA loan data for residential loans. To estimate unmet needs for owner-occupied and rental housing, the Assessment subtracts the estimated funds received from FEMA and SBA from the total estimated loss (need). Through reanalysis of the most recent data sets summarized in the table below, the analysis has determined that the estimated total owner-occupied and rental housing unmet need is \$27,975,493.

Table A5: Tropical Storm Fred Owner-Occupied and Rental Housing Unmet Need Summary (Total)

Category	Estimated Total Loss (Need)	Estimated Resources Available/ Received	Estimated Unmet Need (Estimated Total Loss less Estimated Resources Available/ Received)
Owner-Occupied Housing Loss	\$30,566,137		\$30,566,137
Rental Housing Loss	\$3,075,766		\$3,075,766
FEMA Individual Assistance		\$4,273,410	(\$4,273,410)
SBA Loans: Residential		\$1,393,000	(\$1,393,000)
Total Owner-Occupied & Rental Housing	\$33,641,903	\$5,666,410	\$27,975,493

Sources: FEMA Individual Assistance (IA) data as of March 26, 2022, and SBA Residential Loan data as of January 22, 2023

The initial Housing Unmet Needs Assessment estimated serious housing unmet, largely aligned to HUD's methodology for estimating serious housing unmet need. To provide a point of comparison to the initial assessment, the analysis also estimated the serious housing unmet need based on analysis of the most recent data sets and following a similar approach as the initial assessment. The assessment of serious housing unmet need quantifies the unmet need for properties estimated to have major or severe damage, and excludes properties estimated to have minor damage.

Through reanalysis of the most recent data sets summarized in the table below, the State has determined that the estimated total owner-occupied and rental housing serious unmet need has increased, with an estimated serious housing unmet need of \$25,465,587.

Table A6: Tropical Storm Fred Owner-Occupied and Rental Housing Serious Unmet Need Summary (Serious)

Category	Estimated Total Loss (Need)	Estimated Resources Available/ Received	Estimated Unmet Need (Estimated Total Loss less Estimated Resources Available/ Received)
Owner-Occupied Serious Housing Loss	\$26,210,845		\$26,210,845
Rental Housing Serious Loss	\$2,923,314		\$2,923,314
FEMA Individual Assistance		\$2,293,372	(\$2,293,372)
SBA Loans: Residential		\$1,375,200	(\$1,375,200)
Total Owner-Occupied & Rental Housing (Serious)	\$29,134,159	\$3,668,572	\$25,465,587

Sources: FEMA Individual Assistance (IA) data as of March 26, 2022 and SBA Residential Loan data as of January 22, 2023

The initial assessment estimated a serious housing unmet need of \$16,275,380 related to owner/renter repair damages, representing a roughly 56 percent increase when compared to the reanalysis.

The initial assessment utilized only FEMA IA data to calculate an estimate of serious housing unmet need, using the best data available at the time. The availability of SBA data is what prompted a reevaluation of the previous estimates of serious housing unmet need, and slightly modify the previous methodology to account for the both the additional data and most recent data sets.

It is important to note that the estimated rental housing unmet need calculated under the Substantial Amendment 1 reanalysis is more closely aligned to HUD's standard methodology for estimating rental housing unmet need. FEMA does not inspect rental units for real property damage, so personal property damage is used as a proxy for rental unit damage under HUD's standard methodology. While the personal property damage to rental properties is the best available data value to estimate rental housing damage, this is also a key underestimation of the rental housing unmet need under the reanalysis.

As previously outlined, the initial assessment of estimated serious rental housing damage utilized an alternative multiplier representing the anticipated cost to develop a rental unit (\$106,000). The alternative multiplier was applied to the total count of Major-High and Severe damage category rental properties to determine a baseline rental property damage estimate. The rental property damage estimate was further reduced for all FEMA Property Loss payments to rental households to arrive at an initial baseline rental housing unmet need of over \$11.6 million.

The State recognizes the estimated rental housing unmet need calculated under the Substantial Amendment 1 reanalysis is underestimated given the inability to quantify true rental property damage based on the best available data. The true rental housing unmet need is likely much higher than estimated in the reanalysis, specifically given the disparity noted from the initial baseline estimates. The initial baseline estimates were rooted in more realistic assumptions for estimated rental property damage.

Regardless of the potential underestimation of the housing unmet need, considering all of data that is now available has verified what is anecdotally heard in communities across the State. There is a significant unmet need for both renters and homeowners as it relates to housing recovery due to the impacts of Tropical Storm Fred. The reanalysis of housing unmet need under Substantial Amendment 1 highlights not only an increase in estimated serious housing unmet need, but also shows that roughly 91 percent of estimated total housing unmet need is related to serious housing unmet need. The reanalysis also revalidates the plan to allocate most of the CDBG-DR funding to address continuing housing unmet need.

Disaster Damage and Impacts

A FEMA Preliminary Damage Assessment Report for the remnants of Tropical Storm Fred indicated that 563 Haywood County residences were impacted according to the Individual Assistance category,³⁷ representing 1.6% of the total housing units in Haywood County based on 2020 data.³⁸ Of these impacted residences, 56 were considered "Destroyed," 206 sustained "Major Damage," 160 had "Minor Damage," and 141 were "Affected." The summary also showed that only 1.3% of these residences were insured with flood insurance, 13.3% of the

³⁷ [FEMA-4617-DR-NC](#)

³⁸ [Haywood County, North Carolina - Census Bureau Profile.](#)

households lived in poverty, 70.8% were owner-occupied, and 16.7% of impacted residents were 65 and older. Additionally, 13.9% of the households included at least one individual with a disability, and 16.6% of the occupants used Medicaid and CHIP, with 13% receiving SNAP assistance.

Given the existing challenge for residents of Haywood County to obtain affordable housing prior to Tropical Storm Fred, as outlined in other sections, the damage caused by the storm event poses a serious and immediate threat to the health and welfare of the community, and to vulnerable populations in particular. FEMA's Individual Assistance (IA) data illustrates that 189 of the applicants in Haywood County lived in mobile homes, and 54 lived in travel trailers. These housing types were more likely to be occupied by low-income individuals: of the 189 IA applicants living in mobile homes, 68 reported a gross income of either \$0 or less than \$15,000. Of the 54 living in travel trailers, 24 reported gross income of less than \$15,000.

The impact on travel trailers may be due to the fact that a number of RV campground sites used for travel trailers experienced heavy flooding impact during Tropical Storm Fred, which would also limit the possibility of rebuilding or relocating a travel trailer at the same site in the future and create a need for alternative permanent housing. Data presented in the following sections also reveals a potential unmet need for the residents of travel trailers.

Housing Impact Assessment Methodology

The following sections present an analysis of the housing impact caused by Tropical Storm Fred's remnants in Haywood County, North Carolina, using the FEMA Individual Assistance (IA) dataset provided by HUD using HUD's Interim Process for non-PII data. Each section offers a breakdown of available data.

Impact by Income

Analysis of the FEMA Individual Assistance (IA) data shows that overall, approximately 95% of the total FEMA Housing Assistance provided under the Individual Housing Program (IHP) was awarded to owners in Haywood County, with just 5% going to renters.

While the greatest percentage of the total assistance was awarded to those making between \$30,001-\$60,000 in gross income (24%), only 11% of all awarded assistance went to those applicants who self-reported a gross income of less than \$15,000. Households who self-reported an income of \$0 received 18% of the total amount of Housing Assistance awarded. This data demonstrates that FEMA IA funds were used primarily for owners and for those making over \$15,000, which may indicate an unmet recovery need for low-income renters in Haywood County.

The table below provides the sum of the total Housing Assistance amount awarded in Haywood County under the Individual Housing Program (IHP), categorized by applicant status (renter/owner) and gross income level as of May 2022. Gross income is a range that is self-reported by the applicant.

Table 15: Total FEMA Housing Assistance (IHP), Haywood Co.

Total FEMA Housing Assistance (IHP), Haywood County	Gross Income						
Applicant status		\$120,001-\$175,000	\$15,000-\$30,000	\$30,001-\$60,000	\$60,001-\$120,000	<\$15,000	Grand Total
Owner	\$ 534,930.50	\$ 98,012.23	\$639,809.50	\$690,991.39	\$611,857.31	\$287,379.92	\$2,868,445.69
Renter	\$ 24,342.00	\$ -	\$33,380.00	\$50,200.00	\$18,958.00	\$37,424.00	\$164,304.00

Impact by Insurance Status

Only 87 out of 1,286 applicants (6%) who were awarded FEMA Individual Assistance reported having flood insurance. Applicants to the FEMA IA program in Haywood County after Tropical Storm Fred who were owners of their housing unit were more than eight times more likely to have flood insurance than applicants who were renters (see table below). Those applicants living in mobile homes, travel trailers, townhouses and “other” living situations, for the most part, did not have flood insurance.

Table 16: Haywood County FEMA IA applicants with flood insurance, by status (renter vs. owner)

Applicant Status	# Applicants with Flood Insurance
Owner	79
Renter	8

Impact on Elderly Residents

In general terms, Haywood County has a relatively high percentage of elderly residents: 24%, according to 2020 American Community Survey Data. Meanwhile, approximately 31% of all FEMA IA Housing Assistance went to applicants over the age of 65. By comparison, only one percent of the FEMA AI amount awarded to this age group went to renter households.

Table 17: Total FEMA IA/IHP Housing Assistance by Age group and applicant status.

Total FEMA Housing Assistance (IHP) by Age Group	Owner	Renter	Total
0-49	\$785,219.74	\$113,682.00	\$898,901.74
50-64	\$1,148,801.42	\$36,940.00	\$1,185,741.42
65+	\$934,424.53	\$3,682.00	\$948,106.53
Total			\$3,032,749.69

Impact on Renters and Owners with Access and Functional Needs

None of the applicants who applied for FEMA IA assistance were reported as having access or functional needs. This applies to both the renter and owner categories. But as prior demographic analysis showed, 17.6 percent of Haywood County's population was identified as having a disability according to recent American Community Survey data. There may be unreported unmet needs for renters and owners affected by Tropical Storm Fred that were not gathered during FEMA's preliminary damage assessment. These needs could be further explored with community partners during the program delivery phase of this CDBG-DR grant effort.

Hazard Impact and Flood Risk

The 2018 North Carolina State Hazard Mitigation Plan (HMP) lists flooding as one of the 11 top statewide hazards, as identified by a team of subject matter experts.³⁹ The HMP categorizes flooding, hurricanes and coastal hazards, and tornadoes/thunderstorms as "highly likely" to continue to occur in Western North Carolina. Additionally, nine of the Presidential Flooding Disasters since 1977 have been in Western North Carolina counties.⁴⁰ The North Carolina Climate Risk and Resilience Plan also identifies landslides as a hazard that will likely increase in the coming years in the Western part of the state due to increased rainfall from the effects of climate change. Landslides can disproportionately affect vulnerable populations if they do not have access to a vehicle or other means to flee an area affected by landslides, or they have limited mobility due to age or a disability.⁴¹

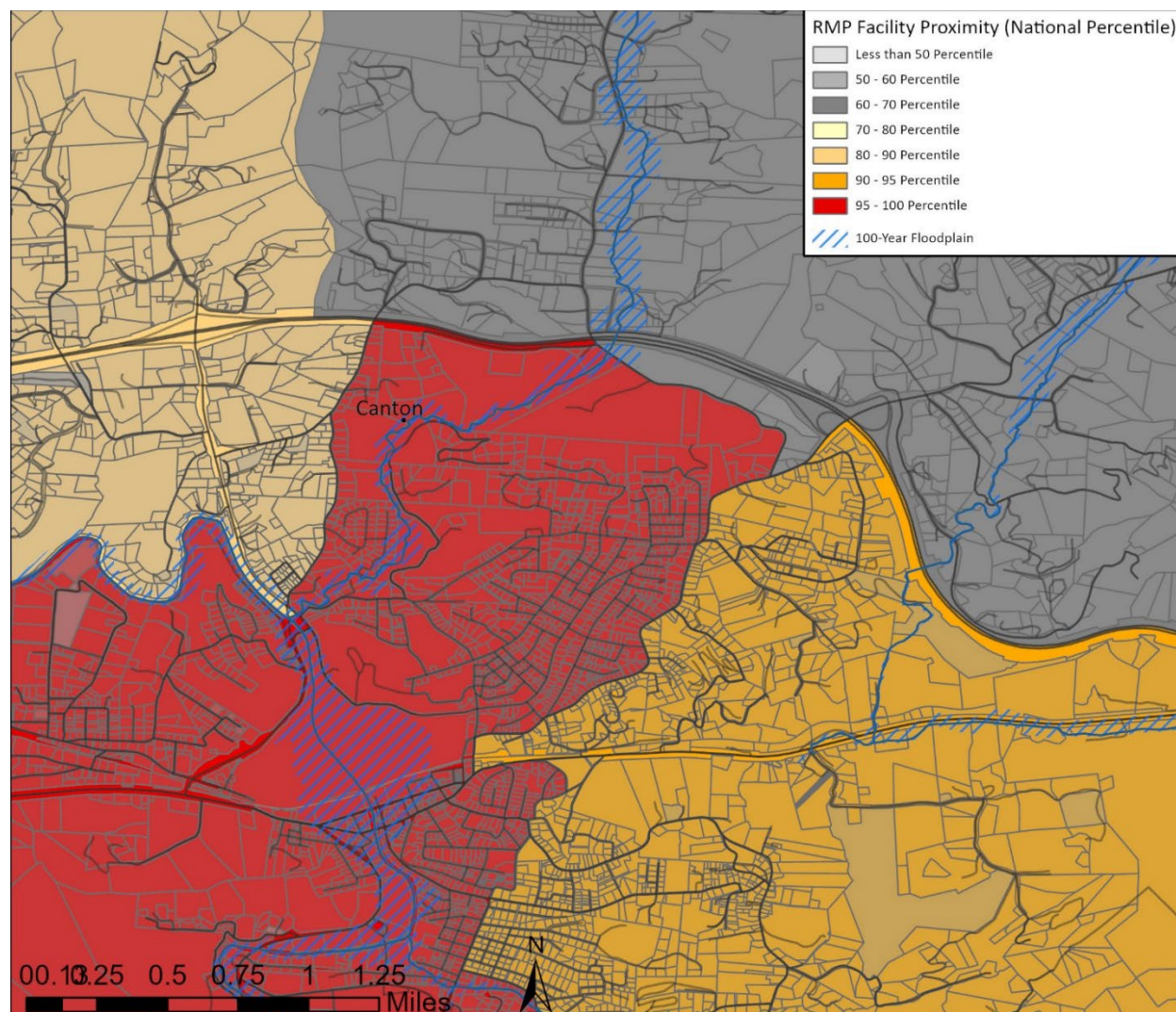
The area around Canton, NC, in Haywood County is categorized by the U.S. Environmental Protection Agency (EPA) Environmental Justice Screening and Mapping Tool (EJSCREEN) as being in the 95th-100th percentile for the count of Risk Management Plan (RMP facilities) within a 5 km radius, with 3.5 RMP facilities per kilometer. This area is also bordered by a 100-year flood plain, shaded in blue (see the figure below).⁴² No new development of affordable housing using CDBG-DR funds will be permitted to occur in a floodplain, and all appropriate mitigation measures will be used for housing at risk of flooding especially for site in a floodplain that are in range of other natural or environmental hazards. In general, providing more affordable housing units in Haywood County outside of the floodplain and further from known hazardous sites will mitigate potential hazards and increase resiliency for these members of protected classes, vulnerable populations, and underserved communities.

³⁹ [NCHMP 2018](#)

⁴⁰ [NCHMP 2018](#)

⁴¹ [2020-Climate-Risk-Assessment-and-Resilience-Plan.pdf](#)

Figure 6: Map showing the area south of Canton, NC, in Haywood County with dark red shading to indicate a high concentration of Risk Management Plan facilities per kilometer, adjacent to a 100-year flood plain



Proximity of Natural and Environmental Hazards to Members of Protected Classes, Vulnerable Populations, and Underserved Communities

There are several existing natural and environmental hazards in the MID area of Haywood County, as described below. Some are in proximity to protected classes, vulnerable populations, and/or underserved communities. Haywood County has not selected future sites for development of affordable housing that will be supported using funds from this CDBG-DR allocation as of October 2022. Therefore, the information presented here about proximal hazards would not be applicable to affected populations unless the future areas to be developed are located near a hazardous site. As stated previously, no new development of affordable housing using CDBG-DR funds will be permitted to occur in a floodplain, and if a potential site for development is located within a quarter mile of a hazardous site such as an industrial corridor, sewage treatment facility, Superfund site, or Brownfield, then appropriate mitigation measures will be employed during the development process. Greater access to housing at less risk-prone sites, will mitigate

potential hazards and increase resiliency for members of protected classes, vulnerable populations, and underserved communities alike.

The high likelihood of flooding impacts and proximity of hazardous sites in this region has the potential to create added risk for protected classes, vulnerable populations, and underserved communities due to the possibility of toxic exposures when flooding occurs at or near hazardous sites. According to the North Carolina Department of Environmental Quality (NC DEQ) Community Mapping System,⁴³ Haywood County is home to hazardous sites and potentially hazardous sites, particularly along Interstate 40 and the Great Smoky Mountain Expressway (see table below). According to the U.S. Environmental Protection Agency (EPA) Environmental Justice Screening and Mapping Tool (EJSCREEN), several of these sites are located in the estimated 100-year flood plain, which may create an increased risk of spills and leaching during flood events. Haywood County also contains several “potentially underserved” block groups as of 2019, according to NC DEQ’S Community Mapping System that could be at risk of exposure from flooded hazardous sites.

Table 18: Hazardous sites proximate to the MID area in Haywood County, according to the North Carolina Department of Environmental Quality (NC DEQ) Community Mapping System.

Hazardous Site Type	Count
Pre-regulatory landfills	62
Hazardous waste sites	167
Brownfields	123
Inactive Hazardous Sites	167
Coal ash storage facilities (closed)	2
Solid waste septage sites	15

There are two active National Priorities List (NPL), or “Superfund” sites, in Haywood County, one of which – Benfield Industries, located in Waynesville, NC—is in a FEMA 100-year flood hazard zone due to the presence of a waterway that runs from the southwest to the northeast.⁴⁴

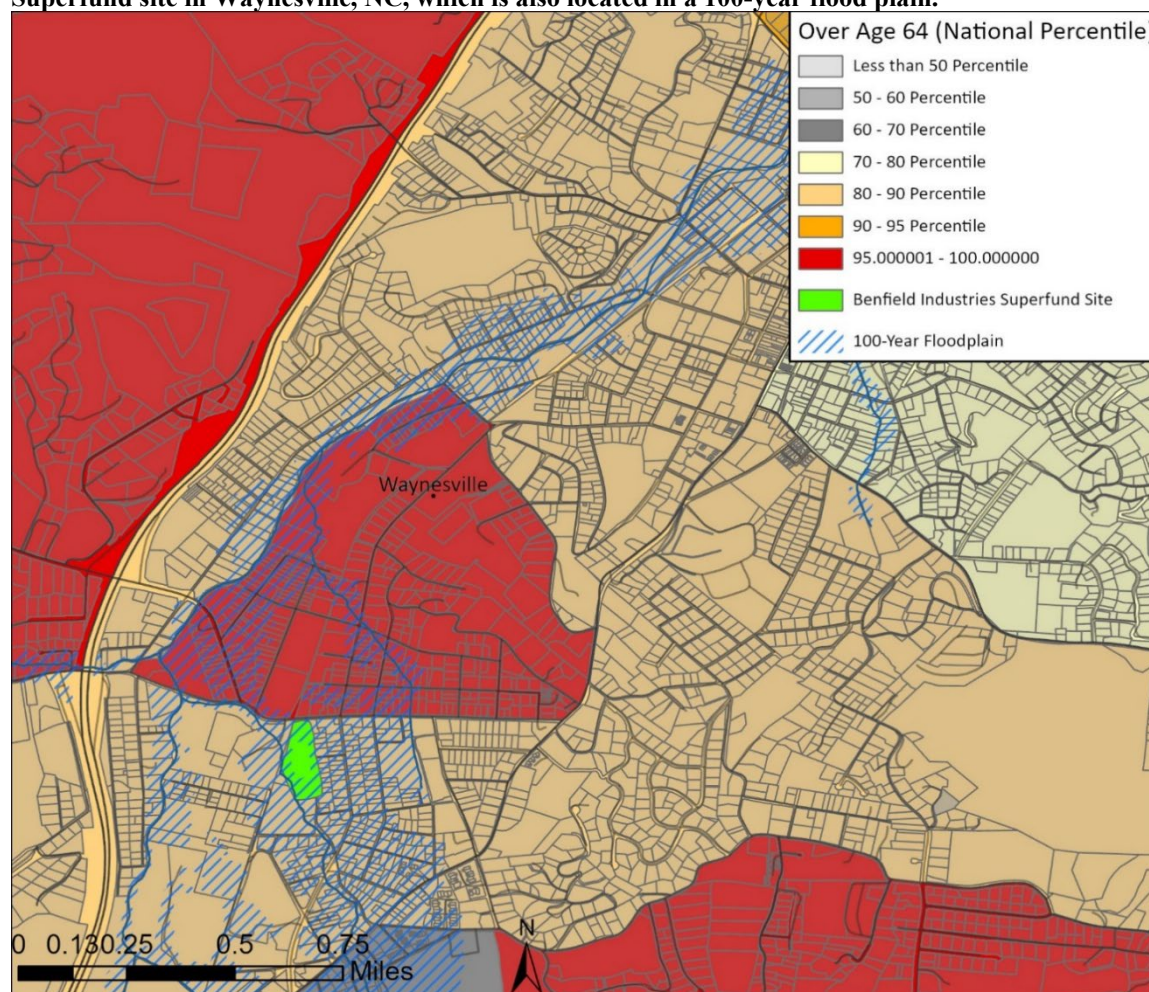
Proximity of Hazards to Vulnerable Populations

EPA EJSCREEN mapping illustrated that the Benfield Industries Superfund site is bordered to the north by a triangular-shaped area that is in the 96th percentile nationally for the number of individuals over the age of 64 (36% of the population). In that same area, 29% of the residents are low income (see the figure below). Therefore, this area contains a vulnerable population in proximity to both natural and environmental hazards. Any future affordable housing options provided in this area using CDBG-DR funds should ideally be located outside of the floodplain. Any potential future sites for affordable housing development that are proximal to the Benfield Industries Superfund site but outside of the floodplain will incorporate appropriate mitigation measures to account for any potential runoff from the site and minimize potential impact on the vulnerable population living in this area.

⁴³ [NCDEQ Community Mapping System \(arcgis.com\)](https://www.ncdeq.gov/Community-Mapping-System)

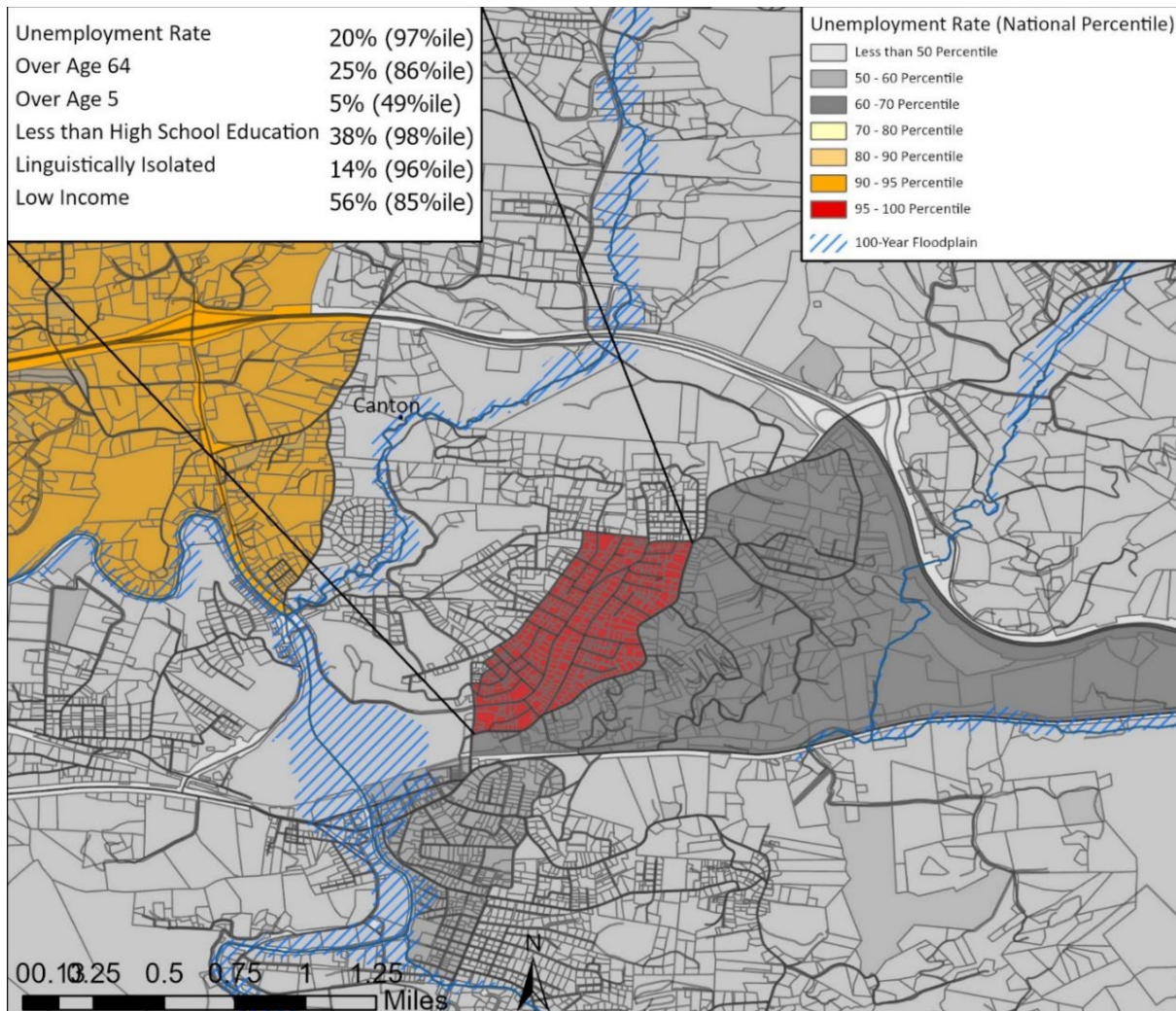
⁴⁴ [Flooding and Potential Environmental Contamination Sources in North Carolina \(arcgis.com\)](https://www.epa.gov/ej/ej-screening-and-mapping-tool)

Figure 7: The number of residents over age 64 is in the 96th percentile nationally near Benfield Industries Superfund site in Waynesville, NC, which is also located in a 100-year flood plain.



Near Canton, there is an area characterized by an older population (in the 87th percentile nationally for residents over age 64), as well as a high level of linguistic isolation, limited educational attainment, low income levels, and unemployment (see the figure below). As mentioned previously, this area also has a high percentile of Risk Management Plan Facilities and a 100-year floodplain, according to the EPA's EJSCREEN mapping tool. If affordable housing development sites are selected in this area, mitigation measures must be incorporated to limit the impact of these potential environmental hazards and ensure maximum resilience for the vulnerable populations living nearby. The Program's goal is to work with county partners to provide housing options greater than a quarter mile away from any hazardous site and outside of the floodplain and runoff areas for vulnerable populations in order to increase resilience to environmental hazards. Further environmental review will be required prior to the expenditure of any grant funds, and would certainly be needed if any site is chosen in proximity to the highlighted areas. For example, if Haywood County selects this geographic area for affordable housing development, one possible mitigation measure for this area with relatively high linguistic isolation could be for the State to work with Haywood County to ensure that all disaster-related communication and outreach efforts were tailored to the target community.

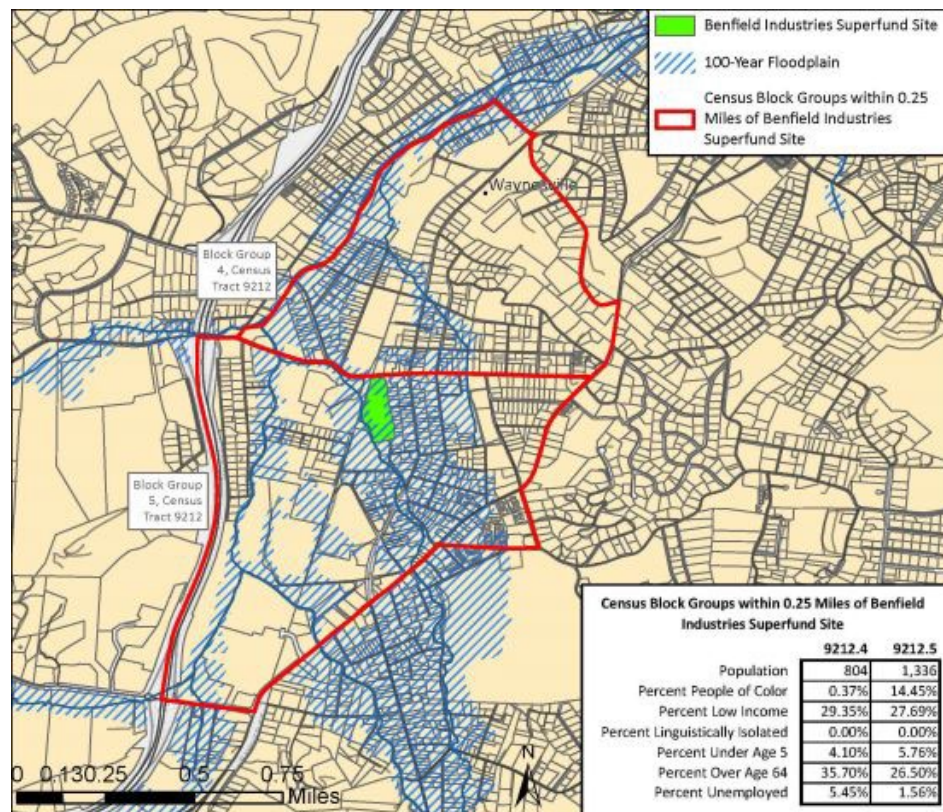
Figure 8: Socioeconomic indicators from EPA’s EJSCREEN mapping tool --including unemployment rate, low income, linguistic isolation, population over age 64, and less than high school education-- point to the area in red below that is home to a highly vulnerable population living in short range of a 100-year floodplain and numerous Risk Management Plan facilities in the Canton, NC area.



Proximity of Hazards to Protected Classes

According to EPA’s EJSCREEN Tool, Block Group 4, Census Tract 9212, which is just east of Waynesville, NC, is in the 99th percentile nationally for proximity to Superfund sites and the 74th percentile nationally for proximity to hazardous sites, but the area is in the 1st percentile nationally for the number of People of Color residing in the block group. A second area, Block Group 5, Census Tract 9212, is in the 99th percentile nationally for proximity to a Superfund site and the 65th percentile nationally for proximity to hazardous sites; the area is in the 23rd percentile for the number of People of Color residing in the block group. Other data related to other protected classes, including religion, national origin, sex, familial status, and disability, is not directly available through EJSCREEN.

Figure 9: A map showing two Census Block Groups within 0.25 miles of the Benfield Industries Superfund Site near Waynesville. Block Group 9212.4 is in the 1st percentile nationally for the number of People of Color residing in the block group while Block Group 9212.5 is in the 23rd. Both Block Groups are in the 99th percentile for proximity to a Superfund site. Block Group 9212.4 is in the 74th percentile nationally for proximity to hazardous sites while Block Group 9212.5 is in the 65th.



In exploring potential sites for the county during the initial action plan planning phase, these data are meant to demonstrate exploration of potential environmental hazards across the county. If any sites proximal to the hazards are selected by the county for development, further environmental assessment will be needed. This process would consider how any protected class, vulnerable population, or underserved community nearby might receive support for any relevant mitigation measures during development to ensure the protection of people and property.

Single Family v. Multi-Family Needs; Owner Occupied v. Tenant

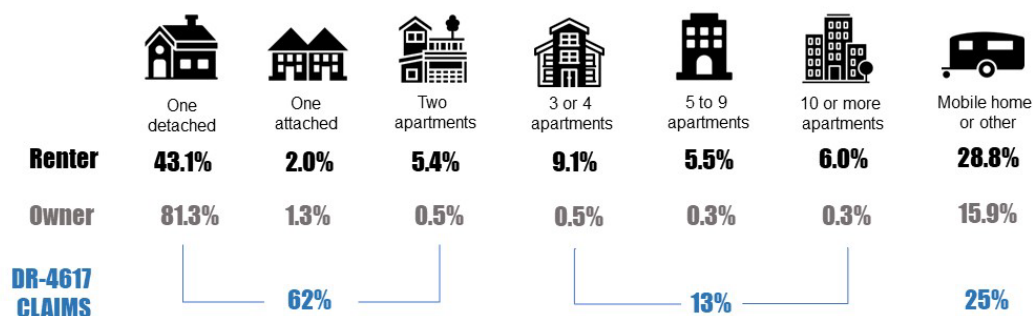
Individual assistance data from FEMA and the Preliminary Damage Assessment provide the primary basis for analysis of unmet housing need in the MID area by housing type and occupancy, including the needs of single-family households in owner-occupied and tenant occupied units. Additional data sources for this analysis include the 2020 American Community Survey, FEMA, and HUD.

Housing Unmet Recovery Needs by Housing Type

Overall Housing Assistance was more readily provided through FEMA IA funds to the owners of houses/duplexes or mobile homes, with travel trailers being the third most common housing type

to receive recovery support from FEMA IA funds. The largest proportion of renters who received FEMA IA funds lived in apartments (167), followed by houses/duplexes (131) and mobile homes (58).

Figure 10: Haywood County FEMA AI Assistance by Housing Type



However, the highest amount of funds that went to renters went to those living in houses/duplexes, which may suggest additional unmet needs for renters who had been living in apartments, mobile homes, and other housing situations (23 renters), especially given the very low rates of flood insurance among renters.

Figure 11: Proportion of Impacted Renters by Housing Type in Haywood County

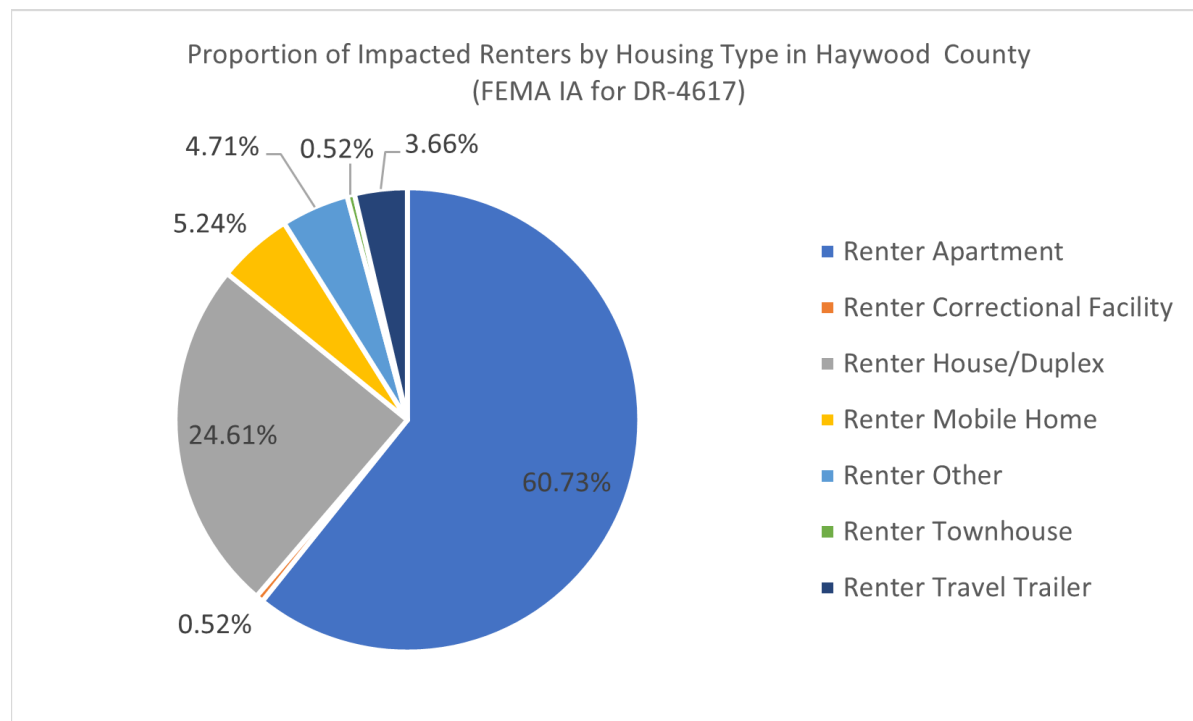


Table 19: Total Housing Assistance provided in Haywood County by residence type and status (renter vs. owner).

Total Housing Assistance (IHP)	Housing Type						
Applicant Status	Apartment	House/Duplex	Mobile Home	Other	Townhouse	Travel Trailer	Grand Total
Owner	\$--	\$2,168,090.68	\$552,624.68	16,094.38	\$--	\$131,635.95	\$2,868,445.69
Renter	\$52,816.00	\$52,850.00	\$50,728.00	\$--	\$1,452.00	\$6,458.00	\$164,304.00
Total	\$52,816.00	\$2,220,940.68	\$603,352.68	\$16,094.38	\$1,452.00	\$138,093.95	\$3,032,749.69

Table 20: Number of applicants in Haywood County who applied for FEMA IA Housing Assistance with flood insurance, by residence type.

Housing Type	Total FEMA Housing Assistance (IHP) in dollars	# Applicants	# Renters	# Owners
		Flood Insurance		
Apartment	\$ 52,816.00	2	167	0
Condo	\$ -	0	0	0
Correctional Facility	\$ -	0	1	-
House/Duplex	\$ 2,220,940.68	75	131	642
Mobile Home	\$ 603,352.68	4	58	129
Other	\$ 16,094.38	6	23	53
Townhouse	\$ 1,452.00	0	2	11
Travel Trailer	\$ 138,093.95	0	17	35
Grand Total	\$ 6,065,499.38	87		

Housing Unmet Needs by Tenure

Across all the Most Impacted and Distressed areas as assessed by FEMA for Tropical Storm Fred, including Buncombe, Haywood, and Transylvania Counties (in addition to one applicant whose residence technically falls within the boundaries of Cherokee County) there were a total of 2602 applications for FEMA Individual Assistance as of May 2022 (see table below).

Table 21: Total Count of Applications by FEMA MID County, and Status, DR-4617 (Source: FEMA IA)

County	Owners	Renters	Unknown	Grand Total
Buncombe	668	296	15	979
Haywood	870	399	17	1,286
Transylvania	107	228	1	336
Cherokee	1	0	0	1
				2,602

In total, 1286 individuals applied for FEMA Individual Assistance for DR-4617 in Haywood County. Of these, 870 were owner-occupied households and 399 were renter-occupied, with 17 in unknown status. FEMA’s Individual Assistance data designated 32 structures as “Destroyed” in Haywood County as a result of Tropical Storm Fred; 20 were owner-occupied and 12 were renter units. A total of 19 renters sustained “Major Damage” to their housing unit in Haywood County.

Table 22: Haywood County – Destroyed Units by Applicant Tenure Status, DR-4617 (Source: FEMA IA)

Status	Applications	Sum of Destroyed Units
Owner	870	20
Renter	399	12
Unknown	17	0
Grand Total	1,286	32

As described in a previous section, only 6% of all applicants to the FEMA IA program in Haywood County had flood insurance to support repair and reconstruction costs, and the homeowners were 8 times more likely to have flood insurance than renters, pointing to likely unmet need approximate to FEMA Verified Loss (FVL) totals among this minimally insured population. The total estimate of FVL for FEMA Individual Assistance cases in Haywood County was \$5,333,896.39 across 1286 housing units. The minimum amount that must be expended in the MID areas is \$6,380,000, according to the May 2022 HUD FR notice.⁴⁵

Table 23: FEMA Verified Loss Amounts in Haywood County (Source: FEMA IA)

Status	Real Property FVL	Personal Property FVL	Total FEMA Verified Loss
Owner	\$4,408,348.96	\$ 519,715.36	\$ 4,928,064.32
Renter	\$21,245.75	\$ 384,312.12	\$ 405,557.87
Unknown	\$ -	\$ 274.20	\$ 274.20
Grand Total	\$4,429,594.71	\$ 904,301.68	\$ 5,333,896.39

Definition of Affordable Rents, Income Limits for Tenants, and Minimum Affordability Periods
Definitions of affordable rents, income limits for tenants and minimum affordability periods are detailed, as applicable, within each of the program and activity descriptions.

⁴⁵ [6326-N-01 Allocations for CDBG-DR & Consolidated Waivers and Alternatives \(hud.gov\)](#)

Public Housing and Affordable Housing

As part of the public outreach efforts with local stakeholders, consultations and ongoing conversations were held with the Waynesville Housing Authority, Haywood County, and Mountain Projects to determine the unmet needs for public and subsidized housing. The feedback and input received during the meetings from April to June of 2022 provided a greater understanding of any unmet needs to public housing or subsidized housing as a result of Tropical Storm Fred.

Fair Housing, Civil Rights Data and Advancing Equity

Social Equity, Fair Housing and Civil Rights

The funded programs focus on prioritizing and preserving equity in the distribution and administration of funds. Equity entails understanding the current and historical need of the affected population. Each program has prioritized LMI individuals in defining eligibility for assistance as this population is disproportionately impacted by the costs and burdens of this disaster.

An equitable approach to disaster recovery also requires identifying federally protected populations in affected areas and removing barriers to access. For example, to ensure equal access regardless of national origin, all materials related to the program must be translated for the limited-English proficiency (LEP) population. Funds must be distributed in a manner that preserves equity and reaches all groups.

Prioritizing Housing

In the distribution of CDBG-DR funds, housing must be the first objective in spending. The unmet need must be considered as well as the populations most at risk of displacement. The program set requirements in the policies and procedures manual for fund distribution that prioritize those with Low-to-Moderate Income as they are some of the most at-risk for housing instability as well as disenfranchisement.

Funds must be distributed in a timely manner with clear deadlines publicly communicated at every step of the process. These deadlines include but are not limited to public application period, program estimated timeline, fund distribution timeline, etc. Maximum amounts that individual applicants are eligible to be awarded will be clearly stated from the beginning of the application period. Expenditure rates will be tracked, and internal distribution goals set to ensure that housing needs are met in a timely manner. Only after funds are used for the rehabilitation and distribution of housing can the remainder be allocated for continued infrastructure projects.

Prioritizing Vulnerable Populations & Protected Classes

Program eligibility for CDBG-DR funds prioritizes the affected LMI population. This furthers equity by ensuring that those with highest levels of need will be able to receive funds. Populations most at risk for homelessness are captured within this group and set timelines and

expenditure reports will ensure that people are accommodated with stable housing in a timely manner. BIPOC (Black, Indigenous, and people of color) individuals have higher rates of poverty, and by ensuring eligibility is restricted to LMI individuals, equity is furthered by prioritizing that population.

Program actions and outcomes are dedicated to the fair treatment of protected classes, including but not limited to: LMI individuals and households, members of protected classes, vulnerable populations, historically underrepresented or mistreated groups, persons with disabilities, and persons with homes.

Haywood County's distribution of potentially vulnerable populations is as follows: 5.5% BIPOC, 24.7% elderly (65 and older), 17.6% persons with disabilities, and 0.5% persons with Limited English Proficiency.

Potential Barriers to Benefits for Vulnerable Populations and Protected Classes

During the planning phase, some potential barriers were identified that could create an unjustified barrier or a failure to benefit vulnerable populations and protected classes, as well as steps that may be taken to address these barriers.

Barrier: Area-specific and population specific outreach

Haywood County's vulnerable populations and protected classes face particular barriers to accessing information about programming that must be addressed in outreach and engagement efforts by the subrecipient. Two populations that will be important to consider in Haywood County include LEP individuals and people with disabilities. In Haywood County, based on American Census Survey data, 0.5% of the population speaks English less than "Very Well" and approximately 17.6% of residents have a disability. There are also several storm-affected areas that experience linguistic isolation, as identified, and special effort will be taken to ensure outreach to the communities who speak Spanish in these areas, to avoid unjustified impediments. Therefore, it will be critical for the Program to establish clear guidelines for the subrecipient in order to ensure that linguistic barriers, physical barriers, and other barriers to accessing program benefits may be overcome during the outreach phase of the program.

Guidelines for the subrecipient to ensure that there is equitable outreach to LEP individuals and disabled populations may include a requirement to partner with local organizations that provide services to minority populations, people with disabilities, and/or LEP individuals. The State will also encourage the county to engage with county-level fair housing or public housing entities or service organizations that provide a variety of support services to underserved populations, such as food banks, faith-based groups, etc., as appropriate. The guidelines will also suggest that the subrecipient work with a partnering organization as needed to provide presentations, print and online materials in accessible formats for LEP individuals and people with disabilities, as well as a process for in-person outreach in areas with a higher proportion of people with disabilities. Additionally, the State may assist the subrecipient with identifying robust sources of data to identify areas for targeted outreach and monitoring subrecipient activities to promote equitable

outreach to all protected classes and vulnerable populations. For public meetings, if consecutive or simultaneous interpretation or sign language interpretation is required, the State will ensure that subrecipients have set standards for providing accessible information

Barrier: Housing that is accessible to elderly and disabled populations

Based on ACS data, approximately 24% of Haywood County's residents are elderly, as of 2020. This means that in order to avoid unjustified fair housing impediments, the subrecipient must be able to offer ADA-accessible and elder-friendly housing options as appropriate. This will be an especially important criteria to monitor during the process of bidding for construction vendors. If it is found that the subrecipient cannot procure ADA-accessible housing or that undue barriers are created for applicants to receive reasonable accommodations, timely corrective action will be taken. Further detail on the requirements can be found in the section of this plan called "Meeting Accessibility Standards & Reasonable Accommodations."

Barrier: Accessible intake processes

The North Carolina Broadband Map noted in 2019 that parts of Haywood County had a comparatively low score on an index of Internet availability and access. There are also several areas of the county with a high concentration of elderly, disabled, and high-poverty populations, as previously noted. Additionally, the mountainous terrain may create environmental barriers and geographic isolation that could make it difficult to access program intake resources in-person. The Program will encourage the subrecipient to address these potential barriers to the intake process for beneficiaries of program activities, and remedies to overcome them will be further developed in the policies and procedures for the program. These remedies may include remote (Internet-based) and in-person options.

Affirmatively Furthering Fair Housing

All subrecipients will need to demonstratively further fair housing in their implementation of the program and not contribute to segregation, incidental or otherwise.

Program leadership will require compliance with all relevant fair housing laws on every level of fund administration. Fair housing must and will be a priority in how CDBG-DR funds are used.

Additional monitoring may be undertaken at higher frequency if fair housing complaints related to the subrecipient's activities are received.

Meeting Accessibility Standards & Reasonable Accommodations

The Program will uphold accessibility standards in the administration and disbursement of funds. All public facilities that are federally assisted shall also exceed the minimum threshold for 504/ADA compliance. Multifamily and other housing development programs will also be required to have a certain set-aside of fully compliant 504/ADA units of varying sizes to accommodate eligible applicants. Along with single family programs, the affordable housing rental programs will be required to have an architect or engineer's signature on a form stating that the designed unit meets 504/ADA compliance. Failure to deliver the appropriately

constructed ADA/504 compliant unit(s) will result in the construction firm not being paid and held in breach of contract until the deficiencies are corrected.

Demographic Profile of Impacted Counties

The following sections catalogues the demographics of Haywood County, which is the HUD-identified MID area. The primary data source for the demographic analysis was the U.S. Census Bureau's American Community Survey from 2016-2020.

Several demographic factors were highlighted during the analysis to draw attention to recovery concerns that may affect how an impacted county may recover. These criteria are highlighted to provide context to the recovery activities in these counties and help inform the Action Plan to better respond to the unique challenges of each impacted area.

Population Trends

As of July 1, 2021, Haywood County's population was 62,476.⁴⁶ According to American Community Survey data, Haywood County's population grew at an average rate of 0.54% annually from 2010 to 2020. Haywood County's population is 51.33% female and 48.67% male. The median age is 47.7 years (49.3 years for women and 45.8 years for men). The table below shows Haywood County's population by age and gender. The population is relatively evenly distributed across age groups with a difference of less than six percentage points between the largest group (65 to 69 years at 8.09%) and the smallest (85 years or older at 2.56%).

Table 24: Haywood County Population by Age and Gender⁴⁷

Age	Percent of Total Population	Percent of Male Population	Percent of Female Population
Under 5 years	4.71%	5.10%	4.34%
5 to 9 years	4.68%	4.55%	4.80%
10 to 14 years	5.35%	6.27%	4.47%
15 to 19 years	5.18%	5.54%	4.83%
20 to 24 years	4.75%	5.03%	4.48%
25 to 29 years	5.70%	6.05%	5.36%
30 to 34 years	5.74%	5.77%	5.71%
35 to 39 years	5.37%	5.06%	5.66%
40 to 44 years	5.52%	5.86%	5.20%
45 to 49 years	6.14%	6.13%	6.14%
50 to 54 years	6.81%	6.74%	6.87%
55 to 59 years	7.40%	7.14%	7.64%
60 to 64 years	7.94%	7.61%	8.25%
65 to 69 years	8.09%	8.53%	7.68%
70 to 74 years	6.12%	5.35%	6.86%
75 to 79 years	4.85%	4.49%	5.20%
80 to 84 years	3.10%	2.92%	3.26%
85 years and over	2.56%	1.82%	3.26%

⁴⁶ US Census Bureau, Qucikfacts Haywood County, NC

⁴⁷ 2020 American Community Survey

Income

Haywood County's median income is estimated at \$51,548.00, lower than the state median of \$56,642.⁴⁸ The data in the table below shows income distribution across the County's population. Most of the population (69.90%) ranges between \$15,000 and \$100,000 per household.

Table 25: Haywood County Household Income⁴⁹

Income	Percentage
Less than \$10,000	5.50%
\$10,000 to \$14,999	5.20%
\$15,000 to \$24,999	13.60%
\$25,000 to \$34,999	11.50%
\$35,000 to \$49,999	12.60%
\$50,000 to \$74,999	18.90%
\$75,000 to \$99,999	13.30%
\$100,000 to \$149,999	12.10%
\$150,000 to \$199,999	3.40%
\$200,000 or more	3.90%

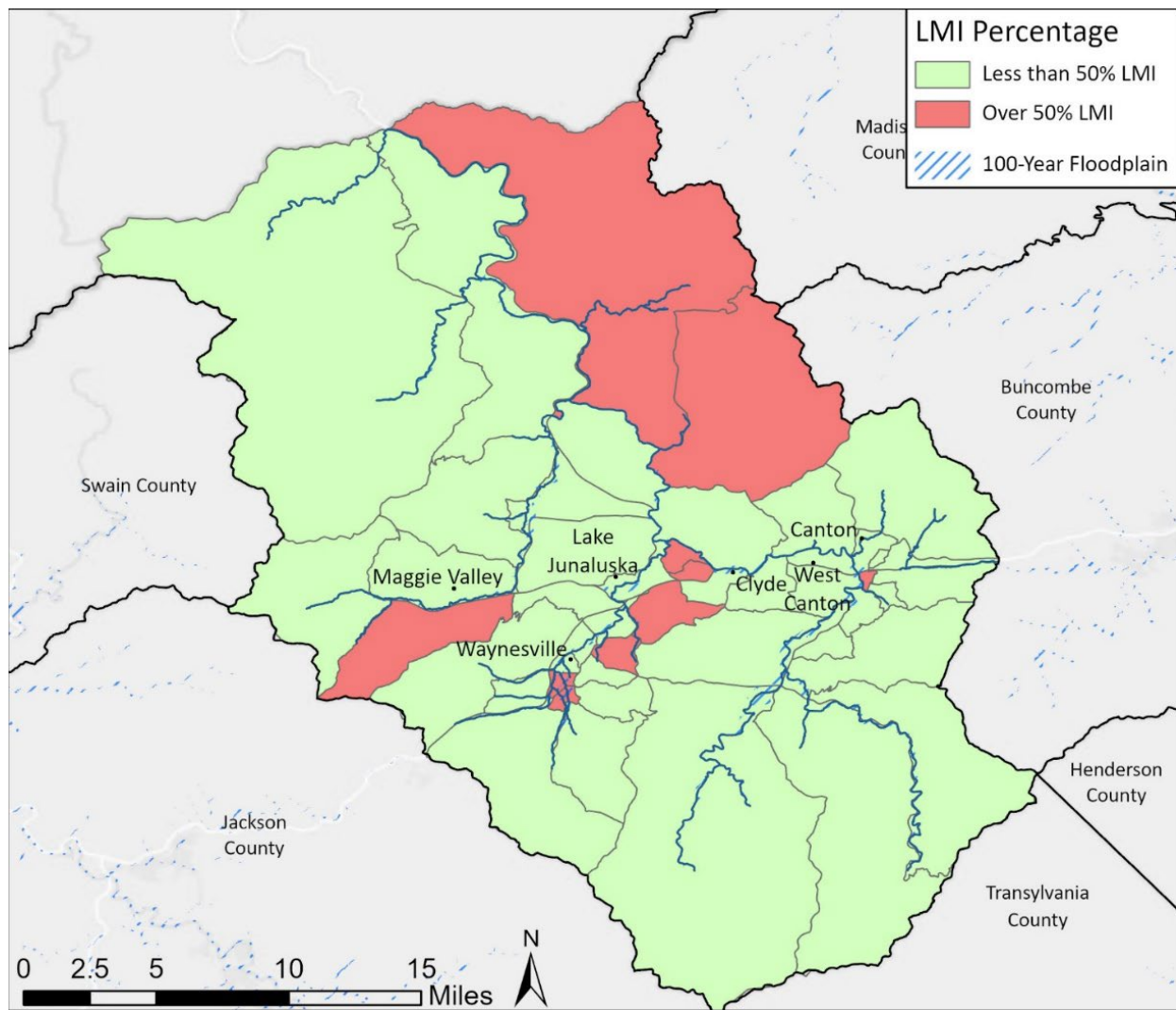
Low- to Moderate-Income Areas

As shown in figure below, based on HUD-provided data, areas with a majority of Low- to Moderate-Income (LMI) households are dispersed throughout Haywood County, particularly in the central region and along the border with Madison and Buncombe Counties to the northeast. Areas marked in red represent block groups where 51% or more households earn less than 80% of the Area Median Income (AMI) reported by HUD. Majority LMI areas are grouped in the northeast of Haywood County, along the border with Madison and Buncombe Counties, and across the center of the county, in or near the towns of Waynesville, Maggie Valley, Clyde, and Canton.

⁴⁸ 2020 American Community Survey

⁴⁹ 2020 American Community Survey

Figure 12: Haywood County Low- to Moderate-Income (LMI) by Block Group⁵⁰



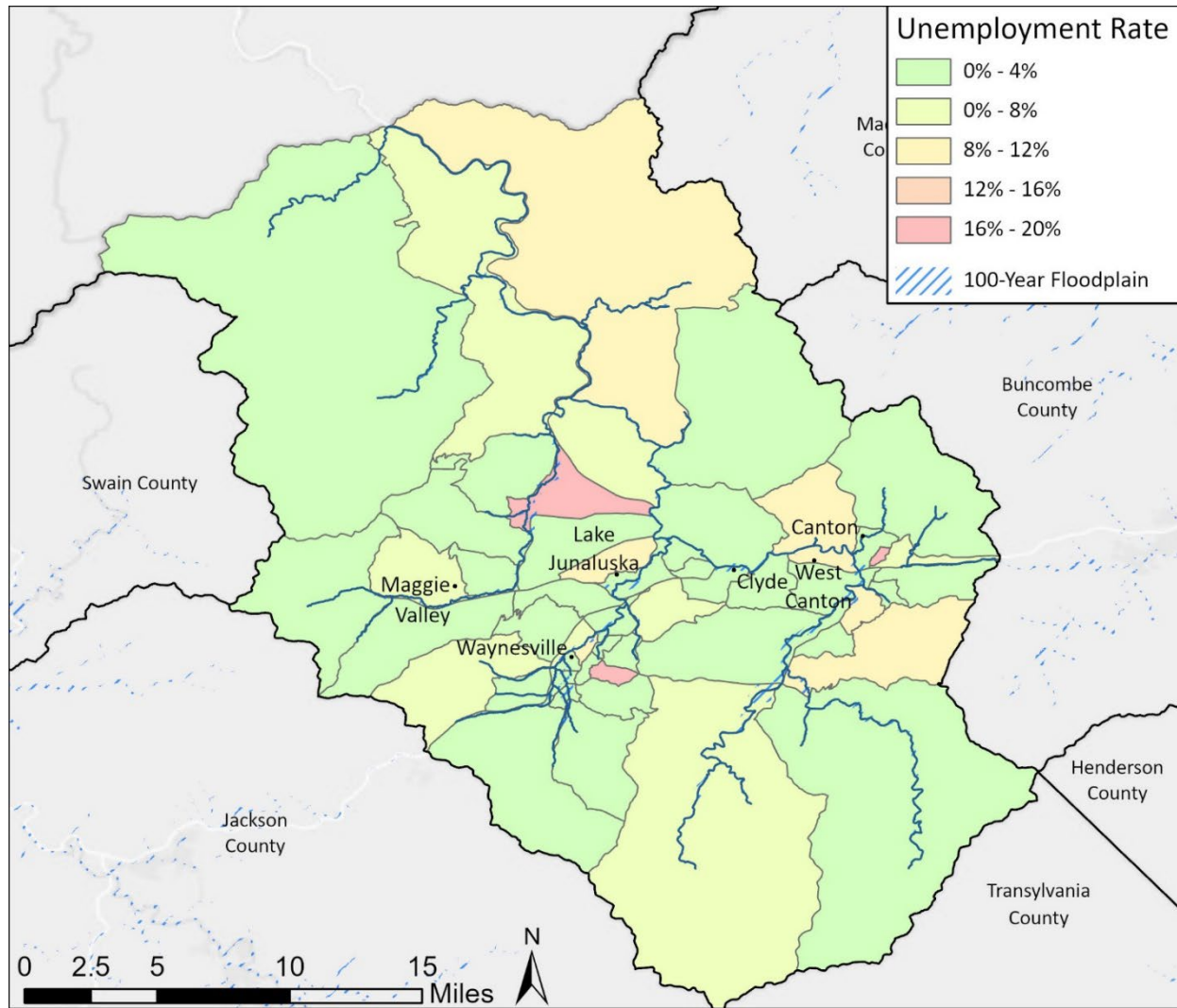
Employment

As of 2020, Haywood County's unemployment rate stood at 4.1%, compared to 5.4% statewide and 5.4% nationwide⁵¹. However, as the figure below shows, unemployment in some areas of Haywood County reaches as high as 20%, particularly an area in the town of Waynesville and another area along Interstate 40 north of Lake Junaluska.

⁵⁰ HUD FY 2021 ACS 5-Year 2011-2015 Low- and Moderate-Income Summary Data, <https://www.hudexchange.info/programs/acs-low-mod-summary-data/>

⁵¹ 2020 American Community Survey

Figure 13: Haywood County Unemployment Rates by Block Group⁵²



The figure below shows unemployment data across age, race, and gender. Unemployment is higher among men than among women, and among individuals aged 16 to 19 years. Unemployment is higher among white individuals (who also make up the majority of the population), however the group with the highest level of unemployment is Native Americans, despite that group making up less than 1% of the population.

⁵² 2020 American Community Survey

Table 26: Unemployment Rates⁵³

Unemployment Rates by Age	
16 to 19 years	16.50%
20 to 24 years	5.50%
25 to 29 years	5.50%
30 to 34 years	4.80%
35 to 44 years	3.50%
45 to 54 years	2.70%
55 to 59 years	2.10%
60 to 64 years	1.40%
65 to 74 years	1.80%
75 years and over	9.30%
Unemployment Rates by Race	
American Indian and Alaska Native	4.70%
Asian	0.70%
Black or African American	0.00%
White	4.20%
Other	0.00%
Two or more races	1.40%
Hispanic or Latino origin (of any race)	3.70%
Gender	
Male	4.30%
Female	2.80%

The table below shows the distribution of employment across thirteen industries. The largest sector of employment is Educational Services, Health Care and Social Assistance at 26.89%, while Manufacturing, Arts, Entertainment, Recreation, and Food Services, and Retail Trade each account for around 10% of the total workforce, with 14.85%, 9.83%, and 9.49% respectively.

Table 27: Unemployment by Industry⁵⁴

Industry	Percentage
Agriculture, forestry, fishing and hunting, and mining	0.78%
Construction	6.90%
Manufacturing	14.85%
Wholesale trade	2.22%
Retail trade	9.49%
Transportation and warehousing, and utilities	4.07%
Information	1.44%
Finance and insurance, and real estate and rental and leasing	5.35%

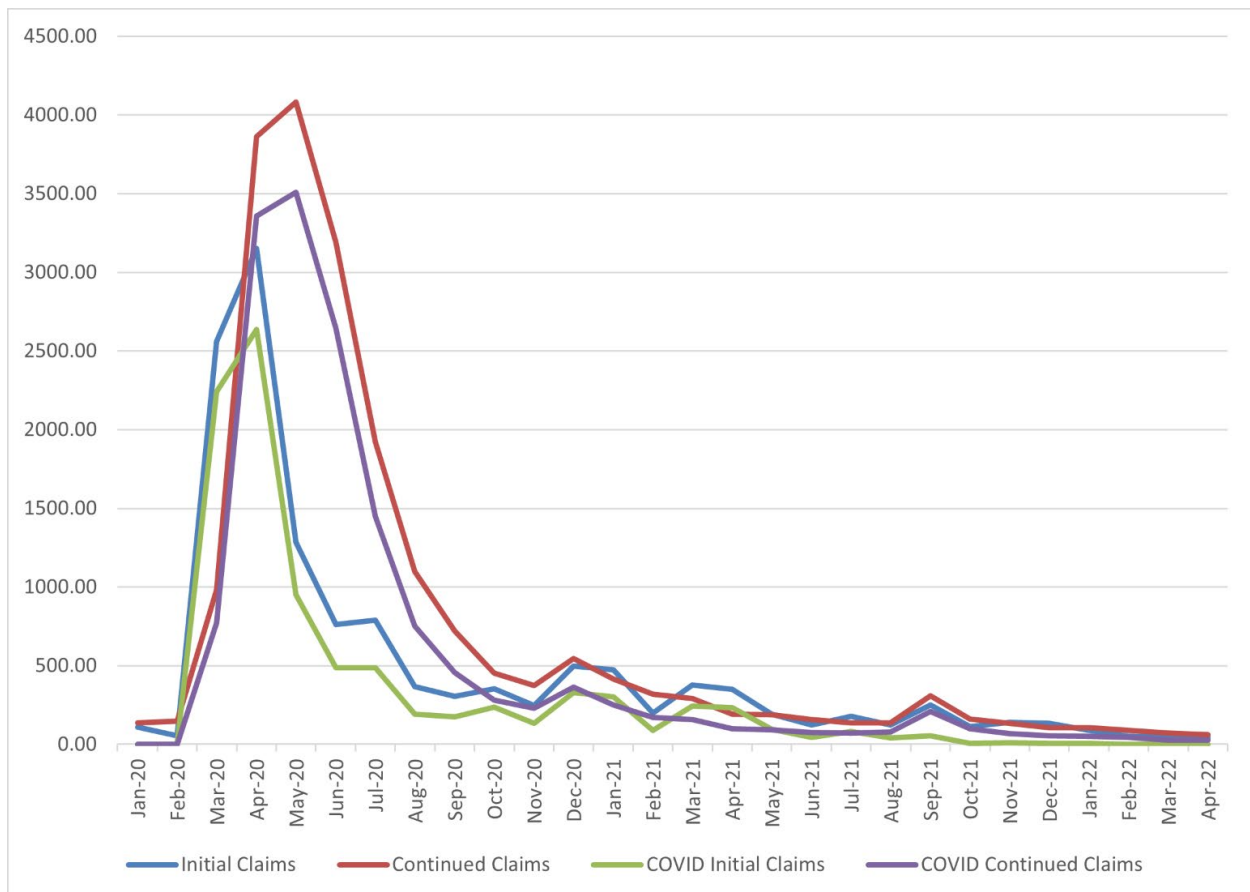
⁵³ 2020 American Community Survey

⁵⁴ 2020 American Community Survey

Industry	Percentage
Professional, scientific, and management, and administrative and waste management services	8.41%
Educational services, and health care and social assistance	26.89%
Arts, entertainment, and recreation, and accommodation and food services	9.83%
Other services, except public administration	3.55%
Public administration	6.22%

The impact of the COVID-19 pandemic on employment in Haywood County has been significant. The figure below shows unemployment insurance claims from January 2020 through April 2022. Initial claims did not return to pre-pandemic levels until January of 2022, and while continued claims dropped below January 2020 levels in July of 2021, claims rose again significantly in September of 2021 and did not return to pre-pandemic levels until November of 2021.

Figure 14: Unemployment Insurance Claims in Haywood County⁵⁵



⁵⁵ North Carolina Unemployment Insurance Claims Dashboard

Education

The table below shows educational attainment in Haywood County. Of all adults aged 18 or older, 11.44% do not have a high school degree and 73.38% do not have a college degree. Less educated individuals often experience greater difficulty securing jobs. According to the 2020 American Community Survey, the unemployment rate in Haywood County is 7.00% for individuals without a high school diploma, versus 4.30% for high school graduates and 1.00% for college graduates. These rates are 7.90%, 5.90%, and 2.80% respectively nationwide. In the disruption caused by a disaster, these effects are likely exacerbated and those with lower educational attainment are likely at greater risk of losing their jobs due to a disaster. Additionally, this demographic often faces greater difficulty in accessing recovery resources.

Table 28: Educational Attainment⁵⁶

Educational Attainment	Percentage
Population 18 to 24 years	
Less than high school graduate	10.90%
High school graduate (includes equivalency)	36.90%
Some college or associate's degree	39.50%
Bachelor's degree or higher	12.70%
Population 25 years and over	
Less than 9th grade	3.20%
9th to 12th grade, no diploma	8.30%
High school graduate (includes equivalency)	26.30%
Some college, no degree	22.40%
Associate's degree	12.00%
Bachelor's degree	17.00%
Graduate or professional degree	10.80%

Protected Classes & Vulnerable Populations

Race and Ethnicity

The table below 27 shows race and ethnicity in Haywood County. The County's population is overwhelmingly majority white at 92.30%, with the next-largest groups being Hispanic or Latino at 4.10% and two or more races at 2.40 percent.

Table 29: Race and Ethnicity⁵⁷

Race or Ethnicity	Percentage
American Indian and Alaska Native Alone	0.50%
Asian Alone	0.70%
Black or African American Alone	0.90%
White Alone	92.30%
Some Other Race Alone	0.10%
Two or More Races (Not Hispanic or Latino)	1.40%
Hispanic or Latino (of Any Race)	4.10%

⁵⁶ 2020 American Community Survey

⁵⁷ 2020 American Community Survey

The table below shows race and homeowners versus renters in Haywood County. Of Haywood County's 19,547 owner-occupied housing units, 19,088 or 97.65% are owned by white individuals. 74.32% of white households own their own home compared to only 52.15% of Hispanic or Latino households, 50.51% of Native American households, and less than 50% for all other groups.

Table 30: Race and Homeownership vs. Renters in Haywood County⁵⁸

Race	Percent Owners	Percent Renters
American Indian and Alaska Native	50.51%	49.49%
Asian	30.90%	69.10%
Black or African American	37.00%	63.00%
Hispanic or Latino origin	52.15%	47.85%
Some other race	8.50%	91.50%
Two or more races	49.45%	50.55%
White	74.32%	25.68%

Racially and Ethnically Concentrated Areas of Poverty

HUD defines Racially and Ethnically Concentrated Areas of Poverty (R/ECAPs) as areas that have a non-white population of 50 percent or more with 40 percent or more of the population in poverty, or a poverty rate that is greater than three times the average poverty rate in the area. Based on HUD data, there are no RECAP areas within the Haywood County.

Historically Distressed and Underserved Communities

While Haywood County does not contain HUD-designated R/ECAPs, the majority of block groups in Haywood County range from 0% to 20% non-white. One block group, located in the northeast of the county, exceeds 20% with a non-white population of 89%, primarily Hispanic or Latino individuals. However, this block group has a population of 9 individuals and represents only 0.015% of Haywood County's population. 10 block groups range between 15% and 20% non-white (from 15.24% to 17.89%). These are grouped across the County's center, near Waynesville, Clyde, and Canton. In these block groups, the largest non-white populations are Hispanic or Latino and Black or African American. Further detail on race and ethnicity in Haywood County can be found in the Race and Ethnicity section above.

Haywood County is part of the Asheville Metropolitan Statistical area, which based on ACS data has a poverty rate of 11.5%.⁵⁹ HUD uses a threshold of three times the area rate of poverty, in combination with the non-white percentage of the population, as one method of designating R/ECAPs. Two block groups in Haywood County exceed 34.5% living below the poverty line, or three times the area poverty rate. These block groups are located south of Waynesville and south of Canton and have poverty rates of 37.62% and 64.10% respectively. An additional 17 block groups exceed the MSA poverty rate, ranging from 11.79% to 26.10% living below the poverty line. These are largely grouped in a band across the center of Haywood County, through Waynesville, Clyde, and Canton, with some extending to the north-central and southeastern

⁵⁸ 2020 American Community Survey

⁵⁹ 2020 American Community Survey

regions of the County. Further detail on income can be found in the Income and LMI sections above.

Areas of greater non-white populations and greater levels of poverty do not coincide in Haywood County to the extent required for R/ECAP status.

Native American Population

The Qualla Boundary, a territory of the Eastern Band of Cherokee Indians, intersects with Haywood County near its western border.⁶⁰ The table below shows the demographics of Native American populations in Haywood County. The largest group by far is the Cherokee, representing 58.28% of the County's Native American population and 0.31% of the County's total population.

Table 31: Native American Populations⁶¹

Native American Tribe	Population	Percent of Native American Population	Percent of Total Population
Cherokee	190	58.28%	0.31%
Chippewa	6	1.84%	0.01%
Choctaw	17	5.21%	0.03%
Iroquois	4	1.23%	0.01%
Lumbee	6	1.84%	0.01%
Sioux	20	6.13%	0.03%
Other	62	19.02%	0.10%
Not Specified	11	3.37%	0.02%
Total	326		0.53%

Elderly Population

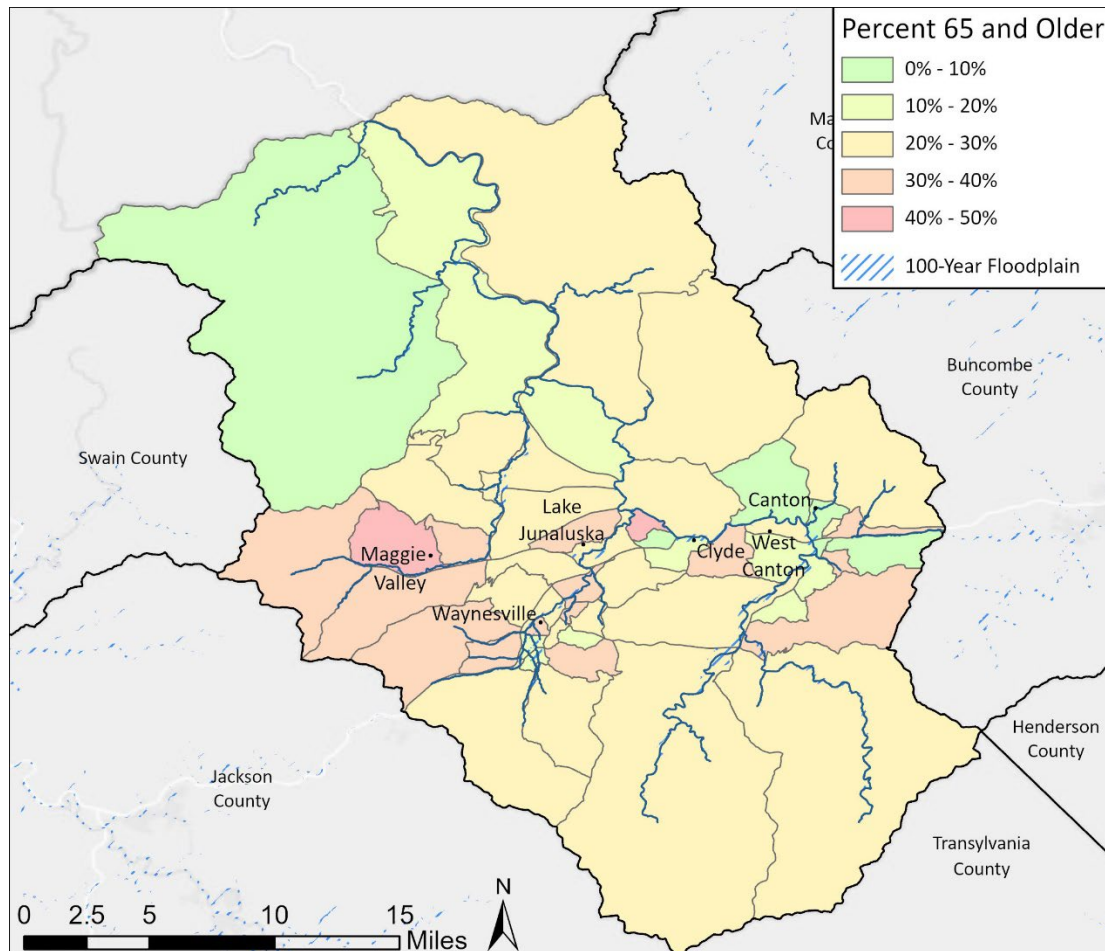
The population of Haywood County age 65 and older is 15,298, or 24.70% of the total population.⁶² The figure below shows the distribution of persons 65 or older throughout Haywood County. The highest concentrations are seen in the central region of the County, near the towns of Waynesville, Maggie Valley, Clyde, and Canton. Lower concentrations are seen in the northern and southern regions of Haywood County. This broadly follows the general population distribution of Haywood County, showing an even greater emphasis on the larger central towns to the exclusion of rural areas.

⁶⁰ NC Department of Administration

⁶¹ 2020 American Community Survey

⁶² 2020 American Community Survey

Figure 15: Haywood County Population 65 or Older by Block Group⁶³

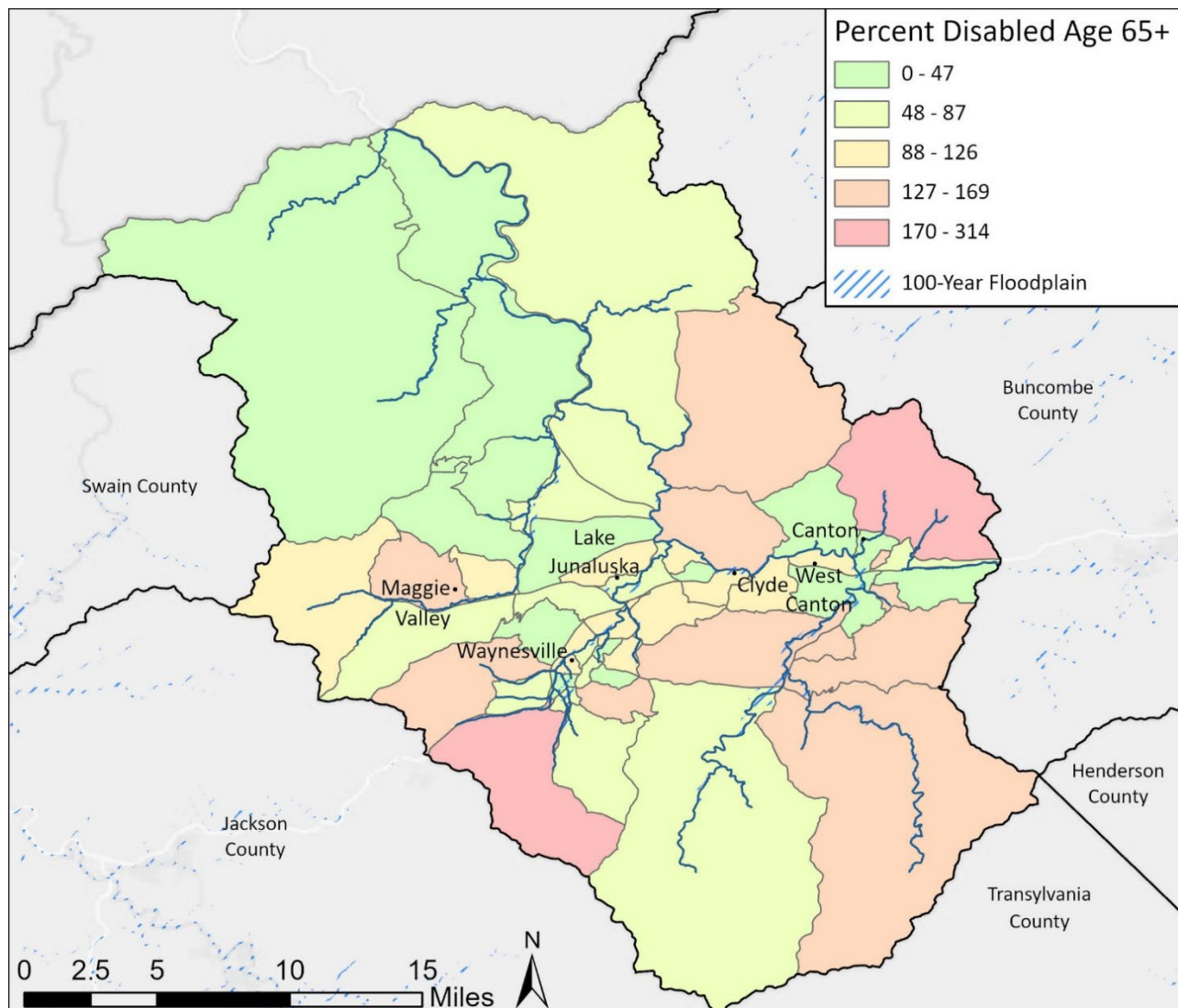


Population with Disabilities

In Haywood County, 10,799 people, or 17.6% of the population are persons with a disability. The figure below shows the distribution of this population, with a majority residing in the southern half of the state, particularly near the larger central towns such as Waynesville, Maggie Valley, Clyde, and Canton, but also near the borders with Transylvania and Jackson Counties.

⁶³ 2020 American Community Survey

Figure 16: Disabled Population of Haywood County⁶⁴

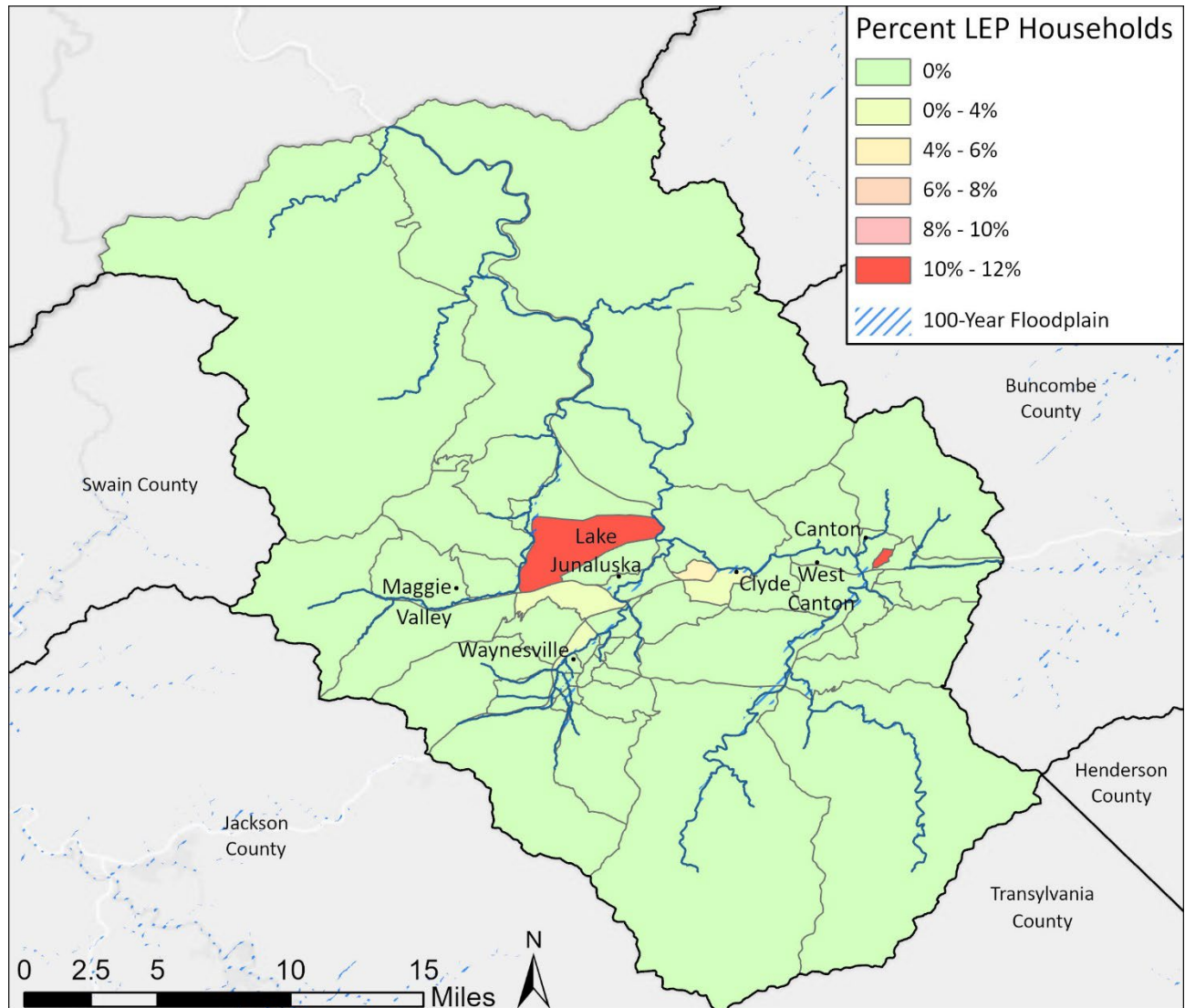


Population with Limited English Proficiency

The 2020 American Community Survey estimates that Haywood County's Limited English Proficiency rate is 0.5%, or 136 households. The figure below shows the distribution of Limited English Proficiency households in Haywood County. The highest concentrations are in the center of the state near the larger towns, particularly Maggie Valley and Canton, but also Waynesville and Clyde.

⁶⁴ 2020 American Community Survey

Figure 17: Haywood County Limited English Proficiency households by Block Group⁶⁵



Based on 2016-2020 ACS data, 19.70% of LEP households in Haywood County speak Spanish at home. Moreover, about 8.70% of the LEP households speak Asian and Pacific Island languages and 5.90% speak other Indo-European languages at home.

National Origin

In Haywood County, Census data from 2020 illustrates that just 2.4% of the county population between 2016-2020 was “foreign born” persons. Approximately 97% of the population was born in the United States and an estimated 1,469 individuals were born in a foreign country, according to the 2020 American Community Survey 5-Year Estimates Comparison Profiles. Of these, 50% were born in Latin America, 25% were born in Asia, and 20% were born in Europe. According

⁶⁵ 2020 American Community Survey

to this dataset, 3.4% households in the county, speak a language other than English at home and 2.1% spoke Spanish.

Housing Profile of Impacted Counties

Housing Availability, Tenure, Age and Cost

According to the 2020 American Community Survey, the total number of housing units in Haywood County was 35,659, with 8,768 vacant units, or a vacancy rate of 24.59%. This is higher than the statewide vacancy rate of 13.99% or the national vacancy rate of 11.61%. Of the occupied housing units, 19,547 or 72.69% were owner-occupied and 7,344 or 27.31% were renter-occupied. The median housing value was \$185,600 and the median monthly rent was \$811. Comparatively, the median housing value in 2015 was \$161,300 and the median monthly rent was \$710, increases of 15.07% and 14.23% respectively.⁶⁶ Of all occupied housing units, 70.88% were categorized as single-family detached, 1.47% as single-family attached, 8.21% contained two to more units, and 19.45% were classified as a mobile home or other housing type.⁶⁷

Approximately 1.53% of all housing units were built in 2014 or later. About 1.26% of housing units were built between 2010 and 2013, 16.30% were built between 2000 and 2009, 17.85% were built between 1990 and 1999, and 17.33% were built between 1980 and 1989.

Approximately 45.73 percent of the housing stock was built before 1980. These units may contain lead-based paint or are more likely to need repairs and maintenance.⁶⁸

The homeownership rate among Whites was 74.32%, compared to 37.00% among Black or African Americans, 50.51% among Native Americans, 30.90% among Asian Americans, and 52.15% among Hispanic or Latino Americans.⁶⁹

Familial Status

Based on ACS data, 6,644 households, or 24.71% of all households in Haywood County included one or more person under 18 years old, 13,654 or 50.78% included one or more person 60 years or older, and 8,416 or 31.30% were householders living alone. Married-couple family households accounted for 13,398, or 49.82% of all households, while nonfamily households accounted for 9,670 or 35.96% of all households in Haywood County. Understanding such composition will be critical in evaluating ways the benefits delivered through the CDBG-DR allocation may benefit all households regardless of familial status. The table below shows familial status in Haywood County.

⁶⁶ 2015 American Community Survey

⁶⁷ 2020 American Community Survey

⁶⁸ 2020 American Community Survey

⁶⁹ 2020 American Community Survey

Table 32: Households by Familial Status in Haywood County

	Total	Married-couple family household	Male householder, no spouse present, family household	Female householder, no spouse present, family household	Nonfamily household
Total households	26,891	13,398	986	2,837	9,670
Households with one or more people under 18 years	6,644	4,151	672	1,662	159
Households with one or more people 60 years and over	13,654	6,629	482	753	5,790
Householder living alone	8,416	N/A	N/A	N/A	8,416

Public Housing

There are 181 HUD assisted housing units in Haywood County, primarily in Waynesville, supported by HUD's Public and Multifamily Housing programs. All households are participants in HUD's Section 202 and 811 programs for the elderly and disabled. There are also 1,182 Public Housing units operated by Housing Authorities in Haywood County, also located in Waynesville.⁷⁰ The Mountain Projects, Inc. PHA leases 838 units in Haywood County through the Housing Choice Voucher program.⁷¹

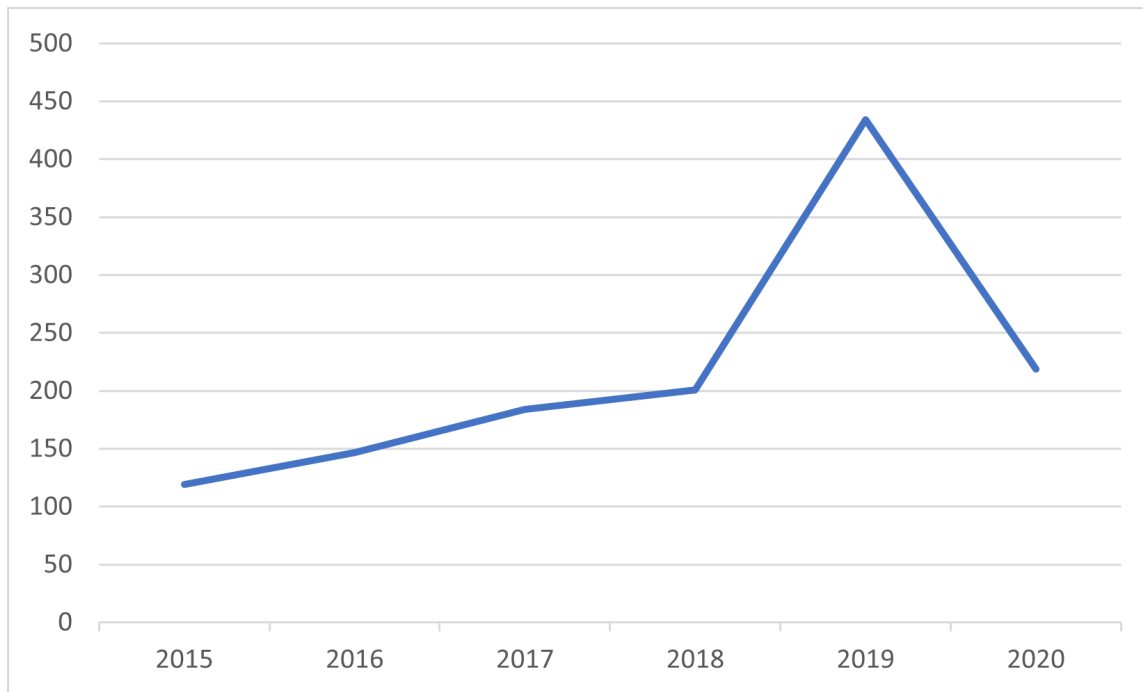
Affordable Housing

Households paying more than 30% of household income toward housing costs are considered "Cost Burdened," while those paying 50% of household income toward housing costs are considered "Severely Cost Burdened." According to the 2020 ACS estimates, 77.77% of renter households with household incomes less than \$20,000 (approximately 40% of Haywood County's median income of \$51,584) paid more than 30% of their household income towards rent, while 53.53% paid more than 50% of household income toward rent. Among renter households earning less than \$50,000 (those earning less than Haywood County's median income), 61.42% paid more than 30% of their household income towards rent, while 32.32% paid more than 50% of household income toward rent. The figure below shows the number of building permits issued in Haywood County from 2015 through 2020. Construction in Haywood County experienced a sharp rise beginning in 2018 before dropping in 2020, likely due to nationwide construction slowdowns due to COVID-19.

⁷⁰ U.S. Department of Housing and Urban Development Geospatial Data Storefront

⁷¹ U.S. Department of Housing and Urban Development, Office of Public and Indian Housing, Housing Choice Voucher Program Data Dashboard

Figure 18: Building Permits Issued in Haywood County⁷²



People Experiencing Homelessness

The 2020 Point-In-Time Count listed 43 people experiencing homelessness in Haywood County, including 5 households with children and 27 households without children. The point-in-time count is conducted annually on a single night in January by volunteers nationwide and attempts to capture data on the country's homeless population by avoiding the inaccuracies of counting an often-mobile demographic over a long period. At the local level, the count is organized by Continuum of Care (CoC) networks. The 2020 Point-In-Time Count did not include data on unsheltered persons.⁷³ Data from the 2021 Count is not yet available, however, to date, partner organizations and agencies have worked to address the immediate needs of unhoused individuals for emergency shelter, including the nonprofit Community Action Agency (CAA) Mountain Projects. Mountain Projects has facilitated the distribution of Emergency Housing Vouchers. By performing the proposed activities in this Action Plan and providing affordable housing options to those who lost their permanent homes in the disaster, the Programs will assist in providing permanent housing options.

Impact on Vulnerable Populations

CDC Social Vulnerability Index

The Centers for Disease Control (CDC) Social Vulnerability Index (SVI) compiles 15 different factors from U.S. Census data into a mapped index that can be used to determine areas that may need additional support and resources before, during, and after a disaster occurs. Haywood County has an overall SVI score of 0.2809, which indicates a low to moderate level of vulnerability (scores range from 0 to 1). At the Census tract level, however, tract 9209 near

⁷² St. Louis FED

⁷³ NC Commission to End Homelessness PIT Count datacenter

Waynesville, NC, stands out with an SVI index score of 0.8985.⁷⁴ This tract ranks highly across several “themes” including socioeconomic vulnerability, disability, minority/language, and housing/transportation, indicating a “high” level of social vulnerability. This area was significantly impacted by Tropical Storm Fred flood damage: 142 of the 1286 applicants who applied for FEMA Individual Assistance in Haywood County were located in Waynesville.

Protected Classes

As described in previous sections of this Action Plan, the MID area of Haywood County has a notable proportion of persons belonging to federally protected classes under the Fair Housing Act and historically underserved populations. According to FEMA’s Preliminary Damage Assessment for Tropical Storm Fred, 16.7% of individuals affected were 65 and older. In Haywood County, approximately 25% of the population is over the age of 65, and roughly one-third of the allocated FEMA IA Housing Assistance went to applicants in that age group.

The FEMA Preliminary Damage Assessment also found that 13.9 percent of individuals in 563 residences impacted by the storm were categorized as having a disability. None of the Haywood County applicants who applied for FEMA Individual Assistance reported access or functional needs. There are, however, likely unreported access and functional needs or needs for special accommodation among members of the over-65 population that CDBG-DR funds may be able to address.

As noted previously, while Haywood County’s population is predominantly White, analysis of racial demographics among homeowners and renters reveals that among those who identified as African-American, only 37% were homeowners. It is expected that these trends are similar in the population of individuals who applied for FEMA IA assistance, although data on race was not collected in the available dataset.

Haywood County’s Limited English Proficiency rate was 0.5%, according to 2020 American Community Survey data, and there is also at least one area characterized by a relatively high level of linguistic isolation according to EPA EJSCREEN. While the FEMA Preliminary Damage Assessment and FEMA IA programs did not collect data on language spoken or national origin, all Action Plan activities will include options to serve applicants with limited English proficiency, including efforts to actively coordinate with local organizations to provide information to K’iche’ and Mam speakers in the area.

The activities described in this Action Plan reduce barriers for individuals to enroll in and access CDBG-DR assistance wherever possible, including attention to community outreach efforts, sharing information in non-English languages, and the use of formats and design of materials that will be accessible to people with access or functional needs, and other reasonable accommodations as needed.

These populations face additional accessibility challenges and cost burdens that will require careful planning to meet their functional needs and stabilize their household financial status over the long term. For example, there will be additional costs and unmet needs associated with

⁷⁴ [The Social Vulnerability Index \(SVI\): Interactive Map | CDC](#)

relocating individuals with disabilities during relocation activities, to comply with Section 504 guidance. Additional guidance will be sought from HUD’s Relocation Assistance Handbook.⁷⁵

Underserved Communities - Homeless and Unsheltered Populations

A 2015 Point-In-Time report on Homelessness noted that in Northwest North Carolina, 91% of homeless people in families with children were unsheltered.⁷⁶ By comparison, in 2020, the Point-In-Time Count listed 37% of people experiencing homelessness in Haywood County as families with children, and 63% adults without children. Analysis of FEMA Individual Assistance data showed that at the time assistance was awarded, 251 of 1286 applicants from Haywood County reported a need for shelter. None of the applicants from Haywood County were recorded as being eligible for Transitional Sheltering Assistance (TSA). This fact suggests a potential unmet need for emergency shelter, since the Preliminary Damage Assessment indicated that at least 56 residences were totally destroyed as a result of the storm, in addition to the pre-existing need for permanent housing for persons experiencing homelessness reflected in the 2020 Point-In-Time Count data.

Another vulnerable population that is less likely to be reflected in the data used for this assessment, or in official reporting on homelessness, is a group of unsheltered people colloquially described by local partners during the planning process as “forest people.” It is unlikely that these populations can be adequately served by the current CDBG-DR recovery effort..

A limitation of using FEMA IA data for a comprehensive unmet needs assessment is that the datasets collected by FEMA are unlikely to capture information about other vulnerable and/or housing insecure populations in Haywood County, including migratory workers, such as seasonal agricultural workers, who may have temporary accommodations from their employer for part of the year, but may be unsheltered for other parts of the year. If housing for this population was removed from the housing stock due to the storm, it can cause a need for temporary and permanent rehousing solutions. This unmet need for housing may also have an economic impact in the region, as temporary workers will not be able to return to and remain housed in the same areas.

While existing data points to significant effects on the homeless population in Haywood County, this preliminary assessment is insufficient to determine the evolving needs of unhoused persons.

Grantee Demographics and Disaster Impacted Populations

Demographic	Area-Wide Estimates	Area-Wide Percent	Disaster Declaration Estimate	Disaster Declaration Percent	MID Estimates	MID Percent
All Under 5 years	605,299	5.83%	16,976	4.78%	2,916	4.71%
Female Under 5 years	295,468	2.84%	8,110	2.28%	1,379	2.23%

⁷⁵ [Relocation Assistance Handbook](#)

⁷⁶ [2015 AHAR: Part 1 - PIT Estimates of Homelessness \(508 Compliant Version\) \(huduser.gov\)](#)

Demographic	Area-Wide Estimates	Area-Wide Percent	Disaster Declaration Estimate	Disaster Declaration Percent	MID Estimates	MID Percent
Male Under 5 years	309,831	2.98%	8,866	2.49%	1,537	2.48%
All 5 to 9 years	626,765	6.03%	17,533	4.93%	2,896	4.68%
Female 5 to 9 years	307,450	2.96%	8,329	2.34%	1,525	2.47%
Male 5 to 9 years	319,315	3.07%	9,204	2.59%	1,371	2.22%
All 10 to 14 years	669,516	6.45%	18,669	5.25%	3,308	5.35%
Female 10 to 14 years	327,462	3.15%	9,516	2.68%	1,420	2.30%
Male 10 to 14 years	342,054	3.29%	9,153	2.57%	1,888	3.05%
All 15 to 19 years	689,913	6.64%	19,219	5.41%	3,202	5.18%
Female 15 to 19 years	339,849	3.27%	9,373	2.64%	1,533	2.48%
Male 15 to 19 years	350,064	3.37%	9,846	2.77%	1,669	2.70%
All 20 to 24 years	697,961	6.72%	18,778	5.28%	2,938	4.75%
Female 20 to 24 years	335,227	3.23%	9,382	2.64%	1,424	2.30%
Male 20 to 24 years	362,734	3.49%	9,396	2.64%	1,514	2.45%
All 25 to 29 years	720,828	6.94%	23,258	6.54%	3,525	5.70%
Female 25 to 29 years	360,399	3.47%	11,814	3.32%	1,702	2.75%
Male 25 to 29 years	360,429	3.47%	11,444	3.22%	1,823	2.95%
All 30 to 34 years	669,998	6.45%	23,253	6.54%	3,551	5.74%
Female 30 to 34 years	340,961	3.28%	11,927	3.36%	1,813	2.93%
Male 30 to 34 years	329,037	3.17%	11,326	3.19%	1,738	2.81%
All 35 to 39 years	652,716	6.28%	21,675	6.10%	3,321	5.37%
Female 35 to 39 years	335,094	3.23%	10,658	3.00%	1,796	2.90%
Male 35 to 39 years	317,622	3.06%	11,017	3.10%	1,525	2.47%
All 40 to 44 years	651,874	6.28%	22,998	6.47%	3,415	5.52%
Female 40 to 44 years	333,617	3.21%	11,980	3.37%	1,650	2.67%
Male 40 to 44 years	318,257	3.06%	11,018	3.10%	1,765	2.85%
All 45 to 49 years	688,885	6.63%	22,874	6.43%	3,796	6.14%

Demographic	Area-Wide Estimates	Area-Wide Percent	Disaster Declaration Estimate	Disaster Declaration Percent	MID Estimates	MID Percent
Female 45 to 49 years	353,045	3.40%	11,652	3.28%	1,949	3.15%
Male 45 to 49 years	335,840	3.23%	11,222	3.16%	1,847	2.99%
All 50 to 54 years	683,046	6.58%	22,163	6.23%	4,210	6.81%
Female 50 to 54 years	350,523	3.37%	11,381	3.20%	2,181	3.53%
Male 50 to 54 years	332,523	3.20%	10,782	3.03%	2,029	3.28%
All 55 to 59 years	691,841	6.66%	24,368	6.86%	4,576	7.40%
Female 55 to 59 years	360,544	3.47%	13,093	3.68%	2,425	3.92%
Male 55 to 59 years	331,297	3.19%	11,275	3.17%	2,151	3.48%
All 60 to 64 years	649,231	6.25%	26,269	7.39%	4,910	7.94%
Female 60 to 64 years	344,683	3.32%	14,270	4.01%	2,620	4.24%
Male 60 to 64 years	304,548	2.93%	11,999	3.38%	2,290	3.70%
All 65 to 69 years	567,045	5.46%	25,306	7.12%	5,007	8.09%
Female 65 to 69 years	304,738	2.93%	13,516	3.80%	2,438	3.94%
Male 65 to 69 years	262,307	2.53%	11,790	3.32%	2,569	4.15%
All 70 to 74 years	444,971	4.28%	19,752	5.56%	3,789	6.12%
Female 70 to 74 years	242,427	2.33%	10,804	3.04%	2,178	3.52%
Male 70 to 74 years	202,544	1.95%	8,948	2.52%	1,611	2.60%
All 75 to 79 years	296,887	2.86%	13,504	3.80%	3,003	4.85%
Female 75 to 79 years	165,252	1.59%	7,250	2.04%	1,650	2.67%
Male 75 to 79 years	131,635	1.27%	6,254	1.76%	1,353	2.19%
All 80 to 84 years	189,192	1.82%	8,485	2.39%	1,915	3.10%
Female 80 to 84 years	112,753	1.09%	5,049	1.42%	1,035	1.67%
Male 80 to 84 years	76,439	0.74%	3,436	0.97%	880	1.42%
All 85 years and over	190,259	1.83%	10,397	2.92%	1,584	2.56%
Female 85 years and over	124,068	1.19%	6,596	1.86%	1,035	1.67%
Male 85 years and over	66,191	0.64%	3,801	1.07%	549	0.89%

Demographic	Area-Wide Estimates	Area-Wide Percent	Disaster Declaration Estimate	Disaster Declaration Percent	MID Estimates	MID Percent
Population 18 to 24 Years with Less than high school graduate	122,236	12.37%	3,195	12.01%	442	10.90%
Population 18 to 24 Years with High school graduate (includes equivalency)	315,934	31.98%	9,894	37.19%	1,498	36.93%
Population 18 to 24 Years with Some college or associate's degree	444,430	44.99%	10,983	41.29%	1,601	39.47%
Population 18 to 24 Years with Bachelor's degree or higher	105,258	10.66%	2,529	9.51%	515	12.70%
Population 25 Years or older with Less than 9th grade	301,823	4.25%	7,994	3.02%	1,487	3.19%
Population 25 Years or older with 9th to 12th grade, no diploma	513,393	7.23%	15,646	5.92%	3,868	8.30%
Population 25 Years or older with High school graduate (includes equivalency)	1,806,403	25.45%	63,038	23.85%	12,253	26.29%
Population 25 Years or older with Some college, no degree	1,500,016	21.14%	51,063	19.32%	10,452	22.43%
Population 25 Years or older with Associate's degree	701,248	9.88%	25,458	9.63%	5,572	11.96%
Population 25 Years or older with Bachelor's degree	1,448,972	20.42%	61,428	23.24%	7,923	17.00%
Population 25 Years or older with Graduate or professional degree	824,918	11.62%	39,675	15.01%	5,047	10.83%
Population American Indian and Alaska Native	120,272	1.16%	1,292	0.36%	326	0.53%
Population Cherokee	16,004	0.15%	388	0.11%	190	0.31%
Population Chippewa	930	0.01%	60	0.02%	6	0.01%
Population Choctaw	549	0.01%	17	0.00%	17	0.03%
Population Iroquois	1,744	0.02%	86	0.02%	4	0.01%
Population Lumbee	64,409	0.62%	306	0.09%	6	0.01%
Population Sioux	503	0.00%	36	0.01%	20	0.03%

Demographic	Area-Wide Estimates	Area-Wide Percent	Disaster Declaration Estimate	Disaster Declaration Percent	MID Estimates	MID Percent
Population All other American Indian tribes (with only one tribe reported)	9,640	0.09%	179	0.05%	62	0.10%
Population American Indian or Alaska Native tribes, not specified	12,825	0.12%	19	0.01%	11	0.02%
Population Asian	308,958	2.97%	3,792	1.07%	468	0.76%
Population Black or African American	2,217,522	21.35%	17,952	5.05%	541	0.87%
Population White	7,019,443	67.58%	317,465	89.31%	58,482	94.54%
Population Other	334,295	3.22%	4,374	1.23%	540	0.87%
Population Two or more races	378,369	3.64%	10,264	2.89%	1,505	2.43%
Population Hispanic or Latino (of any race)	991,051	9.54%	21,084	5.93%	2,557	4.13%

Income/Economic Demographics

Income/Economic Demographics	Statewide	Areas Impacted by Disaster	HUD MIDs
Households Earning Less than \$10,000	6.20%	4.97%	5.50%
Households Earning \$10,000 to \$14,999	4.80%	5.11%	5.20%
Households Earning \$15,000 to \$24,999	9.70%	10.95%	13.60%
Households Earning \$25,000 to \$34,999	10.00%	11.51%	11.50%
Households Earning \$35,000 to \$49,999	13.60%	13.74%	12.60%
Households Earning \$50,000 to \$74,999	18.00%	18.39%	18.90%
Households Earning \$75,000 to \$99,999	12.60%	12.61%	13.30%
Households Earning \$100,000 to \$149,999	13.70%	12.29%	12.10%
Households Earning \$150,000 to \$199,999	5.40%	4.99%	3.40%
Households Earning \$200,000 or more	6.00%	5.35%	3.90%
Unemployment Rate, Age 16 to 19 years	19.10%	13.70%	16.50%
Unemployment Rate, Age 20 to 24 years	10.30%	6.23%	5.50%
Unemployment Rate, Age 25 to 29 years	7.00%	4.14%	5.50%

Income/Economic Demographics	Statewide	Areas Impacted by Disaster	HUD MIDs
Unemployment Rate, Age 30 to 34 years	4.90%	2.41%	4.80%
Unemployment Rate, Age 35 to 44 years	4.30%	3.17%	3.50%
Unemployment Rate, Age 45 to 54 years	3.50%	2.30%	2.70%
Unemployment Rate, Age 55 to 59 years	3.60%	2.64%	2.10%
Unemployment Rate, Age 60 to 64 years	3.10%	2.25%	1.40%
Unemployment Rate, Age 65 to 74 years	3.10%	2.47%	1.80%
Unemployment Rate, Age 75 years and over	2.80%	2.65%	9.30%
Unemployment Rate, American Indian and Alaska Native	8.60%	9.98%	4.70%
Unemployment Rate, Asian	4.00%	1.26%	0.70%
Unemployment Rate, Black or African American	8.60%	6.40%	0.00%
Unemployment Rate, Hispanic or Latino origin (of any race)	5.70%	2.76%	3.70%
Unemployment Rate, White	4.40%	3.36%	4.20%
Unemployment Rate, Other	5.40%	5.29%	0.00%
Unemployment Rate, Two or more races	8.50%	3.58%	1.40%
Employment by Industry, Educational services, and health care and social assistance:	22.04%	25.63%	26.89%
Employment by Industry, Manufacturing	14.59%	12.73%	14.85%
Employment by Industry, Arts, entertainment, and recreation, and accommodation and food services:	6.03%	10.92%	9.83%
Employment by Industry, Retail trade	9.61%	10.93%	9.49%
Employment by Industry, Professional, scientific, and management, and administrative and waste management services:	11.59%	9.63%	8.41%
Employment by Industry, Construction	7.53%	7.78%	6.90%
Employment by Industry, Public administration	5.19%	4.15%	6.22%
Employment by Industry, Finance and insurance, and real estate and rental and leasing:	7.84%	5.79%	5.35%
Employment by Industry, Transportation and warehousing, and utilities:	5.32%	3.54%	4.07%
Employment by Industry, Other services, except public administration	4.21%	4.48%	3.55%
Employment by Industry, Wholesale trade	2.93%	2.10%	2.22%

Income/Economic Demographics	Statewide	Areas Impacted by Disaster	HUD MIDs
Employment by Industry, Information	1.91%	1.43%	1.44%
Employment by Industry, Agriculture, forestry, fishing and hunting, and mining:	1.21%	0.90%	0.78%

Income/Economic Demographics (Race)

Income/Economic Demographics	Statewide	Areas Impacted by Disaster	HUD MIDs
Percent American Indian and Alaska Native Homeowners	65.18%	40.93%	50.51%
Percent American Indian and Alaska Native Renters	34.82%	59.07%	49.49%
Percent Asian Homeowners	61.45%	56.62%	30.90%
Percent Asian Renters	38.55%	43.38%	69.10%
Percent Black or African American Homeowners	46.21%	39.90%	37.00%
Percent Black or African American Renters	53.79%	60.10%	63.00%
Percent Hispanic or Latino origin Homeowners	48.32%	40.19%	52.15%
Percent Hispanic or Latino origin Renters	51.68%	59.81%	47.85%
Percent Some other race Homeowners	47.41%	37.16%	8.50%
Percent Some other race Renters	52.59%	62.84%	91.50%
Percent Two or more races Homeowners	51.46%	47.04%	49.45%
Percent Two or more races Renters	48.54%	52.96%	50.55%
Percent White Homeowners	72.68%	68.34%	74.32%
Percent White Renters	27.32%	31.66%	25.68%

LMI Analysis – Overall

Category	Total LMI Persons	Total Population	Percent LMI
State of North Carolina	4,081,927	9,591,545	42.56%

LMI Analysis-Federally Declared Disaster Areas

County/Municipality	Non-MID-Total LMI Persons	Non-MID-Total Population	Non-MID-Percentage LMI	MID-Total LMI Persons	MID-Total Population	MID-Percentage LMI
Buncombe County, NC	101,510	240,140	42.27%	0	0	0.00%
Haywood County, NC	0	0	0.00%	23,105	58,600	39.43%
Transylvania County, NC	11,160	31,635	35.29%	0	0	0.00
Total – Federally Declared Disaster Area	112,670	271,775	41.46%	23,105	58,600	39.43%

Limited English Proficiency Breakdown of Disaster-Related Areas

County/Municipality	Estimate Speak English Less than 'Very Well'	Percent Speak English Less than 'Very Well'
Buncombe County, NC	2,415	2.30%
Haywood County, NC	136	0.51%
Transylvania County, NC	118	0.81%

Limited English Proficiency Breakdown of Disaster-Related Areas

County/Municipality	Estimate Speak English Less than 'Very Well'	Percent Speak English Less than 'Very Well'
Haywood County, NC	136 Households	0.5%

Point-in-Time Count - Type of Shelter

Geography	Emergency Shelter	Transitional Housing	Unsheltered Homeless	Total Known Homeless
Buncombe County, NC	208	197	232	637
Haywood County, NC	61	0	147	208
Transylvania County, NC	33	2	1	36

Point-in-Time Count - Impacted by Disaster

Geography	Emergency Shelter	Transitional Housing	Unsheltered Homeless	Total Known Homeless
Total (disaster declared area)	302	199	380	881

b. Infrastructure Unmet Need

The table below provides a snapshot of the State of North Carolina's initial awareness of the remaining unmet infrastructure needs associated with Tropical Storm Fred. The table shows a summary of unmet needs for infrastructure for Tropical Storm Fred in the HUD-identified MID areas. The methodology used was outlined in the Federal Register Notice using FEMA Public Assistance data from Open FEMA.

Table 33: Infrastructure Unmet Need in Haywood County, NC

PA Category	Estimated PA Cost	Local Match	Resiliency	Total Need (Match + Resiliency)
Infrastructure (Haywood County)	\$8,063,058.83	\$754,041.74	N/A	\$754,041.74

It should be noted that the unmet needs highlighted in the table above do not include the state allocation available to match the non-federal share obligations for FEMA PA, repair or replace private roads and bridges, and provide grants to local units of government for unmet needs related to FEMA PA. In total, those state appropriations amount to \$41 million for the areas impacted by Tropical Storm Fred. Given such state resources, for the purposes of analyzing the unmet infrastructure needs of the HUD-identified MID areas of this Action Plan, the State considers those infrastructure needs fully met. There are no specific funded resiliency measures in Haywood County and thus resiliency funding did not affect the total need.

Disaster Damage and Impacts - Infrastructure

Prior to the disaster, Haywood County had been experiencing an increase in landslides and flooding, including major flooding from Hurricane Ivan in 2004, that caused damage to infrastructure. The Haywood County Affordable Housing Strategy notes that even before the storm, there was a lack of water and sewer infrastructure in most of the rural areas of the county, an issue that will be prioritized as affordable housing needs in the area are addressed.⁷⁷ The North Carolina Broadband Map shows that as of 2019, parts of Haywood County had a relatively low score on an index of Internet availability and access, pointing to another pre-existing gap in infrastructure prior to Tropical Storm Fred.⁷⁸

FEMA Public Assistance (PA) provides urgently needed funding for both emergency work and permanent work to support infrastructure and community facility repair in disaster-impacted areas. FEMA PA data is often a primary dataset used to analyze damage and impacts to infrastructure following a disaster.

FEMA's Preliminary Damage Assessment for Tropical Storm Fred provided a total public assistance cost estimate of \$18,744,951, mainly in the form of damage to public utilities. For

⁷⁷ [Microsoft Word - Draft Affordable Housing Plan JUN 9 Presentation \(regiona.org\)](#)

⁷⁸ [NC Broadband Map \(arcgis.com\)](#)

DR-4617, FEMA was initially authorized to reimburse not less than 75% of the eligible costs of specific types of disaster response and recovery work undertaken by eligible applicants. However, as of March 15, 2022 H.R. 2471, Consolidated Appropriations Act, 2022, Congress granted a minimum 90% federal cost share for disasters that include DR-4617. This applies to Public Assistance and Hazard Mitigation Grant Program. As part of North Carolina's state allocations, the remaining eligible non-federal share costs can be covered through state funds.

As of June 22, 2022, \$8,201,111.33 in total FEMA public assistance grant dollars had been obligated for DR-4617. Additionally, the National Flood Insurance Program (NFIP) has paid \$5.13 million to policyholders who filed claims related to Tropical Storm Fred in Haywood County.⁷⁹ Open FEMA data shows that as of June 2, 2022, a total of 34 Public Assistance (PA) projects have been funded by FEMA in Haywood County, for a total obligation amount of \$2,995,251.75.⁸⁰

FEMA Hazard Mitigation Grant Program (HGMP) Funds were also provided to North Carolina for DR-4617, in the amount of \$182,464.⁸¹ As of June 2022, however, no mitigation projects had been funded by FEMA in Haywood County specifically for Tropical Storm Fred (DR-4617).⁸² Additional statewide funds were appropriated by the State of North Carolina to support infrastructure recovery needs as outlined below.

Table 34: Appropriation of funding from the State of North Carolina for infrastructure-related needs (Source: North Carolina General Assembly⁸³)

Appropriation	Amount
Department of Public Safety, Division of Emergency Management	\$72,000,000, to include:
<i>State Match Fund for matching funds for federal disaster assistance programs related to Tropical Storm Fred</i>	<i>\$16,000,000</i>
<i>Repair and replacement of private roads and bridges</i>	<i>\$15,000,000</i>
<i>Grants to units of local government for unmet needs related to FEMA PA</i>	<i>\$10,000,000</i>
<i>Grants to units of local government, local emergency response agencies, and sheriff's offices to replace emergency response equipment damaged by Tropical Storm Fred</i>	<i>\$500,000</i>
Department of Transportation, Rail Division	\$1,900,000
Wildlife Resources Commission to repair dams, spillways, and related structures damaged as a result of Tropical Storm Fred	\$500,000
Total	\$124,400,000

Haywood County received immediate FEMA Public Assistance funds for debris removal, emergency protective measures and permanent work just after Tropical Storm Fred occurred. As

⁷⁹ [Haywood County at a Glance | FEMA.gov](#)

⁸⁰ OpenFEMA Dataset: Public Assistance Funded Project Summaries - v1. [OpenFEMA Data Sets | FEMA.gov](#)

⁸¹ [Hazard Mitigation Grant Program - Disaster Summaries - v1 | FEMA.gov](#)

⁸² [Hazard Mitigation Assistance Projects - v2 | FEMA.gov](#)

⁸³ General Assembly of North Carolina Session 2021: Session Law 2021-180, SB-105

of October 7, 2021, there were 9 Requests for Public Assistance (RPAs) and 5 of those were approved. Applicants included Haywood County Schools, Haywood Electric Membership Corporation, the Town of Canton, Haywood County, the Town of Clyde, Center Pigeon Fire and Rescue VFD, Lake Logan Cecil Volunteer Fire Department, Lake Junaluska Assembly, Inc., and Mountain Projects Community Action Agency.

A sample list of entities funded using FEMA Public Assistance dollars in Haywood County as of June 2022 is provided below. Mountain Projects (Haywood Public Transit) received \$36,852 for a generator; Maggie Valley was funded for levee protection at the wastewater treatment plant at a total of \$359,345; Haywood Soil and Water Department was awarded \$379,400 for three site stream repairs; and Haywood County EMS was awarded \$175,000 for a rain and river gauge and \$1,525,000 for a siren system.⁸⁴

Table 35: FEMA Funded Public Assistance Projects in Haywood County, NC, as of May 2022 (Source: FEMA Public Assistance (PA))

Applicant	Project Description	Grant Amount (up to \$'s below)
Mountain Projects (Haywood Public Transit)	Generator	\$ 36,852.00
Maggie Valley	Levee protection for WWTP	\$ 359,345.00
Haywood Soil & Water	3 site stream repairs	\$ 379,400.00
Haywood County EMS	Rain and river gauge	\$ 175,000.00
Haywood County EMS	Siren system	\$ 1,525,000.00

As specified in the Federal Register, HUD calculates unmet infrastructure needs by using the FEMA cost estimates as of February 2022 of expected local cost share to repair permanent public infrastructure in Categories C through G. FEMA uses the following categories for Public Assistance projects⁸⁵:

- Permanent Work (Categories C through G)
 - Roads and Bridges (Category C)
 - Water Control Facilities (Category D)
 - Buildings and Equipment (Category E)
 - Utilities (Category F)
 - Parks, Recreational, Other (Category G)
- Emergency Protective Work
 - Debris Removal (Category A)
 - Emergency Protective Measures (Category B)

⁸⁴ FEMA Assistance Fund List 2022 provided to NCORR by the North Carolina Emergency Management division in May 2022

⁸⁵ [FEMA-4617-DR-NC](#)

Economic Impacts and Unmet Infrastructure Needs

In the FEMA Preliminary Damage Assessment, the countywide per capita impact in Haywood County was estimated at \$216.33. Statewide, this translated into a per capita economic impact of \$1.97.⁸⁶ Analysis of SBA data at the individual loan level may yield additional economic impact to Haywood County. However, available data shows that SBA has only approved \$695,900 in disaster loans to 23 applicants in Haywood County, which given the sample size may limit the ability to draw any additional conclusions.

As noted, FEMA provided Public Assistance funds and Hazard Mitigation funds to assist with infrastructure recovery and mitigation needs. The State of North Carolina has also allocated funds for infrastructure recovery. For the purposes of this unmet infrastructure needs analysis, only FEMA PA data was used.

Based on FEMA data for funded Public Assistance projects as of June 2022, the estimated total cost of Haywood County funded PA projects as assessed by FEMA's initial damage survey (without administrative costs) totaled \$15,406,264. The calculated non-federal share for the county was \$1,282,180.

To calculate the unmet need based on HUD guidelines, these amounts were adjusted to remove estimates for emergency work. The estimated total cost of Haywood County funded projects for Permanent Work (Categories C-G) is \$8,063,058.83, and the total obligated or pending amount for Permanent Work in Haywood County is \$7,309,017.09. Therefore, the unmet infrastructure needs in Haywood County, which is the amount of local cost share the county would be responsible for, as of June 2022 is \$754,041.74. However, as previously noted, the State of North Carolina has allocated state resources to address the local cost share obligations. Therefore, the State considers those infrastructure needs fully met.

Ongoing Engagement to Determine Infrastructure Planning Needs

In addition to the infrastructure needs already identified in the aftermath of Tropical Storm Fred, the ongoing planning process following Tropical Storm Fred will provide an opportunity to learn from community members about which infrastructure projects are most important to them, how they would like to see additional CDBG-DR funding used, and how additional funding sources may be leveraged to meet ongoing needs. Receiving input from local partners is critical especially for identifying infrastructure needs in Environmental Justice (EJ) communities and low-to-moderate income areas, such as localized stormwater flooding that may disproportionately affect individuals from vulnerable populations as well as protected classes. These needs may not be evident from data sources used in this analysis. Efforts to address infrastructure needs related to affordable housing development are underway at the local level, as evidenced by the Southwestern NC HOME Consortium Consolidated Plan (which includes Haywood County).⁸⁷

⁸⁶ [FEMA-4617-DR-NC](#)

⁸⁷ Southwestern NC HOME Consortium Consolidated Plan 2021-2025. https://regiona.org/wp-content/uploads/SWNC_HOME_ConPlan_Final_20210802.pdf

Total Cost and Need by PA Category: Summary Table

PA Category	Estimated PA Cost	Local Match	Resiliency	Total Need (Match + Resiliency)
Category C	\$169,708.18	\$19,944.75	N/A	19,944.75
Category D	\$124,976.06	\$1050.43	N/A	\$1,050.43
Category E	\$3,140,818.44	\$431,982.75	N/A	\$431,982.75
Category F	\$569,705.91	\$56,970.58	N/A	\$56,970.58
Category G	\$4,057,850.24	\$244,093.44	N/A	\$244,093.44
Totals	\$8,063,058.83	\$754,041.95	N/A	\$754,041.95

Amendment 1 Update – Reanalysis of Infrastructure Unmet Need

A revaluation of the Infrastructure Unmet Need was conducted in Amendment 1 by examining the estimated total loss (need) and resulting unmet need using HUD’s own standard approach to analyzing infrastructure unmet need. The Assessment is based on a reanalysis of the most recent FEMA Public Assistance (PA) data set, dated February 7, 2023, under Substantial Amendment 1.

To estimate unmet needs for infrastructure, the reanalysis uses only a subset of the Public Assistance damage estimates reflecting the categories of activities most likely to require CDBG funding above the Public Assistance and State match requirement. Those activities are categories: C, Roads and Bridges; D, Water Control Facilities; E, Public Buildings; F, Public Utilities; and G, Recreational or Other. Categories A (Debris Removal) and B (Protective Measures) are largely expended immediately after a disaster and reflect interim recovery measures rather than the long-term recovery measures for which CDBG funds are generally used.

The total estimated loss (need) was based on the total FEMA PA Project Amount for damage categories C through G. To estimate total unmet need, the Assessment subtracts the total federal obligations (FEMA PA Federal Share Obligated amount) from the total estimated loss (need).

Through reanalysis of the most recent data set summarized in the table below, it has been determined that the infrastructure unmet need has increased, with a total estimated unmet need of \$1,819,536.

Table A7: Tropical Storm Fred Infrastructure Unmet Need Summary by Damage Category

Damage Category	Estimated Total Loss (Need)	Federal Obligations (FEMA PA Federal Share Obligated)	Estimated Unmet Need (Estimated Total Loss less Federal Obligations)	% of Total Estimated Unmet Need*
C - Roads and Bridges	\$10,997,210	\$9,897,489	\$1,099,721	60%
G - Recreational or Other	\$3,505,355	\$3,154,819	\$350,535	19%
E - Public Buildings	\$1,727,529	\$1,554,776	\$172,753	9%
F - Public Utilities	\$1,514,842	\$1,363,358	\$151,484	8%
D - Water Control Facilities	\$450,429	\$405,386	\$45,043	2%
Total Infrastructure	\$18,195,365	\$16,375,829	\$1,819,536	100%

*Percentages may not add to 100% due to rounding

Source: FEMA Public Assistance (PA) data as of February 7, 2023

The initial infrastructure unmet needs estimated a total infrastructure unmet need of approximately \$754,000, representing a roughly 140 percent increase when compared to the reanalysis. The initial assessment from June 2022 utilized FEMA PA data to calculate a preliminary estimate of infrastructure unmet need using the best data available at the time. The latest FEMA PA data set shows that over \$12 million in federal funds were obligated to projects in damage categories C through G since the last analysis in June 2022 (based on FEMA PA Obligated Date). The significant increase in obligated funds prompted the use of the latest FEMA PA data to reevaluate the preliminary estimate of infrastructure unmet need aligned with HUD's standard methodology.

The reanalysis also highlights that 89 percent, or roughly \$1.6 million, of the total estimated infrastructure unmet need is related to damage categories: C, Roads and Bridges; G, Recreational or Other; and E, Public Buildings.

Through the reanalysis of the most recent FEMA PA data set, it was determined that 86 percent of the estimated infrastructure unmet need, totaling to roughly \$1.5 million, is for statewide projects or for projects in counties that have been defined as MID areas by HUD. The table below summarizes the infrastructure unmet need by MID category. The remaining infrastructure unmet need not covered through federal obligations will be addressed through State allocations for the local cost share of PA projects, fully addressing the unmet need.

Table A8: Tropical Storm Fred Infrastructure Unmet Need Summary by MID Category

MID Category	Estimated Total Loss (Need)	Federal Obligations (FEMA PA Federal Share Obligated)	Estimated Unmet Need (Estimated Total Loss less Federal Obligations)	% of Total Estimated Unmet Need
Statewide	\$11,045,683	\$9,941,114	\$1,104,568	61%
HUD Defined MID	\$4,617,546	\$4,155,792	\$461,755	25%
Non-MID	\$2,532,136	\$2,278,923	\$253,214	14%
Total Infrastructure	\$18,195,365	\$16,375,829	\$1,819,536	100%

Source: FEMA Public Assistance (PA), data as of February 7, 2023

c. Economic Revitalization Unmet Need

The following sections access the unmet needs related to economic revitalization for the recovery efforts related to Tropical Storm Fred.

Disaster Damage and Impacts - Economic Revitalization

Prior to the storm, the MID area of Haywood County was already experiencing the need for economic revitalization due to an aging population, low-paying jobs and a tourism-based service economy, and a lack of career skill resources. Before the storm, Haywood County became home to an “Opportunity Zone” that was established under federal legislation –the Tax Cuts and Jobs Act of 2017—to assist with economic growth and development in regions with a poverty rate of over 20% and/or median household income less than 80% of AMI. The Opportunity Zone is intended to provide tax incentives to private investors to encourage them to invest long-term in low wealth communities.

When Tropical Storm Fred hit, FEMA has approved \$695,900 in U.S. Small Business Administration (SBA) low-interest disaster loans to 23 applicants for Tropical Storm Fred recovery. The Small Business Administration (SBA) can provide Physical Disaster Loans and Economic Injury Disaster Loans (EIDL) to businesses to repair or replace property that was damaged in the storm. Given the relatively low number of applicants and small sample size, it should be noted that any further analysis may not yield any additional economic revitalization unmet needs. Unmet needs for economic revitalization are being addressed in large part by the State of North Carolina’s allocations of recovery funding related to infrastructure needs, as well as the Agricultural Crop Loss program. The state’s allocation of \$50 million to a number of Western counties including Haywood, Buncombe, and Transylvania supports farmers who suffered losses to crops, feed, farm animals, and farm infrastructure as a result of Tropical Storm Fred. Discussions with stakeholders in Haywood County did yield information about significant losses to the agricultural community. Tropical Storm Fred’s economic impact on tourism, however, was not notable according to stakeholders, however, primarily because of the outsized impact of the COVID-19 pandemic on tourism generally in the region.

Amendment 1 Update – Analysis of Economic Revitalization Unmet Need

Amendment 1 included an assessment of the serious Economic Revitalization Unmet Need by examining the denied SBA business loans and resulting unmet need using HUD’s own standard approach to analyzing economic revitalization unmet need. The Assessment is based on an analysis of the most recent SBA data set, dated February 7, 2023, under Substantial Amendment 1. The availability of SBA business loan data is what prompted the evaluation of the serious economic revitalization unmet need.

To estimate serious unmet need for economic revitalization, the analysis is limited to SBA business loans with total verified losses of \$30,000 or more, HUD’s threshold for serious economic revitalization need. With this subset of loans, the analysis determines the median real estate and content damage based on SBA’s total verified loss for completed damage inspections. The analysis then determines the estimated number of total businesses with denied loans; this

estimate is weighted to account for business loans that were denied prior to a damage inspection being completed. To estimate total unmet need, the Assessment multiplies the median real estate and content damage amounts by the estimated number of total businesses with denied loans.

Through analysis of the most recent data set summarized in the table below, the analysis has determined that the estimated serious economic revitalization unmet need is \$6,185,272. Additionally, state-led efforts largely remain in place to address potential economic revitalization needs, particularly in the agricultural sector.

Table A9: Tropical Storm Fred Serious Economic Revitalization Unmet Need

A HUD Damage Category	B Number Inspected	C Total Verified Loss	D Median Real Estate & Content Damage <i>C divided by B</i>	E Inspected & Denied	F* Weighting <i>(Denied Prior</i> <i>to Inspection)</i>	G Total Businesses Denied <i>E times F</i>	H Estimated Unmet Need <i>D times G</i>
Major-Low	15	\$744,794	\$49,653	2	1.21	2	\$99,306
Major-High	10	\$1,185,712	\$118,571	8	1.21	10	\$1,185,710
Severe	40	\$24,501,284	\$612,532	7	1.21	8	\$4,900,256
Total Economic Revitalization (Serious)				\$6,185,272			

**Count of the denied not-inspected (6) divided by the count of all denied loans (28), plus one.*

Source: SBA Business Loan data as of February 7, 2023

d. Mitigation Only Activities

While no mitigation-only activities are part of this action plan, the proposed program activity of working with local subrecipients to provide safe, quality, affordable housing outside of a floodplain will provide significant mitigation of hazards overall for vulnerable populations who are currently living in areas subject to flooding. Furthermore, all programmatic efforts will follow guidelines for mitigation set out in the State of North Carolina's Hazard Mitigation Plan (HMP), which was drafted by North Carolina Emergency Management (NCEM), a branch of the North Carolina Department of Public Safety (NCDPS) and updated in 2021. The HMP is a federally mandated plan that identifies hazards that could potentially affect North Carolina and identifies actions to reduce the loss of life and property from a disaster across the state.

North Carolina also has an Enhanced Hazard Mitigation Plan that allows for access to a greater percentage of funds for Presidential major disaster declarations. FEMA has stated that the agency will provide mitigation funds to the State of North Carolina for projects in areas affected by Tropical Storm Fred, such as the construction of new facilities, modification of undamaged facilities, relocation, demolition, and other mitigation activities.

Given the fact that the HMP demonstrates that flooding, hurricanes, and tornadoes/thunderstorms are classified as "highly likely" to continue to occur in the MID area, and with other hazards such as wildfires occurring more frequently in the western part of North Carolina over time, there is a need to incorporate mitigation measures associated with these hazards as part of the

recovery process for Tropical Storm Fred and specifically into the construction of new safe, affordable housing. For example, all construction will include building codes and standards that provide maximum protection against hazards according to local zoning codes, and using resilient and green building standards, as well as materials that maximize durability and reduce the potential for future damage to property or loss of life. Specific mitigation activities as part of construction that are eligible for mitigation set-aside funding, such as elevation, will be determined along with local subcontractors.

North Carolina's Hazard Mitigation Plan outlines the seven Community Lifelines: Safety and Security; Communications; Food, Water and Sheltering; Transportation; Health and Medical; Hazardous Material (Management); and Energy (Power and Fuel). Impacts to these Community Lifelines and potential mitigation needs are described in more detail below. As noted in FEMA's Preliminary Damage Assessment, the primary impact of Tropical Storm Fred in terms of public infrastructure eligible for Public Assistance was damage to public utilities. The needs described in the applications for Public Assistance also represent important mitigation needs in Haywood County. Haywood County experienced impacts to several of the Community Lifelines during, and in the aftermath of, Tropical Storm Fred. As evidenced by the grantees for Public Assistance funding, there were impacts to water sources due to an unprotected levee at the Maggie Valley Wastewater Treatment Facility, in addition to erosion along streambeds from heavy flooding. Transportation was also affected and led to the application for funds to procure a generator for Haywood Public Transit. Heavy flooding and landslides caused by the storm created impacts to safety and security.⁸⁸

The total amount of FEMA funded Public Assistance activities in Haywood County was \$2,475,597, and the total amount of Public Assistance funds awarded was \$29,963,184. The Final May 2022 Federal Register Notice states that HUD allocated \$1,096,000 as the CDBG-DR Mitigation Set-Aside amount for mitigation activities related to Tropical Storm Fred (DR-4617).⁸⁹ The January 2023 Notice increased that allocation to \$1,720,000.⁹⁰ Additionally, the State of North Carolina has allocated \$20,000,000 for home reconstructions that are not eligible for federal assistance through the Hazard Mitigation Grant Program, and \$10,000,000 for grants to units of local government for unmet needs related to FEMA PA.

In 2018, the State of North Carolina's Hazard Mitigation Plan identified \$2,194,478 of general vulnerabilities for Haywood County. These vulnerabilities included flooding, landslides, severe weather, and other potential hazards. Though such assessment may not correlate with the immediate mitigation needs due the impacts of Tropical Storm Fred, the figure highlights the ongoing mitigation needs of the area.⁹¹

Mitigation activities are defined in the Notice as "activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property,

⁸⁸ [Report: Cause of Haywood flooding from Tropical Storm Fred revealed \(citizen-times.com\)](https://citizen-times.com/report-cause-of-haywood-flooding-from-tropical-storm-fred-revealed/)

⁸⁹ [2022-10969.pdf \(govinfo.gov\)](https://www.govinfo.gov/2022-10969.pdf)

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⁹¹ State of North Carolina Hazard Mitigation Plan, 2018.

<https://files.nc.gov/ncdps/documents/files/State%20of%20North%20Carolina%20Hazard%20Mitigation%20Plan%20Final%20As%20Adopted.pdf>

and suffering and hardship, by lessening the impact of future disasters.” Some examples of hazard mitigation projects may include acquisitions, elevations, mitigation reconstructions, or the development and/or purchase of critical infrastructure, including but not limited to generators, storm gauges, early warning systems or community storm shelters. FEMA also requires that substantially damaged structures within a FEMA designated Special Flood Hazard Area (SFHA) must elevate above the base flood elevation (BFE) as part of the rehabilitation or reconstruction scope of work. Elevating structures adds cost but is necessary for mitigation of future losses.

A hazard mitigation project such as a siren system to alert people of a flood, landslide or fire event has the benefit of reaching more vulnerable populations in real time, who may not have reliable access to broadband internet or television/radio signal. Haywood County recently received \$1.7 million in funds from the State of North Carolina via the Department of Emergency Management for an early warning siren tower system as well as rain gauges.

While individual mitigation-only measures such as the emergency warning system described have merit, earlier analysis determined that the use of CDBG-DR funds for affordable housing development in areas with reduced risks offers the most impactful investment of program dollars and is the best available solution for long-term hazard mitigation across the state and in the areas impacted by Tropical Storm Fred.

Amendment 1 Update – Analysis of Mitigation Unmet Need

Amendment 1 included an assessment of the serious Mitigation Unmet Need using HUD’s own standard approach to analyzing mitigation unmet need. The Assessment is based on the non-mitigation estimated unmet need calculations under Substantial Amendment 1.

To estimate serious unmet needs for mitigation, the analysis assumes an additional 15 percent of the estimated non-mitigation unmet need is related to costs to mitigate for future risks.

Through analysis of the most recent data sets summarized in the table below, the estimated serious mitigation unmet need is \$5,020,559.

Table A10: Tropical Storm Fred Serious Mitigation Unmet Need for Owner-Occupied and Rental Housing*

Category	Non-Mitigation Estimated Unmet Need	HUD Percent Assumption for Mitigation Unmet Need* <i>(Applied to Non-Mitigation Unmet Need)</i>	Estimated Mitigation Unmet Need <i>(Non-Mitigation Estimated Unmet Need times HUD Percent Assumption for Mitigation)</i>
Total Serious Housing Unmet Need	\$25,465,587	15%	\$3,819,838
Total Serious Economic Revitalization Unmet Need	\$6,185,272	15%	\$927,791
Total Infrastructure Unmet Need	\$1,819,536	15%	\$272,930
Total Mitigation	\$33,470,395	15%	\$5,020,559

**Assumes an additional 15% of Estimated Non-Mitigation Unmet Need is related to Mitigation Unmet Need, or costs to mitigate for future risks.*

3. General Requirements

a. Citizen Participation

The feedback received from local, regional, and state-level stakeholders will be critical to program design and planning. Feedback is incorporated from the public comment period, periodic meetings with local jurisdictions by phone or face-to-face, and can be provided by email at NCORR.PublicComments@ncdps.gov

Outreach and Engagement

In the development of previous disaster recovery action plans, the State consulted with disaster-affected citizens, stakeholders, local governments, public housing authorities, and other affected parties in the surrounding geographic area to ensure consistency of disaster impacts identified in the plan, and that the plan and planning process was comprehensive and inclusive.

Due to the administrative nature of this Substantial Action Plan Amendment 3, NCORR did not perform any targeted outreach or engagement. The action plan was published on NCORR's website for a 30-day public comment period. <http://www.rebuild.nc.gov/action-plans>

The State 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 Tropical Storm Fred. Through in-person meetings, outreach events, online and traditional media, the State has publicized existing programs and will publicize changes to such programs and conducted outreach efforts throughout the storm impacted areas.

The State is committed to making this information available in a form accessible to persons with disabilities and those with Limited English proficiency, or LEP. Based on LEP data within the impacted areas collected by the State, both the instructions for commenting on, and gaining access to, the Action Plan were translated into Spanish. The State translated and considered comments submitted in any other language within the public comment period timeframe.

The State provides both oral interpretation and written translation services to persons at no cost and these services are available upon request. Anyone needing special accommodations at a public hearing or to submit public comment NCORR.PublicComments@ncdps.gov This information is provided on all public notices (in Spanish and English, and in other languages by request). Meaningful and equal access to federally funded programs and activities is required by Title VI of the Civil Rights Act of 1964.

The online materials will also be accessible for the visually impaired. The State will ensure that all print, verbal, or electronic communications with the public regarding distribution of CDBG-DR funding and actionable information are simultaneously communicated to persons with disabilities and others with access and functional needs via qualified channels (i.e., ASL interpreters, open captions, Braille, large, high contrast print, formats accessible to screen readers, podcasts etc.) in an equitable, timely, and efficient manner. Information will be presented in an understandable manner, using plain language and identifying whom to contact

for clarification or additional information. For more information on how people with disabilities can access and comment on the Action Plan, dial 984-833-5350.

A summary of citizen comments on this action plan, along with the responses is available in Appendix B of this document.

Complaints

Complaints alleging violation of fair housing laws will be directed to HUD for immediate review (by using: <https://www.hud.gov/fairhousing/fileacomplaint>, by calling: 1-800-669-9777 or TTY: 1-800-877-8339, or email: ComplaintsOffice04@hud.gov).

Complaints regarding fraud, waste, or abuse of funds will be forwarded to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov).

b. Public Website

The State will maintain a public website that provides information accounting for how all grant funds are used, managed, and administered, including links to all disaster recovery action plans, action plan amendments, program policies and procedures, performance reports, citizen participation requirements, and activity and program information described in this plan, and details of all contracts and ongoing procurement processes.

c. Amendments

The disaster recovery action plan will be amended as often as necessary to best address our long-term recovery needs and goals. This plan describes proposed programs and activities. As programs and activities develop over time an amendment may not be triggered if the program or activity is consistent with the descriptions provided in this plan.

Substantial Amendment

A change to this action plan is considered to be a substantial amendment if it meets the following criteria:

- A change in program benefit or eligibility criteria,
- The addition or deletion of an activity,
- A proposed reduction in the overall benefit requirement, or
- The allocation or reallocation of \$3 million or more.

Non-Substantial Amendment

A non-substantial amendment is an amendment to the plan that includes technical corrections and clarifications and budget changes that do not meet the monetary threshold for substantial amendments to the plan and does not require posting for public comment. The State will notify HUD five (5) business days before the change is effective.

All amendments will be numbered sequentially and posted to the website into one final, consolidated plan.

d. Displacement of Persons and Other Entities

The Uniform Relocation Assistance and Real Property Acquisition Act (URA), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects.

- [49 CFR Part 24](#) is the government-wide regulation that implements the URA.
- [HUD Handbook 1378](#) provides HUD policy and guidance on implementing the URA and 49 CFR Part 24 for HUD funded programs and projects.

As part of condition of compliance with programs subject to URA, the State will:

- Provide uniform, fair, and equitable treatment of person whose real property is acquired or who are displaced in connection with federally funded projects as well.
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement
- To ensure that no individual or family is displaced unless decent, safe and sanitary (DSS) housing is available with the displaced person's financial means
- To help improve the housing conditions of displaced persons living in substandard housing
- To encourage and expedite acquisition by agreement and without coercion.

In the case of these funds, for example, 56 of the 563 residences affected were completely destroyed requiring displacement. the State will ensure that construction of new structures will take place in a timely manner and options for easing the financial burdens of displacement are made available to displaced individuals. Over half of the residences affected by the storm (301) were categorized as Minor Damage or Affected and should be habitable for short-term periods of time while repairs take place. The priority in distribution of funds will be to keep individuals and families in their homes, and if they must be displaced, to work as quickly as possible to return them to their homes while minimizing the ill effects of displacement.

Minimizing the effects of displacement can be done through multiple means, but the priority should always be a timely and safe rehabilitation or rebuild of the home. In the meantime, easing the burdens of displacement through financial support and resources can be offered to individuals in need. Funding must be set aside not just for costs of rehabilitation, but specifically for the displaced persons or entities.

Use of Eminent Domain

The use of eminent domain is not anticipated in the implementation of the CDBG-DR program. In the case that eminent domain is exercised, the State will follow the four-part criteria required of eminent domain under 49 CFR 24.101(b)(1)(i-iv).

e. Protection of People and Property

Elevation standards

For new construction, repair of substantially damaged, or substantial improvement structures principally for residential use and located in the 1 percent annual (or 100-year) floodplain must be elevated with the lowest floor, including the basement, at least two feet above the 1 percent annual floodplain elevation. Mixed-use structures with no dwelling units and no residents below two feet above base flood elevation must be elevated or floodproofed. Any critical actions, defined in 24 CFR 55.2(b)(3)(i) as “any activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons, or damage to property,” which are located within a 500-year floodplain, must be elevated three feet above the 100-year floodplain.

All elevation standards related to new construction, repair of substantially damaged, or substantial improvement structures must also adhere to the Fair Housing Act, Section 504, and/or the ADA. Compliance with such standards will be part of the quality and code enforcement inspections conducted over the development and completion of each project or program activity, for example during the construction or completion of a new affordable housing unit.

Flood Insurance Requirements

Assisted property owners must comply with all flood insurance requirements. HUD-assisted homeowners for a property located in a Special Flood Hazard Area must obtain and maintain flood insurance in the amount and duration prescribed by FEMA’s National Flood Insurance Program (NFIP). The Program may not provide disaster assistance for the repair, replacement or restoration of a property to a person who has received Federal flood disaster assistance that was conditioned on obtaining flood insurance and then that person failed to obtain or allowed their flood insurance to lapse for the property. HUD prohibits utilizing CDBG-DR assistance for the rehabilitation or reconstruction of a house if:

- The combined household income is greater than 120% AMI or the national median,
- The property was located in a floodplain at the time of the disaster, and
- The property owner did not maintain flood insurance on the damaged property.

To ensure adequate recovery resources are available to LMI homeowners who reside in a floodplain but who are unlikely to be able to afford flood insurance may receive CDBG-DR assistance if:

- The homeowner had flood insurance at the time of the qualifying disaster and still has unmet recovery needs, or
- The household earns less than 120% AMI or the national median and has unmet recovery needs.

Construction Standards

Site inspections will be required on all projects to ensure quality and compliance with building codes. Permits will be the required registration and documentation of county, city, and/or town code to be secured prior to any construction work commences. It will be the obligation of the contractor to secure all such permits prior to commencing work.

All rehabilitation, reconstruction, or new construction must meet an industry-recognized standard that has achieved certification under at least one of the following programs:

- Energy STAR (Certified Homes or Multifamily High Risk)
- Enterprise Green Communities
- LEED (New Construction, Homes, Midrise, Existing Building Operations and Maintenance or Neighborhood Development)
- ICC- 700 National Green Building Standards
- EPA Indoor AirPlus
- Any other equivalent comprehensive green building standard program acceptable to HUD

All new housing created in whole or in part with CDBG-DR funds will comply with current HUD Housing Quality Standards (HQS). Rehabilitation of non-substantially damaged structures must comply with the HUD CPD Green Building Retrofit Checklist available at <https://www.hudexchange.info/resource/3684/guidance-on-the-cpd-green-building-checklist/>, to the extent that the items on the checklist are applicable to the rehabilitation.

For rehabilitation of non-substantially damaged residential buildings, the Program will follow the guidelines to the extent applicable as specified in the [HUD CPD Green Building Retrofit Checklist](#). When older or obsolete products are replaced as part of rehabilitation work, the rehabilitation is required to use ENERGY STAR-labeled, WaterSense-labeled, or Federal Energy Management Program (FEMP)-designed products and appliances.

As previously noted in this Action Plan, CDBG-DR funds will not be used to engage directly in any activities related to unmet infrastructure needs. Nonetheless, all newly constructed infrastructure that is associated with housing recovery efforts and assisted with CDBG-DR funds will be designed and constructed to withstand extreme weather events and the impacts of climate change, as established in HUD's Consolidated Notices, 87 FR 31636 and 88 FR 3198.

Finally, it is worth noting that all new construction will be required to pass quality inspections and code enforcement inspections over the development of the project that will include meeting the accessibility requirements of the federal Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964, and the Americans with Disabilities Act. The checklist will be used when reviewing the design of all newly constructed residential structures (other than privately owned residential structures). The Fair Housing Act (including the seven basic design and construction requirements set in the Fair Housing Act) also applies to buildings with four or more units. Titles II and III of the Americans with Disabilities Act also applies to public housing.

Contractors Standards

Contractors selected will be encouraged make every effort to provide opportunities to low and very-low income persons by providing resources and information to notify Section 3 individuals and businesses of opportunities in the community. DCR will report Section 3 accomplishments in the Disaster Recovery Grant Reporting (DRGR) system.

Preparedness, Mitigation and Resiliency

For the purposes of this Action Plan, “resilience” is defined as a community’s ability to minimize damage and recover quickly from extreme events and changing conditions, including natural hazard risks. Meanwhile, “mitigation” is defined actions that increase resilience to disasters and reduce or eliminate 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. As described in the Consolidated Notices 87 FR 31636 and 88 FR 3198, program guidelines will incorporate resilience and mitigation measures when carrying out activities to construct, reconstruct, or rehabilitate residential or non-residential structures with the CDBG-DR funds described in this Action Plan. All residential construction projects using CDBG-DR funds will comply with current construction codes for the State of North Carolina. The State of North Carolina’s building code already incorporates a variety of resilient building standards and the mitigation measures that include mitigation efforts for sea-level rise, high winds, storm surge, and flooding.

Promoting a Resilient Recovery & Protecting People from Harm

In all activities involving the allocated CDBG-DR funds, resiliency, mitigation, and sustainability must be incorporated into the initial framework in order to achieve the best results in the long term. For example, in the rehabilitation or rebuilding of residences, high – quality, sustainable materials should be used in order to promote continued resiliency. By ensuring materials used are durable, safe, and high quality, the long-term risk of repeated repairs is reduced, especially in events of future environmental disasters.

Proximity to Natural and Environmental Hazards

In exploring potential sites for the county during the initial action plan planning phase, the assessments evaluated potential environmental and natural hazards across the county (see previous sections of this plan). If any sites proximal to the hazards are selected by the county for development, further environmental assessment will be needed. This process would take into account how any protected class, vulnerable population, or underserved community nearby might receive support for any relevant mitigation measures during development to ensure the protection of people and property.

Promoting Regional Post-Disaster Recovery & Mitigation Planning

The State will continue to promote its long term mitigation and recovery goals, as outlined in the State of North Carolina Hazard Mitigation Plan, through the use of CDBG-DR funding in this project. All projects will be constructed using techniques and methods that support mitigation efforts. Having mitigation inform all aspects of recovery ensures the safety of the community is preserved in the future.

Resilience Planning Integration

While CDBG-DR will be prioritized for immediate housing needs, remaining funds must be allocated to infrastructure projects with long term resiliency planning. Resiliency must be the long term goal for any community wide project as we know federally protected groups are disproportionately affected by environmental disasters, and that these disasters will continue to happen. Even the immediate projects of rebuilding and repairing residences must be done in a way that not only upholds current safe-living standards but also ensures those standards will be maintained through other future disasters.

Broadband Infrastructure in Housing

Any substantial rehabilitation or new construction of a building with more than four (4) rental units will include installation of broadband infrastructure, except when:

- The location of the new construction or substantial rehabilitation makes the broadband infrastructure infeasible,
- The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden, or
- The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

Cost-Effectiveness

Given the relatively small allocation of funds provided for recovery efforts related to Tropical Storm Fred, this Acton Plan presents a cost-effective, streamlined approach to program delivery and design. As such, the recovery activities focus specifically on allocating funds to address the unmet affordable housing needs of the impacted areas. By design, program delivery and implementation will leverage the expertise, local knowledge, and personnel of selected subrecipients to effectively carry out the proposed activities and address the lingering impacts of the storm.

Cost Reasonableness & Project Construction Costs

As set in HUD's Federal Register Notices, 87 FR 31636 and 88 FR 3198, construction activities that utilize CDBG-DR funds, including the mitigation set-aside, must be reasonable and consistent with market costs at the time and place of construction or procurement. To comply with this requirement, the State will follow the procedures outlined in its Procurement Manual to complete and document independent cost estimates (ICE), cost or price analyses, and cost reasonableness determinations within each of its procurements. Additionally, selected subrecipients must establish similar processes to those outlined above to ensure proper cost controls.

Selected subrecipients must also consider the costs and benefits of incorporating hazard mitigation measures to protect against the specifically identified impacts of future extreme weather events and other natural hazards. These controls will be reviewed during a capacity and risk assessment prior to subrecipient selection. Other parameters regarding cost reasonableness requirements will also be outlined within the policies and procedures for each program.

Duplication of Benefits

A duplication of benefits occurs when an impacted homeowner or community receives financial assistance from multiple sources such as FEMA, USACE, EDA, insurance, etc. for a cumulative amount that exceeds the total need for a particular mitigation purpose. A duplication of benefits (DOB) review will be applied to all CDBG-DR activities. The process for determining any duplication of benefits includes assessing the need, identifying the total assistance available to the applicant deducting benefits received for a different purpose, deducting funds received for the same purpose but different eligible uses, and funds not available. Once the duplicated funds have been identified and subtracted from the unmet need amount, any remaining unmet need can be assisted with CDBG-DR funds.

All agreements require all sources of possible duplicative assistance to be disclosed. Additionally, a subrogation clause contained in these agreements will require any person who receives further assistance to repay that assistance if the amount of assistance exceeds the funding required for the project.

Methods for checking for and determining a duplication and addressing any potential duplication shall be documented in program and project records.

4. Grantee Proposed Use of Funds

Overview

The following sections describe the proposed use of the allocated CDBG-DR funds for the recovery efforts related to Tropical Storm Fred. The project and program descriptions included provide a general program overview, including award limits, if applicable, eligibility criteria (both geographic and applicant criteria), prioritization criteria, and projected start and end dates. For all allocations, the focus remains on primarily addressing the unmet housing recovery need. The selected subrecipients will be responsible to carry out the activity with technical assistance provided by DCR. In addition, DCR will provide administrative guidance and specific policies and procedures along with oversight and monitoring of the selected subrecipients.

It is worth noting that recovery needs change over the course of delivering services and funding to impacted communities. As needs evolve, programs may shift and change to meet such needs. The State will continue to monitor the unmet needs of the impacted communities and propose programmatic changes in future amendments of this Action Plan, as appropriate.

The current programs include the following:

Housing

- Rapid Recovery Fund
- Affordable Housing Development Fund
- Homeownership Assistance Program
- Housing Counseling Fund

Planning and Administration

- Local and Regional Planning Support
- Administrative Costs

Allocations

The total combined CDBG-DR allocation set forth in PL 117-43 and PL 117-180 for the State of North Carolina is \$13,186,000. This Action Plan sets aside five percent of these funds (\$659,300) for administrative costs associated with the recovery activities described below. Another \$875,000 will be set aside for planning related activities, such as Action Plan development, public outreach, and coordination on future planning with local and regional coordinating entities. The remaining \$11.6 million will be allocated to multiple activities defined in other sections of this Action Plan.

Within the affordable housing programming planned, multiple initiatives will be funded, including but not limited to affordable rental stock creation as well as site-by-site creation of dwellings for rent and for homeownership. The policies and guidance for these programs will be created in coordination with the subrecipient.

Following the impacts of Hurricane Helene, Substantial Action Plan Amendment 2 of this Action Plan added a Rapid Recovery Fund (RRF) to fund the recovery and mitigation of properties and areas impacted by both Tropical Storm Fred and then subsequently damaged by Hurricane Helene.

All allocated CDBG-DR funds are set to benefit the identified MID areas of Haywood County and Zip code 28716. Moreover, the allocated funds will be primarily programmed to benefit low-to-moderate income households in the areas most impacted by Tropical Storm Fred.

The Continuing Appropriations Act and Federal Register Notices require the Grantee to set aside an additional amount of 15 percent of the allocated CDBG-DR funds for mitigation activities (“CDBG-DR mitigation set-aside”), totaling to \$1,720,000. This Action Plan aims to meet the requirement of the CDBG-DR mitigation set-aside by programming eligible recovery activities that both address the impacts of the disaster (i.e., have “tie-back” to Tropical Storm Fred) and incorporate mitigation measures into the recovery activities. These recovery activities and their tie-back to the mitigation unmet needs assessment are further defined and explained in the description of the specific CDBG-DR funded programs and activities.

a. Program Budget

Program Category	Program	Budget	HUD identified MID Budget	% of Allocation	Maximum Award	National Objective
Administration	Administrative Costs	\$659,300	N/A	5%	N/A	N/A
Planning	Local and Regional Planning Support	\$875,000	\$700,000	7%	Based on program standards	N/A
Housing	Rapid Recovery Fund	\$4,000,000	\$4,000,000	30%	\$4,000,000	LMH, UN
Housing	Affordable Housing Development Fund	\$6,526,700	\$6,526,700	49%	\$6,526,700	LMH, UN
Housing	Homeownership Assistance Program	\$1,100,000	\$1,100,000	8%	\$1,100,000	LMH, UN
Housing	Housing Counseling Fund	\$25,000	\$25,000	<1%	\$25,000	LMC, UN

Connection to Unmet Needs

The Federal Register Notices, 87 FR 31636 and 88 FR 3198, require that 80 percent of CDBG-DR funding be spent within areas designated as Most Impacted and Distressed (MID areas). However, as outlined 100 percent of the allocation will be spent, including the mitigation set-aside, in Haywood County, the HUD MID area. Due to limited funding and concentrated unmet needs in the HUD MID, the State of North Carolina has not identified additional MID areas.

The programming decisions presented in this Action Plan are based on the best available data from multiple sources, including FEMA, SBA, private insurance, state agencies, and local governments, and broad engagement with the public and stakeholders to adequately address the unmet needs still present from Tropical Storm Fred and any worsening effects by Hurricane Helene.

For instance, in order to address the unmet housing needs of MID areas, the Program is allowing Haywood County to advance shovel-ready affordable housing projects in the local government jurisdiction. As part of this effort, the Program has dedicated funding that will allow Haywood County to work with other subrecipients or selected partners to complete the construction, reconstruction, or rehabilitation of affordable housing units in the impacted area.

As established by 87 FR 31636 and affirmed by 88 FR 3198, at least 70 percent of all program funds will benefit LMI persons or households. However, as outlined in this Action Plan, The State intends for the majority the allocation to benefit LMI persons or households. Details on how each funded activity proposes to meet such requirement can be found in the description of

each planned activity. At minimum, each funded program or activity is aimed to be a direct response to an unmet need identified in the Action Plan's unmet needs assessment. The CDBG eligible activity is presented must also adhere to HUD's National Objective criteria, which may include the following:

- LMA (Low/mod area benefit). Activities providing benefits that are available to all the residents of a particular area, at least 51 percent of whom are low- and moderate- income. The service area of an LMA activity is identified by the local jurisdiction.
- LMC (Low/mod limited clientele). Activities which benefit specific groups of low- and moderate- income individuals. LMC activities provide benefits to a specific group of persons rather than to all residents of a particular area.
- LMH (Low/Mod housing benefit). Activities undertaken which improve or provide permanent residential structures that will be occupied by low/mod income households.
- UN (Urgent Need). Urgent Need projects include projects which pose a serious and immediate threat to the health or welfare of the community, are of recent origin or recently became urgent, and are unable to be otherwise financed.

This Action Plan does not modify any Federal standards or other legal requirements. Any effort by the State of North Carolina or its agents to modify such standards or other legal requirements must be preceded by the ordinary procedures to request a waiver from the appropriate Federal authority.

Leveraging Funds

To maximize the impact of ongoing recovery efforts associated with DR-4617, the State will maintain an ongoing commitment to identify and leverage other federal and non-federal funding sources available, or likely to be available, to meet the recovery needs of the affected communities.

In addition to the programs associated with CDBG-DR funds administered by DCR, the FEMA HMGP (administered by NCEM) and the Tropical Storm Fred Residential Recovery program (administered by NCOSBM) are engaged in additional disaster recovery-related activities that are ongoing and concurrent to the development of these recovery efforts. In order to maximize efficiency and efficacy of all these recovery efforts, the State will prioritize the leveraging of its CDBG-DR allocation to supplement, whenever possible, other funding sources available at the federal, regional, state, local, private, and non-profit level. By administering and supporting programs that are funded from state, local, and federal sources, DCR aims to increase the impact of its CDBG-DR funding.

DCR will continue to examine existing state resources and other funds from the disaster appropriation to ensure that all available funding is used where it is most needed. Close partnership, communication, and coordination with NCEM and NCOSBM on the implementation of CDBG-DR programs will further support the leveraging of alternative funding sources. DCR will utilize its existing relationships and work to create new collaboration

opportunities with other federal and state agencies, corporations, foundations, nonprofits, other stakeholders, and selected subrecipients as a means of leveraging all viable sources of funding, where feasible.

Until now, the recovery efforts for Tropical Storm Fred have been funded through a variety of sources. Primarily of interest to the recovery are funds received for FEMA Public Assistance (PA), FEMA Individual Assistance (IA), FEMA Hazard Mitigation Grant Program (HMGP), FEMA Flood Mitigation Assistance (FMA), Small Business Administration (SBA) Disaster Loans, and state agencies, such as NCEM, NCOSBM, and the NC Department of Agriculture and Consumer Services.

These funding sources range from local to federal assistance with varying degrees of allowable uses and amounts. The State will continue work with local communities to help them assess available sources to meet their ongoing unmet recovery needs.

Federal Emergency Management Agency (FEMA) Assistance

As part of the presidential declaration for DR-4617, FEMA allocated funds for immediate recovery needs in the designated areas impacted by Tropical Storm Fred. The designated counties for DR-4617 (areas included in disaster declaration as sustaining damage) were eligible for one or more of the following types of assistance:

- **FEMA Individuals and Households Program (IHP):** Through IHP, FEMA provides IA directly to individuals and households, as well as state, local, and tribal territory government to support individual survivors. For this declaration, assistance available through the IHP program included: Federal IHP Housing
- **FEMA PA Emergency Work Assistance (Categories A and B):** FEMA is authorized to provide PA funding for Emergency Work, including emergency protective measures and debris removal. Emergency Work is that which must be done immediately to save lives, protect public health and safety, protect improved property, or eliminate or lessen an immediate threat of additional damage.
- **FEMA PA Permanent Work Assistance (Categories C through G):** Permanent Work is work required to restore a facility to its pre-disaster design (size and capacity) and function in accordance with applicable codes and standards.
- **FEMA's Hazard Mitigation Assistance (HMA):** The program is an umbrella of funding programs FEMA uses to support communities in their effort to reduce risk to hazards and increase resilience. Specific to recovery, FEMA HMGP provides funding for hazard mitigation projects to states following a presidentially declared disaster.

According to FEMA, as of November 2021, more than \$18 million in federal grants, loans and flood insurance payments have been approved for homeowners, renters and businesses in Buncombe, Haywood and Transylvania counties.

The tables below represent the approved and obligated funding as of February 16, 2023, for each category of funding available to DR-4617 eligible counties in Western North Carolina.

Table 36: DR-4617 Individual Assistance

Individual Assistance Type	Amount
Total Housing Assistance (HA) - Dollars Approved	\$4,485,334.31
Total Other Needs Assistance (ONA) - Dollars Approved	\$565,974.43
Total Individual & Households Program Dollars Approved	\$5,051,308.74
Individual Assistance Applications Approved	807

Table 37: DR-4617 Public Assistance

Public Assistance Type	Amount
Emergency Work (Categories A-B) - Dollars Obligated	\$6,977,748.97
Permanent Work (Categories C-G) - Dollars Obligated	\$16,375,828.67
Total Public Assistance Grants Dollars Obligated	\$24,794,345.83

Table 38: DR-4617 Hazard Mitigation Assistance

Hazard Mitigation Assistance	Amount
Hazard Mitigation Grant Program (HMGP) - Dollars Obligated	\$182,464.00

State Resources

As part of a two-year budget bill signed by Gov. Roy Cooper on November 18, 2021, \$124.4 million in recovery funds were committed for the recovering efforts in the Western North Carolina counties impacted by Tropical Storm Fred.⁹²

A significant portion of the \$124 million appropriation is to supplement the funding approved by FEMA to assist in the rebuilding of homes, providing temporary housing needs, restoring impacted farmland, and replacing damaged emergency equipment.

The table below lists the specific appropriations made by the State of North Carolina in its 2021 budget.

⁹² North Carolina 2021 Appropriations Act, November 8, 2021.
<https://webservices.ncleg.gov/ViewNewsFile/59/S105-CCSMLxr-3v5>

Table 39: Tropical Storm Fred Recovery State Appropriations, 2021

Appropriation	Amount
Department of Public Safety, Division of Emergency Management	\$72,000,000
<i>Home reconstructions that are not eligible for federal assistance through the Hazard Mitigation Grant Program</i>	<i>\$20,000,000</i>
<i>State Match Fund for matching funds for federal disaster assistance programs related to Tropical Storm Fred</i>	<i>\$16,000,000</i>
<i>Repair and replacement of private roads and bridges</i>	<i>\$15,000,000</i>
<i>Grants to units of local government for unmet needs related to FEMA PA</i>	<i>\$10,000,000</i>
<i>Travel trailers and short-term housing assistance as necessary for temporary housing related to home reconstructions that are not eligible for federal disaster assistance programs</i>	<i>\$4,000,000</i>
<i>Home repairs and reimbursements that are not eligible for federal disaster assistance programs</i>	<i>\$3,000,000</i>
<i>Property repairs for housing facilities owned by landlords who house families displaced by Tropical Storm Fred</i>	<i>\$2,000,000</i>
<i>Assistance to counties and units of local government affected by Tropical Storm Fred.</i>	<i>\$1,500,000</i>
<i>Grants to units of local government, local emergency response agencies, and sheriff's offices to replace emergency response equipment damaged by Tropical Storm Fred</i>	<i>\$500,000</i>
Department of Agriculture and Consumer Services for the Agricultural Crop Loss Program	\$50,000,000
Department of Transportation, Rail Division	\$1,900,000
Wildlife Resources Commission to repair dams, spillways, and related structures damaged as a result of Tropical Storm Fred	\$500,000
Total	\$124,400,000

Mitigation Resources

North Carolina General Statute 166A-19.42 established the State Emergency Response and Disaster Relief Fund as a reserve in the State's general fund. General Statute 166A-19.41 defines some of the ways that funding can be used and includes mitigation as an option.

The General Assembly also provides post-event appropriations as well. Over the years, millions of dollars have been provided for recovery efforts and mitigation projects. The most recent appropriations were made in 2021 in response to Tropical Storm Fred.

Additionally, the State has traditionally provided funding to help local governments meet the 25% match for HMGP grants.

The State of North Carolina integrates FEMA programs into its mitigation strategy and actions whenever possible and wherever practicable. NCEM is responsible for administering FEMA

mitigation programs and initiatives as well as serving as the lead agency for the State in disaster mitigation efforts, affording the State the opportunity to better coordinate the mitigation grant application process for the programs listed in this section. NCEM has primary responsibility for FEMA grant programs, including those listed here:

- Hazard Mitigation Grant Program (HMGP)
- Flood Mitigation Assistance Program (FMA)
- Pre-Disaster Mitigation Grant Program (PDM)
- Public Assistance (PA) Program
- Public Assistance (“406”) Mitigation Program

As outlined in the State of North Carolina Hazard Mitigation Plan, the main objectives of FEMA’s various mitigation grant programs are:

- to prevent future losses of lives and property due to disasters,
- to implement state or local mitigation plans,
- to enable mitigation measures to be implemented during a state’s or community’s immediate recovery from a disaster, and
- to provide funding for previously identified mitigation measures that benefit the disaster area.⁹³

Program Partners

As previously noted, - the State will distribute grant funds to beneficiaries through subrecipients administering the projects. The implementation and management of individual projects will be the responsibility of participating subrecipients, while the State will provide monitoring and broad oversight of the CDBG-DR funds.

As necessary, staff will provide technical assistance to subrecipients to meet these requirements. The program activities are designed to take advantage of existing partnerships between DCR and local partners, such as Haywood County, thus adding capacity to the State as a grantee in carrying out the activities.

Distribution of Funds

For the proficient delivery of the CDBG-DR funds allocated for Tropical Storm Fred, the State will ensure that all new and updated SRAs include:

- The threshold of the grant award and the amount to be subgranted.
- The use of the CDBG-DR funds by responsible organization, activity, and geographic area.

⁹³ State of North Carolina Hazard Mitigation Plan, 2018.

<https://files.nc.gov/ncdps/documents/files/State%20of%20North%20Carolina%20Hazard%20Mitigation%20Plan%20Final%20As%20Adopted.pdf>

- The CDBG eligibility criteria and national objective, as well as any additional criteria for the subrecipient's use of funds.

Furthermore, the selection of subrecipients will weigh the following factors, in order of importance:

- Subrecipient alignment with CDBG-DR objectives and priorities;
- Subrecipient capacity;
- Project/Program feasibility; and
- Project/program cost and/or leverage.

Specific terms may be implemented in SRAs depending on the selection criteria reviewed above. Sub-criteria may expand upon these selection criteria in order to fully understand the nature of the proposed project. Specific application selection criteria will be incorporated into program manuals and guidance. CDBG-DR funds may not be used for ineligible activities including, but not limited to, a forced mortgage payoff, construction of dam/levee beyond original footprint, incentive payments to households that move to disaster-impacted floodplains, assistance to privately-owned utilities, and not prioritizing assistance to businesses that meet the definition of a small business.

Program Income

Subrecipients that generate more than \$35,000 in program income must report such income. Subrecipients will generally be permitted to use program income to reimburse operation, repair, and maintenance expenses of a CDBG-DR funded project, must otherwise follow the rules and requirements for CDBG-DR funds, and must seek permission before expending program income.

Resale or Recapture of Funds

Resale or recapture requirements will vary by program and may not be applicable to all CDBG-DR programs. If applicable, the resale or recapture requirements are described within each of the program sections below and program guidelines and manual will provide additional details on the terms of resale or recapture and the specific circumstances under which resale or recapture will be used.

b. Program Details

Housing Program(s)

Rapid Recovery Fund

Table 40: Allocation Amount

Program	Total	% of Total Allocation	\$ to LMI	% to LMI	\$ to HUD-defined MID areas	% to HUD-defined MID areas	National Objective
Rapid Recovery Fund	\$4,000,000	30%	\$2,800,000	70%	\$4,000,000	100%	LMH, UN

Program Description

Hurricane Helene caused massive and unprecedented damage to the same geographic area as Tropical Storm Fred. While Tropical Storm Fred recovery continues, the changes in unmet recovery needs due to impacts from Hurricane Helene cannot be ignored. Haywood County is one of many counties impacted by Hurricane Helene, and the intent of this activity is to introduce a new activity type that Haywood County, acting as subrecipient, may elect to fund as it continues to identify its increased unmet recovery needs for housing.

HUD has established some conditions that would allow for the use of funds for one disaster to be used for a subsequent disaster. To the extent that the Tropical Storm Fred recovery was incomplete and ongoing for communities and individuals impacted by Hurricane Helene, funds may be available from the Tropical Storm Fred CDBG-DR grant funds to address those new or increased unmet recovery needs.

Eligible Activity

The activity shall allow the subrecipient to identify residential property rehabilitations (including reconstruction and manufactured home unit (MHU) replacement), acquisitions and buyouts, permanent relocations, housing related infrastructure, and other related housing activities in the interest of rapidly addressing worsening unmet recovery needs for individuals and communities impacted by Tropical Storm Fred and Hurricane Helene. These activities are authorized under 42 USC 5305(a)(1), (4), (5), (6), and (7).

National Objective

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. For the Rapid Recovery Fund program, projects will primarily meet the low to moderate income housing national objective.

As appropriate, given the ongoing need to alleviate potential emergency conditions for households still recovering from Tropical Storm Fred and the potential to reside in environmentally hazardous conditions, the Rapid Recovery Fund may also leverage the urgent need national objective category for instances that help impacted communities secure or access

affordable housing options away from conditions that may pose serious and immediate threat to their health or welfare.

Partnerships and Subrecipients

For the implementation of this project, Haywood County has been identified as a local partner and subrecipient. A subrecipient agreement was signed in January 2023 for the first allocation of funds from Tropical Storm Fred disaster. This activity will be implemented under the appropriate subrecipient agreement.

Allocation and award caps

A \$4,000,000 allocation has been set aside from the existing subrecipient agreement with Haywood County to fund this activity. Individual activities performed under this agreement will generally conform to industry standard cost estimation tools and will be funded at a level sufficient to ensure a complete recovery. Other activities may need cost analysis assistance from qualified experts to determine what a reasonable cap may be. To the extent that these activities must still be developed and assistance caps identified in program policies, any award cap determinations will be recorded in project files.

Priorities

This activity will prioritize individuals with direct impacts from both Tropical Storm Fred and Hurricane Helene. If these individuals are not easily identifiable or a desirable solution is not available to them, the subrecipient will work to identify community-level priorities. These community-level priorities could still include individual housing activities if such activities are necessary to ensure the community continues to recover from Tropical Storm Fred and Hurricane Helene impacts.

Beneficiaries

As program activities are delivered, for example the rehabilitation of Fred and Helene damaged housing units, the State will work with the selected subrecipient to ensure that beneficiaries of those activities comply with the policies and procedures set by the program and CDBG-DR funding requirements. The subrecipient will set, as needed, prioritization criteria for selected households benefitting from a program activity. The criteria and guidance are subject to change based on additional feedback provided by the subrecipient and other local community partners. Additional details on the criteria will be available in the program's policies and procedures.

Eligibility

Eligible beneficiaries include individuals and communities impacted by both Tropical Storm Fred and Hurricane Helene, with a documented unmet recovery or mitigation need related to Tropical Storm Fred that was worsened by an impact from Hurricane Helene. Such eligibility will be documented in the project file.

Eligible and Ineligible Costs

The Program commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waivers in 87 FR 31636. Selected projects will be funded through completion in accordance with their needs. The subrecipient, will perform a check for duplication of benefit prior to issuing a subaward to ensure that duplicative

assistance is not provided. DOB checks will be maintained in the project file. A DOB check may include assistance received for Tropical Storm Fred and Hurricane Helene, in some instances. Complete lists of eligible and ineligible project and subrecipient activity delivery costs will be provided in the program policies and procedures.

Eligible costs include:

- Activity delivery costs to administer and monitor the program, including allocable direct and indirect staff costs and consultant costs
- Infrastructure costs
- Environmental reviews
- Architectural and engineering design
- Permitting fees
- Mobilization, site prep, and clean up
- Construction costs
- Land and building acquisition costs
- Temporary, construction-related relocation costs, if needed
- Permanent relocation costs, if needed, to include housing incentives and other buyout related relocation costs as defined by HUD in the Federal Register Notice(s)
- Environmental hazard mitigation costs
- Floodplain mitigation costs, such as property elevation
- Necessary property access features, such as private roads or bridges
- Needed accessibility features

Incorporation of Mitigation Measures

The program will help the HUD MID area replace damaged or destroyed housing with housing stock that is more energy-efficient, resilient to the hazards in the impacted-communities (including flood, landslides, and other applicable high-risk hazards based on location of the housing), and the projected impacts of climate change.

By building to higher energy efficiency, resilience, and more accommodating construction standards, the Program aims to help mitigate future loss of life and property and reduce short- and long-term interruptions caused by future disasters.

Environmental Review

Environmental reviews will be performed prior to the expenditure of any grant funds for any non-exempt activity, per CFR Part 58 regulations.

Form of Assistance

Eligible individuals or entities selected by the subrecipient to participate in this fund will have their activity funded by the subrecipient on a reimbursement basis. Such funding arrangements will be decided to ensure the most advantageous approach is selected. Recovering individuals do not receive payments directly, except in the form of a reimbursement of eligible costs that may have been incurred if such an activity is funded. If paid by the subrecipient, specific payment terms and conditions are outlined in applicable SRAs. The SRAs will also define financial and property management requirements as well as remedies to correct deficient or non-compliant projects.

Standard Agreements, Regulatory Agreements, and loan documents, if appropriate, will also contain CDBG-DR recapture provisions for non-performance or breach of subrecipient responsibility.

Maximum Amount of Assistance

The maximum award of CDBG-DR funds for the Rapid Recovery Fund is based on actual need, not to exceed \$4,000,000 million in CDBG-DR funding. As project costs are reviewed, the \$4,000,000 million cap may be exceeded if funding is available and a compelling and significant benefit to resiliency or the local affordable housing stock is realized through project execution.

Timeline

Program coordination with the subrecipient will begin immediately and build on existing meetings and conversations. Program delivery efforts are expected to began in Q4 2024.

- Start Date: Q4 2024
- End Date: Q4 2029

Affordable Housing Development Fund

Table 41: Allocation Amount

Program	Total	% of Total Allocation	\$ to LMI	% to LMI	\$ to HUD-defined MID areas	% to HUD-defined MID areas	National Objective
Affordable Housing Development Fund	\$6,526,700	80%	\$6,526,700	100%	\$6,526,700	100%	LMH, UN

Program Description

The Affordable Housing Development Fund is a defined and flexible program that seeks to create new housing stock in a way that is responsive to the needs of the recovering community. In some instances, this might be “traditional” multi-family rental units. In other instances, it may be clustered, or site-by-site newly created small rental or for-sale units. For the recovery efforts of Tropical Storm Fred, the program will primarily consider new construction opportunities but may consider rehabilitation of existing units, land acquisition for the construction of new units as shovel ready projects are identified, or other affordable housing proposals identified by Haywood County.

The Program may fund projects that have been identified for funding through North Carolina Housing Finance Agency’s Qualified Allocation Plan (QAP) process.

Subrecipients may solicit projects from qualified property management organizations, public, private, or non-profit organizations, and Community Development Housing Organizations (CHDOs)/Community Based Development Organizations (CBDOs) to determine the best fit for affordable housing, responsive to the needs for impacted communities. The QAP process described above will not necessarily follow the selection criteria and prioritization criteria defined in the subsections below.

Affordable Rents and Affordability Periods

The definition the State uses for affordable rent is the same as the HOME Investment Partnership Program definition. These rental limits are updated periodically and are calculated by metro area or county. 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. However, at times the State provides matching funds for projects or coordinates with developers, partners, or property managers that define affordable rent differently. The State may elect to adopt an alternate definition of affordable rent when an alternate rent limit is proposed, in lieu of the definition of above. In those instances, the decision will be documented in the project manual and file.

To ensure that CDBG-DR investments yield affordable housing over the long term, the Affordable Housing Development Fund program may impose an affordability period on new construction. Such affordability requirements will apply to the units that will be occupied by LMI households. As appropriate, the State will use the same standards as the HOME Investment Partnership Program to set the length of the affordability period for such new construction. The length of such affordability periods will depend on the amount of CDBG-DR assistance provided and the nature of the activity funded. However, at times the State may provide match funds for projects or coordinate with developers or partners that define the affordability period differently. The State may elect to adopt an alternate definition when an acceptable alternate is proposed, in lieu of the definition of above. The affordability restrictions, including the affordability period requirements, would not apply to housing units newly constructed or reconstructed for an owner-occupant to replace the owner-occupant's home that was damaged by the disaster. Additional details on the affordability period, including resale, recapture, and other enforcement measures, will be found in the program's manual.

Eligible Activity

42 USC 5305(a)(4) authorizes the clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately-owned properties, and including the renovation of closed school buildings). The eligibility of housing projects is further established in the Consolidated Notices, 87 FR 31636 and 88 FR 3198. New housing construction is also eligible as established in the Consolidated Notices, 87 FR 31636 and 88 FR 3198.

Through 87 FR 31636 and 88 FR 3198, HUD adopts alternative requirements to activities eligible under HCDA Section 105(a) which allows North Carolina to carry out modified activities to comply with the requirements in the Federal Register Notices to incorporate mitigation measures as a construction standard.

National Objective

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. For the Affordable Housing Development Fund program, projects will primarily meet the low to moderate income housing national objective.

As appropriate, given the ongoing need to alleviate potential emergency conditions for households still recovering from Tropical Storm Fred and the potential to reside in environmental hazardous conditions, the Affordable Housing Development Fund may also leverage the urgent need national objective category for instances that help impacted communities secure or access affordable housing options away from conditions that may pose serious and immediate threat to their health or welfare.

Partnerships and Subrecipients

DCR will distribute grant funds to beneficiaries through subrecipient agreements. DCR will work with subrecipients to ensure that activities adhere to federal requirements and the requirements set forth in the Action Plan. The implementation and management of individual activities will be the responsibility of participating subrecipients, while DCR will provide monitoring and broad oversight of the CDBG-DR funds.

For the implementation of this project, Haywood County has been identified as a local partner and subrecipient. A subrecipient agreement was signed in January 2023 for the first allocation of funds from the Tropical Storm Fred disaster.

Allocation and award caps

The maximum amount of allocated funds available to a subrecipient under this program is \$6,526,700 million.

Funds allocated for identified activities for the program will be based on estimates provided by the subrecipient, Haywood County. The submission of costs estimates, invoices, contractor quotes or other relevant supporting documentation by the subrecipient will inform DCR as to the grant amount allocated for the identified activity. The subrecipient acknowledges and DCR agrees that the estimated costs may change during the course of the program. Any necessary adjustments will be made based on documentation submitted by the subrecipient. The projected maximum dollar amount and number of projects are subject to change based on additional guidance or documentation provided by the subrecipient.

Priorities

Prioritization of projects will be based on the suitability of the project as identified by the subrecipient. Given the limited funding available, there is a preference for funding shovel-ready projects or leveraging CDBG-DR funds with other sources to maximize impact. The process for prioritization and selection of each project will be documented in the project file.

Prioritization of projects will be based on the highest scoring proposals. Proposal selection criteria considered may include but are not limited to:

- Site location and suitability;
- Proposer capacity;
- Proposal financial feasibility, including the total cost to construct and the CDBG-DR share of that cost;
- Proposal construction feasibility;
- Proposals with project designs that enhance the surrounding community;

- Proposals or solutions which present innovative approaches to the affordable housing problem after the disaster, and incorporation of mitigation measures that increase resiliency or reduce future risks associated with the impacts of future disasters; and
- Project readiness and estimated timeline to complete.

Specific prioritization for the selection of projects will be published prior to the launch of applications; the criteria used to select proposals may change as additional needs and prioritization areas are identified.

Beneficiaries

As program activities are delivered, for example the construction of new affordable housing units, the subrecipient will ensure that beneficiaries of those activities comply with the policies and procedures set by the program and CDBG-DR funding regulations. Moreover, DCR and the subrecipient will set, as permissible, prioritization criteria for selected households benefitting from a program activity. The criteria and guidance are subject to change based on additional feedback provided by the subrecipient and other local community partners. Additional details on the criteria will be available in the program's policies and procedures.

Eligibility

Public, private, or non-profit organizations, qualified property management organizations, public housing authorities, and Community Development Housing Organizations (CHDOs)/Community Based Development Organizations (CBDOs) are eligible to receive affordable housing development funds. These funds are generally distributed through the subrecipient through their procurement and selection processes.

Eligible and Ineligible Costs

The Program commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waivers in 87 FR 31636. Selected projects will be funded through completion in accordance with their financing needs. The subrecipient, will perform a check for duplication of benefit and federal funding supplantation prior to issuing an award to ensure that duplicative assistance is not provided. DOB and supplantation checks will be maintained in the project file. Complete lists of eligible and ineligible project and subrecipient activity delivery costs will be provided in the program policies and procedures.

Eligible costs include:

- Activity delivery costs to administer and monitor the program, including allocable direct and indirect staff costs and consultant costs
- Architectural and engineering design
- Permitting fees
- Developer fees
- Mobilization, site prep, and clean up
- Construction costs
- Land and building acquisition costs (on a case-by-case basis)
- Hazard mitigation costs

- Environmental reviews

Ineligible costs include:

- Pre-application costs and application development costs
- Advances of any type, including construction
- Facility operating or maintenance expenses
- Offsite improvements

Incorporation of Mitigation Measures

The program will help the HUD MID area replace damaged or destroyed housing with housing stock that is more energy-efficient, resilient to the hazards in the impacted-communities (including flood, landslides, and other applicable high-risk hazards based on location of the housing), and the projected impacts of climate change. In addition, the replacement housing will be built to accessibility standards that will allow impacted residents to age in place and increase the housing stock available to individuals living with disabilities.

By building to higher energy efficiency, resilience, and more accommodating construction standards, the State aims to help mitigate future loss of life and property and reduce short- and long-term interruptions caused by future disasters.

Environmental Review

Environmental reviews will be performed prior to the expenditure of any grant funds, and prior to any construction of affordable housing units, per CFR Part 58 regulations.

Form of Assistance

Selected proposals are funded in the form of a subgrant, unless a compelling reason is presented in the application for an alternative funding arrangement (such as a loan), to be disbursed on a reimbursement basis through an SRA to ensure that proper financial controls and safeguards are in place to protect CDBG-DR funds. Specific payment terms and conditions are outlined in applicable SRAs. The SRAs will also define financial and property management requirements as well as remedies to correct deficient or non-compliant projects.

Standard Agreements, Regulatory Agreements, and loan documents, if appropriate, will also contain CDBG-DR recapture provisions for non-performance or breach of subrecipient responsibility.

Maximum Amount of Assistance

The maximum award of CDBG-DR funds to affordable housing is based on actual need, not to exceed \$6,526,700 million in CDBG-DR funding. As project costs are reviewed, the \$6,526,7000 million cap may be exceeded if funding is available and a compelling and significant benefit to resiliency or the local affordable housing stock is realized through project execution. When the cap is exceeded, the Program will document such exceptions and the rationale behind the decision-making process.

Timeline

The Program will begin program coordination with selected subrecipients after receipt of the grant agreement from HUD. Program delivery efforts began in Q1 2023.

- Start Date: Q1 2023
- End Date: Q1 2029

Homeownership Assistance Program (HAP)

Table 38: Allocation Amount

Program	Total	% of Total Allocation	\$ to LMI	% to LMI	\$ to HUD-defined MID areas	% to HUD-defined MID areas	National Objective
Homeownership Assistance	\$1,100,000	8%	\$550,000	50%	\$1,100,000	100%	LMH, UN

Program Description

The Homeownership Assistance Program provides funding in the form of a financial subsidy to offset some of the costs of becoming a homeowner for first-time homebuyers or storm-displaced residents. The assistance will be available to low- and moderate-income (LMI) households to help with a home purchase. The Homeownership Assistance Program will leverage the waiver of 42 USC § 5305(a)(24) found in the Federal Register Notices applicable to the Tropical Fred CDBG-DR grant. The waivers are specifically planned to be utilized to serve populations between 80-120% AMI. Housing counseling service providers will assume a major role in assisting potential participants in this program. Beneficiaries of the assistance must successfully complete program-provided and required homebuyer education and any additional ancillary homeownership counseling, as defined by the program operator, prior to receiving homeownership assistance. Costs associated with this counseling and education are provided at no charge to the Applicants.

Affordability Period

The affordability period for the Homeownership Assistance is 36 months. The Program can recapture all or a portion of the CDBG-DR assistance provided to a homebuyer if the home does not continue to be the principal residence of the family for at least 36 months.

Eligible Activity

Down payment and closing cost assistance.

National Objective

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. The Homeownership Assistance Program will meet the Low to Moderate Income (LMI) and Urgent Need (UN) National Objectives.

As outlined in 24 CFR 570.201(n), CDBG funds can be used for down payment assistance. Moreover, as described in FR 31636, the Homeownership Assistance Program may also utilize the waiver and alternative requirement for 42 U.S.C. 5305(a)(24), which allows the Program to

provide up to 100 percent of any down payment required from homebuyers with incomes at or below 120 percent of area median income.

As appropriate, given the ongoing need to alleviate potential emergency conditions for households still recovering from Tropical Storm Fred and the potential to reside in environmental hazardous conditions, the Program may also use the urgent need national objective category for down payment assistance that helps potential homeowners secure housing away from conditions that may pose serious and immediate threat to their health or welfare.

Partnerships and Subrecipients

The Subrecipient for this program is currently Haywood County.

Allocation and award caps

The maximum amount of allocated funds available to a subrecipient under this program is \$1,100,000 million. As program costs are reviewed, the cap may be exceeded if funding is available and a compelling continued need is identified. When the cap is exceeded, the Program will document such exceptions and the rationale behind the decision-making process

Priorities

The Program prioritizes LMI households for Homeownership Assistance Outreach and messaging will focus on engaging LMI households.

Beneficiaries

The beneficiaries are LMI and Urgent Need households. DCR will work with Haywood County and the subrecipient to set, as permissible, prioritization criteria for selected households benefitting from a program activity. The criteria and guidance are subject to change based on additional feedback provided by the subrecipient and other local community partners. Additional details on the criteria will be available in the program's policies and procedures.

Eligibility

Eligible applicants are low to moderate income households earning under 120% AMI or below. The eligibility could be a first-time homeowner or households displaced by Tropical storm Fred. Prospective applicants must engage with Housing Counseling services to determine what service they may require to proceed with a benefit from this program. These services are provided in accordance with the Housing Counseling Fund described below. Further eligibility criteria will be set forth in the Program Manual.

Eligible and Ineligible Costs

Eligible costs include required down payments (not exceeding 20%– or 30% with enhanced award – of the sale price of the home) and reasonable and customary closing costs necessary to complete the closing of a mortgage loan to acquire real property (not exceeding 5% of the sale price of the home). Ineligible costs include first mortgage interest rate subsidy, principal reduction payment, delinquent property taxes; fees or charges on properties which are caused by the seller as identified in the requisite title search; acquisition of second homes; or payments required by lender on other debt to qualify for the mortgage.

Environmental Review

Environmental reviews will be performed prior to the expenditure of any grant funds per CFR Part 58 regulations. Activities to assist homebuyers to purchase existing or new dwelling units, including closing costs and down payment assistance, interest buy downs, and similar activities that result in the transfer of a title will require a Categorically Excluded (Not Subject to 58.5) (CENST) Environment Review.

Form of Assistance

Homeownership Assistance Program funds shall be issued in the form of a subgrant, unless a compelling reason is presented in the application for an alternative funding arrangement (such as a loan), to be disbursed on a reimbursement basis to ensure that proper financial controls and safeguards are in place to protect CDBG-DR funds.

Standard Agreements, Regulatory Agreements, and loan documents, if appropriate, will also contain CDBG-DR recapture provisions for non-performance or breach of subrecipient responsibility.

Maximum Amount of Assistance

The maximum award for Homeownership Assistance for a program participant is the lesser of 20 percent of the cost of the home or \$25,000. Homebuyers that meet specific criteria outlined in the program manual, such as a first-generation homebuyer, may receive an enhanced award, not to exceed \$30,000. The determination that first generation homebuyers may require additional assistance is supported by the National Fair Housing Alliance (NFHA) and Center for Responsible Lending (CRL) 2021 joint report *First Generation: Criteria for a Targeted Down Payment Assistance Program on first generation affordability*.

Households may have closing costs covered, up to a reasonable amount customary of the market. Closing cost assistance is in addition to the amount granted for down payment assistance and is not a part of the 20 percent cap for that assistance.

Timeline

The Program began in Q4 2023.

Start Date: Q4 2023

End Date: Q2 2029

Housing Counseling Fund

Table 39: Allocation Amount

Program	Total	% of Total Allocation	\$ to LMI	% to LMI	\$ to HUD-defined MID areas	% to HUD-defined MID areas	National Objective
Housing Counseling Fund	\$25,000	<1%	\$12,500	50%	\$25,000	100%	LMC, UN

Program Description

The intent of the Housing Counseling Fund is to bridge the gap between CDBG-DR funded services such as the Homeownership Assistance Program and other housing programs and the complex and personal decisions made by applicants to those programs on housing affordability and suitability specific to their individual needs. Housing Counseling is defined as a public service and is intended to provide independent, expert advice customized to the need of the beneficiary of service from this program to address that beneficiary's housing barriers and to help achieve their housing goals. Specific services may include homeowner education, renter counseling, home buyer education, financial literacy, credit rehabilitation, debt management, and budgeting, homeless counseling, avoiding fraud and scams, applying for public and private resources, foreclosure prevention strategies, and relocation counseling amongst other services tailored to fit the beneficiary's needs.

Eligible Activity

Housing counseling services for Homeownership Assistance Program Participants.

National Objective

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. The Housing Counseling fund meeting the Limited Clientele Activities (LMC) and Urgent Needs (UN). As previously described for the down payment assistance portion of the Homeownership Assistance Program, given the ongoing need to alleviate potential emergency conditions for households still recovering from Tropical Storm Fred and the potential to reside in environmental hazardous conditions, the Program may also use the urgent need national objective category for down payment assistance that helps potential homeowners secure housing away from conditions that may pose serious and immediate threat to their health or welfare.

Partnerships and Subrecipients

The North Carolina Housing Coalition (NCHC) currently provides this service.

Allocation and award caps

The maximum amount of allocated funds available to a subrecipient under this program is \$25,000. As program costs are reviewed, the cap may be exceeded if funding is available and a compelling continued need is identified. When the cap is exceeded, the Program will document such exceptions and the rationale behind the decision-making process.

Priorities

The Program prioritizes LMI households for Homeownership Assistance. Outreach and messaging will focus on engaging LMI households.

Beneficiaries

The beneficiaries are participants of the Homeownership Assistance Program.

Eligibility

Eligible applicants are participants of the Homeownership Assistance Program, which include first time homebuyers or households displaced by purchasing property in Haywood County. Participants must earn less than or equal to 120 percent area median income. Prospective applicants must engage with Housing Counseling services to determine what service they may require to proceed with a benefit from this program. Further eligibility criteria will be set forth in the Program Manual.

Eligible and Ineligible Costs

Eligible costs include homebuyer education courses whether online or in person sessions as provided by certified housing counselors and provision of those courses.

Incorporation of Mitigation Measures

Mitigation measures are not included in this program.

Environmental Review

Environmental reviews will be performed prior to the expenditure of any grant funds per CFR Part 58 regulations.

Form of Assistance

Specific payment terms and conditions will be outlined in the Subrecipient Agreement (SRA). Costs associated with this counseling and education are provided at no charge to the Program participants and will be paid through the subrecipient to qualified housing counseling agencies for providing services.

Maximum Amount of Assistance

The maximum cost per household will be \$3,500.

Timeline

This service began in Q4 2023.

Start Date: Q4 2023

End Date: Q2 2029

Planning and Administration

Local and Regional Planning Support

Planning funds will be used based on recommendations proposed by recovery organizations and groups, opportunities received from coordinating state agencies, and from planning needs identified in the creation and maintenance of the Action Plan.

Table 40: Allocation Amount

Program	Total	% of Total Allocation	\$ to LMI	% to LMI	\$ to HUD-defined MID areas	% to HUD-defined MID areas	National Objective
Planning Support	\$875,000	7%	\$0	N/A	\$700,000	80.00%	

Program Description

Long-term planning is a critical component of all effective recovery efforts. This Plan has set aside CDBG-DR funds to help augment the planning efforts of regional and local planning entities aiming to improve the resilience and mitigation measures of HUD MID areas. Through the recommendations proposed by the State Disaster Recovery Task Force's active Recovery Support Function (RSF) groups, opportunities received from coordinating state agencies, such as the DOT, DEQ, and NCEM, and from planning needs identified in the creation and maintenance of the Action Plan.

National Objective

As indicated in 87 FR 31636 and 88 FR 3198, HUD is waiving the requirements of 24 CFR 570.483(b)(5) and (c)(3), which limit the circumstances under which a planning activity can meet a low- and moderate-income or slum-and-bligh national objective. Instead, as an alternative requirement, 24 CFR 570.208(d)(4) applies to states when funding disaster recovery-assisted, planning-only grants, or when directly administering planning activities that guide disaster recovery. In addition, 42 U.S.C. 5305(a)(12) is waived to the extent necessary so the types of planning activities that states may fund or undertake are expanded to be consistent with those of CDBG Entitlement grantees identified at 24 CFR 570.205.

The State intends to use these waivers while carrying out or augmenting a planning activity related to the recovery efforts of Tropical Storm Fred.

Local and Regional Planning Coordination

The State is committed to active coordination and collaboration with local and regional planning entities to identify planning needs in the areas impacted by Tropical Storm Fred. Some of those planning needs have already been identified in the creation of this Action Plan, however, ongoing communication will ensure that the funding set aside for planning-only activities helps to address the long-term resilience planning needs of communities and household still recovering from Tropical Storm Fred and preparing for the next disaster.

Administrative Funds

DCR is the entity responsible for the administration of the allocated CDBG-DR funds in compliance with all applicable laws and regulations and will be financially accountable for the use of all funds awarded by HUD to respond to the unmet needs associated with Tropical Storm Fred.

To facilitate the administration of the awarded CDBG-DR funds, and as set by the federal register notice 87 FR 31636 and 88 FR 3198, DCR will use the maximum amount allowed, up to five percent of the allocated funds or \$659,300, to respond to the unmet needs related to DR-4617. Uses of administrative funds will include the oversight and management of the programs and activities detailed in this Action Plan, which will be primarily carried out through selected subrecipients but may also include the technical support of third-party vendors.

Furthermore, the administrative funds will enable DCR to provide the administrative and support services for the management and citizen participation necessary to formulate, oversee, evaluate, and report on CDBG-DR activities. These activities include:

- Ensuring citizen participation (including outreach and publication of public notices).
- Preparation of the required CDBG-DR quarterly reports.
- Preparation of Action Plan Amendments.
- Maintenance of the CDBG-DR website.
- Monitoring of expenditures for CDBG-DR programs.
- Monitoring of subrecipients and contractors.
- Coordination with HUD, FEMA, and other Federal departments.
- Certification and maintenance of the necessary records that demonstrate that
 - Federal requirements for environmental review, fair housing, relocation, labor standards, equal opportunity, and citizen participation are met.
 - Coordination and administrative support to local governments and tribal entity for access and coordination to comprehensive disaster recovery resources.

Projection of Expenditures and Outcomes

In accordance with the Consolidated Notices, 87 FR 31636 and 88 FR 3198, NCORR has certified its ability to effectively manage the expenditures associated with the projects and programs outlined in this Action Plan.

5. Appendix

a. Certifications

Each grantee receiving an allocation under these Federal Register notices (87 FR 31636 and 88 FR 3198) must make the following certifications and submit those certifications with the Action Plan:

- a. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan (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. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- c. The grantee certifies that the action plan for disaster recovery is authorized under state and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, 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.
- d. The grantee certifies that activities to be undertaken with CDBG–DR funds are consistent with its action plan.
- e. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, as such requirements may be modified by waivers or alternative requirements.
- f. The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 75.
- g. The grantee 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).
- h. State grantee 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.
- i. The grantee certifies that it is complying with each of the following criteria:
 1. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas for which the President declared a major disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.).
 2. With respect to activities expected to be assisted with CDBG–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. 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. The grantee 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, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).
- j. State and local government grantees certify that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601–3619), and implementing regulations, and that it will affirmatively further fair housing. An Indian tribe grantee certifies that the grant will be conducted and administered in conformity with the Indian Civil Rights Act.
- k. The grantee certifies that it has adopted and is enforcing the following policies, and, in addition, state grantees must certify that they will require local governments that receive their grant funds to certify that they have adopted and are enforcing: (1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and (2) A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
- l. The grantee 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 the grantee has reviewed the requirements applicable to the use of grant funds.
- m. The grantee certifies to the accuracy of its Financial Management and Grant Compliance Certification Requirements, or other recent certification submission, if approved by HUD, and related supporting documentation as provided in section III.A.1. of the Consolidated Notice and the grantee’s implementation plan and related submissions to HUD as provided in section III.A.2. of the Consolidated Notice.
- n. The grantee certifies that it will not use CDBG–DR funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the state, local, or tribal government or delineated as a Special Flood Hazard Area (or 100-year floodplain) in FEMA’s most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the state, local, and tribal government land use regulations and hazard mitigation plans and the latest-issued FEMA data or guidance, which includes advisory

data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

- o. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
- p. The grantee certifies that it will comply with environmental requirements at 24 CFR part 58.
- q. The grantee certifies that it will comply with the provisions of title I of the HCDA and with other applicable laws.

Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001, and 31 U.S.C. 3729.

b. Summary and Response of Public Comments

The following section provides a summary of public comments received on the third amendment to the Action Plan. Comments were catalogued and summarized during the 30 calendar day public comment period, which began November 8, 2024 and ended December 8, 2024. One comment was received during the public comment period. A summary of that comment and a response is provided below.

c. Data Sources/Methodologies

HUD Methodology for Calculation of Unmet Needs – Damage Categories

Owner Occupied Households:

- Minor-Low:
 - Less than \$3,000 of FEMA inspected real property damage
- Minor-High:
 - \$3,000 to \$7,999 of FEMA inspected real property damage
- Major-Low:
 - \$8,000 to \$14,999 of FEMA inspected real property damage
- Major-High:
 - \$15,000 to \$28,800 of FEMA inspected real property damage
- Severe:
 - Greater than \$28,800 of FEMA inspected real property damage

Renter Occupied Households:

- Minor-Low:
 - Less than \$1,000 of FEMA inspected personal property damage
- Minor-High:
 - \$1,000 to \$1,999 of FEMA inspected personal property damage
- Major-Low:
 - \$3,500 to \$4,999 of FEMA inspected personal property damage
- Major-High:
 - \$5,000 to \$8,999 of FEMA inspected personal property damage

- Severe:
 - Greater than \$9,000 of FEMA inspected personal property damage

Data Sources and Limitations

This Action Plan and unmet needs analysis reflects the best available datasets at the time it was initially prepared in June of 2022 and reanalyzed in February of 2023. A breakdown of Small Business Administration disaster loan data was not available for the initial Action Plan, however, was analyzed under Substantial Amendment 1. FEMA Individual Assistance data only includes applicants who volunteered to register and apply, and this official dataset may not capture the true disaster impact on unsheltered persons or migrant workers, as outlined in previous sections. American Community Survey data provides a helpful resource for demographic and population data between the 10-year census, but the data is based on a sample rather than population count data like the census, and therefore incorporates a degree of uncertainty (sampling error). CDC social vulnerability data is a helpful planning resource that provides indexed ranks for census tract based on a series of 15 social factors, but 2018 was the last year in which it was updated, so it does not represent the most current conditions.

e. Important Definitions and Terms

AMI: Area Median Income

CBDO: Community Based Development Organization

CDBG: Community Development Block Grant

CDBG-DR: Community Development Block Grant- Disaster Recovery

CFR: Code of Federal Regulations

CHDO: Community Housing Development Organization

CO: Certifying Officer

DOB: Duplication of Benefits

DRGR: Disaster Recovery and Grant Reporting System

FEMA: Federal Emergency Management Agency

HCD Act: Housing and Community Development Act of 1974, as amended

HMGP: Hazard Mitigation Grant Program

IA: (FEMA) Individual Assistance

LIHTC: Low-Income Housing Tax Credit

LMI: Low and moderate-income

NFIP: National Flood Insurance Program

PA: (FEMA) Public Assistance

RE: Responsible Entity

RFP: Request for Proposals

SBA: U.S. Small Business Administration

SFHA: Special Flood Hazard Area

UGLG: Unit of general local government

URA: Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended

USACE: U.S. Army Corps of Engineers

d. Standard Form 424

This is a standard form required for use as a cover sheet for submission of grant applications for federal assistance that provides required information about the applicant organization.

The State also submits Standard Form 424-D, which provides assurances for construction programs.