

# **STATE OF MISSOURI**

# **ACTION PLAN**

**Supplemental CDBG Disaster Recovery Funding from the  
Supplemental Appropriations Act**

**Public Law 110-329, 2008**

**Federal Register: April 16, 2012**

**MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT**

**July, 2012**

Section 239 of the Department of Housing and Urban Development Appropriations Act, 2012 (Public Law 112-55, approved November 18, 2011) makes available up to \$400 million, to remain available until expended, in CDBG funds for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2011 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974.

The State of Missouri Department of Economic Development (DED) has been awarded \$8,719,059 from this appropriation. The federal disaster declarations that are specific to this supplemental appropriation are 1980 and 4012. Only areas included in one of these disaster declarations are eligible to apply for and receive CDBG assistance from this Disaster Appropriation.

## **1. Impact and unmet needs assessment:**

Missouri was heavily impacted by severe storms, tornadoes and flooding that began on April 19, 2011. Southern and northwestern portions of the state were inundated with flood waters, while the cities of Joplin and Sedalia, and Jasper, Newton and St. Louis Counties sustained heavy tornado damage. These disasters resulted in 161 fatalities, 535 reported injuries, 10,443 destroyed or damaged homes, and impacted more than 500 businesses. Many of the counties included in the FEMA disaster declaration for Individual and/or Public Assistance are some of Missouri's most poverty-stricken.

It is difficult to ascertain the magnitude of the impact that disasters in Missouri had during spring and summer 2011. DR 1980 included the Joplin tornado, which claimed 161 lives and destroyed approximately 1/3 of the city, southeast flooding (including the intentional breach of the Bird's Point Levee), and tornadoes in St. Louis and Sedalia. DR 4012 included Missouri River flooding in northwest Missouri.

### **Housing**

The 2011 Missouri Disasters had a significant impact on housing. There were 7,378 housing units destroyed, 1,092 with major damage, 1,973 with minor damage, and 2,647 considered "affected" by FEMA. For DR 1980, about 56% of the housing units were insured. For DR 4012, only 22% were insured.

Even one year later, the rate of unmet needs remains high. As of December 2011, severe housing unmet needs were calculated by HUD at \$74,283,794. Of the 16,489 FEMA registrants for DR 1980, 43% of these registrants were ineligible for the Individuals and Households Program. Specifically, 41% were ineligible for the Housing Assistance Program. As of June 6, 2012, the U.S. Small Business Administration had received 1,848 applications for home loans and had only approved 605 of them, an approval rate of about 32.7%, leaving 1,243 (67.3%) requests unmet.

### **Infrastructure**

Flooding, tornadoes, and severe storms caused numerous amounts of damage to infrastructure systems in Missouri during 2011. According to FEMA's Public Assistance assessments, the estimated total need for public assistance is \$177,781,945. This is broken down by category:

- Category A (Debris Removal): \$67,837,716
- Category B (Emergency Protective Measures): \$18,793,962
- Category C (Roads and Bridges): \$32,336,757
- Category D (Water Control Facilities): \$694,150  
*It should be noted that the repair of levees, dams and flood control channels fall under Category D, but the eligibility of these facilities is restricted by FEMA. In Missouri, the U.S. Army Corps of Engineers will look to CDBG as a partner in levee restoration.*
- Category E (Buildings and Equipment): \$50,638,428
- Category F (Utilities): \$6,047,955
- Category G (Parks, Recreational and Other Facilities): \$1,432,977

Flooding in Southeast Missouri impacted dozens of state and U.S. highways. Water over the roadways resulted in over 440 road closures at the peak of the flood, according to the Missouri Department of Transportation (MODOT). This impacted not only inter-state travel, but also local travel for farmers and access to homes and industrial areas. In Joplin, the tornado path was large enough to affect many of the north/south transportation routes through town, and also at least some of the major east/west routes. In St. Louis, transportation was impacted on a large scale as Lambert-St. Louis International Airport's Concourse C took a direct hit from a tornado on April 22, 2011. Many highways in Northwest Missouri were closed for many weeks, including Interstate 29 at Rockport, US-136 at the Missouri River, US-159 at the Missouri River, and US-59 at the Missouri River. MODOT reported over 164 flood-related road closures at the peak of the Northwest Missouri flooding.

In Joplin, three public schools were destroyed, one private school was destroyed, three other public schools had significant damage, and one private school had minor damage. ChildCare Aware of Missouri reported that Joplin's child care industry has been nearly cut in half. Before the tornado (as of 5/1/2011), there were 85 child care and early learning programs available in Joplin. After the tornado (as of 6/17/11), there were only 44. One hospital was destroyed, three long-term care facilities were destroyed and one was damaged. Joplin lost several group homes for people with mental and developmental disabilities.

### **Economic Development**

Business and industry, including the agricultural community, were impacted severely during the 2011 disasters. HUD figures show that as of December 2011, there is still \$32,974,170 in unmet needs for businesses. The U.S. Small Business Administration shows that as of June 6, 2012 457 applications for business loans had been received with only 144 approved. This is an approval rate of 31.5%, leaving 313 (68.5%) requests unmet.

More than 500 businesses in Joplin were either destroyed or otherwise impacted. According to the Bureau of Labor Statistics data, the 500 impacted businesses represent 25% of Joplin's total employment (9,700 employees).

Flooding has devastated fertile farmland in southeast and northwest Missouri. According to the Missouri Economic Research and Information Center (MERIC), Missouri ranks second in the nation in the number of farms, with 107,825. Missouri employs 298,320 workers in farms and agribusiness industries. The map at [http://www.missourieconomy.org/pdfs/missouri\\_farms\\_and\\_agribusiness.pdf](http://www.missourieconomy.org/pdfs/missouri_farms_and_agribusiness.pdf) indicates the prevalence of farmland in both southeast and northwest Missouri and the significance of agriculture to the economy in those areas. In 2008, Missouri's crop, livestock, processing and other agricultural sectors accounted for \$12.4 billion or, 7%, of the gross state product. MERIC reports that, between 2010 and 2012, employment numbers in the crop production industry in the state of Missouri decreased by 5.46%, indicating a negative impact by the 2011 floods.

Although agriculture is important to the economy in the northwestern part of the state, southeast Missouri relies heavily on agriculture as its economic base. In 2011, when the Bird's Point Levee was intentionally breached, thousands of acres of farmland were taken out of production for 2011. The State of Missouri intends to apply this post disaster analysis of the economic conditions of southeast Missouri and make available funding under the economic development category to address specific agriculture related job creation activities in a manner that leaves the communities in the area better positioned to meet the needs of their post disaster populations and prospects for growth. This category may solicit requests for proposal for economic development activities that allow for a broader approach to the agricultural industry supply chain which includes manufacturing of products grown in the flooded areas.

### **Projected Economic Impacts in Missouri from the 2011 Disaster Events**

Disaster events 1980 and 4012 included damages throughout Missouri. Major flooding occurred along the Missouri and Mississippi rivers and also in Taney County. Tornadoes were also a major contributor to damages found in Joplin, Sedalia, and St. Louis. HUD's 2011 estimate of unmet needs for severely damaged homes and businesses totaled \$107,257,964; housing unmet needs totaled \$74,283,794 and business unmet needs totaled \$32,974,170.

The Department of Economic Development used an economic model to assess the impact to the region based on these unmet needs. The unmet needs of businesses were entered into the model as an increased cost in capital investment of \$32,974,170. Likewise, the unmet needs of housing affected the equity and rental incomes of property owners; the region's personal income was lowered in the model by \$74,283,794.

In 2011, damages to businesses and homes reduced profits and family incomes resulting in a decline in total economic activity in the state by \$81.8 million. In addition, Gross State Product (GSP) declined by \$52 million and Personal Income in the state declined by \$102 million. The loss to business profits and family income also resulted in over 800 job losses throughout the state.

Other effects include crop losses from the Birds Point Levee Breach in 2011 that flooded over 130,000 acres of farmland and homes. Initially, FAPRI estimated a net loss of \$42.6 million in lost crop revenues to the Southeast Missouri region. The study had originally assumed that all 130,000 acres were unusable. Later reports reassessed the damage to acreage and determined that at least 90% of the acreage was used and did in fact produce crops. Given that 10% of the acreage turned out to be unusable, FAPRI's model would now reflect \$4.26 million in net losses to crop revenues.

Combining the economic impact of business and home losses with crop revenue losses equates to a reduction in overall state economic activity of \$86.06 million.

## **2. Promotion of Short and Long Term Recovery Planning**

Approximately 21,000 communities across the United States (approximately 600 in Missouri) and its territories participate in the NFIP by adopting and enforcing floodplain management ordinances to reduce future flood damage. In exchange, the NFIP makes federally backed flood insurance available to homeowners, renters, and business owners in these communities. Community participation in the NFIP is voluntary.

At the request of FEMA, each Governor has designated an agency of State or territorial government to coordinate that State's or territory's NFIP activities. These agencies often assist communities in developing and adopting necessary floodplain management measures. In Missouri, this responsibility is the statutory responsibility of the Missouri State Emergency Management Agency (SEMA).

Flood insurance is designed to provide an alternative to disaster assistance to reduce the escalating costs of repairing damage to buildings and their contents caused by floods. Flood damage is reduced by nearly \$1 billion a year through communities implementing sound floodplain management requirements and property owners purchasing of flood insurance. Additionally, buildings constructed in compliance with NFIP building standards suffer approximately 80 percent less damage annually than those not built in compliance. And, every \$3 paid in flood insurance claims saves \$1 in disaster assistance payments.

In addition to providing flood insurance and reducing flood damages through floodplain management regulations, the NFIP identifies and maps the Nation's floodplains. Mapping flood hazards creates broad-based awareness of the flood hazards and provides the data needed for floodplain management programs and to actuarially rate new construction for flood insurance.

When the community chooses to join the NFIP, it must adopt and enforce minimum floodplain management standards for participation. FEMA works closely with State and local officials to identify flood hazard areas and flood risks. The floodplain management requirements within the SFHA are designed to prevent new development from increasing the flood threat and to protect new and existing buildings from anticipated flood events.

The community must require permits for all development in the SFHA and ensure that construction materials and methods used will minimize future flood damage. Permit files must contain documentation to substantiate how buildings were actually constructed. In return, the Federal Government makes flood insurance available for almost every building and its contents within the community.

Communities also must ensure that their adopted floodplain management ordinance and enforcement procedures meet program requirements. Local regulations must be updated when additional data are provided by FEMA or when Federal or State standards are revised.

The regulatory requirements set forth by FEMA are the minimum measures acceptable for NFIP participation. More stringent requirements adopted by the local community or State take precedence over the minimum regulatory requirements established for flood insurance availability.

"Floodplain management measures" refers to an overall community program of corrective and preventive measures for reducing future flood damage. These measures take a variety of forms and generally include zoning, subdivision, or building requirements, and special-purpose floodplain ordinances.

The minimum federal requirements affect existing buildings only when an existing building is substantially damaged or improved. There may also be situations where a building has been constructed in accordance with a local floodplain management ordinance, and the owner subsequently alters it in violation of the local building code, without a permit. Such unapproved modifications to an existing building may not meet the minimum Federal requirements.

"Substantial damage" means damage of any origin sustained by a building when the cost of restoring the building to its pre-damaged condition would equal or exceed 50 percent of the market value of the building before the damage occurred. Substantial damage is determined regardless of the actual repair work performed. "Substantial improvement" means any rehabilitation, addition, or other improvement of a building when the cost of the improvement equals or exceeds 50 percent of the market value of the building before start of construction of the improvement. The term includes buildings that have incurred "substantial damage." Substantial improvement or damage does not, however, include any project for improvement of a building to correct existing violations of State or local health, sanitary, or safety code specifications identified by local code enforcement officials as the minimum specifications necessary to assure safe living conditions. Also excluded from the substantial improvement requirement are alterations to historic buildings as defined by the NFIP.

Missouri has suffered through 15 Presidential Disaster Declarations since 2008 (six in 2008, three in 2009, one in 2010, five in 2011). After each disaster event, Missouri SEMA sent notices to each participating community in the declaration to remind them to perform a "substantial damage" survey of affected properties and notify the owner of each structure declared substantially damaged of the requirement to comply with the NFIP rules to meet the federal standards.

### **3. Leveraging:**

Priority applications for 2011 CDBG Disaster funding are those that maximize the use of other state and/or federal funding and available local funds, and those that request CDBG funding to assist with the required non-federal share for Federal Emergency Management Agency (FEMA) and U.S. Army Corps of Engineers (USACE) funding. Applicants that do not propose other state, federal or local funding must demonstrate that such funding is not eligible or not available for the proposed activity.

#### **4. Promotion of high quality, durable, energy-efficient, and mold resistant construction methods**

All newly constructed, or rehabilitated, housing units must meet all locally adopted and enforced building codes, standards and ordinances.

#### **5. Providing adequate, flood resistant housing for all income groups that live in the flood impacted areas**

Missouri's immediate response to the flood included state agencies and their partners such as the Red Cross, the Salvation Army, DSS, United Way-211 and other agencies that provided sheltering and housing assistance in the emergency phase.

Following was emergency assistance from the same partner agencies to assist displaced persons with rent, hotel stays or emergency minor home repair if they did not have insurance or their insurance was insufficient. The State Emergency Management Agency (SEMA) Flood Plain management staff assisted individuals and communities with flood insurance issues.

Debris removal teams, clean-up teams and emergency minor home repair teams went to work to return people to their homes when practical.

In areas where the disaster was federally declared, we then supported FEMA (with resources and in some cases with 25% cost share) to provide housing and home repair assistance.

Now the state is supporting thirty- plus community long-term recovery committees to assist residents with long term housing assistance to meet unmet disaster related housing needs whenever feasible. SEMA is coordinating, collaborating, communicating and cooperating with many government and private agency partners to bring in funds, volunteers, materials and other resources to assist people relocate, rebuild, repair or appropriately address their housing needs.

SEMA and the Department of Economic Development are assisting communities with buy-out projects.

Homeless shelters and transitional housing units impacted by the flood are eligible for assistance through this plan, if these facilities are located outside the 100 year flood plain. If they are/were located within the 100 year flood plain, the facility could be eligible for assistance in rebuilding outside the flood plain.

The disasters affecting Missouri in 2011 did not distinguish concerning the income levels or special needs of those who were affected. Special needs individuals were accommodated when needed.

## **6. Anti-Displacement policy:**

The State has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs. All applicants for CDBG Disaster funding must also certify an Anti-Displacement plan. The sample Anti-Displacement plan required of all CDBG applicants is included as Attachment 1.

## **7. Program income**

Program income is defined as gross income received by a state, local government, or subrecipient that is generated from the use of CDBG funds. If program income is generated by an activity that was only partially funded by CDBG, the income is prorated to reflect the percentage of CDBG used.

Program income includes, but is not limited to, proceeds from the sale of real property acquired or improved with CDBG funds, income from the use or rental of property acquired with CDBG funds, and payments of principal and interest on loans made using CDBG funds.

If program income is earned by a local government or subrecipient, the program income (upon DED approval) may be retained by the local government or subrecipient for activities eligible under this Supplemental CDBG plan. The local government or subrecipient may elect to return the program income to the state, and will be required to return the program income to the state if no eligible activities exist on which to expend the program income, or if DED does not approve the local request to use the program income. Upon receipt by the state, program income will be awarded to local governments under the requirements of this CDBG plan.

## **8. Monitoring (prevention of fraud, waste and mismanagement)**

Monitoring checklists of all compliance areas have evolved over the years of administering the Community Development Block Grant by state staff. These checklists are provided to all grantees during the initial training for grant administration to clarify compliance requirements and to inform the grantees of the areas to be monitored.

From the beginning, the grantee has been required to submit to the state field representative for that area all required ordinances/resolutions involving excessive force, anti-lobbying, and fair housing; all financial paperwork setting up the grant; and enough environmental paperwork to be able to allow the release of funds. All federal wage determinations are requested through the CDBG office to assure compliance with labor standards. Start of construction notices must be sent, along with the grantee checking the federal debarred contractors' list, the contractor's certification to do business in Missouri, and documentation of the contractor's approved surety through the state. The field representative will evaluate the new project in terms of risk or need for oversight or assistance. This evaluation will include the grantee's past performance, the administrator's track record, the complexity of the project, and the amount of CDBG assistance awarded. The field representative will decide, with the consensus of program management, whether the project requires one or two field monitorings. The field monitorings will take place at strategic times in the life of the project. An interim monitoring is set up after the first

construction payroll is received by staff on public facilities projects or after first houses are completed on neighborhood development projects. A closeout monitoring is conducted any time after 80% draw-down of funds has occurred.

Technical assistance visits may be scheduled any time necessary, in addition to the required monitoring visit. For economic development grantees, transition meetings are conducted in the field after initial award commitment to introduce the compliance field representative and confirm to all parties involved the intricacies of the grant conditions.

Training is conducted on **internal monitoring**, as well as stressed in the administrative manual of the CDBG program. The four primary components of CDBG monitoring are progress on planned activities, program compliance, fiscal management, and fiscal compliance. It is the responsibility of each CDBG grant recipient to develop a system to assure that the financial and program compliance provisions established by federal and state law and supporting regulations and provisions are met. In addition to complying with all appropriate provisions, recipients must be assured that outside contractors and delegate agencies are likewise in compliance with the various laws and regulations. This will require development of a monitoring system that will allow recipients to:

- Manage their community development program as a whole, and individual projects and activities substantially, as described in the approved CDBG application;
- Maintain program or project progress;
- Determine that costs charged to the project are eligible;
- Document non-duplication of benefits (in addition, DED will work closely with FEMA and the State Emergency Management Agency to get recipient data in order to avoid duplication of benefits);
- Ensure that all program activities comply with all applicable laws and regulations and terms of the grant agreement; and
- Minimize the opportunity for fraud, waste, and mismanagement.

In addition, as required, the Supplemental CDBG funding will be included in the Department's Single Audit, which is performed by the Missouri State Auditor, whose report is then provided to the Governor and the Director of the Department of Economic Development.

The State's CDBG administrative manual and monitoring checklists may be found on the DED website: [www.ded.mo.gov](http://www.ded.mo.gov).

## **9. Administration/capacity building for grant recipients**

Up to 5% of the total allocation (\$435,952) is allowed for state administrative (including local administration on awarded projects). The amount to be allocated to local governments as part of their grant award, plus the amount to be used by the state for administrative costs, will not exceed the 5% cap. Technical assistance visits may be scheduled any time necessary, in addition to the required monitoring visit. For economic development grantees, transition meetings are conducted in the field after initial award commitment to introduce the compliance field representative and confirm to all parties involved the intricacies of the grant conditions.

## 10.Connection between identified unmet needs and the allocation of CDBG disaster recovery resources

Per the HUD data included in Attachment 2, unmet Housing and Business needs in the declared Missouri counties totaled \$107,257,964. Of this amount, \$74,283,794 was related to housing and \$32,974,170 was related to businesses. In addition, per the FEMA/SEMA data in Attachment 3, the total Public Assistance need for DR-1980 and DR-4012 is \$177,781,945. Due to the magnitude of the disaster events, and the massive amount of unmet need remaining, it is impossible to address all of these needs with available funding. DED will accept applications based on local needs and priorities for long-term recovery in disaster affected areas.

## 11.Performance schedule:

At least 50% of the entire allocation must be programmed or budgeted towards categories in our method of distribution at the time of plan submission. DED has budgeted 100% of the allocation by category. The State must make its first CDBG Disaster funds drawdown no later than October 20, 2012.

Categories	Solicit proposals	Award funds	100% funds expenditure
Housing	8/15/2012	no later than 12/31/12	12/31/2015
Infrastructure	8/15/2012	no later than 12/31/12	12/31/2015
Economic Revitalization	open cycle	open cycle	12/31/2015
Planning/Administration	N/A	N/A	N/A

## Method of Distribution

1. The Needs Assessment demonstrated significantly higher need than can be met with available funding. Due to the magnitude of the disaster events, and the massive amount of unmet need remaining, it is impossible to address all of these needs with available funding. DED will accept applications based on local needs and priorities for long-term recovery in disaster affected areas. DED has budgeted the following application categories.

Housing/Infrastructure: \$ 4,141,554

Economic Revitalization/development: \$4,141,553

Administration (state/local) - \$435,952

2. All applications for 2011 CDBG Disaster funding will be evaluated for:

- need (the breadth and depth of the disaster in terms of population affected and sectors (housing, infrastructure, business, environment) affected within the community);
- capacity (the degree of expertise and experience that the local government or contracted agency has to manage the project, administer the funds, and succeed with the outcomes and objectives defined in the application);
- the project's impact on short and long term community recovery (the amount of spin off, community awareness and support and degree to which the activities will lead to further recovery);
- local effort (other state/federal resources, local cash, human resources, in-kind efforts) and do the CDBG funds assist with non-federal share for FEMA and/or USACE funding;
- consistency with a local short and long term recovery plans;
- consistency with local and state floodplain management practices;
- project sustainability and future disaster mitigation (the degree to which activities are defined with sound construction practices, quality and durability, energy efficiency and flood control or flood resistance)
- Available CDBG Disaster funds.

No maximum grant amount has been established for CDBG Disaster applications. Applicants must demonstrate financial need and leverage all (local, state and federal) available funds to minimize CDBG funding participation.

3. *The projected uses for the CDBG disaster recovery funds, by responsible entity, activity and geographic area if the State carries out an activity directly*

It is possible that the State (DED) will carry out an activity directly. This will depend entirely on need and applications received. Eligible activities will include housing, infrastructure and economic revitalization/development. The geographic area is limited to those areas included in Presidential Disaster declarations DR-1980 and DR-4012.

4. *For each proposed program and/or activity carried out directly, its respective CDBG activity eligibility category, as well as national objective*

It is possible that the State (DED) will carry out an activity directly. This will depend entirely on need and applications received. Eligible activities will include housing, infrastructure and economic revitalization/development. The geographic area is limited to those areas included in Presidential Disaster declarations DR-1980 and DR-4012. Any of the three CDBG national objectives may be used for activities carried out directly; however, at least 50% of the total allocation must meet the LMI national objective. Because of this requirement, recipients of CDBG Disaster funding should use the LMI national objective for all activities that qualify under the LMI criteria.

5. *How the method of distribution to local governments or programs carried out directly will result in long-term recovery from specific impacts of the disaster*

All applicants for CDBG Disaster funding must demonstrate the relationship of the proposed activity to the disaster event, and document how the proposed activity will assist in the long-term recovery from the disaster event.

6. *When funds are allocated to units of local government, all criteria used to distribute funds to local governments including the relative importance of each criterion*

- need (the breadth and depth of the disaster in terms of population affected and sectors (housing, infrastructure, business, environment) affected within the community) (25%);
- capacity (the degree of expertise and experience that the local government or contracted agency has to manage the project, administer the funds, and succeed with the outcomes and objectives defined in the application) (10%);
- the project's impact on short and long term community recovery (the amount of spin off, community awareness and support and degree to which the activities will lead to further recovery) (20%);
- local effort (other state/federal resources, local cash, human resources, in-kind efforts) and do the CDBG funds assist with non-federal share for FEMA and/or USACE funding (15%);
- consistency with a local short and long term recovery plans (10%);
- consistency with local and state floodplain management practices (10%);
- project sustainability and future disaster mitigation (the degree to which activities are defined with sound construction practices, quality and durability, energy efficiency and flood control or flood resistance) (10%)

7. *When applications are solicited for programs carried out directly, all criteria used to select applications for funding, including the relative importance of each criterion.*

- need (the breadth and depth of the disaster in terms of population affected and sectors (housing, infrastructure, business, environment) affected within the community) (25%);
- capacity (the degree of expertise and experience that the local government or contracted agency has to manage the project, administer the funds, and succeed with the outcomes and objectives defined in the application) (10%);
- the project's impact on short and long term community recovery (the amount of spin off, community awareness and support and degree to which the activities will lead to further recovery) (20%);
- local effort (other state/federal resources, local cash, human resources, in-kind efforts) and do the CDBG funds assist with non-federal share for FEMA and/or USACE funding (15%);
- consistency with a local short and long term recovery plans (10%);
- consistency with local and state floodplain management practices (10%);
- project sustainability and future disaster mitigation (the degree to which activities are defined with sound construction practices, quality and durability, energy efficiency and flood control or flood resistance) (10%)

**Definitions of disaster related activities:**

All CDBG disaster recovery activities must clearly address an impact of the disaster for which funding was appropriated. This means that each activity must:

1. be CDBG eligible,
2. meet a national objective, and
3. address a direct or indirect impact from the disaster.

A disaster related impact can be addressed through any eligible CDBG activity.

*Housing* – Typical housing activities include new construction and rehabilitation of single family or multifamily units. Generally, CDBG disaster recovery funds are used to rehabilitate damaged homes and rental units. However, it is also allowable to carry out new construction activities or rehabilitation of units not damaged by the disaster if these activities clearly address a disaster related impact. This impact can be demonstrated by the disaster’s overall effect on the quality, quantity, and affordability of the housing stock and the resulting inability of that stock to meet post-disaster needs and population demands. The standard CDBG rehabilitation and reconstruction rules apply.

*Infrastructure* – Typical infrastructure activities include the repair, replacement, or relocation of damaged public facilities.

*Economic Revitalization* – Economic revitalization is not limited to activities that create or retain jobs. For CDBG disaster recovery purposes, economic revitalization can include any activity that demonstrably restores and improves some aspect of the local economy; the activity may address job losses or negative impacts to tax revenues or businesses. Examples of eligible activities include providing loans to businesses, funding job training, infrastructure improvements to commercial areas, and financing other efforts that attract/retain workers in disaster affected communities. All economic revitalization activities must address an economic impact(s) caused by the disaster (loss of jobs, loss of public revenue). Applicants for economic revitalization assistance must clearly identify the economic loss or need resulting from the disaster, and how the proposed activities will address that loss/need.

*Preparedness and Mitigation* – These funds shall be used for recovering from a Presidentially-declared major disaster. As such, all activities must respond to the impacts of the declared disaster. HUD and the State strongly encourage grantees to incorporate preparedness and mitigation measures into rebuilding activities, which helps to ensure that communities recovery to be safer and stronger than prior to the disaster. Incorporation of these measures also reduces costs in recovering from future disasters. However, given the limited funding available and the restrictions in the Appropriations Act, CDBG disaster recovery funds may not be used for activities that are solely designed to prepare for and/or mitigate the effects of a future disaster without any tie to rebuilding from the previous disaster.

*Tie to the Disaster* – Grantees must document in each application how the proposed activities are tied to the disaster for which public assistance is applied. In regard to physical losses, damage or rebuilding estimates are often the most effective tool for demonstrating the connection to the disaster. For economic or other non-physical losses, post-disaster analyses or assessments may best document the relationship between the loss and the disaster. Note that grantees are not limited in their recovery to returning to pre-disaster conditions. Rather, grantees are encouraged to undertake activities in such a way that not only addresses the disaster-related impacts, but leaves communities better positioned to meet the needs of their post-disaster populations and prospects for growth.

*Use of funds for other disasters not covered by the Appropriations Act* – CDBG disaster recovery funds may not be used to address an impact or need originating from a disaster not occurring in 2011. However, if a need that arose from a previous disaster was exacerbated by a 2011 disaster, disaster recovery funds may be used.

*CDBG eligible activities*

1. Property Acquisition
2. Property Disposition
3. Property Clearance/Demolition
4. Architectural Barrier Removal
5. Senior Center
6. Community Facilities
7. Centers for the Handicapped
8. Historic Properties
9. Water Treatment/Storage
10. Sanitary Sewer Collection
11. Storm Sewers
12. Flood and Drainage Facilities
13. Streets (or Roads)
14. Street Accessories
15. Parking Facilities
16. Bridges
17. Sidewalks
18. Pedestrian Malls
19. Recycling or Conversion Facilities
20. Parks and Recreation Facilities
21. Fire Protection/Facility Equipment
22. Solid Waste Disposal Facilities
23. Other Utilities
24. Public Service/Supportive Services
25. Rehabilitation of Private Residential Properties
26. Rehabilitation of Public Residential Properties
27. Payments for Loss of Rental Income
28. Relocation
29. Code Enforcement
30. Energy Use Strategy
31. Non-Federal Share Payment
32. Interim Assistance
33. Planning
34. Commercial or Industrial Facilities
35. Administration
36. Engineering/Design
37. Housing Rehab/Demo Inspection
38. Engineering/Construction Inspection
40. Audit
41. Port Facility
42. Airports

43. Natural Gas Lines
44. Electrical Distribution Lines
45. Rail Spurs
46. Lighting
47. Other Professional Services
48. Security Fencing
49. Site Preparation
50. Purchase Land/Building
51. Facility Construction Renovation
52. Machinery/Equipment
53. Working Capital
54. Sewage Treatment
55. LDC Homeownership Assistance – up to \$15,000 to purchase a new home
56. Legal
57. 911 Emergency Systems
58. Homeowners Assistance- up to \$5,000 to purchase an existing DSS home
59. Lead-Based Paint Risk Assessment
60. Asbestos Removal
61. Job Training\*
62. Home-Ownership Counseling
63. Substantial Reconstruction of the reconstruction of private residential properties on same lot- up to \$15,000
64. Water Distribution
65. Lead Reduction NOT incidental to Rehab
66. Asbestos Inspection

### **National Objective**

All three national objectives may be used with these disaster recovery funds: low and moderate income (LMI) benefit, slum and blight removal, and urgent threat to health and safety. No less than 50% of the State's allocation of disaster recovery funding must be used for activities that meet the LMI national objective. Because of this requirement, grantees should use the LMI national objective for all activities that qualify under the LMI criteria.

### **Citizen Participation**

The draft CDBG Disaster Action Plan was made available on the DED website on July 6 for a seven day public comment period ending on July 12. The availability of the plan was made public via the DED weekly electronic newsletter, and was also disseminated to local communities and other partners via the Missouri Municipal League and the regional planning commissions/councils of government. No comments were received.

## Certifications

A. The State certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within its jurisdiction take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard. (See 24 CFR 570.487(b)(2) and 570.601(a)(2).)

B. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.

C. The State certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.

D. The State certifies that the Action Plan for Disaster Recovery is authorized under State and local law (as applicable) and that the State, and any entity or entities designated by the State, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.

E. The State certifies that activities to be undertaken with funds under this Notice are consistent with its Action Plan.

F. The State certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this Notice.

G. The State certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

H. The State certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each unit of local government receiving assistance from a State State must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).

I. The State certifies that it has consulted with affected units of local government in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the method of distribution of funding.

J. The State certifies that it is complying with each of the following criteria:

(1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in 2011, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.).

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

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

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

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

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

- (1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- (2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

M. Each State or unit of local government receiving a direct award under this Notice certifies that it (and any subrecipient or administering entity) has the capacity to carry out disaster recovery activities in a timely manner; or the State or unit of local government will develop a plan to increase capacity where such capacity is lacking.

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

O. The State 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 State certifies that it will comply with applicable laws.

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Certifying Official

# Attachment 1

Anti-Displacement plan required from all CDBG applicants

# Missouri Community Development Block Grant Program

## Residential Antidisplacement and Relocation Plan

### REQUIRED BY ALL APPLICANTS FOR FUNDING UNDER SECTION 104(d) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED

The City/County of \_\_\_\_\_ will replace all occupied and vacant occupiable low/moderate-income dwelling units demolished or converted to use other than low/moderate income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended.

All replacement housing will be provided within three years of the demolition of conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the City/County of \_\_\_\_\_ will make public and submit, to the CDBG program, the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than low/moderate-income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as Section 104(d) replacement dwelling units;
5. The source of funding and a time schedule for the provisions of Section 104(d) replacement dwelling units; and
6. The basis for concluding that each Section 104(d) replacement dwelling unit will remain a low/moderate income dwelling unit for at least 10 years from the date of initial occupancy.

The City/County of \_\_\_\_\_ will provide relocation assistance, as described in Section 570.488, to each low/moderate-income household displaced by the demolition of housing or by the conversion of a low/moderate-income dwelling to another use as a direct result of assisted activities.

Consistent with the goals and objectives of activities assisted under the Act, the City/County of \_\_\_\_\_ will take the following steps to minimize the displacement of persons from their homes:

**\*\*(describe actions planned to minimize displacement)**

Based on initial review of project, the following occupied dwellings (by address) will be demolished or converted with grant funds:

**\*\*(insert address of dwellings proposed for demolition or conversion)**

As chief elected official of the City/County of \_\_\_\_\_, I hereby certify that the above plan was officially adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
SIGNATURE, CHIEF ELECTED OFFICIAL

\_\_\_\_\_  
DATE

**\*\*The blanks indicated above MUST have a relevant statement included even if no displacement is planned.**



# Attachment 2

HUD Unmet Needs Data for 2011 Disasters

# **Attachment 3**

Supporting Documentation for Needs  
Assessment

# Attachment 4

Maps of DR-1980 and DR-4012

# Attachment 5

Federal Form 424