

4 3



# Community Development Block Grant – Disaster Recovery (CDBG – DR) Assessment and Process

Governor's Recovery Office

December 20, 2013



# CDBG-DR Purpose

---

- Beginning in 1993, Congress appropriated funding to HUD for federally declared disasters.
- Funds are used to cover a portion of the unmet needs for housing, infrastructure and business damage.
- Unmet needs are cost not covered by FEMA, SBA, or insurance.
- Recent CDBG-DR allocations include Hurricane Sandy and tornados in Illinois, Oklahoma, Alabama



# CDBG-DR Uses

---

- Buying damage property in a flood plain
- Rehabilitation of residential and commercial buildings
- Constructing or rebuilding public facilities including street, water & sewer and drainage systems
- Prevention of further damage to affected areas

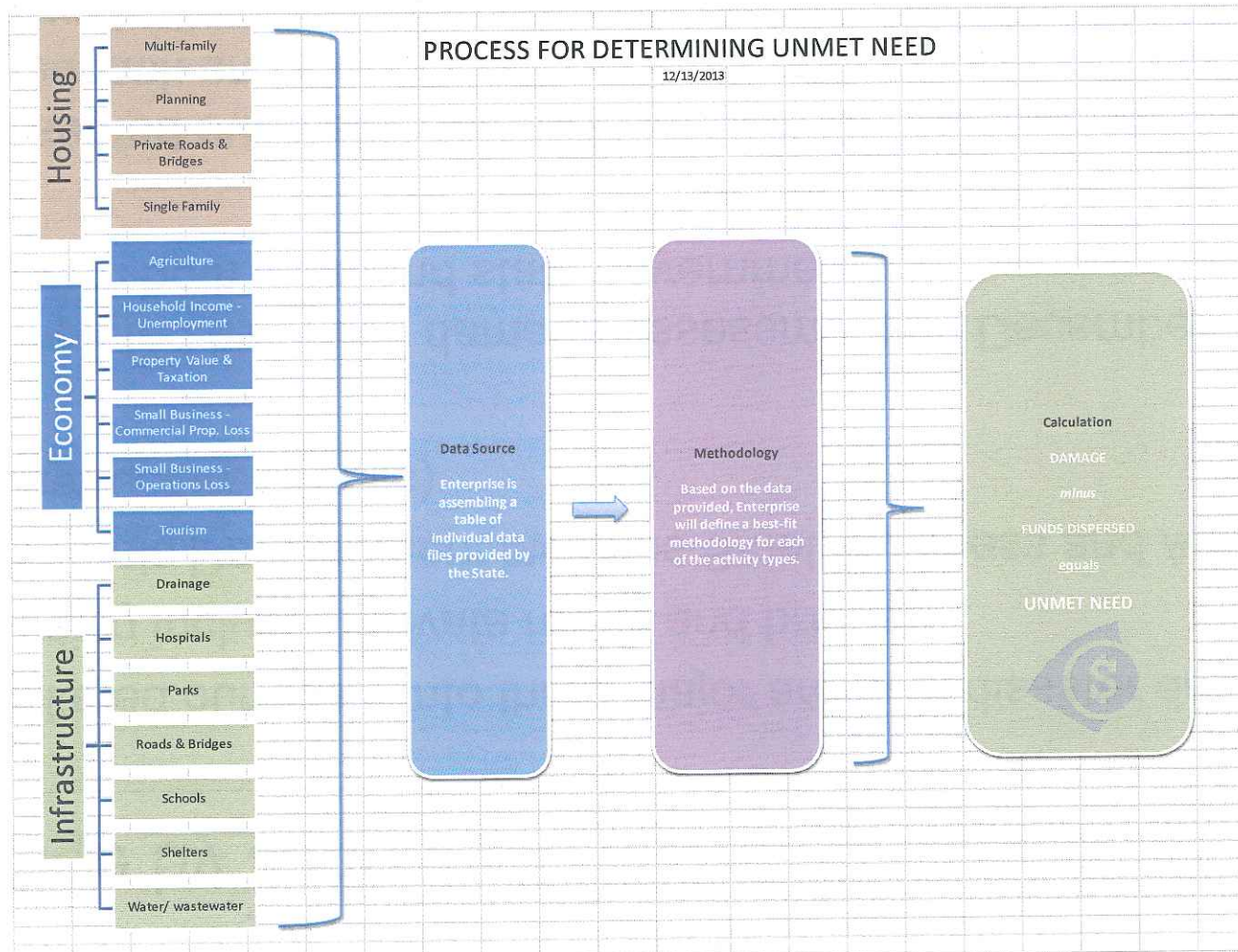


# CDBG-DR limitations

---

- At least 50% of funding must benefit persons of low or moderate income
- Funds must be spent within two years from receipt
- Funding can not duplicate assistance provided by other federal sources

# Here is the process for determining our unmet needs





# The first major step is assessing our total damage by January 1, 2014

---



- We bucketed our costs into three major areas of disaster damage
  - Housing includes Private roads and bridges
  - Economic Development includes Small Business and Agriculture
  - Infrastructure (Public)
- We completed our initial damage assessment on December 18<sup>th</sup> working closely with both local and state governments
- We presented our methodology to HUD in DC on December 20<sup>th</sup> to gain their feedback and identify any gaps we may have – with the outcome to ensure we have a complete submission by January 1, 2014

# Our initial assessment of total damages is over \$2B *(this is as of 12/20 – not final)*



Estimate of Unmet Need	Total Damage	Funds Dispersed / Eligible	Unmet Need
Housing - Homes - Private Roads / Bridges	\$228M \$2.35M	\$58.3M (IA – FEMA) \$90M SBA Loans for Homes & Businesses \$55.7M Insurance (Homes & Businesses)	
Economic Development -Businesses -Agriculture	\$518M \$55M	SBA and Insurance for businesses included under Housing	
Infrastructure (Public)	\$952M (PA Projects, CDOT and Ditches / Streams) \$450M (Mitigation & Resiliency Costs)	\$28.3M (PA – FEMA) \$450M (FHWWY)	
<b>Total</b>	<b>\$2.205B (as of 12/20)</b>	<b>\$682.3M (as of 12/20)</b>	<b>\$1.523B (as of 12/20)</b>

# Now we will review our methodologies for each damage area

---



- Housing Slide 9
- Private Roads / Bridges Slide 10
- Businesses Slide 11
- Agriculture Slide 12
- Infrastructure (Public) Slides 13 - 14





# Housing

---

## Housing Impact

The FEMA Individual Assistance program total full verified loss across the State is \$228,039,625.50, having examined 27,462 housing units, both rental and non-rental. Gap funding, in consideration of FEMA IA, SBA Awards, and insurance awards, is illustrated below.

Funding Source	Funding Provided
IA \$ Provided	\$55,057,600
SBA Loans Approved	\$74,784,300
NFIP Payments	\$43,530,000
Total	\$173,371,900

Total FVL	\$ 228,039,625.50
Unmet Housing	\$ 54,667,725.50

### Note:

This is 95% complete as of 12/18

Still left to size is those (non English speaking) individuals in Manufactured Housing Communities



# Housing – Private Roads and Bridges

- Cost estimates for private road and bridge repairs:
  - Decking replacement average cost: \$15,000 per replacement
  - Full bridge replacement: \$35,000 per replacement
  - Machine time/road fill: \$2,000 per case
  - Culvert replacements 36-inch: \$3,800
  - Culvert Replacement \$30-inch: \$3,400
  - Abutment replacements: \$5,000 per case
  - Roads and bridges evaluated by FEMA: \$301,000
  - Resiliency/mitigation costs: 306,660
- \*estimated costs either taking an average of costs identified by FEMA or quick calculations based on CDOT average bid costs for 2013.
- Methodology explained:
- 454 total Individual Assistance entries were evaluated for type of damage identified. They were placed into the categories listed above and then a cost estimate (outlined below) was developed for each type of damage:
  - Decking replace:  $\$15,000 * 10 \text{ cases} = \$150,000$  (assuming the bridge is 20 Ft long by 15 ft wide)
  - Full bridge replace:  $\$35,000 * 15 \text{ cases} = \$525,000$  (based on average of bridge replacement cost estimates from FEMA for a sampling of damaged bridges)
  - Machine time/road fill (8 hours\*110/hr for equipment)+(100cy\*\$7.63/cy)+ 10% mob and 3% traffic = approx.  $\$2,000 * 292 \text{ cases} = \$584,000$
  - Culvert Replacement 30-inch ( $\$90/\text{lineal ft} * 20 \text{ ft}$ ) + 50 cy dirt (\$400) + 110/hr\*8hr equipment) + 10% mobilization estimated  $\$3,400 * 60 \text{ total cases} = \$204,000$
  - \*50 Cy would be 20ft x 15 ft x 4.5 ft
  - Culvert Replacements – 36 inch (assuming 20 ft long\* and 20% cost increase for culvert) = approximately  $\$2,160 + 50 \text{ cy dirt} (\$400) + (110/\text{hr} * 8 \text{ for equipment}) + 10\% \text{ for mobilization} = \$3,800 * 58 \text{ cases} = \$220,400$
  - Estimated Abutment cost \$5,000 per \*12 cases = \$60,000 – cost per derived from research conducted online on low-volume crossing abutments
  - Other FEMA estimated project costs from Private Road and Bridge reports (roads and bridges with 4 or more residences behind): \$301,000
- **Total Private Roads and Bridges: \$2,044,400**
- **Additional Resiliency Cost (15%) = \$306,660**
- **Total Cost: \$2,351,060**



# Economic Development – Business Impact

Sub-Category	Damage Sub-Total	Data Source	Data Description	Proposed Methodology
Jobs - Unemployment	\$ 16,794,902.80	Department of Labor and Employment	Unemployment filings	Multiply the filings per county by that county's AMI. Use 25% of total to represent Mid September to Mid December. Increase by benefits % to represent indirect wages.
Property Value & Taxation		Heidi Craig, Dept. of Revenue		
Small Business - Commercial Property and Operations Loss	\$ 241,541,619.25	SBA & GIS data	EIDL loans from SBA. GIS files of all businesses within 100 yr floodplain.	Use sum of real property and real content loss to small businesses (this is HUD's method before subtracting for unmet need). Take average loss and apply to remainder of businesses accounted for in GIS survey.
Oil and Gas Impact	\$ 121,162,391.67	Department of Natural Resources	Oil and natural gas disruption data	Data as reported.
Gaming Impact	\$ 2,212,971.28	Colorado Gaming Commission	Impact to Cripple Creek gaming industry	Data as reported.
Tourism - Rocky Mountain National Park	\$ 118,952,986.67	National Park Service (Victoria Smith to Ian Hyde).	National parks visit data.	Look at trends from years past and calculate reduction in visitors after floods. Assign a dollar amount of avg. dollars spent by visitor and establish loss. Make sure impact is not duplicative of calculations from Estes Park report.
Tourism - Estes Park	\$ 17,779,426.89	Visit Estes Park report on flood impact.	Estes Park specific impact	Use figures from report and use % reduction in overnight bookings as proxy indicator to apply to estimate impact on known categories.
<b>TOTAL IMPACT:</b>	<b>\$ 518,444,298.56</b>			



# Economic Development - Agriculture

---

## Agricultural Impact

The Colorado Department of Agriculture has identified the agricultural short term economic loss related to flooding. Crop loss is reflects the impact to 28,535 acres, averaging a 30% loss for the season. Irrigation loss considers all diversions or irrigation channels and ditch infrastructures. Private farm clean up shows the impact of debris, fencing, land restoration and leveling on farm irrigation structures. Pasture and range land loss reflects the loss of cattle food supply across 39,000 acres.

Crop Loss	\$5,170,806
Irrigation Impact	\$42,129,284
Private Farm Clean Up	\$6,663,500
Pasture and Range Loss	\$1,560,000
Total	\$55,523,590

The \$42,129,284 impact to irrigation and ditch infrastructure deserves particular attention. If this deficit is not addressed in the next four months, prior to the spring thaw, there is a risk of recreating the September flooding affect due to loss of infrastructure that is able to contain watershed.





## Infrastructure (Public) 1/2

---

- 1,000 project worksheets estimated at \$250M
- 25% ineligible projects estimated at \$83M
- Total is **\$333M**
  
- CDOT costs total for state roads is **\$535M**
  
- Ditch & stream damage costs total **\$65.2M** as reported by DNR
  
- Utilities (Xcel Energy) damages of **\$18M**
  
- School District damages of **\$957,455**
  
- Total is **\$952M**

*Still to calculate – Railroads, Health Care infrastructure and Century Link*



# Infrastructure (Public) 2/2

---

## Mitigation and Resiliency Costs = \$450M

•As of December 17, 2013, current estimates for potential resiliency and mitigation needs as a result of the September 2013 Colorado floods are at \$449,083,907. Resiliency and mitigation actions include:

- Acquisition of flood damaged or at-risk structures
- Flood reduction projects such as detention ponds, flood control structures, channel improvements
- Hardening or replacement of infrastructure
- Channel stabilization, erosion protection and river restoration projects
- Dry or wet flood-proofing of structures, including historic structures
- Development of new geospatial products that identify and delineate risk (hazard area maps, topographic and elevation data such as LiDAR)
- Public education campaigns
- Installation of stream gauges and flood warning systems
- Support for community planning efforts that incorporate risk-reduction and resiliency principles

•This resiliency and mitigation needs estimate was attained through a number of different methods including:

- Direct conversations with communities by state and FEMA staff regarding mitigation and resiliency needs and identified potential projects
- Direct conversations with federal and state agency partners
- Review of documents and initial plans submitted by local jurisdictions
- Review of CDBG-DR surveys submitted by local communities

# Here is where we are in determining the process by which we allocate our CDBG – DR funds when made available in Q1 2014



Funding Category	Next Steps
Housing	<ul style="list-style-type: none"> <li>• Identify programs that address our housing and private roads/bridges unmet needs</li> <li>• Communicate programs and process to apply</li> <li>• Begin distributing dollars locally</li> </ul>
Economic Development	<ul style="list-style-type: none"> <li>• Identify programs that address our business and agriculture unmet needs</li> <li>• Communicate programs and process to apply</li> <li>• Begin distributing dollars locally</li> </ul>
Infrastructure - Public	<ul style="list-style-type: none"> <li>• Identify \$ of unmet need in top 3-4 counties</li> <li>• Propose how to split Infrastructure allocation</li> <li>• Set up review process of projects with OEM to sign off prior to project starting</li> </ul>

**Specific Criteria for Colorado:**

80% distributed to the 3 most impacted counties – Weld, Larimer and Boulder



# This is our CDBG-DR timeline to ensure we receive as much funds as possible



Key Milestone	High Level Task Details	Proposed Time Frame
<b>Step 1</b> - CDBG-DR Initial Funding - Colorado Collects Information/Data for Document Preparation to Request an Initial Allocation of funds	<ul style="list-style-type: none"> <li>✓ Requested funds are part of remaining Sandy Supplement funds.</li> <li>✓ HUD Secretary Donovan Visits Colorado — Announces Initial Installment on 5 Dec 2013</li> <li>✓ Initial damage assessments developed by FEMA, HUD &amp; State are incorporated into required documentation (18 Dec 2013)</li> <li>✓ TELCON with Washington D.C. to review CDBG-DR plan with HUD (20 Dec 2013)</li> <li>✓ JFO Finishes all Mission Scoping Assessment's (MSA) for the Recovery Support Functions (RSF's) including Housing (Dec 13 2013)</li> </ul>	Sep 2013 to Dec 2013
<b>Step 2</b> - Colorado Determines Initial Unmet Needs, Creates a Prioritized Methodology to utilize Initial Allocation, Develops & Submits a PARTIAL Action Plan to HUD.	<ul style="list-style-type: none"> <li>○ Colorado Determines Initial Unmet Needs &amp; Creates a Prioritized Structure/Methodology to utilize the Initial Allocation of CDBG-DR funding (Jan 1 2013)</li> <li>○ Request CDBG regulatory waivers for approval by federal register</li> <li>✓ HUD to Publishes Notice in Federal Registry (NFR) – (Done on 16 Dec 2013 – start of 90 day clock)</li> <li>○ Completion of Citizen Participation Plan &amp; responses (14 day period)</li> <li>▪ Colorado completes PARTIAL Action Plan for use of Initial Allocation of Funding &amp; submits Plan to HUD</li> </ul>	Nov 2013 to Jan 2014
<b>Step 3</b> - Initial HUD Funding Allocations for PARTIAL Action Plan Released to Colorado	<ul style="list-style-type: none"> <li>▪ HUD coordinates, receives, reviews, and approves PARTIAL Action Plan</li> <li>▪ State Enters Data into Disaster Recovery &amp; Grant Reporting System (DRGR) for PARTIAL Action Plan</li> <li>▪ Initial Allocation of Funds expected to Colorado for Use (Jan-Feb 2014)</li> <li>▪ Execute Grant Agreement and begin fund expenditures</li> <li>▪ Complete Environmental review (published for 14 days)</li> </ul>	Jan 2014 to Feb 2014
<b>Step 4</b> – Complete Unmet Needs Assessment for FULL Action Plan	<ul style="list-style-type: none"> <li>○ Colorado Follows All Required HUD Documentation Steps for Unmet Needs</li> <li>▪ Colorado Submits to HUD Unmet Needs within 30 days of NFR</li> </ul>	Dec 2013 to Jan 2014
<b>Step 5</b> - Develop a CDBG-DR Disaster Recovery Strategy for FULL Action Plan	<ul style="list-style-type: none"> <li>▪ JFO Completes Recovery Support Strategy (RSS) - Includes Housing, Infrastructure &amp; Economic Redevelopment (Feb 2014)</li> <li>▪ State Prioritizes Activities/Programs for FULL Action Plan</li> <li>▪ State &amp; Local Governments Develop Funding Distribution Plan</li> <li>▪ Colorado submits FULL Action Plan to HUD within 90 Days of NFR</li> <li>▪ State Periodically Updates Unmet Needs over Course of Recovery</li> </ul>	Dec 2013 to Nov 2015
<b>Step 6</b> - Implement Plan for FULL Action Plan	<ul style="list-style-type: none"> <li>▪ HUD Receives, Reviews &amp; Approves State's FULL Action Plan</li> <li>▪ State Enters Data into Disaster Recovery &amp; Grant Reporting System (DRGR) for FULL Action Plan</li> <li>▪ Remaining Funds expected to Colorado for Use (Q1 2014)</li> <li>▪ State Submits Quarterly Performance Reports (QPR) for FULL Action Plan</li> </ul>	Mar 2014 to Jun 2016





## Next steps over the next 30 days

---

- Finalize damage assessment and unmet needs
- Begin creating our Partial Action Plan which will include how the funds will be used
- Develop a clear process for distributing the CDBG – DR funds