



Community Development Block Grant Disaster Recovery 2013 Action Plan

Pursuant to:

U.S. Department of Housing and Urban Development, 78 FR 32262,
Published in Federal Register: May 29, 2013

U.S. Department of Housing and Urban Development, 78 FR 23578,
Published in Federal Register: April 19, 2013

U.S. Department of Housing and Urban Development, 78 FR 14329,
Published in Federal Register: March 5, 2013

U.S. Department of Housing and Urban Development, 76 FR 71060,
Published in Federal Register: November 16, 2011 Duplication of Benefits.

Authorized by:

Disaster Relief Appropriations Act, 2013; Public Law 113-2, signed January 28, 2013;

Plan Activity, including original submittal and amendments

Plan Activity	Date
Initial DRAFT Action Plan Public Comment Period	August 16- 26, 2013
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I. Introduction

Purpose of the 2013 Disaster Action Plan

During 2011, Luzerne County witnessed historical flooding from Tropical Storm Lee, resulting in over \$100 million in residential, commercial, and infrastructure damage. .

As of the summer of 2013 the costs continue to rise due to ongoing damage planning and assessment. Initially, the recovery activities were assisted by FEMA/PEMA, SBA, and the USACE. In 2012, HUD provided \$15.7 million, then added \$9.7 million this year (2013) for housing and infrastructure restoration which will assist with the initial infrastructure needs, continuing housing buyouts and demolition. There are remaining unfunded needs for housing rehabilitation, business recovery (although the County is providing business assistance from the County's Revolving Loan Fund) and infrastructure damage.

As of 2013 the County was allocated CDBG disaster recovery 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.*). At that time the County was awarded about a third of the funds needed to accomplish a level recovery for the flooded communities within the County. Subsequently, Congress authorized \$9,763,000 for the County, announced under Federal Register Docket Number FR-5696-N-03 dated May 29, 2013.

Luzerne County will therefore carry out both Action Plans simultaneously under the specific requirements of each and will eventually receive the additional \$25 million for rehabilitation and infrastructure to finish the job.

Federal, State, Local, Non-Profit, and other financial resources for recovery

As of the end of July 2013, recovery work had been initiated by FEMA, PEMA, and SBA in over a dozen municipalities within Luzerne County. A total of \$67 Million had been targeted for recovery efforts in addition to private Resources, voluntary organizations supports and flood insurance claims exceeding \$33 Million.

Use of Disaster Funds

The Appropriations Act requires funds to be used only for specific disaster-related purposes. The law also requires that prior to the obligation of funds a grantee shall submit a plan detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long term recovery. Thus, this Action Plan for Disaster Recovery, describes uses and activities that are contained in the following Laws and directives:

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To help meet these requirements, HUD requires Luzerne County OCD to conduct a current assessment of disaster related community impacts and unmet needs to guide the development and prioritization of planned recovery activities. Allocations of funding in this Disaster Action Plan reflect the findings of the County's needs assessment. Funds may not be used for activities reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency (FEMA), the Pennsylvania Emergency Management Agency (PEMA), the U.S. Army Corps of Engineers (USACE), or the Small Business Administration (SBA).

CDBG-DR use of funds total allocation (May29, 2013 allocation ONLY)

The Luzerne County Disaster Plan and Application consists of five (5) comprehensive activities for this Action Plan. Portions of disaster recovery are being funded by other allocations or other resources, and will be discussed in detail within this Plan. Below represents the allocation of CDBG-DR funds allocated to Luzerne County on May 29, 2013:

A. Housing	\$0
B. Infrastructure	\$8,786,700
C. Economic	\$0
D. Planning	\$488,150
E Administration	\$488,150
Total	\$9,763,000

Timely Expenditure of Funds

Section III of the May 29, 2013 Federal Register requires that Disaster Recovery Assistance provided under the award be expended within 24 months of the date of the fund obligation by HUD. Waivers may be considered by OMB, but will revert to Treasury not later than September 30, 2017. Therefore the County will plan to accomplish this timeliness requirement by careful selection of awardees for activities that can be accomplished within that timeframe.

Maintaining Websites Regarding Disaster Recovery Activity

The Program will ensure that the public be informed of activities and the use of Community Development Block Grant Disaster Recovery funds.

Program Transparency

The Program will make every effort to provide information that keeps the public informed of activities and statuses related to the Program. Regular updates will be posted to its website.

The County will maintain, on a public website, information accounting for how disaster grant funds are used, including details of all contracts and ongoing procurement processes.

Documents available for public view of the CDBG Disaster Recovery program shall include, but not be limited to:

- CDBG-DR Action Plans, as amended
- Any Amendment (whether substantial or non-substantial) shall numbered sequentially to make it easier for the public to access the most current plan
- Quarterly Progress Reports (QPR)
- Procurement policies and procedures;
- Executed CDBG-DR contracts;
- The status of services or goods currently being procured for the program by LC OCD
- Program guidelines and policies
- Updates and briefs provided at public meetings
- Press Releases and News briefings

Luzerne County shall maintain a website that will provide access to approved County contracts for the allocation and expenditure of CDBG-DR resources. The website also will provide information to the public regarding available federal funding streams and funding criteria, the tracking of federal funding allotments, and contract vendor information.

The Comprehensive Website shall be updated at least monthly, regarding disaster recovery activities funded by CDBG-DR such as:

- PDFs available for download of HUD compliance documents i.e. action plan, amendments, performance reports to HUD, citizen participation plan, etc
- Detailed information regarding assistance activities, eligibility, how to apply
- Notices of Active and Completed procurement of services
- Details of contracts let for services funded
- Summary or dashboard of status of funds, at a minimum by action plan categories
- Information of where assistance is being provided
- PDF or GIS interactive maps of eligible impacted areas

II. Impact and Unmet Needs Assessment

The Disaster Action Plan provides recovery funds only for the purpose of assisting recovery in the most impacted and distressed areas of Luzerne County 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.*).

Federal requirements clearly state that the funds can be used only for disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricane Irene or Tropical Storm Lee. Requirements provide that the funds be directed to the most impacted and distressed areas within the County. The funds may not be used for activities reimbursable by or for which funds are made available by FEMA, SBA, or the Army Corps of Engineers. The County anticipates requesting waivers to tailor the program to best meet the disaster recovery needs of County Residents as issues arise and are brought forward by the affected municipalities.

The clear result of the unmet needs assessment is that the remaining need, several months after the flooding events, is greater than the resources that Luzerne County has available subject to this 2013 Action Plan and the 2012 Action Plan combined.

Housing Needs: ~\$18 Million

Nearly 300 owners in Luzerne County requested buyout from the Hazard Mitigation Grant Program as of October 2012. This number represents more than half the buyout requests for the entire commonwealth, totaling 585 properties.

The Hazard Mitigation Grant Program similar to CDBG-DR is a limited resource. Of the 300 properties requesting buyout funding, 170 had been purchased or are expected to be purchased soon, and an additional 29 properties are being bought through the PA DCED CDBG-DR program, mirroring the HMGP requirements.

The remaining unmet need from the initial buyout program offered is estimated at 100 properties totaling \$13 Million.

In November 2012 the new flood insurance rate maps and the new requirements for flood insurance were published. As a result, disaster impacted property owners that previously were not considering buyout as an option, are now considering selling their property and moving to properties outside the floodplain. Luzerne County has received preliminary information from the high impact municipalities that at least 100 properties would be under application from the CDBG-Dr program once available. The Buyout Pre-Application was offered to the municipalities on August 2, 2013.

When assessing the need for repair or rebuild assistance, Luzerne County considered the following data sets to estimate unmet need for housing repair recovery: National Flood Insurance Program, FEMA Individual Assistance, FEMA Public Assistance, Hazard Mitigation Grant Program, SBA Disaster Grants & Loans, and Pennsylvania Department of Community & Economic Development (PA DCED). The combination of these resources reflects the unmet need estimates provided in this Action Plan. A

detailed table of estimated unmet need for Housing Rehabilitation is available at the end of this Action Plan as Attachment C.

3,662 unduplicated properties were considered for the unmet need analysis. The highest damage estimate across the sources was used to establish estimated total need. Then subtracted from estimated total need were the amounts of funds provided by these same sources. The net result is the estimated unmet need. Funds provided for contents and other non home/real estate repair expenses were entirely excluded from the analysis. Properties whose calculated unmet need was \$0 were excluded from the list, providing a calculated estimate of unmet need for owner-occupied home repair of approximately 800 homes totaling just over \$5 Million in additional need not met by other disaster recovery resources. Of the 800 remaining homes, approximately 15 percent have a calculated unmet need indicating substantial damage need in excess of \$20,000. It is likely that the remaining 85 percent who had calculated unmet need lower than \$20,000 addressed this through other resources.

An element of unmet need that has not been incorporated into the analysis is the estimated cost of elevating homes that have otherwise completed repairs and rehabilitation. Luzerne County has received requests from citizens to offer this form of assistance if funds should become available.

Infrastructure Needs: ~ \$20 Million

Public facilities and infrastructure properties received assistance primarily by FEMA Public Assistance Program. The typical local match the FEMA program requires was provided by the Commonwealth, relieving Luzerne County from the burden to provide this form of assistance through CDBG-DR.

Luzerne County offered an assistance application to municipalities, nonprofits, and other organizations in fourth quarter 2012 to identify need for Public Facilities and Infrastructure disaster recovery assistance. Luzerne County received nearly \$20 Million in requests for assistance. Of these requests \$16.3 Million were determined to have a direct nexus to the declared disasters, demonstrating unmet need.

Economic Needs: ~ \$10 Million

Prior to receiving CDBG-DR funding in 2012, Luzerne County received a request for assistance from a disaster impacted business which was funded by its annual entitlement Economic Development revolving loan program. In the initial Action Plan for 2012 CDBG-DR Luzerne County allocated \$1 Million for economic disaster impacted projects. No other applications for assistance have been received from ongoing businesses. As of July 2013, Luzerne County has received five requests for buyout assistance of commercial property, which total approximately \$10 Million.

III. Goals, Objectives, Guiding Principles

The Disaster Action Plan activities must address the impact of Hurricane Irene and Tropical Storm Lee disasters for which funding was appropriated. This means each activity is (1) CDBG eligible (or has received a waiver), (2) meets a national objective, and (3) addresses a direct or indirect impact from the disaster in Luzerne County which is a Presidentially-Declared Area.

In response to needs and objectives, Luzerne County's disaster action plan outlines the overall goals for addressing housing, infrastructure and economic disaster recovery needs in the County.

To provide maximum service and benefit, especially to low to moderate residents, Luzerne County must successfully balance a diverse array of housing and community development issues. Given the range of competing needs, the County must invest its scarce public resources wisely. Therefore, as a general principle, the County will attempt to expend public funds in a way that leverages the commitment of federal, state, and private sector support whenever possible.

Through the public participation and consultation process, the County has identified the community's overall goals and objectives.

Long Term Recovery Planning

The Disaster Action Plan promotes:

- (a) Sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management, and
- (b) How it will coordinate with other local and regional planning efforts and leverages with funding provided by other federal, state, local, private, and nonprofit sources to generate a more effective and comprehensive recovery.

Luzerne County promotes sound short- and long-term planning of future growth at both the municipal, County, and State and local levels through the Pennsylvania Emergency Management Agency (PEMA). The Joint "Regional" Comprehensive Plan with Lackawanna County identifies 'flood plains' and other natural systems that each local government must take into consideration in planning its future. Additionally, as the Regional Comprehensive Plan is being completed, other neighboring Governments, such as Wyoming County (State administered) and potentially affected parties, (e.g municipalities, local development Authorities, Regional Development Centers, Chambers of Commerce, have an opportunity to review the draft Plan electronically and provide comments, suggestions etc. to the County prior to submission to HUD.

Land Use Methods to Mitigate Risk

Properties purchased under the Buyout Program will be maintained as open space, public status, not to be built upon except in extremely limited exceptions. Luzerne County has received guidance from HUD that mitigating risk and making communities more resilient to future flooding is of very high priority.

Construction Methods to Mitigate Risk

Properties purchased under the Buyout Program will be maintained as open space, public status, not to be built upon. Properties that were substantially damaged receiving reconstruction or rehabilitation assistance must be built at an elevation outside the special flood hazard area consistent with municipal code if it exceeds the State's minimum of 18 inches above Based Flood Elevation. Properties not substantially damaged receiving assistance will be encouraged to consider resiliency measures that mitigate future risk of flooding.

Promote High Quality, Durable Energy Efficient, and Mold Resistant Construction

Luzerne County encourages construction methods that emphasize high quality, durability, energy efficiency, sustainability, and mold resistance, including how it will support adoption and enforcement of modern building codes and mitigation of hazard risk, where appropriate; Luzerne County will require that all substantial rehabilitation, reconstruction, and new construction work adhere to Energy Star Standard. For rehabilitation work that cannot meet the Energy Star Standard, the County will follow the guidelines specified in the HUD CPD Green Building Checklist.

Provision of Adequate, Flood Resistant Housing for all Income Groups

The Disaster Action Plan encourages the provision of adequate, flood-resistant housing for all income groups, including the activities planned to undertake to address if needed and appropriate in the flood damaged communities of the County:

- (a) The Luzerne County Continuum of Care will continue to serve the transitional housing needs of homeless individuals and families (including subpopulations) that may be located in the flood damaged communities of the County;
- (b) The Commission on Economic Opportunity will continue to work for the prevention of low-income individuals and families with children (especially those with incomes below 30 percent of the area median) from becoming homeless in the flood damaged communities of the County;
- (c) The Commission on Economic Opportunity will continue to work on the special needs of persons who are not homeless but require supportive housing (e.g., elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and public housing residents, as identified in 24 CFR 91.315 (e) or 91.215(e) as applicable) in the flood damaged communities of the County;
- (d) The County has considered how planning decisions may affect racial, ethnic, and low-income concentrations and is considering ways to promote the availability of affordable housing in low-poverty, non-minority areas where appropriate and in response to disaster related impacts in the flood damaged communities of the County;
- (e) The County plans to minimize displacement of persons or entities, and assist any persons or entities displaced in the flood damaged communities of the County;

(f) The County has a Plan in place to handle program income, and the purpose(s) for which it may be used in the flood damaged communities of the County;

(g) The County's Monitoring standards and procedures are sufficient to ensure program requirements, including non-duplication of benefits, are met and provide for continual quality assurance and investigation. The County also has an internal audit function with responsible audit staff reporting independently to the County Manager in the flood damaged communities of the County,

(h) The County has procedures in place to prevent fraud, abuse, and mismanagement of funds (including potential conflicts of interest and duplication of benefits). All such procedures invoked shall be identified in the County's performance reports to HUD for the flood damaged communities of the County;

(i) The County is increasing the capacity of existing grant recipients, sub-recipients, sub-grantees, and any other entity responsible for administering activities under this grant as necessary in the flood damaged communities of the County;

(j) Unmet needs regarding the allocation of CDBG disaster recovery resources have been and will continue to be coordinated with FEMA, PEMA, SBA, USACE for assistance in the flood damaged communities of the County; and

(k) The Disaster Action Plan includes a performance schedule for carrying out programs and/or activities identified through the Needs Assessment. The schedule includes projected performance in terms of both expenditures and outcome measures) for (1) housing, (2) infrastructure, (3) economic development, (4) planning and administration, and (5) a projected expenditure schedule for the entirety of the grant amount as a whole for the flood damaged communities of the County.

IV. Proposed Uses of CDBG-DR

Given the very limited amount of available CDBG Disaster Recovery Funding as compared to the unmet need, the County expects to make focused efforts to mitigate future risk by converting damaged property to open space, rehabilitate housing units lost or damaged by the storm and to make repairs and improvements to public facilities and infrastructure damaged by Hurricane Irene or Tropical Storm Lee.

Eligible Activities

This Action Plan outlines the County's framework for allocating funding. Unless otherwise stated in the Federal Register, statutory and regulatory provisions governing the CDBG program, specifically 24 CFR Part 570 apply to the use of these funds.

All proposed activities must be eligible CDBG activities according to 24 CFR Part 570, except as waived by HUD, must meet requirements for disaster recovery funding cited throughout this Plan, and must meet at least one of the three national CDBG objectives. All housing, public service, public facility, infrastructure, and business development activities allowable under 24 CFR Part 570 are eligible Application activities and must meet at least one of the three national CDBG objectives. All housing, public service,

public facility, infrastructure, and business development activities allowable under 24 CFR Part 570 are eligible Application activities.

Housing activities will include but not be limited to single and multifamily acquisition, demolition, repair, rehabilitation, reconstruction, and new construction as appropriate for the specific local needs to address damage as a result of Tropical Storm Lee. Funding provided for these housing activities will be in the form of a forgivable Loan.

Flood buyouts of homes damaged by Hurricane Irene or Tropical Storm Lee in which the owner will repurchase a home are considered housing activities. Funding provided for these housing activities will be in the form of a grant.

Non-Housing activities will include but not be limited to FEMA Infrastructure Grant Program match, FEMA Hazard Mitigation Grant Program match (including drainage projects, flood buyouts in which the property is converted into open, undeveloped land, and safe-space), flood and drainage projects, roads and bridges, water control facilities, water and waste water facilities, buildings and equipment, utilities, parks and recreational facilities, debris removal, public/community shelters, and loan funds for businesses. All of these activities must be related to addressing damages created by Hurricane Irene or Tropical Storm Lee.

Anticipated Accomplishments

Given the very limited amount of available CDBG Disaster Recovery Funding as compared to the tremendous need, the County expects to make focused efforts to mitigate future risk by converting damaged property to open space, rehabilitate housing units lost or damaged by the storm and to make repairs and improvements to public infrastructure damaged by Hurricane Irene or Tropical Storm Lee.

The County anticipates that low to moderate income (LMI) residents will be the primary beneficiaries of the program. Under HUD program guidelines, "low to moderate income" individuals reside in households that earn less than 80 percent of the area median family income. Applicants for the funds will be required to specify activities, proposed units of accomplishment, and proposed beneficiaries in the Application. These anticipated accomplishments will be reported by the County to HUD during the first quarter of reporting using the online Disaster Recovery Grant Reporting System.

National Objectives & Low Income Benefit

All activities must meet one of the three national objectives set out in the Housing and Community Development Act (address slum and blight, urgent need, primarily benefit LMI persons). HUD is granting an overall benefit waiver that allows for up to 50 percent of the grant to assist activities under the urgent need or prevention or elimination of slums and blight national objectives.

The primary objective of Title I of the Housing and Community Development Act and of the funding program of each grantee is the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." The statute goes on to set the standard of performance for this primary objective at 70 percent of the

aggregate of the funds used for support of activities producing benefit to low and moderate income persons. Since extensive damage to community development and housing affected those with varying incomes, and income-producing jobs are often lost for a period of time following a disaster, HUD is waiving the 70 percent overall benefit requirement, leaving a 50 percent requirement, to give grantees greater flexibility to carry out recovery activities within the confines of the CDBG program national objectives.

The greatest total amount of damage is concentrated in the higher income communities of the County. It is anticipated that the overall L/M benefit will only represent 15-20 percent of the assisted disaster recovery population. Therefore the County requested a L/M target waiver to 15 percent on June 26, 2013. Should this waiver request be declined by HUD, Luzerne County will be limited in its ability to consider activities that do not meet the low income beneficiary requirements.

Allocation of CDBG-DR Proportionate to Unmet Need

Prior to Notice of this allocation of funding, HUD informed disaster impacted communities all across the region that serious and thoughtful consideration related to mitigating risk of future flooding was of highest priority. Luzerne County has incorporated HUD recommendation and request in to the planning and allocation of funds when considering the unmet need.

The unmet need assessment through pre-application, survey, analysis of federal funding participation, interviews and coordination with impacted municipalities and resource organizations has resulted in the following:

- Housing Need \$18 Million
- Infrastructure Need: \$20 Million
- Economic Need: \$10 Million (Commercial Buyout requests only)

The overall supplemental CDBG-DR is \$25.5 Million of which this Disaster Action Plan can only address \$9,763,000. There is clearly more need than there is resources, and two sources to address the need, therefore the following table represents the combined allocation highlighting the portion of the allocation subject to THIS Disaster Action Plan.

Activity	2012 CDBG-DR, as amended	2013 CDBG-DR (This Plan)	Total Allocation from HUD as of August 8, 2013	Unmet Need	% of Unmet Need
Housing	11,951,625		11,951,625	18,000,000	66.4%
Infrastructure	1,213,300	8,786,700	10,000,000	20,000,000	50%
Economic	1,000,000		1,000,000	10,000,000	10%

Planning & Delivery, Contingency (5%)	786,941	488,150	1,275,091		
Admin (5%)	786,940	488,150	1,275,090		
Total	15,738,806	9,763,000	25,501,806	48,000,000	

Housing

As referenced in the table above, no amount of funds under THIS action plan is allocated to Housing activities. The Housing Activities are presented below with zero dollars (\$0). In the event that Luzerne County receives an additional allocation from HUD, this Action Plan presents to the public the need and proposed uses.

Program 1: Buyout Housing Recovery

Property acquired pursuant to the following:

- (1) Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices;
- (2) No new structure will be erected on property acquired, accepted or from which a structure was removed under the acquisition or relocation program other than: a public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); a rest room; a flood control structure; or a structure that the local floodplain manager approves in writing before the commencement of the construction of the structure;
- (3) After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose will be made by the recipient to any Federal entity in perpetuity [for that property, emphasis added];
- (4) Grantees have the discretion to determine an appropriate valuation method (including the use of pre-flood value or post-flood value as a basis for property value). *NOTE: Luzerne County is utilizing the Pre-Flood Valuation Method; using state certified appraisers.*

Estimated number to serve: 0 (None)

This program is currently being fund by the 2012 allocation subject to funds availability.

Allocation of funds for Activity: \$0.00 (zero)

Eligible Applicants: Municipalities, Local Governments

Threshold criteria:

- Impacted by 2011 flooding events or
- Two or more Flood Insurance Claims within last 10 years
- 1-4 Unit Single Family Residences
- Cannot be a Second Home as defined by IRS Publication 936
- Must be in compliance with the National Flood Insurance Reform Act, as amended

Criteria for selection, and methodology: Luzerne County will mirror the HMGP Acquisition (buyout) Program actively administered by the Pennsylvania Emergency Management Agency, where possible. Below are Luzerne County's mutually exclusive criteria over the HMGP Acquisition Program

- Residential Property
- Substantially Damaged by Hurricane Irene or Tropical Storm Lee
- Repetitive Loss – two flood insurance claims within the last 10 years
- Vacant / abandoned flood damaged property
- Located in 100 Year Floodplain, flood damaged property
- Located in 500 Year Floodplain, flood damaged property

Beneficiaries/Direct Recipients: National Objective will be determined by the level of household income of the selling owner, Owners at or below 80% of Area Median Income will meet LMI National Objective; Owners over 80% of Area Median Income will meet Urgent Need National Objective.

Program Priorities:

- Low Income property owners
- Substantially damaged properties
- Properties in the 100 year Special Flood Hazard area
- Benefit cost analysis of 1.0 or greater.

Program Administration: Sub recipients will administer the day to day activity of project management, case management, verification of eligibility and determination of benefits including appraisal, as well as demolition and clearance. Luzerne County will review and approve all acquisitions prior to closing to confirm compliance with HUD and Stafford Act requirements, and funding will be provided on a reimbursement basis. Pre-Agreement costs will likely occur since pre-application has begun prior to Action Plan approval.

Performance Schedule: TBD when funds are allocated All funds are expected to be expended with 24-months of the grant agreement between Luzerne County and HUD for this activity. Quarterly Benchmarks will be provided in DRGR and on the county's website so interested parties are able to monitor performance.

Program 2: Housing Disaster Recovery Program

Provide assistance to 1-2 unit single family owner-occupied residential property owners impacted by Hurricane Irene or Tropical Storm Lee to achieve a resilient, sustainable housing solution that allow them to remain in their communities.

Estimated number to serve: **0 (None)**

This program is currently not funded under any allocation and will be offered subject to funds availability.

Allocation of funds for Activity: **\$0.00 (zero)**

Eligible Applicants: **Residential Property Owners**

Threshold criteria:

- 1-2 unit Owner-Occupied Single Family Residential Property
- Not a Second Home as defined by IRS Publication 936
- In compliance with National Flood Insurance Reform Act, as amended
- Directly damaged by Hurricane Irene or Tropical Storm Lee
- Eligible to receive assistance of federal funds

Criteria for selection, and methodology:

- Funding Source of Last resort
- Addresses an unmet need
- Subject to the Stafford Act and Its Duplication of Benefit Requirements
- Principles of sustainability including water and energy efficiency, resilience and mitigating the impact of future disasters
 - High Quality, Durability
 - Disaster Resilient / Resistant construction methods
 - Green Building Standards

Beneficiaries/Direct Recipients:

Owners of Owner-Occupied Single Family Residential Property

Program Priorities:

- Substantially Damaged by Hurricane Irene or Tropical Storm Lee
- Low to Moderate Income, Elderly, Disabled Households
- Located in 100 Year Floodplain, flood damaged property
- Located in 500 Year Floodplain, flood damaged property

Program Administration: Luzerne County through consulting services will administer the day to day activity of project management, case management, verification of eligibility and determination of benefits including appraisal, as well as inspections and closeout; Luzerne County will review and approve all consultant's work and confirm compliance

with HUD and Stafford Act requirements, and funding will be provided on a reimbursement basis. Pre-Agreement costs will likely occur since pre-application has begun prior to Action Plan approval.

Performance Schedule: All funds are expected to be expended with 24-months of the grant agreement between Luzerne County and HUD for this activity. Quarterly Benchmarks will be provided in DRGR and on the county's website so interested parties are able to monitor performance.

Public Facilities & Infrastructure

Provide assistance to owners of facilities and infrastructure that provide public benefit that is not otherwise assisted by other disaster recovery resources.

Allocation of funds for Activity: **\$8,786,700**

Eligible Applicants: **Municipalities, Authorities or Agencies of units of government, Nonprofits**

Threshold criteria:

- Direct nexus to 2011 Irene/Lee flooding events
- Must be in compliance with the National Flood Insurance Reform Act, as amended

Beneficiaries/Direct Recipients: National Objective will be determined by designation of Census information, survey, or other HUD approved method that the project activity principally benefits low income, and will meet LMA National Objective, otherwise the activity will meet Urgent Need National Objective.

Program Priorities: Low/Moderate Area Benefit

Program Administration: Luzerne County will administer, review and approve activity in compliance with HUD and Stafford Act requirements, and funding will be provided on a reimbursement basis, Pre-Agreement costs will likely occur since pre-application has begun prior to Action Plan approval.

Performance Schedule: All funds are expected to be expended with 24-months of the grant agreement between Luzerne County and HUD for this activity. Quarterly Benchmarks will be provided in DRGR and on the county's website so interested parties are able to monitor performance.

Economic

As referenced in the table above, no amount of funds under THIS action plan is allocated to Economic activities. The Economic Activities are presented below with zero dollars (\$0). In the event that Luzerne County receives an additional allocation from HUD, this Action Plan presents to the public the need and proposed uses.

Commercial Buyout Program

Property acquired pursuant to the following:

- 1.) Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices;
- 2.) No new structure will be erected on property acquired, accepted or from which a structure was removed under the acquisition or relocation program other than: a public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); a rest room; a flood control structure; or a structure that the local floodplain manager approves in writing before the commencement of the construction of the structure;
- 3.) After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose will be made by the recipient to any Federal entity in perpetuity [for that property, emphasis added];
- 4.) Grantees have the discretion to determine an appropriate valuation method (including the use of pre-flood value or post-flood value as a basis for property value). *NOTE: Luzerne County is utilizing the Pre-Flood Valuation Method; using state certified appraisers.*

Estimated number to serve: **0 (None)**

This program is currently being fund by the 2012 allocation subject to funds availability.

Allocation of funds for Activity: **\$0.00 (zero)**

Eligible Applicants: ***Municipalities, Local Governments***

Threshold criteria:

- Impacted by 2011 flooding events or
- Two or more Flood Insurance Claims within last 10 years
- Must be in compliance with the National Flood Insurance Reform Act, as amended

Criteria for selection, and methodology: Luzerne County will mirror the HMGP Acquisition (buyout) Program actively administered by the Pennsylvania Emergency Management Agency, where possible. Below are Luzerne County's mutually exclusive criteria over the HMGP Acquisition Program

- Commercial Property
- Substantially Damaged by Hurricane Irene or Tropical Storm Lee
- Repetitive Loss – two flood insurance claims within the last 10 years
- Vacant / abandoned flood damaged property

- Located in 100 Year Floodplain, flood damaged property
- Located in 500 Year Floodplain, flood damaged property

Beneficiaries/Direct Recipients: National Objective will be determined by the level of household income of the selling owner, Owners at or below 80% of Area Median Income will meet LMI National Objective, Owners over 80% of Area Median Income will meet Urgent Need National Objective.

Program Priorities:

- Low Income property owners
- Substantially damaged properties
- Properties in the 100 year Special Flood Hazard area
- Benefit cost analysis of 1.0 or greater.

Program Administration: Sub recipients will administer the day to day activity of project management, case management, verification of eligibility and determination of benefits including appraisal, as well as demolition and clearance; Luzerne County will review and approve all acquisitions prior to closing to confirm compliance with HUD and Stafford Act requirements, and funding will be provided on a reimbursement basis. Pre-Agreement costs will likely occur since pre-application has begun prior to Action Plan approval.

Performance Schedule: TBD when funds are allocated. All funds are expected to be expended with 24-months of the grant agreement between Luzerne County and HUD for this activity. Quarterly Benchmarks will be provided in DRGR and on the county's website so interested parties are able to monitor performance.

Planning,

A set aside of five percent of the total allocation will be used to cover costs of Planning and Delivery contingency directly related to providing assistance to applicants and activities outlined in this Disaster Recovery Action Plan.

Administration

A set aside of five percent of the total allocation will be used to cover costs of Administration directly related to providing assistance to applicants and activities outlined in this Disaster Recovery Action Plan.

V. Program Requirements

Each element below discusses any additional unique criteria, if applicable, under the specific activity description outlined from ABOVE.

Responsible Floodplain Management

Any property acquired with disaster recovery funds for purposes of “buyout” requires that such property be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices. In addition, with minor exceptions, no new structure may be erected on the property and no subsequent application for federal disaster assistance may be made for any purpose. A deed restriction or covenant must require that the property be dedicated and maintained for compatible uses in perpetuity.

Flood insurance is mandated for any assistance provided within a floodplain. The federal requirements set out for this funding provide further guidance on activities that are to be conducted in a flood plain. The Departments will provide further guidance regarding work in the floodplain upon request.

Procurement Processes

Luzerne County will use the County’s procurement procedures that are consistent with 24 CFR Part 85.36.

Prevent Duplication of Benefits

This duplication of benefit plan explains methods and procedures to prevent the duplication of benefits, as required by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) [at 42 U.S.C. 5155(a)], the Disaster Relief Appropriations Act, 2013, the Small Business Act, and other authorities.

Although the potential for duplication of benefits arises most frequently under homeowner rehabilitation programs, it is not limited solely to that program type. Therefore, this Plan seeks to provide general, cross-cutting policy that can apply to any program.

The Luzerne County is creating several disaster recovery programs and must consider whether one program will duplicate assistance provided by another program, even when the secondary program is funded entirely with non-federal funds. The following Plan provides structure for departments or other organizations implementing disaster recovery programs in determining the amount of Community Development Block Grant (CDBG) disaster recovery assistance that will not duplicate assistance from other resources. For purposes of this plan, the term “County” refers to the Luzerne County and its agencies responsible for delivering CDBG Disaster Recovery assistance.

Please refer to Attachment A “Duplication of Benefit” for detailed policy and procedure.

A. Assessment of need prior to assistance.

- B. *Total assistance available to the person or entity*
- C. *Non-duplicative assistance excluded from final benefit calculation.*
 - 1. *Funds for a different purpose*
 - 2. *Funds for same purpose, different eligible use.*
 - 3. *Funds not available to the applicant.*
 - 4. *Private loans.*
 - 5. *Other assets or lines of credit.*
- D. *Unmet need.*
- E. *Calculate CDBG disaster recovery award.*
- F. *Use of CDBG Disaster Recovery Funds*
 - 1. *Use of funds for explicit and eligible purposes.*
 - 2. *Treatment of SBA Loans.*
 - 3. *Duplication of Benefit Subrogation*
- G. *Collecting a duplication of Benefit*
- H. *Administrative Procedures for Identifying the Duplication of Benefits*
- I. *Applicable Law and HUD Guidance*
- J. *Processes Specific to Residential Property Owner Assistance*

Steps to Avoid or Mitigate Occurrences of Fraud, Abuse and Mismanagement

The main guidance to prevent fraud and avoid conflicts of interest are found in Luzerne County's "**ACCOUNTABILITY, CONDUCT, AND ETHICS CODE**" (5/24/12), **PERSONNEL CODE (5/10/12), amended 5/28/2013**, as well as 24 CFR Part 570.611 "Conflicts of Interest". Adherence to these codes and regulation, together with due diligence and appropriate monitoring provide the basis of internal controls within the County Office of Community Development Staff, Contractors, and sub-recipients.

The Disaster Recovery Program has added time-tested, and effective measures to prevent fraud, ensure adherence to contractual obligations and federal, state and local laws and regulations, and ensure that quality services are provided. Fraud prevention measures will integrate with Program service areas to make sure applicants receive the appropriate award and that no duplication of services is provided.

Please refer to Attachment B "Prevention of Fraud Waster or Abuse" for detailed Policy and procedure specific to the Disaster Recovery Programs.

Minimizing Displacement and Relocation

Other than minimal temporary relocation resulting from housing rehabilitation, the County does not expect to relocate owners and tenants beyond the buyout program, which will be carried out on a voluntary acquisition basis. Therefore displacement will not be an issue. In the unlikely event permanent relocation is required, the County will follow the Uniform Relocation Act and/or the relocation procedures authorized under 24 CFR 570.

Protecting the environment

Where appropriate environmental reviews conducted by other federal agencies will be used to expedite processing. In the event that no other federal agency has conducted a review for the same scope of work, Luzerne county will conduct the environmental review subject to HUD criteria outlined in 24 CFR Part 58.

Labor Standards

Under section 110(a) of the Housing and Community Development Act of 1974, the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*) applies to construction work over \$2,000, “financed in whole or in part” with CDBG assistance. Each CDBG-DR appropriation law has applied the Davis Bacon Act to the CDBG-DR funds. The Act requires that workers receive no less than the prevailing wages being paid for similar work in the same area.

The Davis-Bacon Act does not apply to the rehabilitation, reconstruction, and demolition of single family owner-occupied housing comprised of fewer than eight units, multifamily housing comprised of fewer than eight units, and commercial buildings.

In addition, for the activities addressed by this Action Plan (i.e., rehabilitation, demolition, and reconstruction of single family, multifamily, and nonresidential buildings owned by private individuals and entities) the Davis-Bacon wage rates will not apply when the construction work:

- Is performed or contracted for by someone other than the grantee,
- Is fully complete before the owner applies for CDBG-DR assistance, and
- Was not financed with the expectation of CDBG-DR assistance.

If construction work is ongoing when an application is submitted, then an intent to finance (all, or a part of) the project using CDBG-DR is presumed, which triggers the applicability of Davis-Bacon wage rates. However, if there is no evidence of an intent to apply for the CDBG-DR assistance prior to the start of the construction (and the signing of an agreement with a contractor(s), if applicable), then HUD may request that the Department of Labor (DOL) allow prospective, rather than retroactive, application of the Davis-Bacon wage rates.

Recovery Planning and Affirmatively Furthering Fair Housing

The Disaster Action Plan has been developed in coordination with the Commonwealth of Pennsylvania DCED, FEMA, PEMA, SBA, Corps of Engineers, and the communities damaged by Tropical Storm Lee in July 2011 including Conyngham, Dennison, Exeter, Hunlock, Jenkins, Nescopeck, Plains, Plymouth, and Wright Townships, as well as, Duryea, New Columbus, Shickshinny, West Pittston, and West Wyoming Boroughs, and the City of Nanticoke. Additionally, the County will attempt to work with municipalities that FEMA and PEMA have provided concepts for revitalization to the extent feasible.

Program Income

Any program income earned as a result of CDBG-DR funded activities will be subject to the rules outlined in Federal Register notice FR-5696-N-01. In the Notice, HUD provides grantees the option of transferring program income to their annual CDBG entitlement grant (if applicable) or to be used as CDBG-DR funds until grant closeout. The County has opted to return program income received to the CDBG-DR Program in order to further fund disaster-related activities. Accordingly, program income received before closeout of the CDBG-DR grant will be subject to CDBG-DR requirements and must be used in accordance with the County’s Action Plan for Disaster Recovery. To the maximum extent feasible, HUD requires that program income shall be used or distributed before additional withdrawals from the U.S. Treasury are made.

Monitoring Standards

Luzerne County has been operating CPD programs (CDBG initially, followed by HOME and ESG) for over 39 years and has been extremely active in various housing, infrastructure, economic development, stimulus, neighborhood revitalization, and HUD redevelopment programs (over 50 years). The County Office of Community Development is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow the preparation of financial statements in conformity with generally accepted accounting principles.

As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The County utilizes the HUD Monitoring Guide as well as specific standards of its own for monitoring various public (Municipalities and Redevelopment Authority) and non-profit provider projects to insure compliance with regulations and the Consolidated Plan. Some of these standards are carried out at various stages of the application and funding process, while others require ongoing monitoring subsequent to project completion.

To the greatest extent feasible, the County works to comply with the requirements of Section 3 by the hiring of low and low-to-moderate income persons. The County promotes this through formal bid procedures and advertising of bid requests in the local newspaper. The County also requires that contractor's performing work under the community development programs sign a Certification of Compliance with regards to Section 3.

The County requires written verification on the work accomplished with all request for funds from sub recipients or contractors prior to release of payment.

Performance Quality Assurance

The County Office of Community Development is responsible for establishing and maintaining an internal control structure designed to ensure that assets are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow the preparation of financial statements in conformity with generally accepted accounting principles.

Independent Internal Audit Functions and Reporting

Management evaluates the internal control system periodically to achieve these objectives. The County tests its single audit system to determine the adequacy of the internal control structure, including the portion related to federal financial assistance programs, and determines that the government has complied with applicable laws and regulations.

The County's annual audit is designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. All audit findings are resolved immediately upon discovery, and there are currently no unresolved or outstanding audit findings for any grants under the Office of Community Development.

Grantee Capacity and Capacity of UGLG's and other organizations

The Luzerne County Disaster Recovery Project will be administered by the Office of Community Development. The mission of the Community Development Staff is to administer and implement policies, programs, and services authorized by the Luzerne County Manager and County Council that shape the physical environment and provide services to the citizens of the County in a professional manner.

The Staff consists of:

- The Executive Director, assisted by the Deputy Director/Financial Director oversees and supervises all of the activities within the Office of Community Development.
- The Housing Manager who administers and monitors programs to assist low and moderate-income citizens, including federal CDBG and HOME programs and local affordable housing initiatives.
- The Municipal Projects Manager who works with citizens, neighborhood groups, business and property owners, local commissions and organizations, and elected officials to revitalize and preserve the County's Municipalities.
- The Economic Development Manager serves as the administrator of the Business Loan and Micro Enterprise Programs.
- The Environmental Officer will process all activities undertaken under 24CFR Part 58.

Amendments to the Action Plan

In the case of amendments, Luzerne County will follow two alternative citizen participation processes. In the cases of a substantial amendment, the same procedures followed for preparation and adoption of the Action Plan shall be followed. A substantial amendment shall be defined as: a change in program benefit, beneficiary or eligibility criteria, the allocation or re-allocation of more than \$1 million, or the addition or deletion of an activity. For amendments considered to be non-substantial, the County shall notify HUD, but public comment is not required. Every amendment, substantial or not, shall be numbered sequentially and posted on the website.

Citizen Participation Public Comment

The Disaster Recovery Citizen Participation Plan is available for review as Attachment D of this Action Plan

Comment Period: August 16 through August 26, 2013

Citizens are encouraged to provide comment in one of the following manners

In Writing:

Mail or Drop off: Luzerne County Office of Community Development,
54 W. Union Street,
Wilkes-Barre, Luzerne County, PA 18701

Email: luzcoocd@luzernecounty.org

Fax: (570) 829-2910

Or Call:
Phone: (570) 824-7214

TDD: (570) 825.1860

There were no comments received. .

Other Referenced Documents

The following documents are included by reference and maybe downloaded from the Luzerne County Office of Community Development Website in the disaster Recovery Section:

- Duplication of Benefit
- Prevention of Fraud Waste or Abuse
- Unmet Need Impact Data
- Flood Inundation Map
- Citizen Participation Plan