



# Disaster Recovery

## June 2021 Severe Storm

Community Development Block Grant – Disaster Recovery (CDBG-DR)  
Draft Substantial Amendment #1 to Action Plan | March 2024

This presentation is available in English, Spanish, Bengali\* and Arabic. Go to the CDBG-DR website to download the version of your choice.

Esta presentación está disponible en inglés, español, árabe y bengalí. Vaya a la página web de CDBG-DR para descargar la versión de su elección

هذا العرض متاح باللغات الإنجليزية والإسبانية والعربية لتنزيل والبنغالية. حصلت الإصدار الذي تختاره

এই উপস্থাপনাটি ইংরেজি, স্প্যানিশ, আরবি এবং বাংলায় উপলব্ধ। যান টিওয়েবসাইট লিংকআপনার পছন্দের সংস্করণটি ডাউনলোড করতে

[tinyurl.com/5am6tssu](http://tinyurl.com/5am6tssu)

\*বাংলা অনুবাদ বিলম্বিত হতে পারে। আপডেটের জন্য ওয়েবসাইট চেক করুন

# Meeting Agenda

## What we are talking about today:

- Disaster Recovery (DR) funding awarded from the U.S. Department of Housing and Urban Development (HUD) **tied directly to the June 2021 presidentially-declared disaster**
- Funding guidelines and requirements
- Steps the City needs to take to receive and allocate remaining DR funding
- Proposed grant activities based on unmet needs tied to the June 2021 disaster
- Community feedback on those proposed grant activities



## What we're not talking about today:

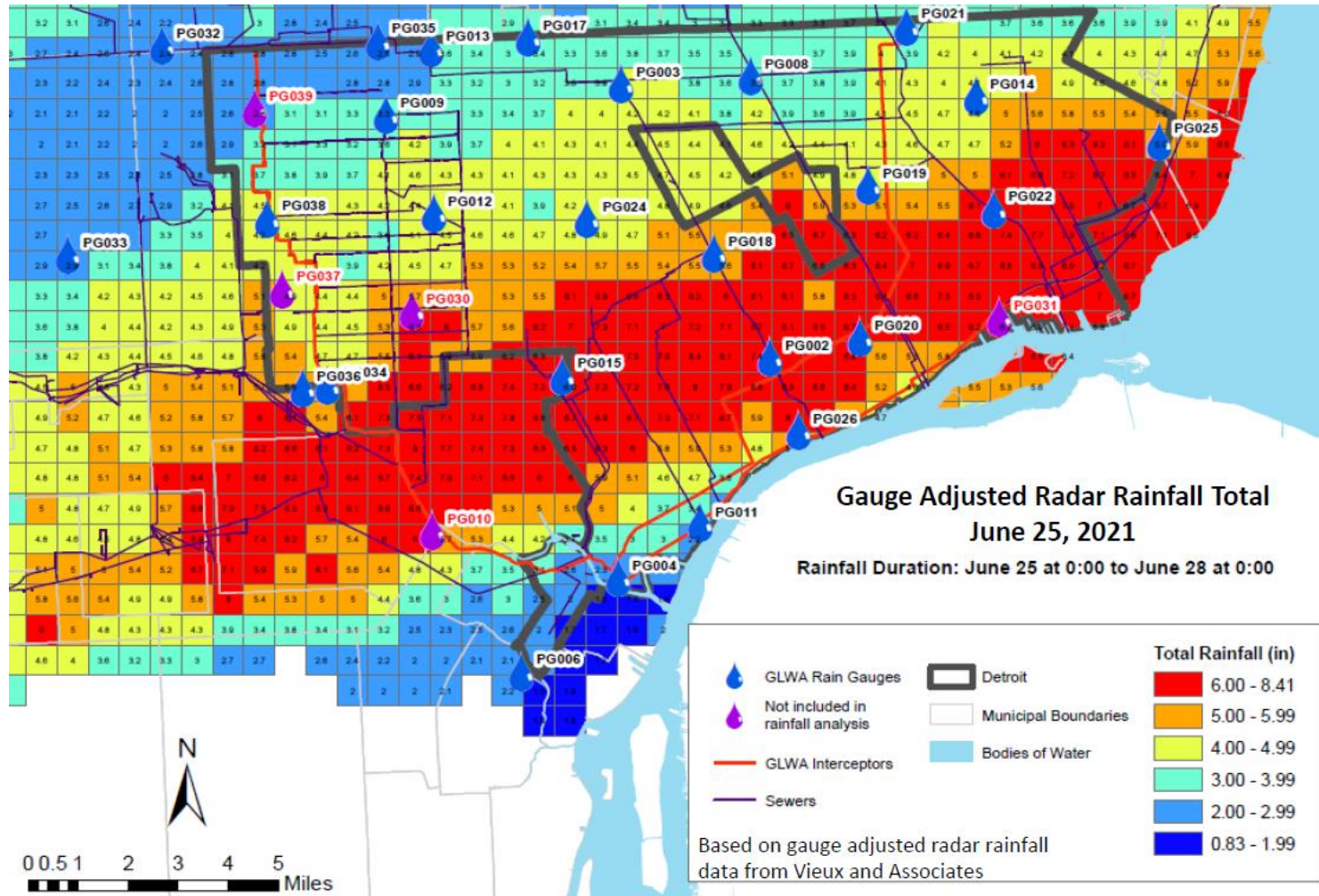
- Federal Emergency Management Agency (FEMA) aid, including Aug 2023 disaster
- Damage claims
- Small business claims
- Existing Basement Backup Protection Program applications. For BBPP inquiries:
  - <https://detroitmi.gov/basementprotection>
  - [DWSD-publicaffairs@detroitmi.gov](mailto:DWSD-publicaffairs@detroitmi.gov)
  - 313-267-8000
- Existing CDBG-DR Private Sewer Repair Program Applications. For PSRP inquiries:
  - PSRP@Detroitmi.gov
  - 313-900-7254



# **CDBG-DR Award Overview**



# June 25-26, 2021, Severe Storm Event (0.01% Probability Storm)



6 to 8+ inches of rain in 12 hours

- Far-exceeded system capacity
  - Combined stormwater and sewer system
  - Sewer system designed for a 1.5-3-inch storm in 24-hour period (1% probability storm)
  - Power supply disruptions at Freud and Conner pump stations
  - Collapsed sewer lateral service lines
- Estimated over 30,000 households affected
  - 82% of hardest hit households are low or moderate-income

# What is CDBG-Disaster Recovery?

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HUD awarded the City of Detroit \$95.2M for recovery from the *June 2021 storm* (August 2021 & August 2023 damages not eligible).

## **RECOVERY** (\$82.8 M awarded)

Activities that address unmet need for restoring housing, infrastructure, and/or economic activity that was impacted by the June 2021 disaster

- e.g. repairing sewer/stormwater infrastructure

\* Recovery activity in flood zones is prohibited unless homeowner carries flood insurance

## **MITIGATION** (\$12.4 M awarded)

Activities that increase resilience to or lessen impact of future disasters

- e.g. flood protection infrastructure



# CDBG-DR Eligible Activities

*CDBG-DR-funded activities and programs must respond to disaster-related impacts from June 25/26, 2021, that are not fully addressed by other funding sources (i.e. FEMA, USACE)*



## Housing

- Rehabbing and/or Rebuilding housing
- Homeowners & Renters



## Infrastructure

- Flood protection infrastructure
- Public Facility Improvements



## Economic Revitalization

- Rebuilding businesses

# Completed Steps

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<b>March 2022</b>	<i>First Allocation Announced by HUD (\$57.6MM)</i>
<b>November 2022</b>	<i>Action Plan submitted to HUD for \$47MM Second Allocation Announced by HUD (\$37.6MM)</i>
<b>April 2023</b>	<i>Action Plan approved by HUD for \$47MM</i>
<b>July 2023</b>	<i>Financial Certification updates provided to HUD per their request</i>
<b>September 2023</b>	<i>City Council Accept and appropriated \$47MM</i>
<b>November 2023</b>	<i>Grant Agreement received from HUD for first allocation</i>
<b>January 2024</b>	<i>CDBG-DR Private Sewer Repair Program Launched</i>
<b>March 2024</b>	<i>Substantial Amendment #1 to allocate remaining CDBG-DR balance of \$47.6MM</i>



# Private Sewer Repair Program Status

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\$43,211,450 was allocated in the original Action Plan for the Private Sewer Repair Program (formerly Basement Backup Protection Program or BBPP). The program officially launched in January 2024.

This program is only available in 22 neighborhoods located in D4, D6 and D7.

More information about eligibility and how to apply for this program can be found on <https://tinyurl.com/CDBG-DR-PSRP>

<b>Prescreen Form</b>	<b># Of Residents</b>
<b>Prescreen Forms Completed</b>	<b>394</b>
<b>Prescreen Forms Reviewed By Staff</b>	<b>394</b>
<b>Passed Prescreen Forms and Ready for Intake</b>	<b>207</b>
<b>Residents who do not meet Eligibility Requirements</b>	<b>185</b>
<b>Residents with incomplete prescreen forms</b>	<b>2</b>

# CDBG-DR Substantial Amendment

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- HUD requires HRD in certain instances to provide notice to residents when we amend CDBG-DR Action Plan. This process is called a Substantial Amendment.
- Substantial Amendments can occur when HRD adds or deletes activities to its Action Plan, changes eligibility criteria to programs and/or moves \$3MM or more from one activity to another.
- Today we are talking about Substantial Amendment #1 – HRD is adding new activities.



# **New Proposed Grant Activities**

# Current CDBG-DR Allocation & Remaining Allocation

Congress appropriated funding for 2021 federally declared disasters through two funding bills (the first award notice was in March 2022; the second award notice was in November 2022).

The **total allocation to Detroit is \$95,228,000.**

**\$47,591,000 of the total allocation was previously approved** by City Council and HUD for the Private Sewer Repair Program (PSRP) - previously known as BBPP, planning, and program administration. **Leaving \$47,637,000 remaining to allocate.**

<b>Total Allocation</b>	<b>\$95,228,000</b>
DWSD - PSRP (Housing)	-\$43,211,450
Planning	-\$1,500,000
Admin	-\$2,879,550
<b>Balance to Allocate</b>	<b>\$47,637,000</b>





# Budgeted Proposed Activities

<b>Approved Allocation</b>	<b>\$95,228,000</b>
DWSD - PSRP (Housing)	-\$43,211,450
Planning	-\$1,500,000
Admin	-\$2,879,550
<b>Balance to Allocate</b>	<b>\$47,637,000</b>

<b>New Proposed Activities</b>	
Affordable Rental Housing	\$17,334,150
Infrastructure & Public Facilities	\$27,421,000
Planning	\$1,000,000
Admin	\$1,881,850
<b>Total</b>	<b>\$47,637,000</b>



# Planning Projects

- Increased the planning budget from \$1.5MM to \$2.5MM
- Allocated \$1.95MM of the total planning budget to specific activities (listed below)
- Details of these plans can be found on page 50 of the Action Plan

Planning Projects	
Master Plan of Policies Update - Integrating Resiliency, Sustainability, Hazard Mitigation, and Disaster Recovery	\$500,000
Extreme Weather and Adaptation Planning	\$450,000
Critical Facilities Adaptation Pre-Development Plan	\$400,000
Near East Side Jos. Campau Stormwater Study	\$220,000
Fischer Relief Stormwater Study	\$330,000
Meldrum Sewer Stormwater Study	\$50,000
<b>Total</b>	<b>\$1,950,000</b>

# **Affordable Rental Housing**

# Disaster Housing Unmet Needs

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- FEMA calculates 75% of Detroit's total unmet need equated to Housing needs.
- Renters made up 47% of the total FEMA claims.
- The disaster exacerbated the already inadequate inventory of affordable rental housing





# Pre-Disaster Housing Needs

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## Affordable Rental Housing in Detroit

- 122,000+ housing units are renter occupied; majority occupied by low-income families
- The current demand of rental properties with rent at or below \$1,250/month exceeds the supply ( gap of approx. 69,500 according to 2021 ACS census data).
- Households at or below 80% AMI continue to be rent cost-burdened (paying more than 30% of their total income on housing costs), especially those at or below 30% AMI. In 2021, 55.3% of all Detroit renters were cost burden.
- Majority of Detroit's rental stock is aging with inadequate systems and environmental hazards, conditions that are exacerbated by disasters.

# Affordable Rental Housing Development Program



<p><b>Total Budget</b></p>	<p><b>\$17,334,150</b></p>
<p><b>Project Type</b></p>	<p>The City will identify specific projects at a later date, but examples of what the projects may look like are:</p> <ul style="list-style-type: none"> <li>• <b>Multi-family affordable housing investments</b> – includes the new construction or rehabilitation of units in multi-family projects with 5 or more units</li> <li>• <b>Single-family rental housing rehabilitation</b> – costs associated with bringing units into compliance with the City’s rental ordinance including deficiencies identified in the Property Rental Inspection (PRI) and the Lead Inspection Risk Assessment (LIRA)</li> </ul>
<p><b>Eligibility Requirements</b></p>	<p>HRD will issue a Notice of Funding Available (NOFA) for potential developers or subrecipients, and this NOFA will include additional Program Requirements. Beneficiaries (renters) will not exceed 80% AMI.</p>

# **Public Facilities & Infrastructure**

# Public Facility Unmet Needs

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The 2021 disaster impacted several emergency shelters.

- 160 shelter beds had to come offline, and residents were moved to a temporary location.
- Several shelters sustained flood damage to their buildings that caused changes in operations such as having to relocate where meals were served, and other areas of the building that couldn't be accessed until flooding was fixed.



# Pre-Disaster Public Facility Needs

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## Housing for Vulnerable Populations

- Continuum of Care point-in-time count estimates 13% increase in homelessness from 2021 to 2022. In FY 2022, an estimate total of 8,500 people were identified as experiencing homelessness.
- In 2022\*, on any given night more than **1,600 people experience homelessness** on the street or in shelters. At the same time only **1,270 emergency shelter and transitional housing beds were available.**
- Reported conditions include facilities with mold and leaking water in basements; inaccessible to people with disabilities; forced to sleep in chairs or cots in basements in the emergency shelter overflow.

# Infrastructure - Public Facilities Rehab Program (Emergency Shelter)

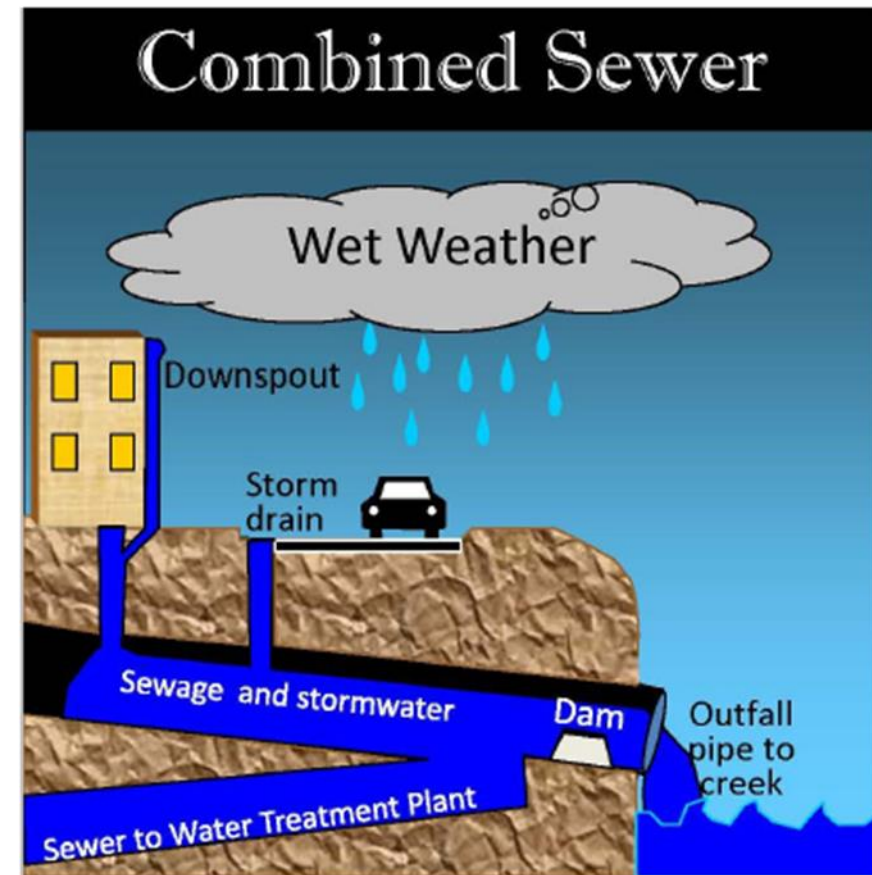
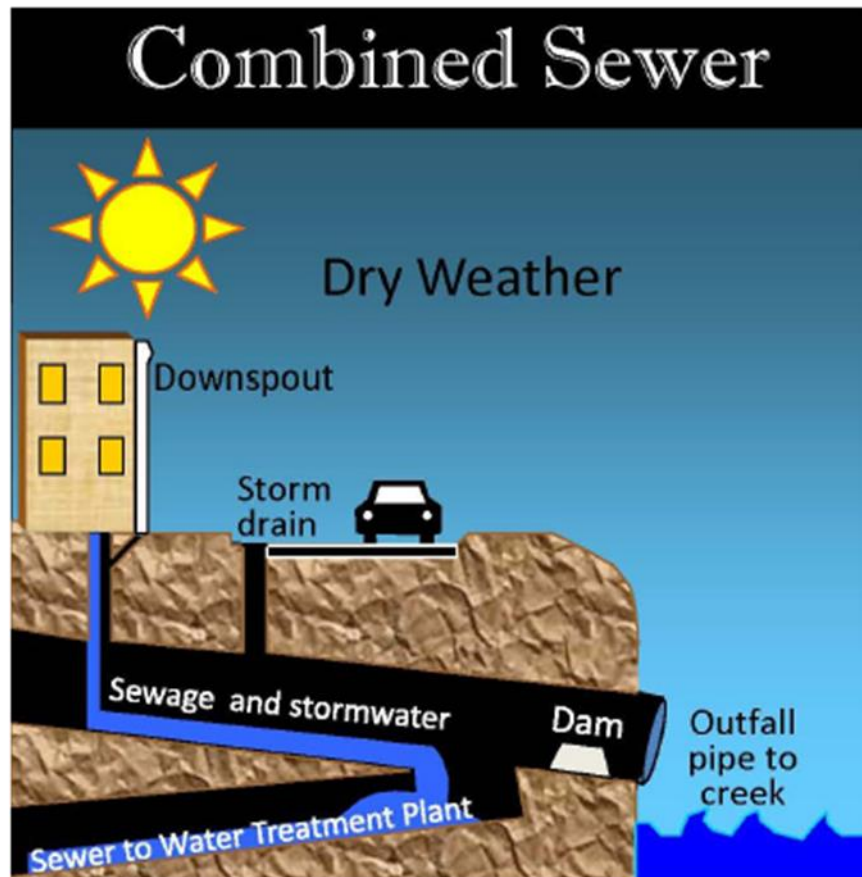


<b>Total Budget</b>	<b>\$18,000,000</b>
<b>Facility Type</b>	Homeless Shelters
<b>Eligibility Requirements</b>	The City will issue a Notice of Funding Available (NOFA) for potential subrecipients that will include additional Program Requirements

# Pre-Disaster Infrastructure Needs

## Infrastructure

- Combined sewer system was only designed to handle 3-inches of rain in 24 hours.



# Infrastructure Projects



**Total Infrastructure Budget**

**\$9,421,000**

HRD will use a portion of the mitigation budget for this activity.

Projects will focus on mitigating flood damage by improving sewer and water systems that will make neighborhoods more resilient.

Infrastructure projects undertaken with CDBG-DR Mitigation will focus on reducing the risks associated extreme weather events.

An Action Plan Amendment will be issued once projects have been selected.

# Total CDBG-DR Budget

CDBG-DR Budget		
HOUSING – Private Sewer Repair Program	\$43,211,450	45%
HOUSING – Affordable Rental Housing	\$17,334,150	18%
INFRASTRUCTURE - Public Facility Rehabilitation (Homeless Shelters)	\$18,000,000	19%
INFRASTRUCTURE – Flood Mitigation	\$9,421,000	10%
Planning	\$2,500,000	3%
Admin	\$4,761,400	5%
<b>Total</b>	<b>\$95,228,000</b>	



# Timeline – Next Steps

Deadline	Task
<p><b>April 2024</b></p>	<p><i>In process:</i>  <i>Propose grant activities and collect feedback</i>  <b>4/1</b> <i>Virtual Recorded Public Hearing – City Wide DON cast</i>  <b>4/8</b> <i>Virtual Public Hearing – City Wide DON cast</i>  <b>4/26</b> <i>Public Comment period closes at 5:00pm</i></p>
<p><b>May 2024</b></p>	<p><i>Substantial Amendment Submitted to HUD for Review and Approval (60 Days)</i></p>
<p><b>June-July 2024</b></p>	<p><i>HUD Approval of Substantial Amendment to Action Plan</i>  <i>Submitted to City Council to Accept and Appropriate funding</i></p>
<p><b>Sept 2024</b></p>	<p>HUD/Detroit Sign Award Agreement – 6 Year Period of Performance Begins</p>



# Stay Tuned!

COO Meetings:

Monday, April 1<sup>st</sup>, 5:00PM

Monday April 8<sup>th</sup>, 5:00PM

Visit the website at:

[tinyurl.com/5am6tssu](https://tinyurl.com/5am6tssu)

- Watch meeting recordings
- Download presentations
- Review the Action Plan and Amendments
- Get updates on Program Launch
- Access materials in English, Spanish, Arabic, and Bengali

Email all comments and questions to:

[disasterrecovery@detroitmi.gov](mailto:disasterrecovery@detroitmi.gov)

Follow HRD on Instagram:

[@DetroitHRD](https://www.instagram.com/DetroitHRD)

