

## June 22, 2021 Virtual Public Hearing Transcript

Greetings,

and welcome to the public hearing on the second Substantial Amendment to the Action Plan for the Use of Community Development Block Grant-Mitigation (CDBG-MIT) funds.

My name is Matt Arlyn, and I am the director of policy and planning for the North Carolina Office of Recovery and Resiliency (or NCORR) – the office charged with implementing these funds.

In this public hearing, you will learn about 1) the current state of the CDBG-Mitigation funds and the various programs funded by that grant, 2) the changes made in Amendment #2, and 3) how a new allocation of \$34.6 million is planned to be used by NCORR to continue important mitigation work in storm-impacted areas throughout the state.

Afterwards, NCORR would like to hear your public comments on the use of these funds. Public comment is extremely important to the planning process, and NCORR welcomes your feedback.

As I stated earlier, the purpose of this public hearing is to obtain your public comment and input on how NCORR plans to use this additional \$34.6 million in CDBG-Mitigation funds. These funds are provided by the U.S. Department of Housing and Urban Development (HUD).

Previously, NCORR had received \$168 million in Mitigation funds, specific to Hurricane Matthew mitigation, and these new funds bring our total mitigation funding from HUD to \$202.6 million for both Hurricane Matthew and Hurricane Florence mitigation measures.

As a requirement of the receipt of these new funds, we must hold a public hearing and publish an amendment to our CDBG-Mitigation Action Plan to inform the public on how we intend to use these new funds, and any other changes we may have considered for the use of these funds to-date.

Our Substantial Action Plan Amendment #2 is available for public review and comment at our website at <https://rebuild.nc.gov/action-plans>.

NCORR was established shortly after Hurricane Florence as an office in the Department of Public Safety to streamline disaster recovery programs statewide and help communities rebuild smarter and stronger.

In addition to the Mitigation Program, the office administers programs that support homeowner recovery, affordable housing, strategic buyout, local government grants and

loans, and pandemic-related rent and utility assistance (in the HOPE Program). Learn more about all of NCORR's programs at our website: <https://www.rebuild.nc.gov>.

HUD has defined what mitigation is and the purpose of these funds in several Federal Register notices. In the notices, mitigation is defined as those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship.

Half of the total CDBG-Mitigation funds must support activities that benefit low- and moderate-income persons. A low- and moderate-income person or household, also known as LMI, earns less than or equal to 80% of the area median income (AMI) where they are located.

Half of the Mitigation funds must also be spent in most impacted and distressed (MID) areas for both Hurricanes Florence and Matthew. We will show you a map of where these MID areas are located in the state.

Here you will see the proposed CDBG-Mitigation budget and allocation. In the "Previous Allocation" column, you will see the amount of grant funds allocated prior to this Substantial Action Plan Amendment. The "New Allocation" is the amount that these allocations are expected to increase with the acceptance of Substantial Action Plan Amendment #2 that we're reviewing here today. The "Total Proposed Allocation" is the final allocation after Substantial Action Plan Amendment #2 is made effective.

What you will see here is that administration costs are capped at 5% of the grant. This is a requirement from HUD, and so these funds will never increase greater than 5% of the total allocation. The allocation for administration costs, therefore, is \$10.1 million. Similarly, the allocation expected for planning is \$10.1 million (or 5% of the grant). There is greater flexibility in the use of planning funds, and so this allocation may increase or decrease in the future as planning projects are identified by NCORR.

You will notice the greatest increase in the allocation is for the strategic buyout program, a major mitigation initiative by the NCORR office. Previously, \$151.2 million were allocated for this activity. The total proposed allocation will increase by \$31.1 million to a total of \$182.4 million for buyout. The total proposed allocation is \$202.6 million, which is the entirety of the CDBG-Mitigation grant.

Let's review the two major CDBG-Mitigation priorities. The first is the Strategic Buyout Program. This program uses CDBG-Mitigation funds to purchase properties in at-risk areas of future flood hazards. We call these areas Disaster Risk Reduction Areas (or DRRAs). The use of the DRRA allows NCORR to identify an area and contact those individuals that live in the area to voluntarily move them to lower-risk areas. The program provides for the purchase of the property, as well as incentives to allow folks to move to areas of lower risk.

Planning funds are used for the funding of planning projects. These activities help us understand our risk and predict and assess storm damage, and become more resilient to future storm damage. We'll provide some examples of these planning funds in just a moment.

The Strategic Buyout Program is a completely voluntary program that permanently reduces the risk to life and property of North Carolinians by purchasing the storm impacted and at-risk properties, located in those DRRAs that I discussed earlier. After the property is purchased by NCORR, it is then owned by the local government and the structure is demolished. The land is then held in open space in perpetuity, meaning no more buildings or property may be developed on that land.

The program keynotes are that 1) it is entirely voluntary, and nobody is forced to relocate or sell their property to NCORR, 2) NCORR works with the local government to identify specific DRRAs in at-risk areas, 3) this activity permanently reduces risk because no property is at future risk of storm or flood damage, and 4) altogether the community is made more resilient by empowering people to live in safer areas, free from storm risk or flood damage in the future.

Here is a look at the most impacted and distressed (or MID) counties for both Hurricanes Matthew and Florence. The buyout program predominantly operates in the MID areas identified by HUD, but may also incorporate areas identified by NCORR as also most impacted and distressed.

Disaster Risk Reduction Areas allow the program to target specific areas for buyout. A variety of data are used to identify these potential locations, and many DRRAs have already been established by NCORR and the local communities.

Currently there are 13 DRRAs in five different counties, and those areas are supported by a local ReBuildNC Center. You can find the ReBuildNC locations by visiting our website.

In the future, the Strategic Buyout Program will be expanding into more Florence-affected counties. Here you will see the current participation in the Strategic Buyout Program. In the five counties, you will see a count of applicants, and where they are located in the DRRAs. All 13 of our active DRRAs are located on the right, and the number of applicants is located on the left (as well as a percent of the total applicants in the program).

On the far right of the screen, you will see that we have a total of 162 active applications for buyout. We have also contacted many property owners, and will continue to contact property owners that might qualify for the buyout program. NCORR is looking ahead to a launch of the Strategic Buyout Program in Florence-impacted areas, and multiple counties are being considered for Florence DRRA development in coordination with the local communities.

The other major initiative with the CDBG-Mitigation Program are the use of planning funds. Planning funds are very flexible and allow for many different activities, including but not limited to rainfall studies, land use plans, resilience strategies, and regional plans.

Planning funds help the state determine how to best recover from disaster and how to avoid future losses by improving our understanding of an issue or problem the people of North Carolina face.

Some plans have already been presented to NCORR by the state's various Recovery Support Functions (RSF) groups. As more plans and opportunities are identified for funding, they will be added to the ReBuildNC website and available for your review.

A critical component of the Strategic Buyout Program that is under development right now is the Citizens Advisory Committee. The Citizens Advisory Committee will help NCORR solicit and respond to public comment and provide input regarding our mitigation activities, and serve as an ongoing avenue to continuously inform NCORR's mitigation projects and programs.

June 22, 2021 6:15 PM from Sarah Crump to everyone: As more information about the CAC is available, it will be made publicly available on the ReBuild NC website.

As we mentioned earlier, the public comment portion of the Substantial Action Plan Amendment is critical to the success of the Action Plan Amendment, and we are eager to hear from you about Substantial Action Plan Amendment #2 for the CDBG-Mitigation funds. The public comment period is 30 days and will run until June 27 at 5 p.m.EDT.

You may make a public comment on this plan by: Providing a public comment today at this hearing, emailing your comments to [publiccomments@rebuild.nc.gov](mailto:publiccomments@rebuild.nc.gov), or Mailing in your comments to the NCORR Public Comments P.O. Box at: NCORR Public Comments P.O. Box 110465  
Durham, NC 27709

All the comments made here today or that are received before the deadline become a part of the record of the Action Plan and will be considered and responded to in the final Action Plan amendment. A transcript of this hearing and the meeting materials at this hearing will be provided in the Action Plan Amendment 2 submitted to HUD for review.

With that said we are so thankful that you have joined us here today. We welcome your public comments and your thoughts on the future of mitigation as it's funded by CDBG-Mitigation grant funds. NCORR is excited and honored at the opportunity to continue to serve the residents of the state of North Carolina that are recovering from disaster and looking to reduce their future losses from future disasters.

Thank you, and we will now enter the public comment portion of our hearing.