

Amendment 14 (Substantial)

Substantial Amendment 14, Approved by HUD 11/19/2020			
Previous Page #	New Page #	Section	Change/Addition/Deletion
88,90,111	N/A	Projects and Activities	Changed Infrastructure Repair and Mitigation Program to Infrastructure Repair Program for accuracy
88	N/A	Projects and Activities	Removed Business Recovery Grant Program from the Program Budget table and increased Total Program Budget for Infrastructure Repair Program to \$226,889,503. Updated Infrastructure Repair Program's MID Budget Breakdown and added Maximum Award for Round 2 of the Competitive Application Cycle
89-90	89-90	Projects and Activities	Updated the Amended Program Budget table and added justification language for Substantial Amendment 13. Removed "is necessary" and added "in order" for clarity.
109	N/A	Projects and Activities	Removed Business Recovery Grant Program information from listed Economic Revitalization Activities
111-112	N/A	Projects and Activities	Removed Program Information on Business Recovery Grant Program
112	113	Projects and Activities	Updated General Infrastructure Program allocation for activity and maximum award
N/A	192	Appendices and Supporting Documentation	Inserted Appendix 17: 30-day Public Comment Period for Substantial Amendment 14

Substantial Amendment Introduction

The substantial amendment modifies Florida’s initial action plan to remove the Business Recovery Grant program and reallocate \$40,839,905 to increase the Program Budget for the Infrastructure Repair Program to a total of \$226,889,503.

In consideration of the initial unmet needs assessment results, DEO created the Business Recovery Grant Program to assist small businesses and non-profit organizations within the Hurricane Irma most impacted and distressed areas. Current data from the Florida Department of Business and Professional Regulation (DBPR) indicates that the remaining unmet needs of impacted businesses have been reduced.

DBPR provided the following data on the number of licensees for hotels and restaurant establishments and licensed alcoholic beverage and tobacco establishments/vendors:

Florida Department of Business and Professional Regulation, Division of Hotels and Restaurants			
Statewide Licenses Before and After Hurricane Irma			
Licenses	September 9, 2017 (Landfall of Hurricane Irma)	December 28, 2019	Net
Food Service	53,538	56,654	+3,116
Transient Lodging (hotels, motels, B&B)	4,781	4,880	+99
Vacation Rentals	18,837	23,892	+5,055

Florida Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco			
Statewide Licenses and Permits Before and After Hurricane Irma			
Licenses & Permits	September 9, 2017 (Landfall of Hurricane Irma)	January 1, 2020	Net
Bottle Club licenses	46	46	-
Common Carrier licenses	147	153	+6
Manufacturers/Distributor licenses	1,213	1,354	+141
Retail Beverage licenses	48,194	49,678	+1,484
Retail Tobacco Products Dealer permits	4,452	4,254	-198
Tobacco Wholesalers, Distributors & Exporter permits	1,008	1,249	+241

The number of establishments increased in most licensure categories signaling that there is a limited unmet business recovery need to be addressed by CDBG-DR funding. This data suggests that the Hurricane Irma impacted businesses have had their needs met through funding from other disaster assistance programs such as the Rebuild Florida Business Loan Fund program.

DEO's Office of Small and Minority Business Capital administers the Rebuild Florida Business Loan Fund program in partnership with the U.S. Economic Development Administration (EDA). The Rebuild Florida Business Loan program has \$50 million in state and federal funds to help businesses impacted by Hurricane Irma, Hurricane Michael, and the Coronavirus (COVID-19) pandemic.

The Rebuild Florida Business Loan Fund program provides access to available and affordable working capital at reasonable interest rates and terms to help existing and new Florida small businesses create and retain permanent jobs, create high paying jobs (increasing income levels) and diversify and stabilize the state's economy. The program also aims to increase small business disaster preparedness, allowing businesses to be in a better position to handle any natural disasters that might come their way.

The Rebuild Florida Business Loan program provides up to \$500,000 in financing for the following business purposes: purchase orders, seasonal financing and purchase of inventory; fixed assets: construction (renovation/expansion/leasehold improvements), machinery and equipment, acquisition of land as part of a business development project, FF&E; and commercial real estate; or both: landscape and property improvements, business acquisition and business expansion. As of July 23, 2020, the Rebuild Florida Business Loan program has funded loans totaling \$3,114,000 to 31 businesses.

With the removal of the Business Recovery Grant Program, a total of \$40,839,905 will be re-allocated to address remaining unmet infrastructure needs following Hurricane Irma. With additional CDBG-DR funding, the Infrastructure Repair Program will be able to fund more projects to repair damages and create resiliency throughout the Hurricane Irma impacted areas.

Program Budget (continued)									
Program	Total Budget	MID Budget Breakdown		Min Set-Aside for Keys	Min Set-Aside for New MID's	Estimated LMI Benefit	Maximum Award	Average award per unit	Estimated # of Units**
		80%	20%						
ECONOMIC REVITALIZATION Budget									
Workforce Recovery Training	\$14,450,656	\$11,560,524.80	\$2,890,131.20	N/A	N/A	100%	N/A	N/A	N/A
INFRASTRUCTURE Budget									
Infrastructure Repair Program-Competitive Application Cycle	\$226,889,503	\$181,511,602.40	\$45,377,900.60	N/A	*these are included in the 80%	25 %	Round 1: N/A Round 2: \$140,839,905	N/A	N/A
STATE AND LOCAL ADMINISTRATION									
Administration (5%)	\$38,679,900	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Planning	\$1,912,300	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	\$812,235,745	\$617,314,836	\$154,328,709	\$95,000,000	\$51,856,347				

Eighty percent of each program allocation listed above will be spent within HUD-identified most-impacted and distressed communities. Funding included as a minimum set-aside for Monroe County is a subset of the 80 percent that will be spent in most-impacted and distressed communities. The remaining 20 percent will be spent in state-identified most-impacted and distressed communities, which are listed in the table above.

*The estimated number of units is calculated based upon the assumption that the award amount per unit will vary from the average estimated award to a maximum estimated award of \$150,000. The estimated number of units have been rounded in this project budget to allow for flexibility and any imprecision in our estimates. Once DEO receives more accurate data, the program budget will be updated to accurately reflect the true cost and units. These adjustments will be included in future action plan amendments. The unmet needs assessment demonstrated that the majority of unmet needs were housing related. Therefore, the largest allocation of funding will address the remaining unmet housing needs.

The program descriptions below will provide further detail on how each program will distribute funding and meet HUD National Objectives. DEO will implement program management, monitoring, and oversight standards necessary to ensure compliance with state and federal requirements.

Program Activity	November 4, 2019 Program Budget	March 6, 2020 Amended Program Budget	June 5, 2020 Amended Program Budget	October 23, 2020 Amended Program Budget	Amount Adjusted
Housing Repair and Replacement Program	\$ 346,186,147	\$ 346,186,147	\$ 346,186,147	\$ 346,186,147	-
Workforce Affordable Rental New Construction Program: Leveraging Other Sources of Financing	\$ 100,000,000	\$ 100,000,000	\$ 120,000,000	\$ 120,000,000	-
Workforce Affordable Rental New Construction Program: Small Rental Developments	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	-
Land Acquisition for Affordable Workforce Housing	\$ 20,000,000	\$ 20,000,000	-	-	-
Voluntary Home Buyout Program	\$ 75,000,000	\$ 44,117,239	\$ 44,117,239	\$ 44,117,239	-
Workforce Recovery Training	\$ 20,000,000	\$ 14,450,656	\$ 14,450,656	\$ 14,450,656	-
Business Recovery Grant	\$ 66,000,000	\$ 39,137,963	\$ 40,839,905	-	-\$40,839,905
Infrastructure Repair Program	\$ 85,819,653	\$ 149,113,795	\$ 186,049,598 ¹	\$226,889,503	+\$40,839,905
Administration (5%)	\$ 38,679,900	\$ 38,679,900	\$ 38,679,900	\$ 38,679,900	-
Planning (5%)	\$ 1,912,300	\$ 1,912,300	\$ 1,912,300	\$ 1,912,300	-
Total	\$ 773,598,000	\$ 773,598,000	\$ 812,235,745	\$ 812,235,745	-

Non-Substantial Amendment, Revision Number 8 to the State of Florida Action Plan for Disaster Recovery – Hurricane Irma, submitted to HUD on March 6, 2020, re-allocated \$61,592,200 from the Voluntary Home Buyout (VHB), Workforce Recovery Training Program (WRTP), and the Business Recovery Grant Program (BRGP) to the Infrastructure Repair Program **in order** to address unmet infrastructure needs following Hurricane Irma.

The Infrastructure Repair Program was launched with \$85,819,653 to fund infrastructure restoration and improvement projects in communities impacted by Hurricane Irma. Counties, municipalities, water management

¹ On January 27, 2020, HUD released federal guidance for an additional \$38,637,745 to Florida through CDBG-DR funds to support long-term recovery from Hurricane Irma. Substantial Amendment 9, submitted to reflect the additional allocation to address unmet infrastructure needs, was approved by HUD on June 1, 2020.

districts and water authorities located in the most impacted and distressed (MID) areas that experienced Hurricane Irma storm damage are eligible to apply for funding.

During the 90-day initial application period, the Infrastructure Repair Program received 42 applications totaling approximately \$175 million in CDBG-DR dollars requested. On January 30, 2020, the Infrastructure Repair Program awarded \$84.3 million to 21 communities. The Infrastructure Repair Program received applications for storm water projects, sewage projects, and water projects that directly impact housing and residents from the Hurricane Irma impacted communities. One entity that was unable to receive funding has drainage pipes that were clogged by excessive debris from Hurricane Irma as well as damage to sidewalks and fields located within 1.5 miles of 838 HUD-assisted multifamily apartment units.

Due to limited funding, the Infrastructure Repair Program's competitive application cycle restricted each Unit of General Local Government (UGLG) to one application per entity. Consequently, DEO was not able to fund the replacement of one community's walk bridge that elementary school students need to travel across a canal to get to school because the County government submitted an application for another project. With additional CDBG-DR funding, the Infrastructure Repair Program will be able to fund additional projects to support housing, repair damages and create resiliency throughout the Hurricane Irma impacted areas.

The application cycles for the Voluntary Home Buyout (VHB) and Workforce Recovery Training Program (WRTP) were both undersubscribed. The VHB funded all 11 projects submitted for consideration at a total of \$44,117,238.92. The remaining \$30,882,761 will be re-allocated to the **Infrastructure Repair Program** to address unmet infrastructure needs following Hurricane Irma. The WRTP will be funding projects totaling \$14,450,656 of the \$20,000,000 previously allocated to the WRTP. The available \$5,549,344 will be re-allocated to the **Infrastructure Repair Program**.

After receiving feedback from multiple communities expressing a greater need for Infrastructure Repair and Mitigation assistance, the State of Florida wishes to re-allocate a total of \$25,160,095 from the Business Recovery Grant Program to the **Infrastructure Repair Program**.

Non-Substantial Amendment, Revision Number 11 to the State of Florida Action Plan for Disaster Recovery – Hurricane Irma, submitted to HUD on June 5, 2020, re-allocated \$20,000,000 from the Land Acquisition for Affordable Workforce Housing Program to the Workforce Affordable Rental New Construction Program: Leveraging Other Sources of Financing. Per HUD guidance following a review of the Hurricane Irma Disaster Recovery Grant Reporting (DRGR) Action Plan, Land Acquisition for Affordable Workforce Housing Program is being removed as a separate program from the Program Budget table. The current land acquisition process occurs as a part of the Workforce Affordable New Construction Program: Leveraging Other Sources of Financing and is not required to be a separate budgeted program.

After reviewing current business data, the State of Florida submitted Substantial Amendment, Revision Number 14 to HUD on October 23, 2020 to remove the Business Recovery Grant Program and re-allocate a total of \$40,839,905 to the Infrastructure Repair Program. The Infrastructure Repair Program's Round 2 application cycle was launched with \$100,229,945. The Program received 71 applications requesting a total of \$304,168,950 in funding (oversubscription of \$204,168,950) to repair wastewater treatment and potable drinking water facilities, debris removal from canals, and other projects that directly impact housing and residents from the Hurricane Irma impacted communities. The additional \$40.8 million in CDBG-DR funding will allow the Infrastructure Repair Program to fund additional projects to support housing, repair damages and create resiliency throughout the - Hurricane Irma impacted areas.

1. Rehabilitation or reconstruction multifamily rental projects with five or more will require the assisted rental property to remain affordable for LMI tenants for a minimum of 15 years. The assistance to public Housing Authorities may fall under this category.
2. New construction multi-family rental projects with five or more units will require the assisted rental property to remain affordable for LMI tenants for a minimum of 20 years.
3. The affordability periods for single family rental units will be a minimum of 5 years. Public Housing Authorities seeking rehabilitation or reconstruction of multifamily housing units must ensure that the assisted rental property remains affordable for LMI tenants for a minimum of 15 years (if eight or more units).
4. Special consideration may be given to rental property owners in the Florida Keys on a case-by-case basis.

Affordable Rent

Properties seeking assistance through Rebuild Florida's Housing programs listed in the state of Florida's action plan may be required to adhere to affordability period requirements. The affordability requirements are:

- The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
- A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the AMI, as determined by HUD, with adjustments for number of bedrooms in the unit. The HUD HOME rent limits will include average occupancy per unit and adjusted income assumptions.

Recapture

If the applicant fails to comply with the program affordability requirements, the program will exercise its rights to recapture the full amount of the assistance provided. The program's policies will set forth the process the program will utilize to enforce this provision.

Economic Revitalization Activities

Rebuild Florida's housing programs, detailed above, will address the significant unmet need for housing recovery across the state. However, recovery for individuals and communities must include consideration of the businesses and jobs that provide services and employment. As recognized in the unmet needs assessment, businesses and local economies were significantly impacted by Hurricane Irma. Individuals whose jobs or businesses were impacted by the storm may have difficulty obtaining or retaining housing due to lost income. Further, it is anticipated that recovery and redevelopment needs will likely stress the current construction workforce, leading to the need for programs to support the growth of the skilled labor workforce required to sustain housing recovery activities. To ensure the complete recovery of communities, it is essential that the State of Florida support businesses and the workforce through activities designed to address unmet economic recovery needs.

Florida will prioritize economic revitalization and public assistance activities that retain or create jobs, as well as activities that provide training and support services helping Floridians gain employment and remain employed. The two economic recovery programs described below are designed with the goal of long-term recovery for businesses, the workforce and the entire community.

To address these essential recovery needs, DEO will implement the following economic revitalization and public assistance programs:

- Workforce Recovery Training Program

Infrastructure Repair and Mitigation Activities

The State of Florida has made significant investments in mitigation over the past 25 years to ensure that infrastructure is able to withstand the impacts of wind and flood events. Hurricane Irma was a success story for the state in that infrastructure damage assessments were not as high as initially projected due to this major statewide investment. DEO will continue to strengthen the state's infrastructure by creating an **Infrastructure Repair Program** that allows communities to use CDBG-DR to leverage other funding sources such as the Hazard Mitigation Grant Program (HMGP), 406 Public Assistance (406 PA) Mitigation Program. Some communities are not able to fully utilize these other resources following a disaster because reserve cash funds are exhausted by disaster recovery efforts and they cannot meet local match requirements. Allowing local governments to leverage CDBG-DR funding as match will enable communities, especially smaller and rural local governments, to better utilize all resources available to them.

In the development of policies and procedures, cost benefit will be addressed. DEO acknowledges infrastructure activities may have unintended risks that could potentially effect communities. With this understanding, DEO will follow guidance provided in the Federal Register to avoid disproportionate impacts on vulnerable populations and environmental injustice. Additionally, DEO recognizes the importance of resiliency against future storms and will employ adaptable and reliable technologies to guard against premature obsolescence of infrastructure. DEO will describe the implementation of utilizing these technologies, when applicable, in its program policies and procedures manual.

Infrastructure Repair Program

The Florida Department of Economic Opportunity's (DEO) Rebuild Florida Infrastructure Repair Program was launched with \$85,819,653 to fund infrastructure restoration and improvement projects in communities impacted by Hurricane Irma. On January 27, 2020, HUD released federal guidance for an additional \$38,637,745 to Florida through CDBG-DR funds to support long-term recovery from Hurricane Irma. Approximately \$186 million will be distributed in the **Infrastructure Repair Program**. Hurricane Irma affected many community's infrastructure systems such as damaging roadways, bridges and state beaches. Funding will be dispersed to communities impacted by Hurricane Irma through a competitive application cycle with priority given to projects that can demonstrate urgent need, readiness to proceed, and that benefit LMI. Where possible, DEO will leverage other sources such as FEMA Public Assistance funding to first address remaining urgent and unmet needs in communities.

Eligible activities within this program may include, but are not limited to the following:

- Restoration of infrastructure damaged by Hurricane Irma (such as water and sewer facilities, streets, removal of debris, drainage, bridges, etc.).
- Demolition and rehabilitation of publicly or privately owned commercial or industrial buildings.
- Renourishment of protective coastal dunes systems and state beaches.
- Repairs to damaged buildings that are essential to the health, safety and welfare of a community when repairs to these buildings constitutes an urgent need (this can include police stations, fire stations, parks and recreational centers, community and senior centers, hospitals, clinics, schools and educational facilities, other public properties).
- Repairs to water lines and systems, sewer lines and systems, drainage and flood mitigation systems.

Allocation for Activity: \$226,889,503 Competitive Cycle

Maximum Award: Round 1: N/A , Round 2: \$140,839,905

Responsible Entity for Administering: DEO

Eligibility: 105(a)(2)

National Objective: Low- and moderate-income benefit or Urgent Need

Use of CDBG-DR as Match

Additionally, funds may be used to meet a matching, share, or contribution requirement for any other federal program when used to carry out an eligible CDBG-DR activity. This includes programs or activities administered by the Federal Emergency Management Agency (FEMA) or the U.S. Army Corps of Engineers (USACE). By law, the amount of CDBG-DR funds that may be contributed to a USACE project is \$250,000 or less. Note that the Appropriations Act prohibits supplanting the use of CDBG-DR funds for any activity reimbursable, or for which funds are also made available, by FEMA or USACE.

Ineligible Activities

Ineligible activities identified in the Federal Register, Vol. 83, No. 28, Friday, February 9, 2018, include the use of CDBG-DR for forced mortgage payoff, construction of a dam/levee beyond original footprint, incentive payments to households that move to disaster-impacted floodplains, assistance to privately owned utilities, not prioritizing assistance to businesses that meet the definition of a small business, or assistance for second homes and activities identified in 24 CFR 570.207. All activities and uses authorized under Title I of the Housing and Community Development Act of 1974 and allowed by waiver.

Method of Distribution

DEO has designed this CDBG-DR program in compliance with the National Program objectives, and will ensure that assistance is prioritized toward the most disadvantaged populations to address unmet housing needs. Florida intends to spend a minimum of 70 percent of program funds on activities that benefit the Low-and-Moderate Income (LMI) population. LMI status is determined by evaluating income as a percentage of the Area Median Income (AMI) in the region in which the applicant lives.

As stewards of federal CDBG funds, DEO complies with the HUD mission to develop viable communities by the provision of decent housing, a suitable living environment and expanding economic opportunities, principally for LMI persons. To this end, all funded activities administered by the State of Florida will meet one of three named HUD national objectives:

1. Benefitting LMI Persons;
2. Preventing or Eliminating Slum or Blight; or
3. Meeting Urgent Needs.

In addition, a minimum of 80 percent of funding will be spent in HUD-identified most-impacted and distressed areas, with the 20 percent of funding spent in state-identified most-impacted and distressed areas, as detailed on page 16. Given the extent of catastrophic damage seen in Monroe County, the Florida Keys will get a minimum

Appendix 17: 30 – day Public Comment Period for Substantial Amendment 14

Public Comments

This document describes the comments received from the public following the release of the CDBG-DR draft Action Plan Substantial Amendment 14.

- Release Date: September 15, 2020
- Comment Period: September 15, 2020 – October 15, 2020
- Approved by HUD: November 19, 2020
- Number of Comments Received: 0

The duration of the public comment period as well as instruction for public comment submissions were posted to the CDBG-DR official webpage at www.floridajobs.org/CDBG-DR.