

THE CITY OF BIRMINGHAM, ALABAMA



**CDBG-DISASTER RECOVERY ACTION PLAN
PROPOSED SUBSTANTIAL AMENDMENT #2
GRANT NUMBER: B-13-MS-01-0001**

Proposed Uses of Supplemental CDBG Disaster Recovery Grant Funding
Authorized by the Consolidated and Further
Continuing Appropriations Act 2013
(Public Law 113-2)

U.S. Department of Housing and Urban Development
Docket No. FR-5696-N-03
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Summary of Amendments

Substantial Amendment #1: For Round 1, this amendment clarifies the uses of funds for the Activity 2 - Infrastructure to New Multi-Family Housing and Activity 3 - Street Improvements, decreases funding for the Activity 1 - Administration, decreases funding for Activity 2 - Infrastructure to New Multi-Family Housing activity, creates Activity 4 - Multi-Family Housing and allocates funding toward that activity, creates Activity 5 – Planning and allocates funding toward that activity. This amendment also replaces the use of funds map in Attachment A.

Substantial Amendment #2: For Round 1, this amendment decreases funding for Activity 2 - Infrastructure to New Multi-Family Housing, increases funding for Activity 1 - Administration, and increases funding for Activity 5 - Planning.

Executive Summary

The City of Birmingham, Alabama's Department of Community Development has prepared this Action Plan for the Community Development Block Grant (CDBG) Disaster Recovery Grant. This Action Plan will be used by the City of Birmingham to provide \$17,497,000.00 in CDBG funding to help restore and rebuild the area of Birmingham that was most impacted by the April 27, 2011 Presidentially declared natural disaster. The Action Plan will be done in phases with all of the amendments being included in future versions of this document as attachments. The first phase of this Action Plan will set up three activities including: Administration, Infrastructure, and Re-programming of PY 2011 and PY 2012 funds to replace them with Disaster Funds.

On April 27, 2011, Alabama was hit by 62 tornadoes which took the lives of 248 people, damaged or destroyed 23,000 homes, and ruined hundreds of other structures, including commercial, industrial and governmental structures. Two 'waves' of storms hit Birmingham on April 27th---one in the morning that moved in a west-to-east direction and damaged properties from Five Points West, West End, Smithfield, Northside, East Birmingham, East Lake and Roebuck; and a second storm, later classified as a F-4 tornado, which hit Birmingham at about 6 pm the same date. This second storm smashed into the Pratt City Community and the Hooper City Neighborhood. Over 2,200 (83%) of the 2,794 homes damaged in Birmingham were damaged in the Pratt City Community.

Immediately after the storms, recovery centers were setup throughout the City of Birmingham so that individuals impacted by the storms could apply for assistance, meet with Small Business Administration loan specialists, get advice about how to proceed with insurance claims, and get information about available federal and state assistance. The Alabama EMA and FEMA communicated, coordinated, and collaborated with disaster response agencies, volunteer groups and faith-based organizations to help those individuals who were impacted by the storms. Even with the assistance of previously mentioned outreach efforts many citizens have been left with a need for more assistance in order to bring their homes/lives back to pre-April 27th conditions. In order to assist the citizens in the City of Birmingham a Partial Action Plan has been developed. The City is involved in an ongoing assessment to categorize needs based on priority. The City will continue to submit to HUD Partial Action Plans for activities as these needs are categorized.

Federal Appropriation Associated With This Plan

The City of Birmingham has been designated a Disaster Recovery Grant Recipient “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.).

Definitions and descriptions contained in the Federal Register are applicable to this funding. Additionally, all regulations associated with the CDBG Program apply to this funding with the exception of those waivers referenced in the Federal Register: FR-5696-N-03 dated May 29, 2013.

The Impact of the Storms and Assessment of Birmingham’s Recovery Needs

On April 27, 2011, Alabama was hit by 62 tornadoes which took the lives of 248 people, damaged or destroyed 23,000 homes, and ruined hundreds of other structures, including commercial, industrial and governmental structures. At least 2,794 of the damaged/destroyed homes were located within the City of Birmingham, Alabama. Within 48 hours after the storms of April 27, 2011, City Building Inspection staff completed a block-by-block assessment of damages to structures as a result of these storms. This assessment identified 1,859 structures in the City of Birmingham that suffered structural damage. These structures included the above-referenced 2794 dwelling units (some structures included multi-family residences), along with numerous commercial properties. The inspectors also assessed the percentage of damage to each structure and recorded that data by street address. These damage estimates were then compared to Jefferson County Tax Assessor’s records. By multiplying each property’s percentage of damage by the Tax Assessor’s valuation for the structure, it was determined that there was a total dollar amount of physical damage to structures in the City of Birmingham of \$44,200,166.75.

Two ‘waves’ of storms hit Birmingham on April 27th---one in the morning that moved in a west-to-east direction and damaged properties from Five Points West, West End, Smithfield, Northside, East Birmingham, East Lake and Roebuck. The big storm—an F-4 tornado hit Birmingham at about 6 pm on the 27th (see Attachment A). This second storm smashed into the Pratt City Community, and the Hooper City Neighborhood. Over 2200 (83%) of the 2,794 homes damaged in Birmingham were damaged in the Pratt Community!

This fact alone speaks to the concentration of the storm’s level of intensity and damage in the Pratt Community. However, the damage in Pratt was not limited to residences. In addition to the devastation of residential neighborhoods in Pratt, the Storm also slammed into City infrastructure, destroying the neighborhood fire station on Dugan Avenue and significantly damaging the Public Library located at the intersection of Dugan Avenue and Hibernian Street. Power lines were down everywhere, gas leaks were evident throughout as structures were ripped from their foundations severing gas lines. For nearly 12 months following the storms, the community endured wave after wave of heavy equipment ---trucks, bulldozers, backhoes, etc. to haul away debris, to demolish remaining structures, to repair utility systems, and generally repair infrastructure. The combination of the storms and the subsequent waves of heavy equipment have further damaged the infrastructure by tearing up roads, curbs and sidewalks.

Within weeks after the storms, the City invited the American Institute of Architects (AIA) to come to Birmingham with a R/UDAT team to develop a plan for the redevelopment of the devastated Pratt Community. The R/UDAT team spent four days in August 2011 intensely working to assess problems, opportunities and strategies to re-build the damaged Pratt

Community. Its report (see Attachment B), published in October 2011 identified a number of key opportunities and strategies. A number of their strategies focused on the North Pratt Neighborhood. North Pratt and Smithfield Estates were among the neighborhoods most severely damaged by the storms. Smithfield Estates is located to the east of Hwy 78 and is a newer (70s and 80s) neighborhood that is almost exclusively residential. Its population is more moderate-to upper moderate income. Smithfield Estates is heavily automobile reliant. North Pratt, on the other hand, is an older neighborhood in terms of housing stock and development patterns. It was also an older neighborhood in terms of age of population. North Pratt is a predominantly low-moderate income neighborhood. Census Tract #11 qualifies as a 58.5% LMI neighborhood. North Pratt includes a mix of single family and multi-family housing, along with commercial and institutional uses. It is immediately adjacent to the core of the historic Pratt City commercial core.

Accordingly, the R/UDAT team focused much of its energy on the redevelopment of the historic Pratt core. It focused on the opportunity to re-build key community facilities (library and fire station) in a neighborhood friendly manner; it acknowledged the opportunity to create new development patterns for low-income elderly residents to live in proximity with these re-built services, but also to access transportation routes (Transit Oriented Development- TOD) that focus on Dugan Avenue/Avenue W. R/UDAT also talked about the importance of linking these facilities to the populations they serve with plans for walk-ability.

As redevelopment began to pick up speed about 6 months after the storms, it became readily apparent that the Smithfield Estates was rapidly rebuilding while North Pratt was lagging. This was largely a result of the two neighborhoods' economic capacity and insurance. Smithfield Estates, being a comparatively wealthier neighborhood was significantly better insured and once insurance issues were worked through, rebuilding picked up rapidly. North Pratt was poorer, older, and significantly less well covered by insurance. Most North Pratt residents displaced by the storms remain displaced today, while others have made significant strides to re-build. These factors, along with the R/UDAT Plan helped focus the City's efforts through our CDBG and related programs on assisting the recovery of North Pratt.

Emergency Shelters and Public Housing Need

There are no known Emergency Shelters or Housing Authority projects damaged during the storms, nor were there any City owned HUD assisted housing units damaged.

Various Forms of Assistance Available and Estimate of Unmet Need

Immediately following the storms, the AIA sent a team to plan the redevelopment of Pratt City. Due to the fact that this team was focused only on the City of Birmingham and, in particular the storm affected area, this data can be seen as rivaling the data provided by SBA, FEMA, and the Insurance Commission. The City will, as much as feasibly possible, attempt to follow the R/UDAT Plan in redeveloping the disaster area.

Since the storms, The Federal Emergency Management Agency (FEMA) and Small Business Administration (SBA) have made available additional data to assist with estimating the unmet need of the disaster area. The following information is reported on a citywide basis where available and practical. FEMA Public Assistance for the City of Birmingham was \$12,000,000.

FEMA Individual Assistance for the City was \$7,200,000. FEMA also awarded \$3,096,771 toward to the City of Birmingham for storm shelters. This was from a request of approximately \$14,000,000. SBA reported approving residential loans for \$6,000,000 and business loan applications for \$4,250,000 in the City of Birmingham. The Alabama Insurance Commission could only provide stats on a statewide basis. Their latest data indicated claims paid in the amount of approximately \$2.2 billion. HUD has previously awarded disaster funding in the amount of \$6,386,326 to the City of Birmingham.

Unmet Housing Need

Using HUD's methodology for unmet non-rental housing need, the "gap" of 20 percent based on FEMA awards for the disaster area is \$1,440,000. When factoring in the "gap" to include SBA loans this unmet need jumps to \$2,640,000.

The City has assessed the rental housing need for the disaster area by determining those multi-family units that have yet to rebuild. The City has placed a value of \$10,500,000 in need on rental units based on a survey of proposals that has been turned in requesting disaster assistance that was not funded by FEMA, SBA, and/or insurance proceeds.

Unmet Infrastructure Need

Using HUD's calculation of unmet need for public infrastructure as the match requirement by FEMA, the unmet infrastructure need for the disaster area is \$3,000,000. This allocation methodology used only a subset of Public Assistance damage estimates reflecting the categories of activities most likely to require CDBG funding above the Public Assistance and state match requirements. The City also has an assessed need of mitigation and resiliency in the approximate amount of \$14,000,000. This was somewhat alleviated with the funding of \$3,096,771 from FEMA for storm shelters, however, there is still an unmet need of approximately \$11,000,000.

Unmet Economic Revitalization Need

Using HUD's methodology of unmet need for economic revitalization as the sum of real property and real content loss of small businesses not receiving an SBA disaster loan, the unmet economic revitalization need for the disaster area is approximately \$26,469,705. This is based on the reporting from SBA that states the approval rate was approximately 34% of all applications. They go on to further state that this does not include those that were referred to SBA from FEMA, but did not return an application to SBA. This last category as referenced by the SBA applies mostly to homeowners and renters.

Demographic Analysis of Neighborhoods with High Percentage of Damaged Homes

The Neighborhood with the highest percentage of damaged homes was in Census Tract 01073001100. This Census tract includes parts of Smithfield Estates and Pratt City. Per the 2007-2011 American Community Survey 5-Year Estimates, the population for that Census Tract is 5,366. Of this total there are 5,184 Black or African Americans, 142 are white, and 40 are other. The average median income is \$32,250.

Types of Businesses Most Impacted and Their Barriers to Recovery

Upon initial review, the types of businesses most impacted by the disaster range from Real Estate Management and Insurance Companies Zoned in B-1 to Manufacturers Zoned Heavy Industrial. Included in the variation of types of business were many churches and at least one Community Development Company. The NAIC codes most affected include, but are not limited to: 524113, 531311, 811192, 236220, 811111, 485310, 484230, 336411, and 236220.

The barrier to recovery for most of the affected businesses in the disaster area include: damage to infrastructure and reduced population. The damage to infrastructure, including roads and signage, has a direct impact on the commercial clientele which affects the market. The reduced population due to lack of adequate housing and the fear of future storms also directly affects the market by reducing the pool of potential shoppers. Another less prevalent barrier includes zoning restrictions due to previous non-conforming or grandfather status that may not be available now.

Cost of Incorporating Mitigation and Resiliency Measures

The City of Birmingham requested Hazard Mitigation Assistance in the approximate amount of \$14,000,000. The City was awarded \$3,096,771 for the purpose of building 5 storm shelters. This price of mitigation and resiliency does not factor in using green building material, which may assist in this effort, such as energy star which will be evaluated on a case-by-case basis in future partial action plans as projects are selected. This price also does not include privately or publicly owned housing and infrastructure beyond the shelters that may need to be reinforced to better resist future disasters.

Connection between Needs and Allocation(s) of Funds

The unmet needs described above are currently being evaluated further to determine the allocation of funds in its totality. The immediate need areas have been allocation in the first partial action plan. These immediate areas of need are multi-family housing, infrastructure, and administrative costs. Immediately following the storm the City re-programmed and focused parts of their CDBG, HOME, and NSP3 entitlement funds to the disaster area. In doing so, the remaining parts of the City were allowed less access to these normally citywide available funds. The first partial action plan addresses this issue by moving CDBG funds in the amount of \$2,477,000 back into citywide programs and replacing these funds with CDBG-DR funds for a combination of Infrastructure and Multi-family housing. The City will further rebuild infrastructure by allocating \$1,775,811.28 to close a funding gap in a Department of Transportation funded TIGER grant project in the disaster area. Both of these projects also allow the City to leverage the CDBG-DR funds further. The City intends to, as much as feasibly possible and practical, use a proportionate allocation of resources relative to areas and categories of greatest need while giving priority to those projects that can best leveraged these funds. This policy will be followed on a total allocation basis.

Planning and Coordination

In response to the needs identified in the Needs Assessment (above), the City's Plan for Disaster Recovery focuses on the North Pratt Neighborhood.

- North Pratt is the poorest neighborhood in the Community which experienced 83% of the damages from the April 2011 disaster

- North Pratt is the neighborhood that received the most damage to housing and infrastructure in combination
- The R/UDAT Plan identified the priority need for the City to re-build community facilities and to re-establish linkages between residents and facilities (including transit) in a walk-able community
- North Pratt's housing stock was heavily damaged and extremely underinsured. Many victims remain displaced to this day
- The reconstruction of infrastructure, public facilities and housing anticipated in this plan and future partial plans will 'prime the pump' and foster an environment that sets the table for future re-building

Public Housing, HUD-assisted Housing, Housing for the Homeless, and Disaster-resistant Housing

In order to ensure that those individuals impacted by the storm do not become homeless the City of Birmingham will look to its HUD approved 2010-2015 Consolidated Plan and its current Action Plan to implement transitional housing for individuals who have been displaced by the storms or who will be displaced by activities to be undertaken in this Action Plan. The City will use the most up to date disaster-resistant housing materials feasible.

Public Housing: There were no public housing units or administrative offices impacted in the disaster. If the City becomes aware of any that have yet to be reported it will take action to assist in the rebuild efforts.

HUD-assisted Housing: All known HUD-assisted housing units impacted by the storm are owned by private corporations. Any effort to assist in rebuilding these complexes will factor in the need for low and moderate income set aside units. If the corporation rebuilding the property plans to rebuild without HUD project based units, the City will require that the traditional CDBG regulations be followed if CDBG-DR funds are used in the rebuild. Through further conversation, if it is found that these private corporations need additional funding to make low and moderate units, the City will set aside an amount to address these needs in a future partial Action Plan. Any tenant that participated in the Section 8 Housing Choice Voucher program that was affected by the storm will, to the extent feasible and eligible under State and Local law, be afforded the opportunity for assistance through either a future allocation of the second round of CDBG-DR (B-13) or the allocation of the first round of CDBG-DR (B-13).

McKinney-Vento Funded Shelters, Housing and Services for Transition to Permanent Housing and Independent Living: There are not known to be any McKinney-Vento funded shelter structures that were affected by the storm. The City plans to provide housing and services for transition to permanent housing and independent living to the homeless and the referenced homeless sub-populations. The City anticipates that it will also support applications for funding during the duration of this CDBG-Disaster Recovery Grant by other entities under programs for which it is not itself eligible to apply or for which it elects to have other entities apply. The City will particularly support those applications by other entities for programs to benefit the referenced homeless sub-populations. Many organizations that

provide these services are funded by various Action Plan Programs (CDBG and ESG for example). The City will continue to set aside a portion of CDBG and ESG to assist in addressing these needs.

Assistance for Preventing Low-Income Individuals and Families with Children (especially those with incomes below 30 percent of median) from Becoming Homeless: The city plans to provide assistance to low and very low income homeowners and renters in order to rehabilitate structures classified as substandard. The program will provide affordable housing to low and very low income households who otherwise could be, or become homeless. The City of Birmingham anticipates that it will also support applications for funding during the duration of this CDBG-Disaster Recovery Grant by other entities under programs for which it is not itself eligible to apply or for which it elects to have other entities apply, to provide affordable housing to prevent low-income households from becoming homeless. Many organizations that provide these services are funded by various Action Plan Programs (CDBG and ESG for example).

Assistance to address the special needs of persons who are not homeless identified in accordance with 24 CFR 91.215(e). The City plans to provide assistance to the City's special needs population by increasing the availability of housing for the disabled (mental, physical, and developmental) and by increasing the availability of housing for the low-income elderly and frail elderly, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and public housing residents. Many organizations that provide these services are funded by various Action Plan Programs (CDBG and ESG for example).

Planning decisions may affect racial, ethnic, and low-income concentrations, and ways to provide the availability of affordable housing in low-poverty, non-minority area where appropriate and in response to disaster-related impacts. The City will encourage provision of housing for all income groups. The most affected area by the disaster is low-income and African-American. The City will strive to make planning decisions in this and future partial action plans that will affectively provide affordable housing in low-poverty, non-minority areas where appropriate. The City understands that planning decisions may affect racial, ethnic, and low-income concentrations. The City plans on making decisions that affect these groups in a positive way. The City is considering, with future partial action plans, making City-wide programs available to all eligible incomes so that the end result is a lower concentration of low-income areas.

Short-Term Recovery Planning

- Examine the City's response to the immediate needs of those temporarily or permanently displaced, or relocated from the disaster;
- Seek input from citizens and officials regarding the use and methods of redistributing CDBG disaster recovery grant funds; and
- Provide assistance to impacted residents to close gaps in funding from other sources.

Long-Term Recovery Planning

- As part of the first allocation of CDBG-DR-reconstruct a permanent Fire Station to replace Fire Station #18 which was totally destroyed by the storm. The facility was very old and did not meet modern firefighting needs. The replacement station will have 3 bays

for fire fighting and emergency equipment and will have full facilities for firefighters and for community space. Some levels of insurance and FEMA assistance will be forthcoming to cover a portion of the costs---but not a significant portion. All insurance and FEMA proceeds will be first applied to the rebuilding and only then will proceeds from this grant be applied.

- As part of the first allocation of CDBG-DR-the Public Library, unlike the fire station, was not totally destroyed by the storms. Primary repairs to the facility will be undertaken with insurance and other funds. The community and the library have long been desirous of improving the existing library to create outdoor garden and reading spaces. These enhancements, along with additional parking to serve the facility will be included as a phase 2 in this plan.
- The storms, along with 12 months of utility cuts, heavy equipment, fallen power poles, etc. have done significant damage to streets in the neighborhood. In addition, the R/UDAT plan identifies Dugan Avenue in the vicinity of the fire station, new elderly housing and the library as a key link to establishing a walk-able community and Transit Oriented Development. Accordingly, the City will re-construct this segment of Dugan Avenue for these purposes as part of the first allocation of CDBG-DR. With the second allocation of CDBG-DR, the City will expand its re-construction beyond Dugan Avenue. The City will re-construct major crossroads that meet up to Dugan Avenue. This will allow better flow to the housing that is being built and rebuilt in the area.
- Provide Housing Rehabilitation—Although much rebuilding has begun, the community still struggles with the need for long-term recovery of housing. The City will use funds from the first allocation to be the catalyst to stimulate re-building of damaged houses
- Provide New Housing—Despite all efforts, some residents have made the decision to leave Pratt forever. In order to have a cohesive community and to limit gap-toothed development patterns, grant funds will be used from the first allocation to assist with the construction of new replacement housing in devastated areas.
- Provide for the long-term stability of affected neighborhoods through efforts to repair public facilities and streets;
- Participate in regional planning efforts to address recovery and continue to work with other jurisdictions on current initiatives; and
- Partner with local organizations to ensure that all impacted residents receive the assistance available to them.

Promoting the Mitigation of Flood Risk

Under this Action Plan, the City of Birmingham does not find it necessary to focus funding on providing funds for housing units to implement elevation. The impacted area is not in a flood plain and there were no cases of flooding reported.

Leveraging Other Funds

The CDBG-DR allocation of \$17,497,000 will be leveraged against numerous other sources of federal, state, local and private funding which currently total \$13,789,765. In compliance with program guidelines and regulations, CDBG-DR funding has been allocated toward recovery efforts in the most impacted and distressed areas of the City of Birmingham to support unmet needs not funded by proceeds from the Federal Emergency Management Agency (FEMA), the

Small Business Administration (SBA), private insurance or other sources of public and private funding.

Supplemental sources of funding allocated toward recovery efforts primarily consist of federal funds, including annual entitlement grants (HOME & CDBG) and other time-limited allocations (CDBG-DR B-12, NSP-3, & TIGER). Other sources include proceeds from FEMA, SBA, private insurance payouts, and state assistance. A summary of other leveraged funding and their designated uses is included in the following table.

The allocation of these combined funds will result in a more comprehensive and effective recovery effort by: 1) ensuring that a wide and diverse range of recovery needs are met; 2) assuring flexibility to address short-term and long-term recovery needs; 3) enabling communities to meet needs that would not likely be addressed by other funding sources; and 4) developing communities which are better positioned to meet the needs of their post-disaster populations and prospects for growth.

Designated Use	Other Funding	Source of Other Funding	Funding Type
<i>Disaster Assistance</i> -Pratt City	\$6,386,326	CDBG-DR (B-12)	Federal
<i>Development of Multi-Family Housing for Seniors in Pratt City</i> (up to 42 units)	\$223,000	Community Development Block Grant (CDBG)	Federal
<i>Development of Multi-Family Housing for Seniors in Pratt City</i> (up to 42 units)	\$2,520,000	HOME	Federal
<i>Reconstruction of Single-Family Housing in Pratt City</i> (up to 25 units)	\$2,318,536	Neighborhood Stabilization Program (NSP-3)	Federal
<i>Housing Reconstruction Program</i> - Zero percent interest loans up to \$40,000	\$200,000	CDBG	
<i>Housing Repair Program</i> – Supplemental grants up to \$15,000 for repairs above & beyond the value of Insurance Proceeds and FEMA Assistance	\$350,000	CDBG	Federal
<i>Roads and Infrastructure</i> -Build and repair roads and trails in the disaster area	\$1,791,903	TIGER	Federal
	\$13,789,765		

Promoting High-Quality, Durable, Energy Efficient, and Mold Resistant Construction Methods

The Housing Division within the Department of Community Development will ensure that all residential construction activities meet the 2000 International Residential Code Chapter 11. Commercial and multifamily rental activities will be sure to meet the International Building Code of 2003 or the City’s municipal code; the most stringent code will be followed. The 2000 International Energy Conservation Code (IECC) which works to provide more energy efficient structures. The City, at a minimum, will comply with the Green Building Standards established

in the Notice for all new construction of residential buildings and for all replacement of substantially damaged residential buildings. The City will also, to the extent applicable, comply with the HUD CPD Green Building Retrofit Checklist for the rehabilitation of non-substantially damaged residential buildings where the repair costs are less than 50% replacement cost, including standards for appliances and products when replaced as part of rehab. This requirement will not apply when Energy Star, Water-Sense Labeled, or FEMP-designated products do not exist.

Projected Use of Funding (See Attachments F through G for Amendments and Updates)

Methodology for Allocating Grant Resources and Relative Importance of the Project

The following projects are being proposed for the City of Birmingham’s allocation of CDBG-Disaster Recovery Grant, 2013. This partial Action Plan represents the projects which have completed environmental reviews or are at near completion. By selecting these projects first, it will allow the City to meet the stringent timeliness issue of a two-year completion deadline. Amendments will be made in subsequent Action Plans to fulfill the entire allocation of \$17,497,000. Other factors considered in selecting the activities represent the City’s desire to respond to the urgent and immediate need to respond to critical infrastructure problems facing the worst damaged area of the city and homeowners needing assistance with the building and rehabilitation of privately-owned properties. Needs that have been identified, but not yet addressed, will be considered for funding in subsequent amendments. All activities in this partial Action Plan have a proposed start date of November 1, 2013 and end date of October 31, 2015.

Activity	National Objective to be Addressed	Available Funding for Activity	% of Total Funding
Administration Funds	Not Applicable	\$ 212,640.56	4.76%
Infrastructure to New Multi-Family Housing	LMI/Area Benefit	\$ 2,477,000.00	55.47%
Street Improvements	LMI/Area Benefit	\$ 1,775,811.44	39.76%
Total Plan Funding		\$ 4,465,451.00	

Activity 1 – Administration of Grant: The City of Birmingham proposes to use the 4.76% of the budgeted allocation in this partial Action Plan for administrative costs.

Threshold Criteria: Funds will only be used to cover the cost of administering the CDBG-Disaster Recovery Grant.

Grant Size Limits: As presented in the *Federal Register* notice dated May 29, 2013, The City of Birmingham is allowed to use up to five percent (5%) of the grant for administrative costs; therefore, the costs for administrative services is not to exceed \$223,272.59 for the activities in this partial Action Plan. The City is allocating \$212,640.56 of this amount at this time.

Activity 2 – Infrastructure for Multi-family activities within the Affected Area:

Approximately 359 residential dwellings were destroyed in the Pratt City neighborhood as a result of the April 27, 2011 natural disaster. The demolition of those homes has resulted in an accumulation of vacant lots and lost access to decent, affordable housing. The City of Birmingham proposes to use nearly \$2.5 million for the purpose of infrastructure within the Pratt City neighborhood. This will be used in conjunction with HOME funds on the Dugan Ave Senior Living Facility. Despite all efforts, some residents have made the decision to leave Pratt City forever. In order to have a cohesive community and respond to the aging population of the area, grant funds will be used to assist with the infrastructure as part of the construction of this new housing complex in the devastated area.

Threshold Criteria: The Infrastructure must be for the HOME funded Senior Living Facility to be located on Dugan Avenue in the presidentially declared disaster area. No funds will be made available that support a business that does not meet the definition of small business as outlined in 13 CFR Part 121.

Grant Size Limits: The proposed allocation for the provision of infrastructure is \$2,477,000.00.

Eligibility and National Objective: Infrastructure assistance for low to mod income area.

Geographic Area: Pratt City (See Attachment A)

Activity 3 – Street Improvements: The City of Birmingham proposes to use approximately \$1.77 million for street improvements. The storms, along with 12 months of utility cuts, heavy equipment, and fallen power poles have done significant damage to streets in the neighborhood. In addition, the R/UDAT plan identifies Dugan Avenue in the vicinity of the fire station, new elderly housing and the library as a key link to establishing a walk-able community and Transit oriented Development. Accordingly, the City will re-construct this section of roads connecting to Dugan Avenue for these purposes. The City will also repave and reinforce bridges in the area to provide for disaster resistance.

Threshold criteria: Streets and bridges must be located within the presidentially declared natural disaster area and the streets must have received damage as a result of the natural disaster, need upgrades to be more disaster resilient, or need modification as part of an effort to entice residents to move to the disaster area.

Grant Size Limits: The total allocation proposed for the provision of Street Improvements is \$1,775,811.28.

Eligibility and National Objective: Infrastructure assistance for low to mod income area.

Geographic Area: Pratt City (See Attachment A)

Preventing Fraud, Abuse of Funds, and Duplication of Benefits

In order to ensure the proper disbursement of grant funds The City of Birmingham plans to remain in compliance with applicable CDBG rules and regulations, as well as other applicable federal regulations such as OMB Circulars A-87, A-133, and 24 CFR Part 85 (Uniform Administrative Requirements). The City of Birmingham will particularly emphasize mitigation of fraud, abuse and mismanagement related to accounting, procurement, and accountability

which may also be investigated. Birmingham will monitor the compliance of applicants, and HUD will monitor the Department of Community Development's compliance.

Monitoring Standards and Procedures

The City of Birmingham through its Department of Community Development is committed to a comprehensive program of monitoring and evaluating the process of disaster recovery activities. The goal is to ensure long-term compliance with the applicable regulations and standards such as OMB Circulars A-122, and particularly those requirements of the CDBG Disaster Recovery Program. The City of Birmingham's procedures will ensure that there is no duplication of benefits that have otherwise been covered by FEMA, private insurance, any other federal assistance, or any other funding source whether it is local or state funding. Only expenditures that are eligible CDBG activities, address disaster-related needs directly related to the approved natural disaster, and meet at least one of the national CDBG objectives will be funded. If a contract has been funded but is determined to not meet the previously listed criteria, the contract awardees shall be required to refund the amount of the grant that was awarded to said awardee. The City of Birmingham reserves the right to take appropriate action in instances of non-compliance, fraud, and mismanagement including, but not limited to, disallowing ineligible costs, terminating contracts/agreements, and requiring repayment of funds. The internal audit function the City of Birmingham utilizes to ensure each responsible staff member is included in the audit process can be evidenced in an organizational diagram (see Attachment C). The City's internal audit function is housed in a separate department than the one designated to administer the CDBG-DR program. These departments do not interact on a routine basis and report to the Mayor separately.

Quality Assurance

The City of Birmingham will continuously monitor awardees which will provide quality assurance. The city will determine the areas to be monitored, the number of monitoring visits, and their frequency. Any entity administering CDBG Disaster Recovery funding will be monitored not less than once during the contract period. The monitoring will address program compliance with contract provisions, including national objectives, financial management, and the requirements of 24 CFR Part 58.

Investigation

The City of Birmingham reserves the right to launch an investigation through a third party if the administrative head of the Department of Community Development has reasonable cause to believe that money received through the CDBG Disaster Recovery Grant has been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the contract awardee.

Independent Internal Audit

The City of Birmingham and contract awardee are subject to the Single Audit Act. A "Single Audit" encompasses the review of compliance with program requirements and the proper expenditure of funds by an independent Certified Public Accountant.

Increasing Capacity of Implementation and Compliance

The City of Birmingham's Community Development Department staff will be provided with all training necessary to ensure that activities funded under this Action Plan are correctly administered. As contracts are made, necessary efforts to increase the capacity of applicants, subrecipients, contractors, and any other entity responsible for administering funding under this Action Plan will be implemented to ensure they have the specific skills needed to successfully oversee the activity.

Contract Administration

Amendments

If any of the following events occur a substantial amendment will result;

- The addition or deletion of any allowable activity described in the Action Plan;
- A change in the planned, allowable beneficiaries;
- A change of more than five percent in the funding allocation between the activity categories described;
- The implementation of an additional HUD-authorized "waiver" of any major programmatic rules or regulations;
- Any action that HUD deems to be a significant amendment that needs public input prior to enacting; and
- The need, by the City, to allocate any portion of the awarded \$17,497,000 that is not described in the latest version of the Action Plan

Certifications Required

The use of the disaster recovery funding is contingent upon specific requirements. The City of Birmingham along with contract awardees will be expected to certify that these requirements will be met or carried out. Contract awardees will be required to certify in writing that the grant will be carried out in accordance with applicable federal and state laws, rules and regulations. All contract awardees must certify that they will minimize displacement of persons or entities and assist any persons or entities displaced in accordance with the Uniform Anti-Displacement and Relocation Act and local policy.

Program Income

Any program income earned as a result of CDBG-DR grant funds will be subject to the rules outlined in the waiver published in Federal Register notice FR-5696-N-03. In order to provide for more flexibility program income rules at 570.500(a) and (b), 570.504, 42 USC 5304(j), and 570.489(e) have been waived. Program income received (and retained, if applicable) before or after closeout of the Disaster Recovery grant, and used to continue disaster recovery activities, is treated as additional disaster recovery CDBG funds subject to the requirements of said Notice and must be used in accordance with this Action Plan for Disaster Recovery. To the maximum extent feasible, program income shall be used or distributed before additional withdrawals from the U.S. Treasury are made, with one exception. In addition, The City of Birmingham may

transfer program income before closeout of the Disaster Recovery grant into its annual CDBG program.

Citizen Complaints

The City of Birmingham acknowledges that it will provide a written response to any citizen complaint received. The response will be provided within 15 working days of the Department of Community Development receiving it.

Documentation and Reporting

As required by HUD and outlined in the Federal Register notice, the City of Birmingham will enter its Action Plan for Disaster Recovery, including performance measures, into HUD's DRGR system. As more detailed information about uses of funds is identified by the City, it will enter such detail into DRGR, insufficient detail to serve as the basis for acceptable performance reports.

A quarterly performance report will be submitted to HUD no later than 30 days following the end of each calendar quarter, beginning after the first full calendar quarter after grant award and continuing until all funds have been expended and all expenditures have been reported. Each quarterly report will include information about the uses of funds during the applicable quarter including (but not limited to) the project name, activity, location, and national objective; funds budgeted, obligated, drawn down, and expended; the funding source and total amount of any non-CDBG disaster recovery funds to be expended on each activity; beginning and completion dates of activities; achieved performance outcomes such as number of housing units complete or number of low-and moderate-income persons benefiting; and the race and ethnic status of persons assisted under direct-benefit activities. Quarterly reports to HUD will be submitted using the DRGR system and within 3 days the City of Birmingham will post the submitted report to its official website.

Expenditure of Funds

Per the Notice published in Federal Register Notice FR-5696-N-03, CDBG-DR funds must be expended in a two-year time frame beginning on the date the grant agreement is signed by HUD. The City of Birmingham, or other entity as assigned by the City, will review in-house expenditures and beneficiary expenditure to ensure that funds are spent on eligible costs in a timely manner. Project funds and schedules will be monitored by the City's Community Development Department. The City will establish certain benchmarks that the subrecipients, contractors, etc. are required to meet. Awardees will be required to present the City with a plan on how they will implement procedures to reach the determined benchmarks. In addition to ensuring that awardees are meeting project timeliness, these benchmarks will allow the City to project expenditures for each individual project.

To satisfy HUD guidance (FR 78 32264 and FR 78 14337) on performance metrics, the City will amend its Action Plan within a timely manner using guidelines provided at HUD's CPD Disaster Recovery website. The performance metrics will be based on expected quarterly outcomes and expenditures. Factors that may affect performance measures such as weather, completion of

federally required environmental reviews, etc. will be considered in the construction of the performance metrics.

Timeframe for Completion

The City is proceeding with design of infrastructure elements in order to expedite construction of improvements in a timely manner. We will seek to have these design costs reimbursed. We estimate that all improvements and activities described and funded by these funds will be completed within 30 months of the signature of grant agreements.

<u>Project to be Completed</u>	<u>Anticipated Length of Activity</u>	<u>Projected Date of Completion</u>
Street Improvements	24 months	October 31, 2015
Administration	24 months	October 31, 2015
Infrastructure for New Housing	24 months	October 31, 2015

Citizen Participation

Public Comment Period and Advertising (Round 1)

Since the April 27, 2011, tornado outbreak the City of Birmingham has worked diligently with various organizations and citizens who were directly and indirectly impacted by the natural disaster. These efforts include the very interactive R/UDAT Planning effort. The City of Birmingham has worked hard to determine the greatest disaster recovery needs and how to address those needs. These interactions have been useful in the past and shall continue to be beneficial in the future. Through public comments and interactions with the citizens of the affected area, the City of Birmingham has determined the critical need for assistance to repair homes, public facilities, and infrastructures.

The City has made available this partial Action Plan on its website at www.birminghamal.gov at the Birmingham Public Library and at the Birmingham City Hall located at 710 20th Street North Room 1000 Birmingham, AL 35203. The City will receive comments on this partial Action Plan and will include all comments in the Final submittal to HUD. The comment period will be open for a minimum of seven days beginning on August 21, 2013 and closing on August 29, 2013.

Comments may be submitted via email at communitydevelopment@birminghamal.gov by fax at 205-254-2282, or in writing to the following address:

Community Development Department
Disaster Recovery Comments
City Hall/Room 1000
710 20th Street North
Birmingham, AL 35203

Public Comment Period and Advertising (Amendment #1)

Since the April 27, 2011, tornado outbreak the City of Birmingham has worked diligently with various organizations and citizens who were directly and indirectly impacted by the natural disaster. These efforts include the very interactive R/UDAT Planning effort. The City of Birmingham has worked hard to determine the greatest disaster recovery needs and how to address those needs. These interactions have been useful in the past and shall continue to be beneficial in the future. Through public comments and interactions with the citizens of the affected area, the City of Birmingham has determined the critical need for assistance to repair homes, public facilities, and infrastructures.

The City has made available this partial Action Plan with proposed amendments in Attachment F on its website at www.birminghamal.gov at the Birmingham Public Library and at the Birmingham City Hall located at 710 20th Street North Room 1000 Birmingham, AL 35203. The City will receive comments on this partial Action Plan and will include all comments in the Final submittal to HUD. The comment period will be open for a minimum of seven days beginning on August 22, 2014 and closing on September 2, 2014.

Comments may be submitted via email at communitydevelopment@birminghamal.gov, by fax at 205-254-2282, or in writing to the following address:

Community Development Department
Disaster Recovery Comments
City Hall/Room 1000
710 20th Street North
Birmingham, AL 35203

Public Comment Period and Advertising (Amendment #2)

Since the April 27, 2011, tornado outbreak the City of Birmingham has worked diligently with various organizations and citizens who were directly and indirectly impacted by the natural disaster. These efforts include the very interactive R/UDAT Planning effort. The City of Birmingham has worked hard to determine the greatest disaster recovery needs and how to address those needs. These interactions have been useful in the past and shall continue to be beneficial in the future. Through public comments and interactions with the citizens of the affected area, the City of Birmingham has determined the critical need for assistance to repair homes, public facilities, and infrastructures.

The City has made available this partial Action Plan with proposed amendments in Attachment G on its website at www.birminghamal.gov at the Birmingham Public Library and at the Birmingham City Hall located at 710 20th Street North Room 1000 Birmingham, AL 35203. The City will receive comments on this partial Action Plan and will include all comments in the Final submittal to HUD. The comment period will be open for a minimum of seven days beginning on November 30, 2014 and closing on December 8, 2014.

Comments may be submitted via email at communitydevelopment@birminghamal.gov, by fax at 205-254-2717, or in writing to the following address:

Community Development Department
Disaster Recovery Comments
City Hall/Room 1000
710 20th Street North
Birmingham, AL 35203

Public Comments Received

Round 1: No Comments Received

Substantial Amendment #1: One comment was received from the Housing Authority of the Birmingham District. This comment proposed HADB to be used as a developer for all disaster funds for low/mod income housing.

Substantial Amendment #2: Pending

ATTACHMENT A

DETAILED MAPS

ATTACHMENT B

R/UDAT PLAN

ATTACHMENT C

ORGANIZATION CHART

ATTACHMENT D

CERTIFICATIONS & SF-424

ATTACHMENT E

OTHER

The City of Birmingham is not requesting any pre-agreement costs for administration.

For the purpose of the Action Plan, the City of Birmingham defines “demonstrable hardship” as cases or situations where one’s ability is non-existent, severely hampered, or will cause significant financial hardship.

The City of Birmingham defines “not suitable for rehabilitation” to include cases where it makes little or no economic sense to attempt to repair, rehabilitate, or restore the housing unit or other facility.

ATTACHMENT F

THE CITY OF BIRMINGHAM, ALABAMA CDBG-DISASTER RECOVERY ACTION PLAN SUBSTANTIAL AMENDMENT #1

As part of the City of Birmingham's Disaster Recovery Action Plan dated August 2013, this attachment amended the adopted Plan pursuant to the U.S. Department of Housing and Urban Development (HUD) approval. The details and rationale for each of the proposed amendments are as follows:

Round 1

This amendment provides clarification for two existing activities, and reallocates funding from two existing activities into two new activities.

Clarification for Activity 2 – Projected Use: Infrastructure for Multi-Family Housing, these funds will be used for pay for items such as utilities, including gas, electrical, water, storm sewer, sanitary sewer, sidewalks, and street infrastructure. Start Date: November 1, 2013, End Date: October 31, 2015. CDBG National Objective Citation: eligibility 570.208(a)(1)-low/mod area benefit; National Objective 570.201 (c)-Improve quality/increase quantity of public improvements for low income persons; Relation to Disaster: Over 2,200 homes were damaged or destroyed in the Pratt City Community as a direct result of the April 27, 2011 tornado. This activity seeks to allow for replacement of some of the damaged/ lost residential properties. Performance Measure Objective: #1 Suitable Living, Performance Measure Outcome: #1 Availability/Accessibility.

Clarification for Activity 3 – Projected Use: Street Improvements, the City of Birmingham proposes to use approximately \$1.77 million for street improvements. Start Date: November 1, 2013, End Date: October 31, 2015. CDBG National Objective Citation: eligibility 570.208(a)(1)-low/mod area benefit; National Objective 570.201 (c)-Improve quality/increase quantity of public improvements for low income persons; Relation to Disaster: The storms, along with 12 months of utility cuts, heavy equipment, and fallen power poles have done significant damage to streets in the neighborhood. In addition, the R/UDAT plan identifies Dugan Avenue in the vicinity of the fire station, new elderly housing and the library as a key link to establishing a walk-able community and Transit oriented Development. Accordingly, the City will reconstruct and/or rebuild this section of roads connecting to and including Dugan Avenue for these purposes. The City will also reconstruct and reinforce bridges in the area to provide for disaster resistance. Performance Measure Objective: #1 Suitable Living, Performance Measure Outcome: #1 Availability/Accessibility

This amendment will reallocate \$100,000.00 from the previously approved to be funded Administration Funds activity and reallocate \$2,110,000.00 from the previously approved to be funded Infrastructure to New Multi-Family Housing activity. The reallocation of these funds will be placed in new activities. Activity 4 will be for multi-family housing located at 1430 Pratt Highway funded at \$2,150,000.00 and Activity 5 will be for Planning which is being funded at \$60,000. These activities are included in the description below:

Activity	National Objective to be Addressed	Available Funding for Activity	% of Total Funding
Administration Funds	Not Applicable	\$ 112,640.56	2.52%
Infrastructure to New Multi-Family Housing	LMI/Area Benefit	\$ 367,000.00	8.22%
Street Improvements	LMI/Area Benefit	\$ 1,775,811.44	39.77%
Multi-Family Housing	LMH Benefit	\$ 2,150,000.00	48.15%
Planning	Not Applicable	\$ 60,000.00	1.34%
Total Funding		\$ 4,465,452.00	100.00%

Activity 4 – Multi-Family Housing- Projected Use: The City of Birmingham proposes to use \$2,150,000.00 toward building of up to a 90 unit multi-family complex located at 1430 Pratt Highway. Start Date: September 5, 2014, End Date: October 31, 2015. CDBG National Objective Citation: eligibility-low/mod housing waiver. The broadening of Section 105(a)(24) of the 1974 Act, and a waiver of Section 105(a) is necessary following the 2011 disasters in which large numbers of affordable housing units have been damaged or destroyed. As a result of the disaster, Birmingham’s housing stock was affected. These modifications will allow the City of Birmingham to implement mixed-income housing recovery programs in anticipation of assisting all households that were severely impacted by the disaster.; National Objective: Section 122 of The Housing and Community Development Act of 1974, as amended; Relation to Disaster: Approximately 359 residential dwellings were destroyed in the Pratt City neighborhood as a result of the April 27, 2011 natural disaster. The demolition of those homes has resulted in an accumulation of vacant lots and lost access to decent, affordable housing. Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

Funding Sources for Activity 4

Projected CDBG- DR Funds	\$2,150,000
Projected Private Funds	\$5,367,139
Total Projected Project Cost	\$7,517,139

Threshold Criteria: The housing must be located in the presidentially declared disaster area. No funds will be made available that support a business that does not meet the definition of small business as outlined in 13 CFR Part 121. Start Date: September 5, 2014, End Date: October 31, 2015.

Grant Size Limits: The proposed allocation for the provision of housing is \$2,150,000.00.

Eligibility and National Objective: Housing assistance for low to mod income beneficiaries Broadening of Section 105(a)(24) of the 1974 Act / Waiver of Section 105(a).

Geographic Area: Pratt City (See Attachment A)

Activity 5 – Planning Activities for Grant: The City of Birmingham proposes to use \$60,000.00 of the budgeted allocation in this partial Action Plan for planning costs. Start Date: September 5, 2014, End Date: October 31, 2015; CDBG National Objective Citation: eligibility 570.205-Planning; National Objective N/A; Performance Measure Objective: N/A; Performance Measure Outcome: N/A

Threshold Criteria: Funds will only be used to cover the cost of planning for the CDBG-Disaster Recovery Grant.

Grant Size Limits: As presented in the *Federal Register* notice dated May 29, 2013, The City of Birmingham is allowed to use up to fifteen percent (15%) of the grant for planning costs; therefore, the costs for planning is not to exceed \$2,624,250.00 for all planning activities associated with CDBG-DR (B-13). The City is allocating \$60,000.00 of this amount at this time.

ATTACHMENT G

THE CITY OF BIRMINGHAM, ALABAMA

CDBG-DISASTER RECOVERY ACTION PLAN

SUBSTANTIAL AMENDMENT #2

As part of the City of Birmingham’s Disaster Recovery Action Plan dated August 2013, this attachment proposes to amend the adopted Plan pursuant to the U.S. Department of Housing and Urban Development (HUD) approval. The details and rationale for each of the proposed amendments are as follows:

Round 1

This Amendment will reduce the allocated funding for one activity. The funding from this activity will be reallocated to increase the funding of two existing activities.

Due to a timing issue and the logistics required to be reimbursed from DRGR to IDIS, the city at this time, with the anticipation of a future amendment to replace it, will reduce the funding for Activity 2 (Infrastructure to New Multi-Family Housing) and reallocate those funds (\$277,359.44) to Activity 1 and Activity 5 (\$87,359.44 and \$190,000.00 respectively).

Activity	National Objective to be Addressed	Available Funding for Activity	% of Total Funding
Administration Funds	Not Applicable	\$200,000.00	4.48%
Infrastructure to New Multi-Family Housing	LMI/ Area Benefit	\$89,640.56	2.01%
Street Improvements	LMI/ Area Benefit	\$1,775,811.44	39.77%
Multi-Family Housing	LMH Benefit	\$2,150,000.00	48.15%
Planning	Not Applicable	\$250,000.00	5.60%
Total Funding		\$4,465,452.00	100.00%

Activity 1 –

Projected Use: Administration of Grant- The City of Birmingham will use the funds allocated to this activity exclusively toward to administration of the CDBG- Disaster Recovery Grant.

Start Date: November 1, 2013, End Date: October 31, 2015. CDBG National Objective Citation: Eligibility 570.206 Administration; National Objective N/A; Performance Measure Objectives: N/A; Performance Measure Outcomes: N/A

Threshold Criteria: Funds will only be used to cover the cost of administering the CDBG- Disaster Recovery Grant.

Grant Size Limits: As presented in the *Federal Register* notice dated May 29, 2013, The City of Birmingham is allowed to use up to five percent (5%) of the grant total for administrative costs; therefore, the costs for administration are not to exceed \$874,850.00 for all administration costs associated with CDBG-DR. The City is adjusting the allocation from Round 1 to \$200,000 of this amount at this time.

Activity 5 -

Projected Use: Planning for Grant- The City of Birmingham will use the funds allocated to this activity exclusively toward the planning of the CDBG- Disaster Recovery Area (Attachement A).

Start Date: September 5, 2014, End Date: October 31, 2014. CDBG National Objective Citation: Eligibility 570.205 Planning; National Objective N/A; Performance Measure Objectives: N/A; Performance Measure Outcomes: N/A

Threshold Criteria: Funds will only be used to cover cost of planning for the CDBG- Disaster Recovery Area.

Grant Size Limits: As presented in the *Federal Register* notice dated May 29, 2013, The City of Birmingham is allowed to use up to fifteen percent (15%) of the grant for planning costs; therefore, the costs for planning are not to exceed \$2,624,350.00 for all planning activities associated with CDBG-DR. The City is adjusting the allocation from Round 1 to \$250,000.00 at this time.