



EXECUTIVE SUMMARY

COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY

ACTION PLAN



For CDBG-DR Disaster Recovery Funds
Section 239 of the Department of Housing and Urban Development Appropriations Act, 2012
(Public Law 112-55, enacted November 18, 2011)

June 26, 2012
City of Minot, North Dakota
Curt Zimbelman, Mayor

EXECUTIVE SUMMARY

On April 16, 2012 the Department of Housing and Urban Development released \$400 million dollars in Community Development Block Grant funds for the purpose of assisting recovery in the most impacted and distressed areas declared a major disaster in 2011 under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). Based on HUD's analysis of unmet needs, the City of Minot was allocated \$67,574,964 to assist in the recovery from the floods of 2011.

In order to receive these dollars, the City of Minot is required to publish an Action Plan for Disaster Recovery that describes the proposed use of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Disaster Recovery (CDBG-DR) funding associated with recovery from the floods. HUD regulations required the City of Minot to determine unmet needs in the areas of housing, infrastructure, and the economy. The following Table shows the estimated amount of unmet needs by category.

Housing Unmet Needs

Housing Damages	Projected Impact	SBA Loans	Unmet Need
Repairs/Reconstruction	\$274,439,157	\$185,653,100	\$88,786,057

Unmet Infrastructure Needs

Unmet Needs Based on Damage Estimates Minus Assistance Received	
Army Corps of Engineer Damage Estimate	\$600,000,000
Minus Estimates for Residential Damage	-274,439,157
Minus Estimates for Business Damage	-93,748,221
Remaining Infrastructure and Public Facility Damages	\$368,187,378
Minus FEMA Public Assistance	-173,207,650
Minus State and Other Assistance	-16,210,000
Remaining Unmet Need	\$178,977,378

Business Unmet Needs

Businesses	Projected Impact	SBA Loans	Unmet Need
Building repairs/remediation cost estimates, inventory loss, capitol equipment losses	\$93,748,221	\$41,249,600	\$52,498,621

Need for housing, especially safe, decent, and affordable housing is clearly the City of Minot's top priority. This impact can be demonstrated by the disaster's overall effect on the quality, quantity, and affordability of the housing stock and the resulting inability of that stock to meet post-disaster needs and population demands.

However, the need for housing and the ability to develop housing outside of the flood prone areas directly relates to the City's ability to provide adequate housing infrastructure.

This infrastructure includes water and sewer services, streets and roads, fire protection, and emergency services. Therefore, the construction of new housing outside of the flood area is directly related to creating additional capacity for the City to support the new development. Similarly, the ability for the City to support retention of current business and the development of new businesses is to be able to house the workers needed to operate these businesses.

The following represents a brief summary of long-term recommendations for housing:

1. Repair and expand water and sewer services to foster housing development.
2. Provide infrastructure for developers fostering more affordable housing as a component of new development.
3. Provide funding assistance to low-to-moderate income families to repair or reconstruct their current homes.
4. Undertake an affordable housing study and development plan.

The Action Plan goes into great detail on the level of damages, dollar amount of damages, funding already received and expected to be received, and the balance needed to recover in each of these categories. It should be noted that the amount of dollars provided through this allocation is insufficient to meet all the recovery needs cited in the plan. Therefore the City had to prioritize their needs and leverage other sources of funds to maximize the greatest benefits for the residents of Minot.

Based on the post-flood assessments and City staff recommendations, the following represents a brief summary of the City's proposed use for CDBG Disaster recovery dollars to meet HUD requirements and the City's short and long-term recovery needs.

HUD Allocation Requirements

Total CDBG Funds	\$67,575,964	100%
Administration (cannot exceed 5% of CDBG Funds)	\$3,378,798.20	5%
Planning (cannot exceed 15% CDBG Funds)	\$1,425,000.00	2.1%
Total CDBG Funds for Activities (of this, at least 50% must be LMI Activities)	\$62,778,165.80	92.9%
Total LMI Activities (including project delivery)	\$39,093,502.83	62.3%
Total Urgent Need Activities (including project delivery)	\$23,678,662.97	37.7%

Method of Distribution for Program Activities

Proposed Project	Estimated Total Costs	Estimated CDBG-DR Funds	Estimated Funds Other Sources	Eligible Activity and National Objective Citation
Infrastructure and Public Facilities				
Landfill expansion – direct impact from flood debris has exceeded landfill capacity	\$5,871,471.49	\$3,721,471.49	\$2,150,000.00 Department of ND Trust Lands (NDTL)	Public Facility Improvement [24 CFR 570.201(c)] Nat. Obj.: Urgent Need [24 CFR 570.483 (d)]
Northern Sewer Project – provide sewer service to new affordable housing development outside of the flood area where 51% of houses will be affordable	\$28,415,000.00	\$6,345,000.00	\$5,000,000 NDTL \$3,600,000 Magic Fund \$13,470,000 City Bond	Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Low Mod Area Benefit [24 CFR 570.583 (b)(1)]
Master Lift Station - conveys a 80% of the City's flow to the waste water treatment center and is vital that the station is rehabilitated	\$4,300,000.00	\$2,150,000.00	\$2,150,000.00 NDTL	Public Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Urgent Need [24 CFR 570.483 (d)]
Control Lift – conveys sanitary sewer flow from all other lifts to the Master Lift Station	\$495,000.00	\$247,500.00	\$247,500.00 NDTL	Public Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Urgent Need [24 CFR 570.483 (d)]
Roosevelt Lift – impacted during the flood, repairs and upgrade needed	\$550,000.00	\$275,000.00	\$275,000.00 NDTL	Public Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Urgent Need [24 CFR 570.483 (d)]
Walders Lift Station – inundated during the flood, repairs and upgrade needed	\$565,000.00	\$282,500.00	\$282,500.00 NDTL	Public Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Urgent Need [24 CFR 570.483 (d)]

Proposed Project	Estimated Total Costs	Estimated CDBG-DR Funds	Estimated Funds Other Sources	Eligible Activity and National Objective Citation
Airport Lift Station – needed for economic revitalization and development outside the flood area	\$600,000.00	\$300,000.00	\$300,000.00 NDTL	Public Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Urgent Need [24 CFR 570.483 (d)]
13th Street Lift Station – impacted during the flood, repairs and upgrade	\$320,000.00	\$160,000.00	\$160,000.00 NDTL	Public Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Urgent Need [24 CFR 570.483 (d)]
3rd Street Sewer System – needed to flow sewage into the Force Main, necessary for long term disaster recovery	\$1,810,000.00	\$905,000.00	\$905,000.00 NDTL	Public Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Urgent Need [24 CFR 570.483 (d)]
6th Street Southwest Underpass and Storm Drain Improvements – flooded during the event and continues to flood with lesser rain events, needed for critical transportation network and emergency responders	\$4,500,000.00	\$4,500,000.00	\$0	Public Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Urgent Need [24 CFR 570.483 (d)]
Fire Station and Apparatus – new housing development cannot happen north of the City unless adequate fire and emergency services can be provided, this fire station will provide that service	\$3,200,000.00	\$3,200,000.00	\$0	<i>Fire protection equipment.</i> Fire protection equipment is considered for this purpose to be an integral part of a public facility and thus, purchase of such equipment would be eligible under § 570.201(c). Nat. Obj: Urgent Need [24 CFR 570.483 (d)]

Proposed Project	Estimated Total Costs	Estimated CDBG-DR Funds	Estimated Funds Other Sources	Eligible Activity and National Objective Citation
Domestic Violence Shelter Infrastructure – a new shelter is being constructed as shelter housing was lost during the flood, the City is building the road for the facility	\$1,579,865.00	\$200,000.00	\$1,379,865.00 Donations and other funds	Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Limited Clientele [24 CFR 570.483 (b)(2)(ii)(A)]
Homeowner Housing				
Northern Housing Development Infrastructure – the city will provide infrastructure for a new housing development outside the flood area with 51% affordable housing	\$60,000,000	\$5,000,000.00	\$55,000,00000 Private Developer	Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Low Mod Area Benefit [24 CFR 570.583 (b)(1)]
Acquisition for Affordable Housing Development – the City will seek to purchase 50 vacant lots to develop affordable housing	\$7,300,000.00	\$7,300,000.00	\$0	Acquisition [24 CFR 570.201 (a)] Nat. Obj: LMI Housing
Acquisition of Flooded Properties – the City will use CDBG funds as match for State funds intended to buy flooded properties that may be used for green space or flood access/control	\$23,748,448.25	\$6,000,000.00	\$17,748,448.25 State Water Commission	Acquisition [24 CFR 570.201 (a)] Nat. Obj: Urgent Need [24 CFR 570.483 (d)]

Proposed Project	Estimated Total Costs	Estimated CDBG-DR Funds	Estimated Funds Other Sources	Eligible Activity and National Objective Citation
Rehabilitation of Flooded Properties – LMI households will be assisted with repair funds	\$3,421,502.83	\$3,421,502.83	\$0	Rehabilitation [24 CFR 570.202] Nat. Obj: LMI Housing [24 CFR 570.483 (b)(3)]
Reconstruction of Flooded Properties – LMI households will be assisted with reconstruction of their homes if not able to rehabilitate	\$8,400,000.00	\$8,400,000.00	\$0	Rehabilitation [24 CFR 570.202] Nat. Obj: LMI Housing [24 CFR 570.483 (b)(3)]
Rental Housing				
Southeast Tax Credit Rental Units Infrastructure – development of LMI rental units	\$6,621,201.00	\$400,000.00	\$6,221,201.00 Tax Credit Financing	Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Low Mod Area Benefit [24 CFR 570.483 (b)(3)]
“Imagine Minot” Downtown Development Parking Facility – support development of LMI rental units	\$19,000,000	\$3,000,000.00	\$16,000,000 EDA	Public Facility Improvement [24 CFR 570.201(c)] Nat. Obj: Low Mod Area Benefit [24 CFR 570.583 (b)(1)] Or Urgent Need (depends on final scope)
Infrastructure Repairs Downtown – repair damaged storm sewers and support affordable rental units	\$2,375,000.00	\$2,375,000.00	\$0	Infrastructure [24 CFR 570.201 (c)] Nat. Obj: Low Mod Area Benefit [24 CFR 570.583 (b)(1)]

Proposed Project	Estimated Total Costs	Estimated CDBG-DR Funds	Estimated Funds Other Sources	Eligible Activity and National Objective Citation
Relocation				
Relocation Assistance for Displaced Tenants – compliance with the Uniform Relocation Act requires relocation assistance for tenants displaced due to acquisition	\$250,000.00	\$250,000.00	\$0	Relocation [24 CFR 570.606] Nat. Obj: Can be either LMI or Urgent Need depending on income of displaced tenant
Project Delivery				
CDM Smith – case management, environmental reviews, construction management and other services necessary to implement an activity	\$4,339,191.48	\$4,339,191.48	\$0	Dependent upon whether project delivery is for a LMI activity or an Urgent Need activity
Planning				
Unmet Needs Assessment	\$125,000.00	\$125,000.00	\$0	Planning [24 CFR 570.205] Nat. Obj: NA
Comprehensive Landfill Master Plan	\$500,000.00	\$500,000.00	\$0	Planning [24 CFR 570.205] Nat. Obj: NA
Water Model for City	\$150,000.00	\$150,000.00	\$0	Planning [24 CFR 570.205] Nat. Obj: NA
Emergency Disaster Plan	\$150,000.00	\$150,000.00	\$0	Planning [24 CFR 570.205] Nat. Obj: NA
Affordable Housing	\$500,000.00	\$500,000.00	\$0	Planning [24 CFR 570.205] Nat. Obj: NA
Administration				
City of Minot	\$2,517,989.68	\$2,517,989.68	\$0	Administration [24 CFR 570.206] Nat. Obj: NA
CDM Smith	\$860,808.52	\$860,808.52	\$0	Administration [24 CFR 570.206] Nat. Obj: NA
Total				
	\$192,465,478.25	\$67,575,694.00	\$124,889,784.25	

Note: Proposed LMI Activities are highlighted in light blue

The allocations of these funds have been targeted to address some of the greatest needs and ensure HUD's requirement to expend at least 50% of funds for low-to-moderate income activities. HUD defines low-to-moderate income as households whose gross annual income is at 80% area medium family income or below. This percentage is based on the number of persons in the household and the total gross annual income for that household. Below are the 80% income limits for Ward County which includes the City of Minot.

HUD Income Level		1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Ward County 2012	80% Low Income	\$35,750	\$40,850	\$45,950	\$51,050	\$55,150	\$59,250	\$63,350	\$67,400

The City is aware that the \$67,575,964.00 is not a sufficient amount of funding to meet the tremendous unmet needs of the City. Therefore, the City is undertaking a further comprehensive needs assessment to identify those needs remaining beyond the scope of the projects proposed above. The City reserves the right to make adjustments as necessary based on additional identified needs. The City will continue to seek out other funding sources to assist with recovery from the devastation caused by the floods.

Any changes to the Action Plan once approved by HUD will follow the process detailed within the Action Plan. A change to the Action Plan which constitutes a substantial change amendment will be made available for public review and comment prior to finalizing the amendment.

Comment Period

A formal seven (7) day public comment period began on June 26, 2012 for the Action Plan. Comments will be accepted until July 03, 2012. Comments may be submitted via email to www.minotrecoveryinfo.com or by mail to Public Information Officer, PO Box 5006, Minot North Dakota, 58702-5006.

A news release announcing the comment period has been sent to the media statewide and notices were sent to the following: The Governor, Mayor, Councilmen, City Clerk, State Legislators, Souris Basin Planning Council, and Community Action Agencies. A public notice was placed in the *Minot Daily News*.

The proposed Action Plan is posted on the City's websites at: www.minotnd.org and www.minotrecoveryinfo.com no later than June 26, 2012.

June 26, 2012

Public Comment Period began and Proposed Action Plan Available

July 03, 2012

Public Comment Period ended