DRAFT Action Plan
Community Development Block Grant – Disaster Recovery
(May 29, 2012)
Revised June 4, 2012

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Disaster Recovery Action Plan

Community Development Block Grant for Disaster Recovery
State of Vermont
Disasters 1995, 4001, 4022
DRAFT 5/29/12

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Impact and Unmet Needs Assessment (77FR22585-77FR22586)

Description of 2011 flooding and its impacts

Tropical Storm Irene was an exceptional event in the history of our small state. Nothing since the Great Flood of 1927 has so devastated Vermont. The state sustained extraordinary damage on August 28th, when record rainfall resulted in catastrophic flooding across the state. Some areas received ten inches of rain and were battered by winds of 50 miles per hour during an eight hour period. Rivers across the state crested at levels not seen for generations, some exceeding historic records established during the flood of 1927.

The damage was severe and widespread. Six Vermonters lost their lives. More than 3,500 homes were damaged and 1,500 families were displaced; 50,000 households lost power, affecting 74,000 people. More than 561 mobile homes were damaged or destroyed. Transportation and public infrastructure were decimated. Of Vermont's 251 towns and cities, 225 suffered damage to municipal infrastructure. In the immediate aftermath, over 500 miles of state roads were damaged, more than 200 miles of state-owned rail impassable, over 200 bridges damaged, and 34 state bridges closed. Thirteen communities were completely cut off for days, as National Guard units were mobilized to deliver emergency supplies to these towns by air. More than 300 businesses sustained losses or were destroyed. Agricultural impacts include the flooding of 20,000 acres of farmland, and the loss of over 400 acres of crops as well as many herds of livestock for Vermont's family farms. The largest state office complex was completely flooded, forcing the evacuation of employees and clients of the Vermont State Hospital (an acute mental health facility), displacing 1,500 state workers indefinitely. Even the State Emergency Operations Center (SEOC) was flooded, necessitating its relocation to the FEMA Joint Field Office. Sixteen public schools could not open for weeks.

Tropical Storm Irene established a record in terms of individual assistance provided. More than 7,200 Vermonters- one out of every 85 residents- have registered for assistance, and 161 maximum grants have been awarded under the Individual Assistance Program.

Our State has mustered every possible resource to respond. National Guard troops from seven different states were deployed as the storm unfolded. Communities instituted their emergency management plans and heroically rose to the challenges facing them. As the floods receded, Vermonters volunteered their time and resources cleaning homes and businesses and feeding, clothing, and housing fellow Vermonters who had lost everything. Vermonters continue to volunteer to rebuild homes, clear debris, collect donations, and raise disaster relief funds. State government has redeployed staff to continue to support the ongoing needs of the disaster response.

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However, the resources of this small rural state cannot cover the extraordinary extent of the damages from this devastating event.

The localized impact of this disaster has placed many Vermont communities under severe fiscal stress. The cost of damage in many rural towns is several times their total annual operating budget. To pay for repairs and replacement, nearly 50 small Vermont communities have had to obtain loans and lines credit, some for more than $1,000,000 - a significant amount considering these are small rural towns, sometimes with only a few hundred residents. These towns will be paying off Irene related debt for many years to come.

In addition to Tropical Storm Irene, in 2011 Vermont suffered spring flooding that resulted in three other disaster designations. However, HUD's methodology for the State's allocation only covers two spring storms and Irene (DR-1995; Dr-4001; and DR-4022).

Economy

Business Impacts:

The long term impact on the state, business and agricultural communities is yet to be fully determined. Current indicators point to long term economic impacts.

- More than 300 businesses have reported damage and applied for Small Business Administration and Vermont Economic Development Administration loans amounting to almost $35,000,000 in total.
- The Small Business Administration declared a disaster for the State of Vermont which resulted n at total of $17,348,300 in home loans and $14,925,700 in business loans.
    - 11 counties were declared disasters due to losses caused by excessive rain, flooding and flash flooding that began April 1, 2011.
    - 5 counties were declared disasters due to losses caused by excessive rain, flooding and flash flooding that began May 1, 2011.
- The historic and cultural impact on Vermont is significant.
    - More than 600 historic and cultural sites reported damage.
    - Damage was reported to 5 historic covered bridges.
    - Sixteen schools experienced delayed openings and an additional 4 were damaged.
- Natural Resources Conservation Service (NRCS) Emergency Watershed Protection.
    - Exigent work resulting from Tropical Storm Irene on 53 sites in 39 towns at a cost of nearly $2,000,000
    - Non-exigent work on 97 sites in 46 towns is planned at a cost of more than $4,000,000.
    - Debris removal work will expend about $100,000 of NRCS funds
    - Additionally, there is about $200,000 worth of flood work to be done associated with flooding in spring 2011.

Many damaged buildings were outside recognized flood plains but were damaged when culverts, bridges or streambeds were unable to contain the exceptional amount of runoff. The resulting back-ups flooded buildings as water built up behind an impediment which subsequently gave way, resulting in a flash flood.

There are several aspects of losses to the economy from the floods. Buildings and their contents alone are estimated to have had losses in excess of $100,000.000. Those businesses were unable to

operate for a period of time that ranged from days to months. Many more businesses were shut down in communities that were cut off when roads and bridges washed out, employees, customers, shipments and deliveries were not able to get to the business, and power was out. Tourists were unable or unwilling to make trips to both affected and unaffected areas. These total losses may never be fully tallied, but are probably a multiple of the pure property damages.

Many of the impacted areas depend extensively on tourism for income. The physical appearance of the community, especially the village or town center, is an important attraction for visitors. There are two unmet needs in this realm. The first is to restore the downtowns to a stronger, more resilient condition than before the flood. This may involve improvement of specific buildings, streetscape improvements, signage, or improved public facilities.

The second is to spread the word to travelers that the flood is long over, transportation and travel are not difficult, facilities for visitors have all reopened and, that the scenery is as beautiful as ever. Unfortunately, flooding and road damage make dramatic footage for news crews. Recovery is measured and does not present striking images (back to normal is not news). Our businesses need help to spread the word that Vermont is open for business and to welcome visitors back.

Business Assistance and Unmet Needs

	# of busineses	Est. ave loss	Total losses	SBA Assistance	VEDA Assistance	VT Irene Relief Fund	Est. Insurance @ 20%	Unmet Needs
Statewide	2015	30,000	60,450,000	11,569,900	14,146,568	421,900	12,090,000	**22,221,632**
County								
Windsor	548	30,000	16,440,000	2,985,300	4,026,599	136,537	3,288,000	6,003,564
Washington	314	30,000	9,420,000	2,919,600	2,810,500	113,326	1,884,000	1,692,574
Windham	487	30,000	14,610,000	2,395,600	3,010,797	99,672	2,922,000	6,181,931
Rutland	327	30,000	9,810,000	1,346,000	2,194,500	31,404	1,962,000	4,276,096
Chittenden	40	30,000	1,200,000	220,700	329,800	12,288	240,000	397,212
Orange	68	30,000	2,040,000	893,000	525,000	8,192	408,000	205,808
Bennington	119	30,000	3,570,000	748,400	345,500	6,827	714,000	1,755,273
Lamoille	21	30,000	630,000	11,900	100,000	4,096	126,000	388,004
Caledonia	30	30,000	900,000	3,300	200,000	4,096	180,000	512,604
Addison	43	30,000	1,290,000	50,100	525,660	4,096	258,000	452,144
Orleans	9	30,000	270,000	0	58,212	1,365	54,000	156,423
Franklin	9	30,000	270,000	0	20,000	0	54,000	196,000

Sources: SBA, VEDA, VT Irene Relief Fund

This chart estimates that there are remaining unmet needs for assistance to businesses of over $22,000,000. Some of these needs will be met by additional VEDA assistance, and other sources, but there are still very large unmet needs in this area.

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Agricultural Impacts

- Statewide agricultural losses due to Irene are estimated at $10,000,000. The potential feed damage- mostly to an estimated 120,580 tons of corn silage- is still unknown due to fermentation and potential molds within the harvested feed, which will have to be tested. If all the feed were to be condemned due to poor fermentation and high levels of mold, the cost to replace the feed could be over $8,000,000.
- Statewide, USDA compiled Irene related damage assessments on over 460 farms. The breakdown included approximately 200 dairy farms, 100 crop operations, 60 vegetable farms, 30 sugar bushes, and the remainder including plant nurseries, beef, sheep, apple, etc. Reported damage to acreage includes approximately: 7,200 hay, 6,000 corn, 1,800 pasture, 1,400 maple, 600 vegetable, and 225 soybean. The nine FSA county offices are currently processing 200 Emergency Conservation Program (ECP) applications.

The Vermont Agency of Agriculture, Food and Markets estimates farm losses at $10,000,000. These losses include immediate losses to ruined crops, damaged feed, dead livestock, flooded buildings, damaged equipment, eroded or sedimented farmland and continuing losses that include lost income when milk or crops could not be shipped, damage to stream banks, lost acreage due to stream bed relocation, costs of stabilizing stream banks, replanting pastures, replacing fencing, and restoring flood damaged farm roads, barnyards and other facilities.

These losses are sometimes less obvious, but no less devastating than those to buildings or roads. Animals can survive floods but be sickened leaving owners with substantial medical bills and, in the case of dairy cows, no saleable milk during treatment. And still the animal might die, resulting in more costs than if it had died in the initial flooding. Cropland is not just flooded and then uncovered when the waters recede. The crop is left covered with silt that may not wash off in subsequent rains rendering it worthless. Sediment deposition is often not good growing material and needs to be removed and then the field leveled, tilled and replanted before returning to productive use. Destabilized banks may continue to erode for years to come, compounding the losses, if they are not modified at considerable cost. In some cases acreage was lost forever to erosion, river channel movement or deposition of non-arable material.

Our belief is that farmers are still discovering losses with spring planting and repairs they had hoped to make themselves without assistance are now proving unaffordable, beyond their capacity, or too time consuming after their normal workload. The reduced fertility of fields will be fully understood after repairs are made and crops grown.

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USDA Information (as of December 2011)

STATE TOTALS:	
Producers impacted:	476
Corn acres damaged:	6065
Soybean acres damaged:	225
Hay acres damaged:	7268
Fruit/vegetable acres damaged:	596
Pasture acres damaged:	1752
Maple acres wind damaged	1402
Acres of land damage:	9093
Total acres damaged	20000 +

An April 2012 survey by the Vermont Agency of Agriculture, Food and Markets of farmers impacted by flooding revealed that 73% had not fully recovered from flood damage and most had remaining needs in excess of an average $25,000 per farm. These farmers may still be eligible for USDA assistance, but other sources, including insurance have been exhausted. Assuming that each gets the typical USDA loan amount of $10,000, there are substantial unmet needs for farms to rebuild buildings and return fields to production.

Farm Unmet Needs

County	Producers Impacted (USDA)	73% not fully recovered	Estimated remaining costs @ $25,000	Estimated USDA funding @ $10,000	Remaining unmet needs
Windsor	76	58	$1,444,000	$577,600	$866,400
Windham	42	32	$798,000	$319,200	$478,800
Washington	42	32	$798,000	$319,200	$478,800
Rutland	92	70	$1,748,000	$699,200	$1,048,800
Other		0	$0	$0	$0
Orleans	10	8	$190,000	$76,000	$114,000
Orange	23	17	$437,000	$174,800	$262,200
Lamoille	21	16	$399,000	$159,600	$239,400
Grand Isle	3	2	$57,000	$22,800	$34,200
Franklin	43	33	$817,000	$326,800	$490,200
Essex	4	3	$76,000	$30,400	$45,600
Chittenden	38	29	$722,000	$288,800	$433,200
Caledonia	14	11	$266,000	$106,400	$159,600
Bennington	27	21	$513,000	$205,200	$307,800
Addison	41	31	$779,000	$311,600	$467,400
STATE	476	362	$9,044,000	$3,617,600	**$5,426,400**

This analysis projects unmet needs of $5,426,400 based on the survey data and the USDA count of impacted farmers.

It is important to remember that farms are diverse and this includes both small producers and those with up to 3,000 acres and large dairy herds. Some large farms may have recovery costs remaining in excess of $1,000,000.

Housing

- Rising floodwaters inundated the homes of 15,000 Vermonters in 2011.
- 525 mobile homes were flooded, at least 129 were destroyed and others may be condemned in the future. Mobile home parks had infrastructure damage and some will be unable to reopen.
- As of May 2012, 5,163 Vermonters have received more than $22 million in housing grants and $39 million has been loaned to homeowners.
- Housing in flood plains has been targeted for hazard mitigation program buyouts to remove homes from flood prone areas.
- An estimated 800 households have unresolved housing issues as they await assistance for buyouts, renovations, or mobile home purchases

FEMA

Individual Assistance (Statistics)

Individual Assistance	1995	4001	4022	Total
Registrations	1238	838	7252	9328
Individual and Household Program Referrals	823	603	5162	6588
Dollars Disbursed	$ 1,800,402	$1,357,876	$22,115,517	$ 25,273,795
IHP Eligibility Rate	67%	61%	70%	
Individual/Household Program Max Grants ($30,200)	3	6	168	177
Rental Assistance --active a/o 4/24/12			43	43
avg			$ 2,586.91	
Total Dollars on the Street	as of COB 4/24/2012			**$ 25,273,795**

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HUD estimates of the number of homes with major or severe unmet needs and the estimated cost to address the severe housing unmet needs

		HUD Estimate of the Number of Damaged Homes		HUD Estimate of the Amount of Severe Housing Unmet Needs
State	**County**	**Moderately Damaged Homes**	**Severely Damaged Homes**	**Severe Housing Unmet Needs**
Vermont		**1,315**	**487**	**$24,922,243**
	Washington	230	195	8,135,714
	Windsor	342	136	7,424,255
	Windham	132	55	4,046,058
	Rutland	170	24	1,122,639
	Bennington	96	13	1,099,157
	Orange	52	18	942,200
	Chittenden	90	21	824,974
	Franklin	31	<10	N/A
	Addison	50	<10	N/A
	Grand Isle	<10	<10	N/A
	Caledonia	64	<10	N/A
	Orleans	18	<10	N/A
	Lamoille	19	<10	N/A
	Essex	12	0	0

Source: HUD

The State of Vermont has convened Long Term Recovery Committees in each of the flood affected areas. They include volunteers, Community Action Agencies, Neighborworks Home Ownership Centers, Agency of Human Services Directors, and other interested parties. They are working to meet the needs of residents and businesses in flood damaged communities. They provide case management, direct cash assistance, volunteer coordination, needs assessment, construction management, fundraising, and outreach.

Interim Housing Needs

The interim housing needs of flooded households have been met by a combination of families moving to new quarters, sharing housing with others, and moving to the designated flood relief housing in Barre. Temporary housing units were not found to be necessary. Efforts are now focused on families and individuals that have not found permanent housing or repaired or replaced their existing housing.

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Permanent Housing Needs

Permanent housing is being provided through repair to existing buildings, Hazard Mitigation Grant Program (HMGP) buyout and relocation of flooded homes, replacement of damaged or destroyed mobile homes and construction of replacement housing.

Affordable Housing Needs

No data were available that reported the number of affordable housing units, defined as those with rent or resale restrictions and subsidized for low or moderate income residents. Melrose Terrace in Brattleboro, an 80 unit public housing complex suffered significant flooding and 20 units were damaged. They have been repaired and reoccupied.

None of the HMGP projects or proposed renovation projects received to date includes designated affordable housing.

It is important to note that much of the housing destroyed or damaged by flooding was owned by lower income households and was affordable to them by virtue of modest cost to purchase or rent, without government assistance. This is especially the case for mobile homes where a University of Vermont survey showed that 85% of all residents in mobile home parks were low income and 40% were very low income or extremely low income.

Funding for affordable replacement housing is a component of the proposed distribution of funds. The project sponsors will determine the affordability level within the requirements of this grant and other funding sources.

Market Rate Housing Needs (non-subsidized)

The market rate homes without government financial subsidies make up almost all of the housing impacted by 2011 flooding. It is clear from the buyout amounts that the overwhelming number of homes that were damaged by flooding were quite modest, both mobile homes and conventional buildings. The occupants are of similarly modest means even though they were not in subsidized housing. Their needs for assistance to return to safe and affordable housing are substantial and cannot be met by their own resources or insurance.

The CDBG-DR grant funds will be directed to the unmet needs of those households.

Mobile Homes

The damage to mobile homes and the parks that housed many of them was substantial.

County	Mobile Homes Damaged
Windsor	139
Windham	84
Washington	139
Rutland	46
Bennington	47
Orange	16
Addison	13

County	Mobile Homes Damaged
Caledonia	26
Chittenden	8
Orleans	1
Lamoille	3
Franklin	3
Statewide Total	**525**

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Of the 525 mobile homes damaged at least 129 were destroyed. Case workers for those displaced from mobile homes estimate that 100 of the households in destroyed mobile homes have been unable to replace them.

Mobile Home Park lots
- Flooded Statewide = 235
- Flooded and not re-occupiable = 19+
  - Windham County 13
  - Windsor County 6

Source: FEMA and DEHCD

Sixteen mobile home parks were flooded in the 2011 floods. At least 12 parks, at least partially, lie in flood hazard areas. Some have damage that will prevent them from being replaced and the park lots will be lost.

Purchasers of replacement mobile homes will require park lots or land to place the new homes. If the inventory of lots is reduced, new lots will be needed in flood proof locations. This requires new infrastructure of roads and utilities, as well as site prep for the home site.

Homeownership Recovery Estimates of Unmet Needs

Use	Households with need	Cost per home	Administration	Unmet need
Moderate Home Repairs	200	$20,000	$545,000	$4,545,000
Major Home Repairs	40	$80,000	$240,000	$3,440,000
Homebuyer Assistance	35	$25,000	$8,750	$883,750
Deed Restricted Ownership	8	$40,000		$320,000
Mobile Home replacement	100	$10,000		$1,000,000
		Total		**$10,188,750**

Source: Irene Case Managers and Homeownership Centers

These totals do not show other sources of funding. Generally, those households with remaining unmet needs have exhausted or were not eligible for other funding and lacked flood insurance. These are low or very low income households with few savings and limited capacity to borrow money. It is possible flood relief charities will grant additional funds to some households, but this is projected to be less than $1,000,000 of the $10,188,750.

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Hazard Mitigation Unmet needs

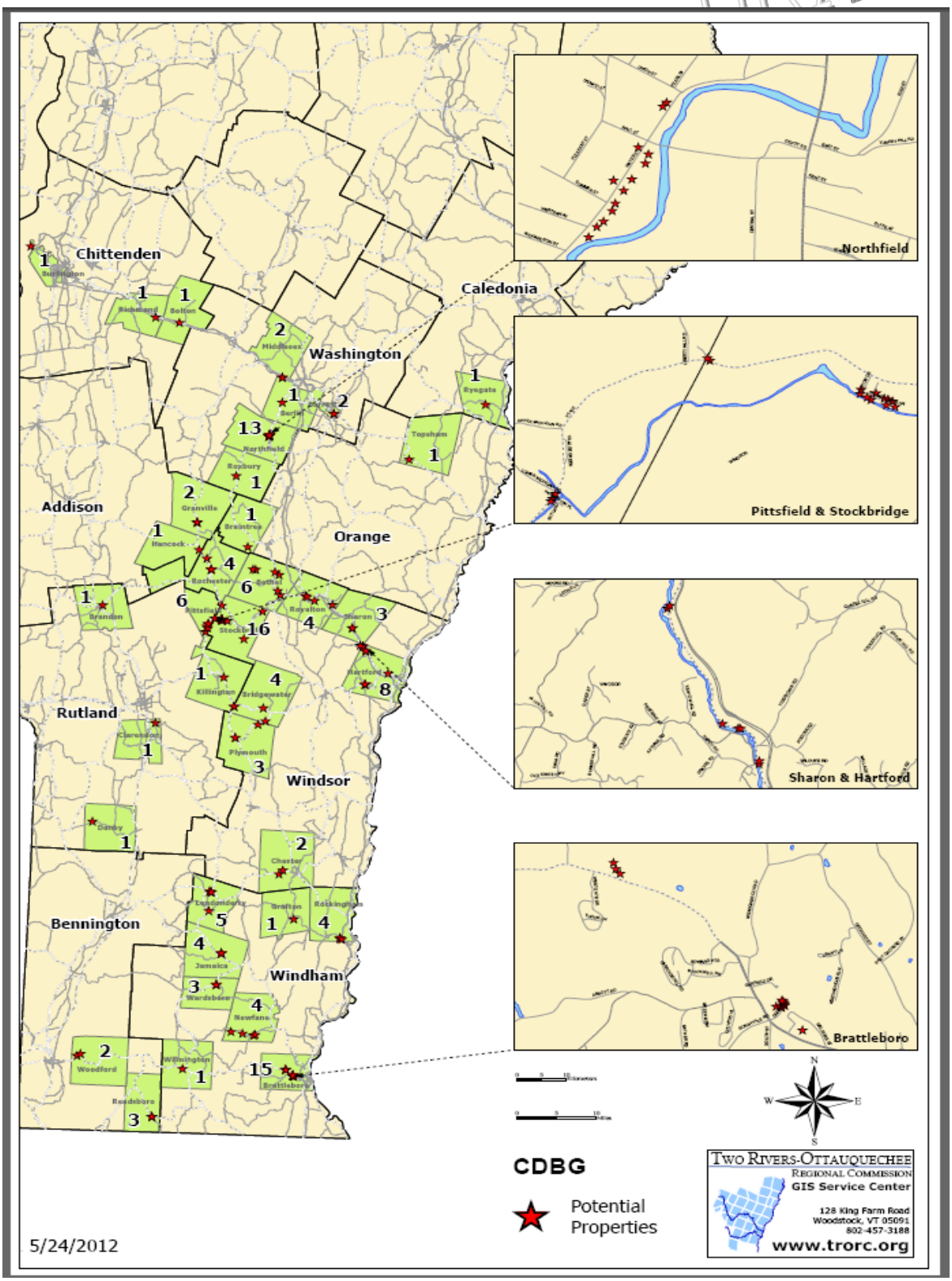
Many of the damaged homes lie in locations that are in areas prone to repeated flooding and face further risk if they are rebuilt in the same location. Federal funds are available through the Hazard Mitigation Grant Program (HMGP) to purchase those properties. The federal funds pay 75% of the cost of purchasing the property, removing any buildings and site restoration. The local community is expected to pay 25%. The small communities of Vermont faced with major rebuilding costs for roads, culverts and government buildings are unable to meet the required 25% match. The State of Vermont has committed to assist with the match through this grant.

The Hazard Mitigation Grant Program has worked with flood plain property owners who voluntarily wish to have their property bought out. To date there are 134 properties that have applied. Almost all are expected to be eligible and require funding. The HMGP funds can only be used for very basic site stabilization after the building is removed. Local communities, who become the owners of the remaining land, may wish to make additional site improvements to restore the land and, in some cases, to add amenities for public use. These Infrastructure costs will require additional CDBG DR funds that cover 100% of the costs.

Hazard Mitigation Grant Program Budget

County	Home buyout	Infrastructure	Planning	Commercial buyouts	25% match
Windsor	$9,579,408	$448,660	$150,932	$328,084	$2,626,771
Washington	$3,132,744	$399,596	$0	$0	$883,085
Windham	$4,236,988	$365,736	$0	$0	$1,150,681
Rutland	$1,041,136	$487,528	$0	$0	$382,166
Chittenden	$671,696	$198,000	$39,164	$0	$227,215
Orange	$161,072	$0	$0	$0	$40,268
Bennington	$894,276	$0	$0	$0	$223,569
Lamoille	$0	$0	$0	$0	$0
Caledonia	$98,552	$0	$0	$0	$24,638
Addison	$733,300	$0	$61,152	$0	$198,613
Orleans	$0	$0	$0	$0	$0
Franklin	$0	$0	$67,052	$0	$16,763
	$20,549,172	$1,899,520	$318,300	$328,084	**$5,773,769**

Buy outs Map


Chittenden
Caledonia
Washington
Addison
Orange
Rutland
Windsor
Bennington
Windham
Northfield
Pittsfield & Stockbridge
Sharon & Hartford
Brattleboro
CDBG
Potential Properties
5/24/2012
Two Rivers-Ottauquechee Regional Commission
GIS Service Center
128 King Farm Road
Woodstock, VT 05091
802-457-3188
www.trorc.org

Additional purchases are possible and desirable. The State may be eligible for additional funding and a third round of purchases could take place late in 2012. The average CDBG cost for the above buyouts is $47,350 and additional purchases are budgeted at that amount per buyout. This is believed to be 25 more purchases adding to the unmet need by $1,183,750. In addition, CDBG-DR funds would be proposed to buy out properties deemed ineligible for FEMA grants, but that which is prudent to remove from the floodplain is estimated at $1,147,786. Some of the cleared sites have been identified for recreational purposes and require development and design for appropriate public access that is estimated at $1,334,943.

This brings the unmet need to a total of $9,440,248.

Infrastructure

Transportation Infrastructure

More than 500 miles of state highway were damaged or closed, 200 bridges sustained damage, 34 bridges were completely closed, more than 200 miles of state-owned rail were impassable and six rail bridges were badly damaged. The Agency of Transportation opened three regional incident coordination centers and redeployed over 700 employees to restore mobility throughout the state. The privately run New England Central Railroad also received heavy damage, requiring repairs at 66 separate locations. Two state airports suffered damage. Significantly, the local (town-supported) transportation network had 2, 260 segments of local road impacted, and 335 culverts damaged, resulting in the closure of 211 local roads and bridges.

Water/Wastewater Systems

The water/wastewater support systems in 15 towns had varying degrees of damage ranging from major system renovations to multiple "boil water" orders. The reservoir supporting the City of Rutland sustained significant damage to the primary and secondary supply systems that required water rationing measures in the city of 18,000 for weeks.

Town Owned Facilities

Less well documented is the damage to town halls, libraries, police and fire stations, and other town owned facilities. There was damage in numerous towns and the worst hit had virtually all their facilities damaged. The estimated number of damaged buildings is 25 and the average repair or replacement cost is $400,000 ($10,000,000 total). The local share is projected to be **$500,000**.

Non-profit and community service buildings

Vermont Community Fund made at least 29 grants to non-profit groups for storm related repairs and replacement of building contents. These facilities include senior centers, child day cares, youth recreation facilities, and social service agencies. These grants were small and were not intended to reconstruct buildings, but rather to get through the cleanup phase and meet immediate needs. Assuming half of these buildings need major repairs at an average cost of $100,000 (it could be much higher), there is an unmet need for these 15 sites of **$1,500,000**.

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Funding

Infrastructure damage is paid, in part, by the FEMA Public Assistance Program. The State and Vermont towns will be reimbursed for 90% of the cost of approved repairs to public infrastructure including roads, bridges, culverts and public facilities. The State is responsible for 5% of the remaining costs. Local governments are expected to pay the remaining 5%. In many towns even 5% of the cost exceeds the entire annual budget for the town. However, in recognition of this potential burden, the state will cover the amount exceeding what a three cent property tax increase would raise

Nonetheless, the need for matching funds will remain an obstacle for some communities limiting their ability to repair buildings, parks, and lower priority facilities.

FEMA Public Assistance Program

FEMA Public Assistance Program

County	# of projects	Estimated Cost	Local 5% share
ADDISON	98	$ 3,156,366	$157,818
BENNINGTON	161	$ 5,182,592	$259,130
CALEDONIA	80	$ 1,930,349	$96,517
CHITTENDEN	32	$ 486,942	$24,347
ESSEX	2	$ 57,966	$2,898
FRANKLIN	24	$ 334,792	$16,740
GRANDE ISLE	0	$ -	$0
LAMOILLE	50	$ 1,705,760	$85,288
ORANGE	153	$ 6,494,181	$324,709
ORLEANS	75	$ 1,448,180	$72,409
RUTLAND	354	$ 14,083,900	$704,195
STATE AGENCIES	273	$ 67,295,785	0
WASHINGTON	264	$ 9,862,414	$493,121
WINDHAM	730	$ 34,200,702	$1,710,035
WINDSOR	829	$ 50,882,417	$2,544,121
TOTAL	3,125	$ 197,122,346	**$6,491,328**

Alternative and enhanced projects have to be paid for by towns above replacement costs. These projects are likely to be proposed as towns choose to rebuild in different locations, combine or separate functions, or build larger facilities to meet current needs. This will expand the unmet needs shown above. Furthermore, FEMA denies some claims outright. These projects represent significant unmet needs for many communities.

Method of Distribution (77FR22586)

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The State of Vermont has been allocated $21,660,211 in CDBG-DR funds for the purpose of assisting recovery in the most impacted and distressed communities following flooding in the Spring of 2011 and Tropical Storm Irene. (Disaster declarations DR-#1995, DR-#4001, and DR-#4022). The state will use the funds to address unmet needs in the areas of economic recovery, housing and municipal infrastructure.

HUD is requiring all states receiving CDBG-DR funds to direct the assistance to the most impacted and distressed areas. Accordingly, Vermont must use 80% ($17,328,169) of the allocation in Washington and Windsor counties. The remaining 20%, ($3,249,031) is available for recovery efforts in all other counties that received presidential disaster declarations. A disaster was declared in every county in Vermont for purposes of FEMA's Public Assistance program. Counties receiving Individual Assistance declarations are Addison, Bennington, Caledonia, Chittenden, Franklin, Lamoille, Orange, Orleans, Rutland, Washington, Windham, and Windsor.

The state will use 5% of the allocation ($1,083,011) for administration to ensure the appropriate and compliant management of the program over the next five years. The balance of $20,577,200 will be allocated for economic recovery, housing and infrastructure activities as outlined below:

Total Allocation:	**$21,660,211**
ACCD Administration (5%):	$1,083,011
(Grant administration over 5 years)	
Grant Total:	**$20,577,200**
Competitive Grants	$8,750,000
Economic Recovery	$3,000,000
Businesses, Farms, Non Profits	
Housing	$1,750,000
Replacement Housing, Mobile Home Park Replacement and Mitigation	
Municipal Infrastructure	$3,000,000
Projects not eligible for FEMA Public Assistance	
Planning	$1,000,000
Project Feasibility and Development	
State Direct Grants	$9,661,179
Buyouts – HMGP Local Match and Non-eligible **	$5,112,530
Homes and Businesses	
Housing Recovery Program **	$3,398,649
Rehabilitation, down payment assistance, financial counseling	
Mobile Home Financing Program **	$500,000
Economic Recovery	$250,000
Recovery Marketing** (VDTM – Route 100)	
Downtown Assistance **	$400,000
Contingency (10%):	$2,166,021

(Contingency required for unknown unmet needs. On or before 80% of the allocation has been expended, contingency will be released and budgeted for eligible activities.)

**Apply towards mandated threshold of 50% ($10,280,685) of the allocation that must be dedicated to specific projects at initial submission of the Action Plan.

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Allocation Determination based on Needs Assessment

Competitive Grants

DEHCD proposes making $8,750,000 available to Vermont municipalities, businesses and non-profit organizations through a competitive grant application process. The unmet needs in this category are broad and varied and far exceed the funding available. DEHCD recognizes that all recovery is local and it is important to provide direct funding to help address the long term recovery needs identified at the local level. Allocations for competitive grant funding have been proposed for Economic Recovery, Housing, Municipal Infrastructure, and Planning. The competitive allocations are based on unmet needs identified in each category. This funding is in addition to the State Direct Grants for Housing and Economic Recovery.

State Direct Grants

In order to maximize benefits through efficiencies and leveraging other resources and best address unmet needs, the DEHCD proposes directing $9,661,179 of the allocation for the following purposes.

Buyouts – HMGP Local Match and Non-eligible ($5,112,530)

Because it will meet the critical objectives of assisting Vermonters who have lost their homes and businesses, reducing future damages and mitigating hazards, the state is pursuing all possible assistance through FEMA's Hazard Mitigation Grant Program, including buyouts. In addition, DEHCD will use CDBG-DR and general funds through the Vermont Housing and Conservation Board to provide the 25% match where needed and eligible. By making this commitment, the state will maximize participation in the HMGP buyouts – giving homeowners and businesses a better chance at full recovery while removing properties from flood-prone areas and supporting municipalities. This effort includes significant technical assistance to municipalities through Vermont Emergency Management, which administers the HMGP.

Responsible Entity – To build on existing expertise and ensure consistent assistance to municipalities within its existing staff capacity, DEHCD will subgrant CDBG-DR funds to Two Rivers Ottauquechee Regional Commission, which will lead the regional planning commissions in administering the local match.

As there is no structured county government in Vermont, the regional planning commissions (RPC's) have been working with the municipalities in their regions since the early days following the disasters to help identify the level of damage incurred, sources of funding to be sought, unmet needs assessments, providing guidance in completing the FEMA applications for the residential and commercial buyouts, and infrastructure assistance. TROC serves 31 municipalities in Windsor, Orange, and Addison counties along the Connecticut River Watershed area. Of the RPCs, its region contains the greatest number of homes with severe damage as determined by FEMA to be eligible for buyout.

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Activity and Geographic area- In the first two rounds of the Hazard Mitigation Grant Program, over $5,388,889 was approved for residential and commercial buyouts in Addison, Bennington, Caledonia, Chittenden, Orange, Rutland, Washington, Windham, Windsor counties of which $3,260,058 or 60% was in Washington and Windsor counties, and $2,128,831 or 40% was in the other non-targeted counties. Other properties have been identified as being appropriate for buyouts but, for various reasons, have not been determined to be eligible.

CDBG Activity eligibility category – For these buyouts, it will be **Housing** for residential properties and **Economic Recovery** for the commercial buyouts.

TROC will apply for CDBG-DR funding through DEHCD's Intelligrants Management System to secure funding for the HMGP 25% match and 100% potentially for FEMA ineligible properties, along with the funds necessary to clear the properties, and the associated project delivery costs.

National Objective - VEM estimates that over 70% of the homeowners involved in the buyouts are at or below 80% area median income (LMI). Therefore, the balance will be categorized as urgent need. This would correlate to $3,578,771 meeting the LMI National Objective.

Long-term recovery to impacted areas – The undertaking of buying out severely damaged or completely destroyed properties to be demolished and cleared, and permanently deed-restricted against any permanent structures either for recreational or residential use serves a dual purpose of removing blighted structures and debris, and allows the natural course of rivers overtime to flow and flood without repeated public investment. Further, it provides opportunities to move households out of harm's way to secure a safer, stronger living environment into the future. Finally, by providing the local match, the DEHCD will leverage and maximize benefits to the most severely impacted Vermonters.

Meeting the 80% targeting - Over 60% of the funds allocated for this activity will be used in Washington and Windsor counties, or $3,068,118.

Housing Recovery Program ($3,398,649)

As demonstrated by the unmet needs assessment, many Vermonters are still in need of help repairing their homes or securing permanent housing. The state's five NeighborWorks HomeOwnership Centers (HOC's) have been collaborating as a unified NeighborWorks Alliance of Vermont for several years. Since Tropical Storm Irene, the HOC's have been working with individuals and homeowners directly, through the Long Term Recovery Committees and in collaboration with the state's disaster case managers. They are providing technical assistance, temporary housing assistance, guidance to secure financial assistance, and data gathering for unmet needs. Given their capacity and experience with CDBG funding, rehabilitation loan programs and financial counseling to low and moderate income homeowners, DEHCD proposes subgranting CDBG-DR to the network of HOCs. The funding will be used for the repair and rehabilitation of damaged homes, financial counseling, downpayment assistance and other housing needs as they evolve.

CDBG-DR funding for this purpose will leverage $400,000 flood recovery funding from the Vermont Housing and Conservation Board, NeighborWorks America, the Vermont Community Foundation and the Enterprise Foundation.

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Responsible Entity – The HOCs will submit a joint application through DEHCD's Intelligrants Management System. Three HOCs are located in flood-impacted areas - Windham & Windsor Housing Trust, NeighborWorks of Western Vermont, and the Central Vermont Community Land Trust. Champlain Housing Trust and Gilman Housing Trust will provide additional capacity and administrative support as needed.

DEHCD has a long-standing relationship with the HOC's through the regular CDBG Program for scattered-site housing rehabilitation activities throughout the State, and since 2009 the HOC's have been serving a major role in the delivery and work of the Neighborhood Stabilization Program (NSP) through their rehabilitation expertise with the Housing Acquisition and Rehabilitation Program (HARP) to buy single-family foreclosed homes to rehabilitate at a very high standard and incorporating energy efficiencies to the maximum extent feasible to prepare the homes to be sold to new homeowners.

Activity and Geographic area - Rehabilitation work, down payment assistance, and financial counseling conducted primarily in Washington and Windsor counties, with some work in other impacted counties.

CDBG Activity eligibility category - The CDBG-eligible activity will be **Housing.**

National Objective – The National Objective will be met by serving at least 85% low and moderate income (LMI) households and 15 % will be categorized as meeting Urgent Need. This would correlate to approximately $2,888,851 of the CDBG-DR allocation serving LMI.

Long-term recovery to impacted areas – Assisting individuals and households recover what they lost to Irene and the spring floods is a priority for the state and the Irene Recovery Office. Repairing homes will help individuals return to safe and decent homes while restoring the state's housing stock. Financial counseling will help survivors make sound decisions and stabilize their lives. Downpayment assistance will enable some to return to homeownership, give them the flexibility to relocate, and make the most of the state's existing housing stock.

Meeting the 80% targeting – At least 60% of this funding directed to this activity will be used in Washington and Windsor counties, $2,039,189.

Mobile Home Financing Program ($500,000)

Mobile homes and parks were disproportionately impacted by Tropical Storm Irene. More than 500 homes and 16 mobile home parks suffered significant damage. Vermonters whose mobile homes were destroyed not only lost their homes but often a very affordable homeownership option. The cost and credit requirements of financing for the purchase of a new mobile home are a challenge that predates but has been exacerbated by the flooding of 2011.

DEHCD has worked with the Vermont General Assembly in securing funding for a proposal by the Champlain Housing Trust to create a mobile home financing program to address this unmet need. DEHCD proposes directing $500,000 in CDBG-DR to fill a gap in the program's funding. On behalf of the HOCs, CHT will offer loans to 100 households for the purchase of a mobile home. This funding will be combined with other state, private and nonprofit sources to create a $5.5 million program that will offer affordable and flexible financing. The loans will be a blend of fully amortizing (with reasonable rates) and 0% deferred mortgages. An owner investment of 5% will be required rather than the typical 20-35% required for mobile home loans.

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Responsible Entity – DEHCD will subgrant CDBG-DR funds to Champlain Housing Trust which will take the lead in creating the program. The statewide network of HOCs will provide homebuyer education to participants and assistance with rehabilitation of the purchases homes, when necessary.

Activity and Geographic area – Loans and homebuyer education, primarily in Washington and Windsor counties.

CDBG Activity eligibility category – The CDBG-eligible activity will be **Housing.**

National Objective – The National Objective will be met by serving at least 85% low and moderate income (LMI) households and 15 % will be categorized as meeting Urgent Need. This would correlate to approximately $425,000 of the CDBG-DR allocation serving LMI.

Long-term recovery to impacted areas – Enabling survivors to purchase new homes will not only facilitate recovery of the affected households. CDBG-DR funding for this purpose will help replace affordable housing lost to natural disaster in 2011 and seed a program that addresses a long-standing need for affordable and flexible financing for mobile homes. It will also assist owners of mobile home parks that have suffered damages and lost revenue by facilitating the purchase of new homes

Meeting the 80% targeting – At least 80% of the funding directed to this activity will be used in Washington and Windsor counties, $400,000.

Recovery Marketing ($250,000)

Tropical Storm Irene hit Vermont just as peak tourism season was about to begin. There was extensive national news coverage of the devastation making visitors extremely hesitant to come for their vacation of leaf peeping and enjoying all the other usual Vermont amenities. Not only did this damage the economic structure of the regions directly impacted, but also areas that experienced no storm damage. During summer and fall, Vermont typically receives over 8.5 million visitors who spend over $800,000. In addition to the physical damages, many regions of the state suffered significant economic damages due to lost revenue. It is imperative to focus paid advertising attention on the communities that were left with the greatest economic hardships to restore the damage done and ensure they are not overlooked by potential visitors in the upcoming tourism seasons.

Responsible Entity – The State of Vermont Department of Tourism and Marketing (VDTM) will carry out this activity. VDTM is part of the Agency of Commerce and Community Development.

Activity and Geographic area – The activity will be a comprehensive marketing campaign for the Route 100 corridor down through Washington and Windsor counties aimed at restoring tourism, and the vital economic activity it generates, during the state's fall foliage season. Route 100 spans the southernmost point in Vermont and stretches through the central part of the state and ends in Vermont's Northeast Kingdom. Route 100 is the major travel corridor that has tremendous direct impact on Vermont's tourism economy and supports multiple communities.

CDBG Activity eligibility category – The CDBG-eligible activity will be **Economic Recovery.**

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National Objective – The National Objective will be met under Urgent Need.

Long-term recovery to impacted areas – As Route 100 naturally follows rivers and waterways along the north to south spine of the Green Mountains, it suffered the greatest damage from flood waters. Route 100 is renowned for its scenic qualities and recreational amenities and all the businesses located along this significant tourism corridor were greatly impacted. Launching a multi channel and media advertising campaign to drive markets to get visitors to return will renew lost economic vitality, and provide opportunities for new businesses to locate along the popular road.

Meeting the 80% targeting – The activity will be carried out along the Route 100 corridor of Washington and Windsor counties. The total committed to the project of $250,000 will go towards meeting the 80% targeting requirement.

Downtown Assistance ($400,000)

Vermont's downtown and village centers are central to its identity, economy and social framework. The natural disasters of 2011, particularly Tropical Storm Irene brought significant damage to some and nearly destroyed others. Specialized assistance is required to help these areas rebuild and recover in ways that ensure long term economic viability and strength. DEHCD proposes funding state-directed effort to bring the required assistance to these communities, nearly all of which are struggling, with little staff and resources, to manage the demands of disaster recovery. The communities of Waterbury and Wilmington experienced extensive damage in their downtown areas and were targeted by FEMA for special, long term community recovery assistance. Additional assistance is needed to bring resulting plans to life.

Responsible Entity – The Vermont Downtown Program of DEHCD will be the direct recipient of funding

Activity and Geographic area – The Downtown Program will assemble a resource team to assist impacted downtowns or village centers. Activities will include market analysis to determine appropriate marketing and redevelopment approaches, in other words what type of economic restructuring the market will support. This analysis will help communities determine their new identities, branding, marketing, and implementation strategies. Assistance will be provided to eight communities, six (75%) in Washington and Windsor counties.

CDBG Activity eligibility category – The CDBG-eligible activity will be **Planning.**

National Objective – The National Objective will be met under Urgent Need.

Long-term recovery to impacted areas – The future of impacted downtowns is critical to the economic and social recovery of Vermont communities.

Meeting the 80% targeting – The activity will be carried out in 6 communities in Washington and Windsor counties (75%) and two communities in remaining areas of the state $300,000.

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Eligible Applicants

For the Competitive Grants allocation, we will be seeking input during our Public Hearing and Comment period, and we will be advertising notice of funding availability and seeking requests for proposals (RFP's) from Municipalities, Non-Profit Organizations, For-Profit Organizations, Developers, and State Agencies.

Application Review Process

Vermont Community Development Program-Disaster Recovery (VCDP-DR) applications will be created and submitted through the Intelligrants Management System. A Community Development Specialist will be assigned who will review the application for threshold criteria compliance. If threshold items are found, staff will work with the applicant to obtain the missing items and clear the application of its threshold review. If the threshold items render the application ineligible the application will be rejected. If no threshold items are found, the application will be cleared to be reviewed by the VCDP-DR team. The VCDP-DR team will review the application for competitiveness (need, impact, and feasibility) and compliance factors and score the application according to the Scoring Matrix.

Other state agencies (Agency of Agriculture, Department of Natural Resources, Vermont Housing and Conservation Board, Vermont Emergency Management, or Agency of Human Services) may be consulted with on an as needed basis for input as to the need and priority of the proposed project.

The application will first be scored individually by each VCDP-DR team member, and then a Team meeting will be held to discuss the application, review the scoring to develop an average score across all participating team members. At the next scheduled Community Development Board meeting, the assigned CD Specialist will present the VCDP-DR application and its scoring. The applicant will not present at the board meeting or at the team scoring meeting. The Community Development Board will then make a funding recommendation, along with appropriate award conditions, to the Secretary of the Agency of Commerce and Community Development. The Secretary will make the final decision on whether to fund or decline the VCDP-DR application.

CDBG-DR Project Thresholds

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All Applications:

- Valid person to submit the application
- Adoption of the resolution for grant application authority
- Project addresses presidentially declared disaster impact(s)
- Project takes place in presidentially declared disaster county/counties
- Activities of the project are eligible per federal register
- Activities of the project meets a National Objective
- Activities of the project meets a State Objective
- Evidence of site control
- Flood damage affidavit
- Certification and information release form

In addition to the above:

All Competitive Applications:

- 10% Match (cash, cash-in-kind, grant or loan funds)
- Implementation grant maximum $1 million
- Planning grant maximum $100,000

Municipal Applications Only:

- Public Hearing Notice & Hearing

Economic Development Applications Only:

- Economic Development Business Analysis Information (as required on the form)
- DUNS Number

Housing Applications Only:

- Market Study

Public Service Applications Only:

- New or increased service documentation

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CDBG-DR Scoring Matrix - ***Implementation Projects***

Need: _____ **(50 Max Points)**

- Percent of funding in targeted county _____
  (25 Max Points)
- Project response to documented need/issue _____
  (10 Max Points)
- Project leverage of disaster recovery funds _____
  (10 Max Points)
- Project resolves a health or safety issue
  _____ (5 Max Points)

Impact: _____ **(25 Max Points)**

- Project LMI benefit _____
  (5 Max Points)
- Readiness to proceed and obligate funds within 12 months _____
  (5 Max Points)
- Coordination with local and regional planning efforts
  _____ (4 Max Points)
- Use of green, energy efficient, and sustainable construction methods
  _____ (2 Max Points)
- Project assistance to those displaced by disaster
  _____(2 Max Points)
- Results with community better prepared for next disaster _____
  (2 Max Points)
- Results with community better positioned to meet post disaster population _____
  (2 Max Points)
- Demonstrated longevity of benefit _____
  (2 Max Points)
- Location in a downtown or village center
  _____(1 Max Point)

Feasibility: _____ **(25 Max Points)**

- Demonstrated capacity and experience to carry out the project
  _____ (9 Max Points)
- Project sustainability (reserves, cash flow coverage)
  _____ (8 Max Points)
- Project cost effectiveness and reasonability
  _____ (8 Max Points)

CDBG-DR Scoring Matrix - ***Planning Projects***

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Need: _____ **(50 Max Points)**

- Percent of funding in targeted county _____
  (25 Max Points)
- Project response to documented need/issue _____
  (10 Max Points)
- Project leverage of disaster recovery funds _____
  (10 Max Points)
- Project resolves a health or safety issue
  _____ (5 Max Points)

Impact: _____ **(25 Max Points)**

- Readiness to proceed and obligate funds within 12 months _____
  (10 Max Points)
- Location in a downtown or village center _____
  (5 Max Points)
- Coordination with local and regional planning efforts
  _____ (5 Max Points)
- Results with community better prepared for next disaster _____
  (3 Max Points)
- Results with community better positioned to meet post disaster population _____
  (2 Max Points)

Feasibility: _____ **(25 Max Points)**

- Identified sources of funding for Implementation _____
  (15 Max Points)
- Demonstrated capacity and experience to carry out the project
  _____ (10 Max Points)
- Project cost effectiveness and reasonability
  _____ (5 Max Points)

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Unmet Needs and Indentified Allocation of CDBG

A description of the connection between identified unmet needs and the allocation of CDBG disaster recovery resources by the State.

In all cases below applicants will need to demonstrate the funding will be applied to needs caused by flooding from the designated Disasters.

Housing:

As of the end of 2011, there was an estimated $24.9 million of severe unmet housing needs. Since that time, assistance has been provided to individuals and households with multiple sources, including the Vermont Disaster Relief Fund, charitable foundations, and other community funds. However, there is an estimated 800 cases with unmet needs ranging from $1500 in remaining repairs to complete home replacements.

There is an estimated $8,995,000 in unmet needs for renovation of flood damaged housing. Funds from CDBG DR are being allocated to fund regionally administered rehabilitation programs for such housing.

There is an estimated $1,000,000 in unmet needs for owners of damaged or destroyed mobile homes to purchase replacement homes. Funds are being allocated from CDBG DR for downpayment assistance for conventional home buyers and loan funds are being allocated for mobile homebuyer loans.

There is $5,773,769 in unmet needs for matching funds for the Hazard Mitigation Grant Program to buyout flood affected housing. Funds are being allocated to meet the 25% matching requirement for current applications and additional HMGP funds are being sought.

There is $883,750 in unmet needs for homebuyer assistance for families and individuals displaced by flooding. Funds are being allocated for homebuyer downpayment assistance and counseling.

Infrastructure:

There is $6,491,328 in unmet needs for matching funds for FEMA Public Assistance grants. Funds are being allocated for grants or loans to communities that are unable to meet the match requirements for replacement town buildings and alteration or enhancement of buildings that are not eligible for FEMA PA funding.

Economic:

As of the end of 2011, there was an estimated $22.2 million in severe unmet business needs. Outreach, including direct surveys to impacted businesses, is ongoing. Funds are being allocated to provide loans and grants to affected businesses with unmet needs. The uses of these funds will include rental subsidies, working capital, loans, downtown improvements, and marketing funds for affected areas.

There is $5,426,400 in unmet needs for farms damaged by flooding. These will only be partially met by the allocation of funds for locally initiated projects to meet the remaining needs of impacted farmers.

General Requirements (77FR22586)

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Displacement Plan of Persons or Entities

No person or entity is anticipated to be displaced as a result of the Action Plan. The Hazard Grant Mitigation Grant program, which purchases flooded homes for demolition, is voluntary and is open to households that have already been displaced by the flooding.
However, all recipients implementing activities identified in the Action Plan will be directed to provide the assistance and protections afforded to any persons or entities under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended and section 104(d) of the Housing and Community Development Act of 1974 (HCD), as amended.

Program Income

It is unlikely that program income will be generated prior to close out of the CDBG-DR Program. However, any Program Income that may be generated during the CDBG-DR Program, and before closeout, will be transferred to be used for annual CDBG-funded activities. Likewise, any program income generated after closeout of the CDBG-DR Program will be transferred to be used for annual CDBG-funded activities.

Non-duplication of benefits

Applications will require disclosure of other benefits received and will be scrutinized for duplication of benefits as defined by HUD for the CDBG-DR program. Only those flood related unmet needs not funded by other sources will be funded with CDBG-DR funds.

Building Capacity for Implementation and Compliance

The Department of Economic, Housing and Community Development (DEHCD) will provide technical and management assistance to the grant recipients. The assistance will be provided in the form of workshops and training sessions specific to the CDBG-DR requirements and general requirements will also be covered for those individuals and entities that have no CDBG experience. In addition, there will be staff available to provide day-to-day ongoing technical assistance via e-mail, telephone and on-site visits when necessary. For the competitive grants, staff will work with applicants to encourage partnering with experienced grant administrators for a successful collaboration and project delivery. For the State Direct activities, the State has identified organizations that have a proven grant administration track record and/or work within the Agency.

The DEHCD staff has extensive experience in successfully managing the State's CDBG program since 1983; oversight of the Home Investments Partnerships Program (HOME) since 1992; successfully managing the Neighborhood Stabilization Programs NSP1 since 2008 and NSP3 since 2011; and the Community Development Block Grant Recovery Program (CDBG-R) since 2009. At this point, given the depth of experience of the existing staff and the systems in place to track and measure CDBG-DR performance outcomes and compliance requirements, the DEHCD staff can adequately ensure that the CDBG-DR will be managed appropriately to be fully compliant.

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Citizen Participation (77FR22587 – 77FR222587)

Outreach and citizen participation efforts started within days of Tropical Storm Irene. In the days immediately following the storm agency staff reached out to over 255 affected businesses and gathered valuable information to prepare an appropriate response for immediate assistance to the business community. The state also established a 211 call center to assist individuals with housing and other emergency needs.

DEHCD led one of the state's most comprehensive and effective efforts to understand the needs of communities most impacted by the disasters. Dubbed the "Community Recovery Partnership", the team-oriented initiative engaged community members, state agencies, and local leaders in a collaborative effort to think about long-term planning and implementation of recovery efforts. Thirteen regional Community Recovery Partnership meetings, reaching 45 of the hardest hit communities, were held throughout the state. This effort helped to identify and shape both the short and long term recovery needs that will allow the state to emerge from this disaster safer, smarter, and stronger. It greatly informed the development of the Action Plan.

In an effort to better understand the comprehensive recovery needs and help prepare the Draft Action Plan, DEHCD also consulted with regional development and planning organizations, affordable housing developers and providers, disaster case-managers, Long Term Recovery Committees, FEMA, SBA, EDA, and other state agencies. In addition DEHCD solicited and/or partnered in a number of surveys to assess the needs of municipalities, farmers, businesses, and disaster victims.

The Draft Action Plan was distributed and made available on May 29, 2012 for public comments. The DEHDC will solicit public comment for 30 days. Staff will conduct three public hearings: June 5 in Brattleboro (Windham county); June 7 in White River Junction (Windsor county), and June 12 in Montpelier (Washington county) to present the draft Action Plan and seek input.

Action Plan Amendments

The CDBG-DR Action Plan will be amended as described by the Federal Register Notice. HUD views the Action Plan as a living document that may be subject to amendments from time to time in response to new information and data that is realized during the course of carrying out a project, or comes to light during the Grant Agreement period. Each Amendment to the Action Plan must be sequentially numbered and the section being amended must be identified with detail of what is being changed, added, or deleted. An amended budget chart must be included that shows how funds are reallocated. The entire Action Plan as amended must be viewable as a single document.

A substantial amendment is defined as a change in program benefit or eligibility; the allocation or re-allocation of more than $1 million; or the deletion or the addition of an activity.

Under the State of Vermont's Citizen Participation Plan, any substantial amendment must follow the procedure of being authorized by the Secretary of the Agency of Commerce and Community Development, and will be made public by postings and public notices in the newspapers. The DEHCD will receive and consider public comments on the substantial amendments for 30 days before implementing the amendments.

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APPENDIX ___
Waiver Request for P.L. 112-55 Grantees

(Note: This request does not preclude a grantee from requesting additional waivers.)

CDBG disaster recovery grants are administered under the programmatic requirements of the regular CDBG programs. But to give grantees greater flexibility to respond to their recovery needs, P.L. 112-55 (hereafter the "Appropriations Act"), permits the Department to grant waivers and institute alternative requirements. Based on past practice, the Department has determined that the following waivers and alternative requirements play a vital role in the recovery process. However, you are *not* required to request any of the below. Please cross out or delete any waivers not requested.

For each waiver requested, please complete a justification. For your convenience, the Department has provided a sample justification for each waiver. You may use the justifications provided, however they should be modified to address your community's particular disaster recovery needs. Where possible, please cite or incorporate any relevant data. Also, because certain waivers are unnecessary for entitlement grantees (based on the existing regulations) this form is divided into two parts: Part A lists the waivers applicable to all grantees while Part B lists those only applicable to states. When completed, please email a signed and dated PDF of this document to Disaster_Recovery@ hud.gov. The original, signed document should be mailed to your assigned HUD office.

Part A. ***General Waivers & Alternative Requirements—Applicable to ALL Grantees***.

1. Waive overall benefit from 70 percent to allow 50 percent low/mod overall.

   Justification:

   The 2011 disaster affected Vermonters across the state, regardless of income, and caused extensive damage to community structures, businesses, and housing. Every county in the state received a Presidential Disaster Declaration. All fourteen counties received declarations for Public Assistance and twelve received declarations for Individual Assistance from FEMA.

2. Waive the Consolidated Plan and consistency with it until grantee updates the plan priorities.

   Justification:

   The effects of the 2011 disaster altered the State of Vermont's priorities for meeting housing, employment, and infrastructure needs. This requirement should be waived until the State can update the Plan.

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3. Waive Annual Action Plan and use of the Integrated Disbursement & Information System (IDIS). Replace with Action Plan for Disaster Recovery using Disaster Recovery Grant Reporting (DRGR) system.

   Justification:

   The State of Vermont requests permission to use the Disaster Recovery and Grant Reporting (DRGR) System to develop the 2012 Disaster Recovery Action Plan, to implement the Plan and to report Quarterly the activities undertaken with the Disaster Funding to ensure conformance with the provisions of the Appropriations Act under Public Law 112-5.

4. Waive the traditional certification requirements for the documentation of urgent need. Instead, allow each grantee to document how all programs and/or activities funded under the urgent need national objective respond to a disaster-related impact identified by the grantee.

   Justification:

   The alternative documentation requirement for urgent need will allow the State of Vermont to develop and implement programs to respond more quickly to fund such activities as homeowner rehabilitation for families over 80 percent of the area median income, and to provide assistance to businesses affected by the floods, that might otherwise be unable to document the creation and/or retention of low-income jobs and assist the hardest hit communities with un-met infrastructure needs.

5. Waive public hearings if they are not feasible and streamline citizen participation to allow "reasonable" notice (e.g. 7 day posting of proposed Action Plan on internet).

   Justification:

   Modifying the regular program requirements will preserve reasonable citizen participation while expediting the recovery process and ensuring that disaster recovery funds are awarded in a timely manner.
   Please note: the State of Vermont Citizen Participation Plan requires that we receive and consider public comments for 30 days before implementing "Amendments." State Statute requires the Municipality to hold at least one public hearing that has been noticed 15 days prior by publication in a newspaper of general circulation.

6. Waive the Consolidated Plan Annual Performance Report (CAPER) in IDIS. Replace with quarterly reports in DRGR.

   Justification:

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The State of Vermont will be using the DRGR system to record obligations and to make draws from the line of credit, use of the system for quarterly reporting is most efficient. Furthermore, quarterly reporting is consistent with the administration of prior year CDBG disaster recovery grants.

7. Waive provisions necessary to allow: (1) homeownership assistance to persons whose incomes are up to 120 percent of median income (supports mixed income housing), (2) new construction of housing, and (3) downpayment assistance for up to 100 percent of the downpayment.

   Justification:

   The broadening of Section 105(a)(24) of the 1974 Act, and a waiver of Section 105(a) is necessary following the 2011 disasters in which large numbers of affordable housing units have been damaged or destroyed. As a result of the 2011 disaster, the State of Vermont's housing stock has been significantly affected. More than 3,500 residences were damaged or completely destroyed. These modifications will allow the State to implement housing recovery programs to reach a broader range of households from an income perspective that were severely impacted from Tropical Storm Irene.

8. Waiver to allow incentive payments to encourage households to relocate in a suitable housing development or an area promoted by the community's comprehensive recovery plan.

   Justification:

   As a result of the 2011 flooding, the State of Vermont faces significant hardship as many homes were located in the 100 year floodplain. To encourage these homeowners to relocate to a lower-risk area, the State would benefit from the ability to offer incentive payments to affected households.

9. Limited waiver to allow emergency grant payments for up to twenty months.

   Justification:

   In the State of Vermont, the time required for a household to complete the rebuilding process will likely extend beyond three months, during which time mortgage payments may be due but the home remains uninhabitable. Thus, this interim assistance will be critical for many households facing financial hardship during this period.

10. Limited waiver to allow the rehabilitation or reconstruction of public buildings used for the general conduct of government.

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Justification:

The State's municipalities have limited funds available, and many vital public buildings such as municipal town halls have suffered significant damage from the 2011 disaster. Repairing these facilities and resuming normal operations as soon as possible are critical to the state's long-term recovery.

11. Limited waiver of anti-pirating to allow a business to return to any labor market within the same State that the business was located in before the disaster.

    Justification:

    More than 200 businesses suffered losses due to Irene. Many communities sustained significant damage to downtown and commercial districts. This waiver is necessary to enable businesses to stabilize and rebuild and to allow the state and local economies to recover.

12. Waive provisions of the URA (concerning one-for-one replacement of housing, acquisition and implementing regulations of an arm's length voluntary purchase, financial assistance to a displaced tenant, and a moving expense and "dislocation" allowance).

    Justification:

    The State of Vermont plans to engage in voluntary acquisition and relocation activities. The above waivers are necessary to effectively assist displaced persons in a timely and efficient manner. Specifically, waivers regarding:
    - ***one for one replacement are necessary because the requirement, as it stands, discourages grantees from converting or demolishing disaster-damaged housing because of excessive costs that would result from replacing all such units within the specified time frame;***
    - ***an arm's length voluntary purchase are necessary to quickly carry out voluntary purchases and avoid windfall payments;***
    - ***financial assistance to a displaced household are necessary because a failure to suspend the one-size- fits-all requirements could impede the most effective use of disaster recovery funding; and***
    - ***a moving expense and dislocation allowance are necessary because failure to suspend and provide alternative requirements in this case would require allowances that do not reflect current local labor and transportation costs.***

13. Waive provisions necessary to allow the grantee to determine disposition of program income.

    Justification:

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Prior to 2002, program income earned on disaster recovery grants was considered program income in accordance with the rules of the regular State CDBG program of the applicable grantee. As a result, the funds lost their disaster recovery identity, and thereby lost use of the waivers and streamlined alternative requirements. Therefore, the State of Vermont requests the program income waiver so that it may maintain the use of its other waivers and alternative requirements, and be consistent with prior CDBG disaster recovery grants awarded in 2008 and 2010.

14. Waive provisions necessary to allow the grantee to determine the national objective for certain economic development activities by documenting, for each person employed, the name of the business, type of job, and the annual wages or salary of the job.

    Justification:

    The State of Vermont requests this alternative documentation to provide a simpler and quicker method to determine the national objective for participating lenders to administer, easier to verify, and would not misrepresent the amount of low and moderate-income benefit provided.

15. Waive the public benefit standards for economic development activities designed to create or retain jobs or businesses (including, but not limited to, long-term, short-term, and infrastructure projects).

    Justification:

    This waiver is necessary because the public benefit dollar thresholds were set more than a decade ago and, under the conditions, will likely impede recovery by limiting the amount of assistance the State of Vermont can provide to a critical activity.

16. Waive pre-agreement costs, to the extent it applies. Replace with HUD permission for the grantee to reimburse eligible costs incurred back to the incident date.

    Justification:

    Despite a limited budget, the State of Vermont has spent $99 million on critical disaster recovery needs since the 2011 disaster. These activities have played a crucial role in the State's recovery.
    The Agency has been tracking expenditures for pre-award costs back to October 1, 2011, which would correlate to an estimate of $56,000 in pre-award costs at the time of receipt of a Grant Agreement from HUD.

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17. Waive provisions necessary to allow the grantee to implement voluntary flood buyouts to help communities affected by flooding to move in whole or in part out of a floodplain.

    Justification:

    Although buyouts can be more expensive in the short-term than rehabilitation or reconstruction, they provide the best solution for moving homes and businesses out of harm's way. Based on the most recent damage assessment, the State of Vermont intends to allocate an estimated $7 million to buyouts.

18. Waive 24 CFR 570.494 requiring timely distribution of funds.

    Justification:

    Due to the significant destruction caused by the 2011 disaster, the loss to Vermont is currently estimated at $555 million. This number does not include losses incurred by individuals and households that are not covered by FEMA, nor does it include losses to businesses. This waiver is necessary so that the State of Vermont can design and implement its programs to best achieve a stable and long-term recovery. Failure to suspend this requirement could lead to an incomplete and ineffective recovery.

19. Waive standard certifications. Replace with a disaster recovery set.

    Justification:

    This waiver is necessary to ensure that the State of Vermont meets the requirements of the 2011 Appropriations Act, and the forthcoming Federal Register notice that will contain or reference the applicable program requirements.

Part B. ***Waivers & Alternative Requirements—Applicable to State Grantees ONLY***.

20. Waive requirement to distribute all funds to local governments. Replace with permission for the State to carry out activities directly. Do conforming changes, below:

    - Allow use of subrecipients. Reference entitlement regulations.
    - Waive recordkeeping requirement. Replace with a conforming change.
    - Waive change of use of real property requirement. Replace with a conforming change.
    - Waive State review and handling of noncompliance. Replace with a conforming change.

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Justification:

As the 2011 disaster affected a large portion of the state, a state agency is best able to orchestrate a coordinated and streamlined disaster response by carrying out activities directly, it can distribute assistance via one or more programs to applicants located in communities across the entire state. Furthermore, the State of Vermont believes that in using statutory language similar to that used for prior CDBG supplemental appropriations, Congress signaled its intent that the state grantees under this appropriation also be able to carry out activities directly.

21. Waive consultation with non-entitlement local governments. Replace with consultation with all disaster-affected governments including entitlements.

    Justification:

    As the effects of the 2011 disaster were not limited to non-entitlement areas, the State of Vermont must consult with all disaster-affected governments to determine need and allocate funds accordingly.

22. Waive prohibition on funding entitlement communities and Indian tribes. Replace with permission to do so.

    Justification:

    As the effects of the 2011 disaster were not limited to non-entitlement areas, the State of Vermont must allocate funds according to need.

23. Replace the State CDBG planning related requirements of 570.483(b)(5) and (c)(3) with the entitlement CDBG presumption at 24 CFR 570.208(d)(4).

    Justification:

    In the annual entitlement program, stand-alone planning activities are presumed to meet a national objective because they are likely to include non-project specific plans such as functional land-use plans, master plans, historic preservation plans, comprehensive plans, community recovery plans, development of housing codes, zoning ordinances, and neighborhood plans. The State of Vermont believes that the use of this presumption is necessary to help the State develop an area-wide or comprehensive planning activity to guide overall redevelopment.