

**Grantee: North Carolina**

**Grant: B-16-DL-37-0001**

**January 1, 2018 thru March 31, 2018 Performance Report**

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**Grant Number:**

B-16-DL-37-0001

**Obligation Date:****Award Date:****Grantee Name:**

North Carolina

**Contract End Date:****Review by HUD:**

Reviewed and Approved

**Grant Award Amount:**

\$236,529,000.00

**Grant Status:**

Active

**QPR Contact:**

No QPR Contact Found

**LOCCS Authorized Amount:**

\$198,553,000.00

**Estimated PI/RL Funds:****Total Budget:**

\$236,529,000.00

## Disasters:

### Declaration Number

No Disasters Found

## Narratives

### Disaster Damage:

On October 8th, 2016, Hurricane Matthew hit North Carolina with hurricane and tropical storm force winds, rain, and storm surge which created life-threatening conditions. The disastrous impact from Hurricane Matthew was monumental: it caused loss of life and extensive damage to North Carolina homes, businesses, and infrastructure. Hundreds of roads were closed; thousands of citizens were displaced across 109 shelters, which were not closed until a month after the disaster; automobiles were submerged in water; access to and from communities was brought to a standstill; and the agriculture of NC was impacted. Hurricane Matthew inflicted devastating damage to families throughout North Carolina's eastern and central parts. The swelling of the Tar, Neuse, and Lumber Rivers caused rainwater to overflow into neighboring towns, inundating business districts and homes with floodwaters. In total, almost 35,000 homes were damaged in the storm, and the homes of roughly 5,000 families were damaged so extensively as to make them unlivable. Because of these circumstances, we are largely discussing riverine communities further inland that flooded due to river overflow. In particular, the towns of Princeville, Kinston, Lumberton, Goldsboro, Fayetteville, and Fair Bluff experienced catastrophic damages. The vast majority of these communities are historic, dating to before the 20th century, and are disproportionately minority and low income.

As a result of the storm, 3,744 individuals were moved to shelters, more than 800,000 families lost power, and 635 roads were closed. This included a portion of Interstate 40 West and Interstate 5 North which were closed in some cases for up to ten days. Additionally, 77,607 households applied for FEMA emergency assistance, and FEMA found that 34,284 of these households had evidence of flood damage to their homes. Of those homes, nearly 5,000 homes had major to severe damage. Hurricane Matthew impacted 50 counties in North Carolina, largely along the eastern and central regions and along major rivers and tributaries.

To determine which counties, towns and neighborhoods experienced major damage, the State mapped the FEMA applications by the address of the damaged unit, and then associated that "point" with the neighborhood[1], town and county the home falls within. Based on this analysis, major housing damage happened in very specific areas, as follows: (a.) 64% of major to severe damage is concentrated in the "most impacted" four counties, Robeson, Cumberland, Wayne, and Edgecombe; (b) 52% of major to severe damage is concentrated in 13 towns, and (c.) 41% of major to severe damage is concentrated in 14 neighborhoods. So while damage was widespread due to power outages, minor flooding and wind damage, the serious impacts of Hurricane Matthew were felt in a specific handful of places.

Dunn & Bradstreet (D&B), an economic development and business research company, assessed the potential impact from Matthew in the five hardest hit states, projecting as many as 98,178 businesses could have been affected in North Carolina. D&B projects that up to 43% of businesses affected by Hurricane Matthew are at risk of falling into arrears, not paying their creditors in full over a 12-month period, or failing. D&B estimates the businesses most impacted fall into the services category

### Disaster Damage:

t 42% and retail trades at 12.9%.

Additional information can be found on the North Carolina Department of Commerce website at <https://www.nccommerce.com/ruraldevelopment/state-cdbg/disaster-recovery-program>.

### Recovery Needs:

In the initial evaluation of Unmet Needs in North Carolina, it was found that 34,284 homes were damaged in Hurricane Matthew, 4,957 homes were majorly or severely damaged, and 3,635 homes of low and moderate income neighborhoods were majorly or severely damaged. The Unmet Needs Assessment within this Action Plan represents the first comprehensive analysis of unmet needs in the State of North Carolina following Hurricane Matthew. It presents damage estimates and recovery needs as of March



15, 2017, roughly six months after the flooding occurred. Since October 2016, the State has been working with county governments and other federal agencies to assess the full scope of unmet needs. As part of this first Action Plan, the State of North Carolina has made it a priority to focus on assisting low and moderate income families who experienced severe flooding to rebuild their lives. Therefore, the funding priorities emphasize housing and supportive service needs. The state will affirmatively further housing through conducting (or having recently conducted) analyses of impediments to fair housing choice or, for entitlement areas within the program areas, confirming that an analysis of impediments has been conducted or is conducted, and that reasonable appropriate actions are taken in an effort to address the effects of any impediments identified through the analyses, and maintain records reflecting the analyses and actions taken related to the analyses. North Carolina also prioritizes assisting small businesses and farmers struggling to get back on their feet, and rebuilding community and supportive service facilities that communities rely on as part of their basic needs. Based on this analysis, effective March 15, 2017, North Carolina's unmet recovery needs total \$1,865,129,898. By specific categories, unmet needs are (a) Housing - \$849,078,846; (b) Economic Development - \$278,907,901; (c) Infrastructure - \$655,078,162; (d) Resiliency - \$16,168,000; (e) Planning and Capacity - \$65,896,989. The unmet needs analysis examines the impact and unmet needs of homeowners using HUD's own standard approach to analyzing housing damages, with slight modifications based on available data. In total, 28,164 homeowners experienced some degree of damage to their homes; 2,569 homeowner families experienced major to severe damage. The majority of this loss impacted low and moderate income homeowners. Almost half of all the housing that withstood major to severe damage from Hurricane Matthew was rental housing. The storm caused severe damage or destroyed at least 2,388 occupied rental homes, with 83% of this damage occurring in the six most impacted counties. In particular, Lumberton experienced the greatest loss of rental housing, with 526 units impacted. This is followed by Fayetteville (283 units) and Princeville (211 units). Far more than owner-occupied homes, the vast majority (86%) of renters severely impacted by the storm were Low and Moderate Income, while 68% earned less than \$20,000 per year. Unmet housing needs by category are: (a) Owner – Repair Damages - \$260,565,781; (b) Renter – Repair Damages - \$100,141,704; (c) Elevation – Buyout - \$457,000,000; (d) Public Housing - \$457,000,000; (e) Supportive Services - \$17,371,361; (f) Insurance subsidies, LMI owners - \$8,800,000. Dunn & Bradstreet assessed the potential impact

### Recovery Needs:

rom Matthew on businesses in the five hardest hit states, projecting as many as 98,178 businesses could have been affected in North Carolina. Based loan applications and referrals to recovery sources, the estimated unmet need for businesses is \$263,435,519. Public infrastructure and facilities were also hit hard by Matthew. Unmet need for recovery in this category amounts to \$675,078,162.

| Overall  | This Report Period | To Date         |
|--|--------------------|-----------------|
| <b>Total Projected Budget from All Sources</b> | N/A                | \$92,975,922.00 |
| <b>Total Budget</b>                            | \$29,782,950.00    | \$92,975,922.00 |
| <b>Total Obligated</b>                         | \$0.00             | \$0.00          |
| <b>Total Funds Drawdown</b>                    | \$0.00             | \$0.00          |
| <b>Program Funds Drawdown</b>                  | \$0.00             | \$0.00          |
| <b>Program Income Drawdown</b>                 | \$0.00             | \$0.00          |
| <b>Program Income Received</b>                 | \$0.00             | \$0.00          |
| <b>Total Funds Expended</b>                    | \$0.00             | \$0.00          |
| <b>Most Impacted and Distressed Expended</b>   | \$0.00             | \$0.00          |
| <b>Match Contributed</b>                       | \$0.00             | \$0.00          |

## Progress Toward Required Numeric Targets

| Requirement   | Target          | Actual          |
|---|-----------------|-----------------|
| <b>Overall Benefit Percentage (Projected)</b>             |                 | 32.48%          |
| <b>Overall Benefit Percentage (Actual)</b>                |                 | 0.00%           |
| <b>Minimum Non-Federal Match</b>                          | \$0.00          | \$0.00          |
| <b>Limit on Public Services</b>                           | \$35,479,350.00 | \$0.00          |
| <b>Limit on Admin/Planning</b>                            | \$11,826,450.00 | \$0.00          |
| <b>Limit on Admin</b>                                     | \$47,305,800.00 | \$0.00          |
| <b>Most Impacted and Distressed Threshold (Projected)</b> | \$0.00          | \$63,342,692.00 |



## Overall Progress Narrative:

No funds were expended during this quarter, however project cost is expected to be drawn during the 3rd quarter of the current federal fiscal year.

## Project Summary

| Project #, Project Title        | This Report Period     | To Date                |                        |
|---------------------------------|------------------------|------------------------|------------------------|
|                                 | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 101, Administration (5%)        | \$0.00                 | \$9,927,650.00         | \$0.00                 |
| 102, Planning & Capacity        | \$0.00                 | \$19,855,300.00        | \$0.00                 |
| 103, Housing Programs           | \$0.00                 | \$0.00                 | \$0.00                 |
| 105, Small Business/ED          | \$0.00                 | \$0.00                 | \$0.00                 |
| 106, Community Recovery Program | \$0.00                 | \$0.00                 | \$0.00                 |



