



Mississippi Development Authority

**Action Plan for CDBG Supplemental
Disaster Recovery Funds
Initial Allocation, PL 110-329**

July 20, 2009

Amendment 1

Disaster Recovery Enhancement Fund Allocation

December 15, 2010

Mississippi Development Authority
Amended Action Plan

For

Disaster Recovery Enhancement Fund

GENERAL INFORMATION

The State of Mississippi is required to publish an Action Plan for Disaster Recovery that describes the proposed use of U.S. Department of Housing and Urban Development (“HUD”) Community Development Block Grant (“CDBG”) funding associated with the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110-329, approved September 30, 2008) (“the Act”). The Act provides for disaster relief of unmet needs resulting from severe weather in the State that occurred during 2008, for which the President declared a major disaster under Title IV of the Stafford Disaster Relief Act (42 U.S.C 5121 et seq.). The HUD guidance for the funding was published February 13, 2009 in the Federal Register as Docket Number FR-5256-N-01 (“the Notice”).

The original Action Plan dated July 20, 2009, provided for the distribution of the initial allocation of \$6,283,404.00 of CDBG Disaster Recovery Funding toward meeting unmet housing, infrastructure, and economic revitalization needs in those counties so designated as Presidential Disaster Areas during 2008. The original Action Plan dated July 20, 2009, is available for review on the MDA Disaster Recovery website at the following link:

<http://www.msdisasterrecovery.com/documents/Action%20Plan%202009%20Hurricane%20Disaster%20Recovery%20PL110-329%20Public%20Comment%20Version%207-29-09.pdf>

An additional \$5,438,712.00 has been allocated by HUD from the Disaster Recovery Enhancement Fund (“DREF”) to the State of Mississippi for activities designated in the Notice. This Amendment addresses the State’s plan for the utilization of this additional funding allocation.

BACKGROUND AND SCOPE

In 2008, the State of Mississippi endured several major weather-related events, including severe flooding, a massively destructive tornado, and heavy damage from a hurricane. As a result, the

President of the United States issued three disaster declarations: the first issued on May 5, 2008, and related to storm and flooding events in the counties of Bolivar, Warren, Washington, and Wilkinson (FEMA-1753-DR); the second issued on May 28, 2008, and related to severe tornado damage in Hinds County (FEMA-1764-DR); and the third issued on October 20, 2008, and related to Hurricane Gustav damage in the counties of Adams, Hancock, Harrison, Washington, and Wilkinson.

In response to the needs of the declared disaster areas, Congress designated two appropriations to assist in the recovery efforts in the affected counties. This allocation from PL 110-329 was designated for “necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in areas affected by hurricanes, floods, and other natural disasters occurring during 2008.”

DISASTER RECOVERY ENHANCEMENT FUND

Mississippi received an initial allocation of \$6,283,404.00 and has received an additional allocation of \$5,438,712.00, from funds set aside from this appropriation in the Disaster Recovery Enhancement Fund (“DREF”). This Amendment applies to the DREF Allocation of \$5,438,712.00.

NATIONAL OBJECTIVES

This amendment is designed to be consistent with the primary objective of providing funds for local projects with activities that meet one of the following national objectives of the Housing and Community Development Act of 1974, as amended:

- Benefits to Low/Moderate Income Persons
- Slums or Blight
- Urgent Needs

All applications must address how projects meet one of the CDBG National Objectives described above. The overall allocation of program funds must benefit at least 51% of low and moderate income applicants.

ELIGIBLE ACTIVITIES

Eligible activities include all CDBG activities eligible under Section 105(a) of the Act plus new construction as referenced in the Notice. Eligible activities include, but are not limited to, the following:

1. Housing: Including clearance, demolition, buy-outs and/or relocation assistance for repetitive loss properties, removal, reconstruction, rehabilitation, and new construction of housing.

2. Economic Assistance: Including loans to businesses affected by the storms and flooding, with emphasis on job creation and retention and, with the limited waiver of the anti-pirating requirements, to provide assistance to a business located in another state or market area within the same state if the business was displaced from a declared area within the state by the disaster and the business wishes to return.
3. Demolition/debris removal: Including cleanup and debris removal activities not covered by any other source.
4. Infrastructure repair.

Priority will be given to those activities which will promote repair, rehabilitation, and reconstruction of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas where there is a demonstrated need.

CONSULTATION WITH LOCAL GOVERNMENTS

MDA previously solicited feedback from local governments through its development of and posting on its website of a draft action plan concerning this funding on June 11, 2009. This was followed up with outreach efforts via email, phone calls and meetings with local government leaders, including members of the legislature, county administrators, county supervisors, mayors, city administrators, and staff of the appropriate planning and development districts. In addition, MDA solicited cooperation with and comments from the Mississippi Emergency Management Agency (“MEMA”), which has reached out through its extensive network of local government contacts for suggestions, comments, and possible projects. A comprehensive list of those potential projects has been developed by MEMA and was taken into consideration by MDA, along with all suggestions and comments from local government officials and contacts before publishing the revised Action Plan on July 22, 2009.

The DREF allocation will be utilized to fund additional unmet needs arising from the 2008 disasters. Further formal and informal notice and outreach efforts will be made to determine the additional unmet needs. Units of local government within the eligible jurisdictions will be formally notified of the availability of the additional funds. Additionally, projects submitted from the prior outreach efforts which were not funded as well as enhancements to projects funded from the original list will also be considered for funding from the DREF allocation.

ADMINISTRATIVE ALLOCATION

The State will reserve five percent (5%) of the DREF allocation for Administrative Costs, the remaining allocations will be determined based upon the outreach conducted with the local governments and other interested parties

METHOD OF DISTRIBUTION

Mississippi CDBG Disaster Funds will be awarded to eligible jurisdictions by competitive submission of applications. Applications will be reviewed as outlined below using the same competitive criteria discussed in the original Action Plan. MDA reserves the right to establish a minimum score. Awards will be announced by the Governor or his designee.

ELIGIBLE APPLICANTS

MDA will not be carrying out any program activities directly with regard to these funds. Eligible applicants are units of local government, other state and local government agencies, including public housing authorities, and non-profit entities located in the 2008 federally designated disaster counties of Adams, Bolivar, Hinds, Warren, Washington, and Wilkinson. The State has determined that funding from the 2008 Disaster Allocation will not be distributed in this grant process in two designated counties – Harrison and Hancock. Activities in these counties have been determined to be ineligible in this grant process because (1) those counties have previously received substantial CDBG disaster recovery grants from the Hurricane Katrina federal allocations which have addressed and continue to address activities in the two counties¹ and (2) providing grants to those counties for damages similar, if not identical, to those sustained in Hurricane Katrina raises significant and almost insurmountable concerns over duplication of benefits in violation of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974.

APPLICATION PROCESS

The local government seeking these funds must first, upon invitation by MDA, submit a project proposal. Entities may not submit more than one proposal based on need. Based upon an initial review of the proposal, MDA may require a meeting with relevant parties to discuss the project. Then MDA may issue a letter inviting a CDBG grant application.

1. Only proposals and grant applications from eligible applicants will be considered.
2. Applications may be submitted individually by one unit of government or jointly by more than one unit of government.

¹ Under Public Laws 109-148 and 109-109-234 the State of Mississippi was allocated approximately 5.4 billion dollars. The funding was specifically directed to “expenses related to disaster relief, long-term recovery and restoration of infrastructure in the most impacted counties. Accordingly the vast majority of the funding from the Katrina Disaster grants has been allocated to Mississippi’s three coastal Hancock, Harrison and Jackson as well as three additional counties (Pearl River, Stone and George) immediately adjacent to the coastal counties.

3. Applications for the funds must be submitted in conformance with the format and instructions specified by MDA. MDA reserves the right to deny applications based on slow performance, unresolved findings, outstanding sanctions, or other reasons that could affect an applicant's ability to successfully complete the implementation of a CDBG Disaster project.

PROPOSAL PERIOD

MDA will begin issuing invitations to local governments to submit proposals upon HUD's approval of this modification. Following MDA's review of the proposals, it may issue an invitation to the local government to submit an application. Applications will be due within 60 days after the date of written notification from MDA. MDA reserves the right to extend or modify the deadlines contained herein.

SELECTION PROCESS:

The selection process for these projects will be based on the following rating factors:

Criteria	Maximum Points
Project Readiness	20
Past Performance on Previously Awarded CDBG Grants	15
Documentation of Need for Long Term Recovery from Storm-Related Damage	45
Benefit to Persons of Low/Moderate Income	20
Maximum Total Points	100

EXPLANATION OF RATING FACTORS

Criteria	Maximum Points
<p>Project Readiness to Begin Construction with Other Funding Sources Identified</p> <p>1-6 Months 7-12 Months 12-18 Months Over 18 Months</p>	<p>20 Points Possible</p> <p>20 Points 15 Points 5 Points 0 Points</p>
<p>Past Performance on Previously Awarded CDBG Grants (based on compliance with HUD or MDA Community Services and Disaster Recovery-administered programs).</p> <p>Exceptional—Full compliance with reporting and audit requirements and timeline objectives. No monitoring findings reported.</p> <p>Acceptable—Substantial compliance with reporting and audit requirements and timeline objectives. Minimal monitoring findings reported.</p> <p>Poor—Minimal or no compliance with reporting and audit requirements and timeline objectives. Substantial monitoring findings reported.</p>	<p>15 Points Possible</p> <p>15 10 0</p>
<p>Documentation of Need for Long Term Recovery from Storm-Related Damage and/or Mitigation for Future Storm Related Needs</p> <p>Critical – The need for the project is a direct result of the consequences of the storms and/or flooding and will allow communities to restore affordable rental housing stock, address other housing needs, economic assistance, facilities and services in storm damaged and flood-prone areas, as well as provide the infrastructure to rebuild the community.</p> <p>Substantial – The need for the project is a direct result of the consequences of the storms and/or flooding. The project will return</p>	<p>45 Points Possible</p> <p>45 Points 40 Points</p>

<p>Documentation of Need for Long Term Recovery from Storm-Related Damage and/or Mitigation for Future Storm Related Needs</p>	<p>45 Points Possible</p>
<p>Critical – The need for the project is a direct result of the consequences of the storms and/or flooding and will allow communities to restore affordable rental housing stock, address other housing needs, economic assistance, facilities and services in storm damaged and flood-prone areas, as well as provide the infrastructure to rebuild the community.</p>	<p>45 Points</p>
<p>Substantial – The need for the project is a direct result of the consequences of the storms and/or flooding. The project will return affordable rental housing stock, facilities, businesses and infrastructure to pre-flood and/or pre-storm conditions.</p>	<p>40 Points</p>
<p>Moderate – The need for the project is a result</p>	<p>30 Points</p>

SUBSTANTIAL AMENDMENTS

MDA recognizes that adding or deleting an activity or changing the planned beneficiaries of an activity will constitute a substantial change requiring an amendment of the action plan.

CITIZEN PARTICIPATION

This Amended Action Plan will be submitted for public comment in English, Spanish and Vietnamese versions to the website at www.msdisasterrecovery.com on December 15, 2010, with the public comment period ending on January 1, 2011. Written comments regarding this proposed modification may be mailed to MDA, Post Office Box 849, Jackson, MS 39205, Attention: Disaster Recovery, or sent via facsimile to (601)359-4004. Comments may also be submitted online to disasterrecoverycomments@mississippi.org. Changes may be made at that time and the final amendment to the Action Plan will then be submitted to HUD for approval.

PUBLIC COMMENT