



OFFICE OF STATE BUDGET & MANAGEMENT

Disaster Recovery

State Disaster Recovery Act Funding - Supplemental Report
(Hurricanes Matthew & Florence Recoveries)

September 7, 2022

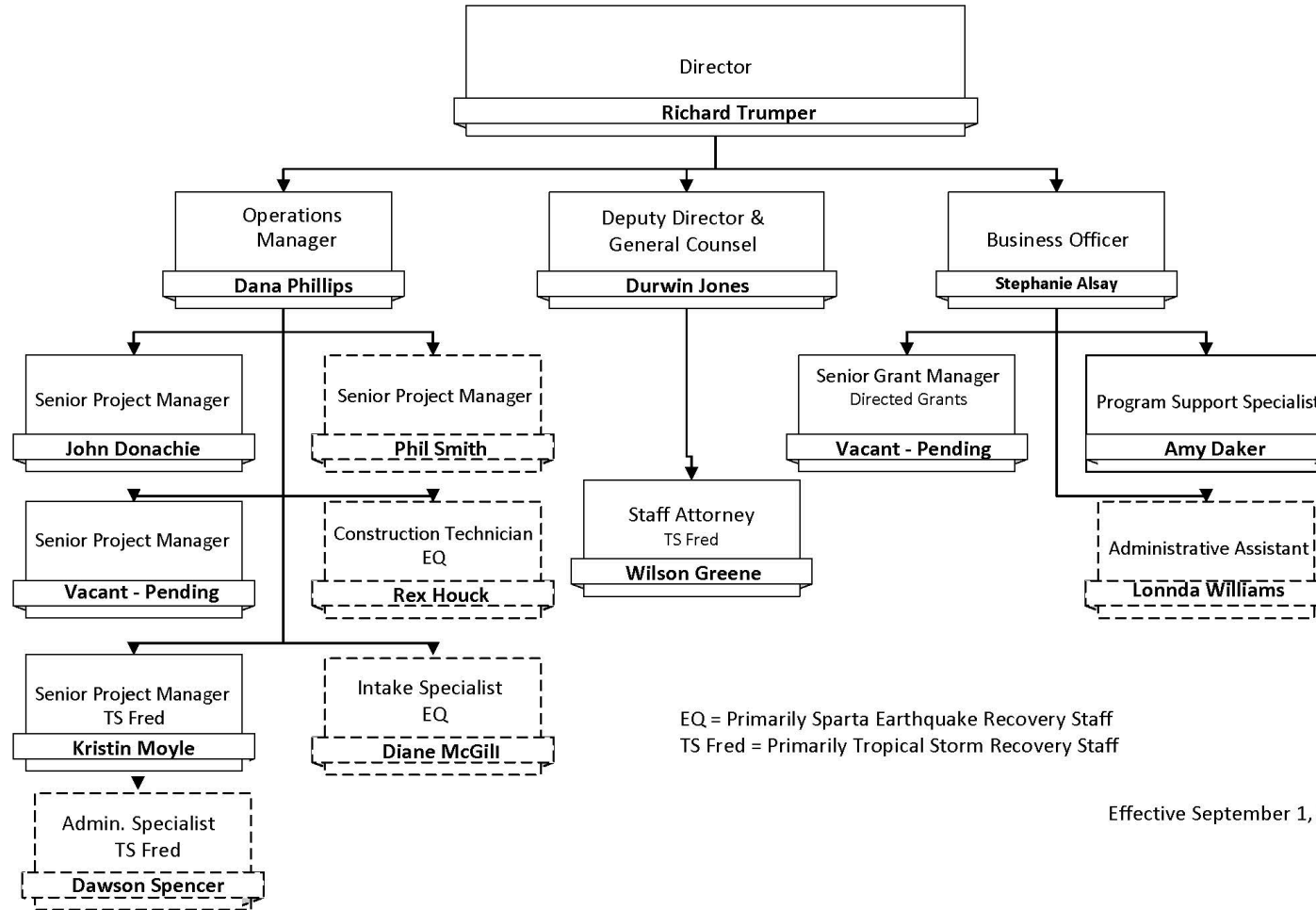


OSBM-DISASTER RECOVERY TEAM

The Office of State Budget & Management Disaster Recovery Section (OSBM-DR) was established August 2018 and employs a team of finance, construction, legal, and project management staff who deploy \$50,570,776 in state funds appropriated to the N.C. Division of Emergency Management (NCEM) and N.C. Office of Recovery and Resiliency (NCORR) through Disaster Recovery Acts (DRA) for Hurricanes Matthew and Florence Recoveries in Session Laws (SL) 2017-119, 2018-5, and 2018-136. Additionally, OSBM-DR manages \$136,218,000 in other disaster recovery funds. OSBM-DR currently consists of nine (9) time-limited employees and four (4) temporary staff (see organization chart on next slide).

To date, we have helped 903 families, and are currently helping an additional 24 families impacted by Hurricanes Matthew and Florence. OSBM-DR has provided to counties, non-profit volunteer organizations active in disasters (VOADs), and families services that include but are not limited to: grant management; financial management; technical and legal assistance; construction management; construction estimating; damage assessments; home repairs; home reconstructions; home elevations; manufactured housing unit/mobile home (MHU) replacements; flood buyouts; storm water infrastructure project, and two residential subdivision infrastructure projects with VOAD partners for Hurricane Matthew and Florence recoveries. OSBM-DR is also managing directed grants to units of local government non-profit organizations and associations for various disaster recovery projects across the State, and private roads and bridge repair/replacement projects, housing recovery projects, major sewer infrastructure repair projects, temporary housing projects, and public building and facilities repair projects for Hurricane Dorian, the 2020 Sparta Earthquake and Tropical Storm Fred Recoveries.

OSBM-DR ORGANIZATION CHART



Effective September 1, 2022

OSBM-DR Hurricane Matthew (HM) & Hurricane Florence (HF) DRA Program Goals

- **The primary program objectives** of the OSBM-DR team is to primarily serve low to moderate income homeowners **who are not eligible for federal HMGP or CDBG-DR (NCORR) housing recovery services.**
- Original Goal for OSBM-DR in January 201 was to spend and complete at least \$4 million in HM Projects within 1 year (Goal was achieved by end of June 2019).
- Subsequent goals were to approve and construct as many DRA Matthew projects before the anniversary of HM. OSBM-DR discovered the counties with the slowest progress were counties using consulting contractors. Over a period of months, OSBM-DR took over the disaster recovery efforts in each of these counties.
- Original Goals for OSBM-DR HF Program was to provide project funding for critical and pressing need grants to the counties most impacted by HF based on the number of FEMA IA applications or the percentage of homes damaged in the county by HF. Projects most often involve severe hardship cases involving elderly, disabled and/or low-income homeowners who are living in unsafe, unsanitary housing that presents urgent safety or health risk due, but not limited to, black mold or potential structural failure.
- All Program and Project Goals are to process applications and delivery projects as quickly as possible in compliance with applicable laws and fund management.
- Absent receipt of new **Hurricane Matthew DRA** housing funds, OSBM-DR's current goal is to complete the 7 of the 12 active projects before the 6-year anniversary of Hurricane Matthew's landfall in October 2022, and to approve two or three new projects to encumber as much of the \$821,264 remaining DRA balance and complete these projects no later than June 30, 2023.
- Absent receipt of new **Hurricane Florence DRA** housing funds, OSBM-DR's current goal is to complete the 3 of the 12 active projects before the 4-year anniversary of Hurricane Florence's landfall in September 2022, and to complete the remaining 9 active projects before June 30, 2023. OSBM-DR intends to approve five to eight critical and pressing needs projects to encumber most of the \$2,053,290 remaining Florence DRA balance and complete these projects no later than December 31, 2023.
- OSBM-DR will work with NCEM to renew its request for an additional \$40 million in Hurricane Florence DRA funds to support non-critical and pressing need projects for disaster impacted families that were not awarded a FEMA Expedited or Regular HMGP project and for several hundred CDBG-DR Florence Applicants who are not eligible for assistance through that program or received \$0.00 award. If funded, OSBM-DR would

Hurricanes Matthew & Florence: Steps for DRA Project Delivery

STEP 1-Application Intake and Processing

- A DRA project is usually initiated by OSBM-DR's receipt of an application under a County's DRA grant agreement, a VOAD DRA grant agreement, referrals from N.C. Legal Aid, a family's submission of an application at a temporary OSBM-DR intake center in one of the impacted counties, or a project handoff from HMGP or CDBG-DR programs.
- A Senior Project Manager (PM) is assigned to each applicant, whom they will contact the family, arrange for obtaining all required documentation, conduct a site visit, verify hurricane damage, assess damage, research FEMA HMGP and HUD CDBG-DR databases to determine any federal assistance, insurance and/or applications for assistance for duplication of benefits analysis, and recommend recovery option(s) to OSBM-DR Management Team.

STEP 2-Eligibility Determination & Award

- **Operations Review:** OSBM-DR Operations Manager reviews PM's recommended recovery options, application and proposed project costs.
- **Preliminary Legal Review:** OSBM-DR Legal Team will conduct a review of: the DRA project recommendation; verify ownership of property; assist in resolving ownership issues; assist in resolving any eligibility or DOB issue; and resolve any legal issue pertain to the proposed grant award.
- **Financial Review:** Business Officer, or staff, will confirm that there are sufficient DRA grant funds for the project in the County's DRA grant.
- **Management Approval:** OSBM-DR Director or Deputy Director will review and take final action on the proposed DRA project recommendation.
- **Grant Award:** After management DRA project Approval, OSBM-DR will prepare and issue a grant award, an offer to purchase, an invitation for bids, notice to proceed to VOAD or County, and/or construction contract, depending on the DRA project recommendation
- **Project Procurement:** If responsible for project delivery, the OSBM-DR team will procure construction, architectural, engineering, surveying, appraisal, and legal services needed for construction projects or buyout projects. OSBM-DR will also review the procurements of similar services procured by counties, county consultants, and VOADs as part of the reimbursement payment process.



Hurricanes Matthew & Florence: Steps for DRA Project Delivery (Continued)

STEP 3-Project Delivery (Construction, Real Estate Closing, or Technical Assistance/Grant Monitoring)

- OSBM-DR's Senior Project Managers, Senior Construction Manager, and General Counsel oversee project delivery and construction management for OSBM-DR managed projects from procurement of services, construction (rehabilitation, reconstruction and elevation projects), or real estate closing and demolition for buyouts, and final inspections of construction/contract closeout and real estate closings for buyouts.
- OSBM-DR provides provide technical assistance (construction management and legal) for projects delivered by counties, county consultants, and VOADs.
- Except for changes in work that pertained to life safety issues, OSBM-DR staff reviewed most requests for all proposed changes in a project's scopes of work managed by OSBM-DR hired contractors, VOADs, Counties, and County consultants prior to the changes in work being performed. County consultants that approved change orders prior to County's acceptance of the amended DRA Hurricane Matthew grant agreements were reviewed during the reimbursement payment process, at which time, the changes were either approved or denied.
- The construction phase would include: any required abatement of hazardous materials (usually lead and/or asbestos) and demolition of the home (if needed); construction of the repairs, elevation, or new home construction of the home or MHU replacement, and close out of construction through final inspections and approval by the local building department.
- Buyouts would include: a survey of the property to be acquired by the local unit of government, an appraisal to establish the amount of the buyout offer, which would be the fair market value before the disaster or the tax assessed value, whichever was higher; resolution of any bankruptcy, tax or mortgage issues; preparing or review of the conservation easement the local unit of government will recorded after closing; review and approval of the real estate settlement statement; review, calculation and approval State Acquisition and Relocation Fund assistance to help owner (s) selling the flood damaged home to buy a replacement home in their county; abatement of hazardous material after title transfer of the property to the local unit of government, and demolition of the home and other structures on the property.



HOUSING RECOVERY PORTFOLIO DELEGATED BY NCEM AND NCORR TO OSBM : Financial & Housing Metrics (August 31, 2022)

Disaster Category	Allocation	Total Paid to Date	Encumbered	Unencumbered Balance	% Spent	% Encumbered	% Spent & Encumbered
Matthew DRA Projects	\$27,570,776	\$23,114,604	\$3,634,907	\$821,264	83.8%	13.2%	97.0%
Florence DRA Projects	\$23,000,000	\$18,458,380	\$2,238,330	\$2,053,290	80.3%	9.7%	90.0%
Total DRA HM & HF Projects	\$50,570,776	\$41,572,984	\$5,873,237	\$2,874,554	82.2%	11.6%	93.8%

Disaster Category	Homes Completed	Homes 80% Complete	Homes In Process	Total Homes
Matthew DRA Projects	158	8	5	171
Florence DRA Projects	745	5	6	756
Total DRA HM & HF Projects	903	13	11	927

Since August 2018 – the OSBM DR team has helped 903 families impacted by Hurricanes Matthew and Florence with housing recovery services and is currently helping another 24 families.



OSBM DR STATUS – NCGA DISASTER RECOVERY GRANTS MANAGED BY OSBM

Session Law 2019-224 Grants

Recipient	Allocation	Paid to Date	Balance
Town of Fair Bluff	\$6,000,000	\$2,157,385	\$3,842,615
Town of Princeville	\$6,000,000	\$2,341,704	\$3,658,296
Town of Mount Olive	\$5,500,000	\$3,534,011	\$1,965,989
Sampson County	\$3,500,000	\$3,500,000	\$0
Carteret County	\$3,300,000	\$3,300,000	\$0
City of Greensboro	\$1,000,000	\$100,000	\$900,000
Town of Elm City	\$1,000,000	\$1,000,000	\$0
Jones County	\$500,000	\$500,000	\$0
Pender County	\$500,000	\$500,000	\$0
Bladen County Dike/Dam	\$300,000	\$266,704	\$33,296
Town of Bladenboro	\$200,000	\$175,045	\$24,955
Town of Morehead City	\$68,000	\$68,000	\$0
Subtotal (SL2019-224 Grants)	\$27,868,000	\$17,442,849	\$10,425,151

Session Law 2021-180 Grants

Recipient	Allocation	Paid to Date	Balance
Golden LEAF Foundation	\$25,000,000	\$25,000,000	\$0
NC Insurance Underwriting Agency	\$7,000,000	\$0	\$7,000,000
NC Association of Regional Councils of Government	\$6,000,000	\$0	\$6,000,000
Habitat for Humanity of NC : Home Repairs	\$2,000,000	\$101,886	\$1,898,114
Wayne American Legion VFW Post#011	\$350,000	\$35,000	\$315,000
Subtotal (SL2021-180 Grants)	\$40,350,000	\$25,136,886	\$15,213,114
TOTAL NCGA DISASTER RECOVERY GRANTS	\$68,218,000	\$42,579,735	\$25,638,265

HOUSING RECOVERY PORTFOLIO DELEGATED BY NCEM AND NCORR TO OSBM : Financial & Housing Metrics (September 1, 2022)

MATTHEW DRA 17 - HM	Total Applications	Not Accepted	In Process, Less than 80%	In Process, More than 80%	Completed	Recon	Rehab	Acquisition / Other
BLADEN	5	1	0	0	4	4	0	0
CUMBERLAND	22	5	4	0	9	0	0	13
ROBESON	7	0	0	1	6	4	0	2
HANDOFF - Edgecombe	1	0	0	0	1	0	0	1
SUBTOTAL	35	6	4	1	20	8	0	16

MATTHEW DRA 17-Housing	Total Applications	Not Accepted	In Process, Less than 80%	In Process, More than 80%	Completed	Recon	Rehab	Acquisition / Other
BERTIE	15	7	2	1	5	0	2	6
BLADEN	15	0	2	0	13	8	7	0
COLUMBUS	18	10	0		8	8	0	0
DUPLIN	19	10	0		9	2	0	7
HARNETT*	2	1	0		1	0	0	1
JOHNSTON	10	2	0		8	1	2	5
LENOIR	7	1	0		6	0	4	2
PENDER	8	3	0	1	4	0	5	1
PITT	15	0	0		15	7	8	0
SAMPSON	13	1	0		12	9	3	0
FAYETTEVILLE HFH - OAKRIDGE	23	0	0		23	23	0	0
FAYETTEVILLE HFH - REPAIRS	11	0	0		11	0	11	0
SUBTOTAL	156	35	4	2	115	58	42	22
Total Matthew DRA 17 (HM & H)	191	40	9	4	132	64	42	17

* NCEM awarded a housing recovery DRA grant to Harnett County to fund a stormwater infrastructure project to mitigate/prevent flooding to 24 homes. OSBM-DR treated the grant as a single project reducing NCEM's original project count by 23 projects.

HURRICANE MATTHEW HOUSING RECOVERY PORTFOLIO NCEM DELEGATED TO OSBM: QUARTERLY FINANCIAL & HOUSING METRICS

Hurricane Matthew Appropriations - \$27,570,776 Reporting Period: October 1, 2018 – June 24, 2022

Quarter	Period	Total Paid to Date	Encumbered Funds	Unencumbered Balance	Full-Time Staff	Temporary Staff
Quarter 1	Per DPS Report Dated Aug 16 2018	\$ 2,156,175	\$ 17,843,825		3.00	0.00
Quarter 2	January 1, 2019 - March 30, 2019	\$ 2,498,571	\$ 16,760,257		4.00	0.00
Quarter 3	April 1, 2019 - June 30, 2019	\$ 6,870,261	\$ 12,511,383		5.00	1.00
Quarter 4	July 1, 2019 - September 30, 2019	\$ 8,482,523	\$ 14,091,468		6.00	1.00
Quarter 5	October 1, 2019 - December 31, 2019	\$ 10,756,261	\$ 14,043,374		5.00	1.00
Quarter 6	January 1, 2020 - March 30, 2020	\$ 12,801,877	\$ 13,161,834		6.00	1.00
Quarter 7	April 1, 2020 - June 30, 2020	\$ 13,798,905	\$ 12,452,999		6.00	2.00
Quarter 8	July 1, 2020 - September 30, 2020	\$ 15,637,246	\$ 10,724,658		7.00	0.00
Quarter 9	October 1, 2020 - December 31, 2020	\$ 17,245,201	\$ 9,541,885		8.00	2.00
Quarter 10	January 1, 2021 - March 30, 2021	\$ 17,741,992	\$ 9,474,784		8.00	3.00
Quarter 11	April 1, 2021 - June 30, 2021	\$ 18,430,572	\$ 8,786,204		8.00	3.00
Quarter 12	July 1, 2021 - September 30, 2021	\$ 18,963,512	\$ 8,253,264		8.00	3.00
Quarter 13	October 1, 2021 - December 31, 2021	\$ 20,204,919	\$ 7,254,432		9.00	4.00
Quarter 14	January 1, 2022 - March 30, 2022	\$ 21,404,513	\$ 5,837,136		10.00	4.00
Quarter 15	April 1, 2022 - June 24, 2022	\$ 22,616,759	\$ 4,380,742	\$ 573,275	9.00	3.00

Average Number of Days from Application to Fund Distribution	153
Average Number of Days from Fund Distribution to Project Commencement	16
Average Number of Days from Project Commencement to Project Completion	122
Average Number of Days from Application to Project Completion	291
*All averages in Quarterly Disaster Housing Recovery Reports used a random sample of projects closed in that quarter.	

HOUSING RECOVERY PORTFOLIO DELEGATED BY NCEM AND NCORR TO OSBM : Financial & Housing Metrics (March 30, 2022)

FLORENCE DRA 18	Total Applications	Not Accepted	In Process, Less than 80%	In Process, More than 80%	Completed	Recon	Rehab	Acquisition / Other
CAPE FEAR HFH - PHASE 1	53	0	0	0	53	0	53	0
CAPE FEAR HFH - PHASE 2 - Blendin meadows	13	0	0	0	13	13	0	0
SCOTLAND COUNTY HFH	137	0	0	0	137	0	137	0
CRAVEN HFH	18	0	0	0	18	0	18	0
FAYETTEVILLE HFH - CRITICAL REPAIRS	42	0	0	0	42	0	42	0
CITY OF LUMBERTON	17	7	0	1	9	2	2	6
SCOTLAND ST RENTAL	1	0	0	0	1	0	0	1
CRAVEN	53	15	1	2	35	9	19	10
NEW HANOVER	26	11	0	2	13	5	9	1
NEW HANOVER FLEX	7	0	0	1	6	1	6	0
ONSLOW	23	2	0	0	21	7	10	4
PENDER	72	15	0	0	59	4	55	0
JONES	20	4	0	0	16	4	8	4
JONES FLEX	11	0	1	0	10	1	10	0
DUPLIN	69	2	0	0	67	11	52	4
CRYSTAL COAST HFH	3	0	0	0	3	0	3	0
BRUNSWICK	49	13	0	2	34	3	33	0
ROBESON	10	2	1	0	7	6	2	0
Duplin County Model	2	0	0	0	2	2	0	0
UMCOR	101	0	0	0	101	0	101	0
BOM	111	0	0	0	111	0	111	0
HMGP HANDOFFS	3	0	1	1	1	2	0	1
TOTAL FLORENCE DRA	843	71	4	9	759	70	671	31

HURRICANE FLORENCE HOUSING RECOVERY PORTFOLIO DELEGATED BY NCEM AND NCORR TO OSBM : Financial & Housing Metrics

Hurricane Florence Appropriations \$23,000,000 Reporting Period: October 2018 – June 24, 2022

Quarter	Period	Total Paid to Date	Obligated Funds	Remaining Unobligated Balance	Full-Time Staff	Temporary Staff
Quarter 1	October 1, 2018 - December 31, 2018				3.00	0.00
Quarter 2	January 1, 2019 - March 30, 2019				4.00	0.00
Quarter 3	April 1, 2019 - June 30, 2019	\$ 614,865	\$ 22,385,135		5.00	1.00
Quarter 4	July 1, 2019 - September 30, 2019	\$ 979,986	\$ 22,020,014		6.00	1.00
Quarter 5	October 1, 2019 - December 31, 2019	\$ 1,542,980	\$ 21,457,020		5.00	1.00
Quarter 6	January 1, 2020 - March 30, 2020	\$ 2,381,570	\$ 20,618,430		6.00	1.00
Quarter 7	April 1, 2020 - June 30, 2020	\$ 4,716,584	\$ 18,283,416		6.00	2.00
Quarter 8	July 1, 2020 - September 30, 2020	\$ 5,988,030	\$ 17,011,970		7.00	0.00
Quarter 9	October 1, 2020 - December 31, 2020	\$ 8,248,563	\$ 14,751,437		8.00	2.00
Quarter 10	January 1, 2021 - March 30, 2021	\$ 10,417,075	\$ 12,582,925		8.00	3.00
Quarter 11	April 1, 2021 - June 30, 2021	\$ 11,614,180	\$ 11,385,820		8.00	3.00
Quarter 12	July 1, 2021 - September 30, 2021	\$ 12,968,457	\$ 10,031,543		8.00	3.00
Quarter 13	October 1, 2021 - December 31, 2021	\$ 14,983,140	\$ 8,016,860		9.00	4.00
Quarter 14	January 1, 2022 - March 30, 2022	\$ 16,618,633	\$ 6,381,367		10.00	4.00
Quarter 15	April 1, 2022 - June 24, 2022	\$ 17,733,820	\$ 3,888,038	\$ 1,378,142	9.00	3.00

Average Number of Days from Application to Fund Distribution	153
Average Number of Days from Fund Distribution to Project Commencement	16
Average Number of Days from Project Commencement to Project Completion	122
Average Number of Days from Application to Project Completion	291
*All averages in Quarterly Disaster Housing Recovery Reports used a random sample of projects closed in that quarter.	

CURRENT STATUS OF ACTIVE HURRICANE MATTHEW & FLORENCE RECOVERY PROJECTS AS OF SEPTEMBER 1, 2022

County	Step	80% or More Complete	Notes
Cumberland - 4			
Family P	Approved/Underway	No	Phase 2 Buyout, Appraisal and survey ordered, approximately 120 days to close
Family H	Approved/Underway	No	Phase 2 Buyout, Appraisal and survey ordered, approximately 120 days to close
Family P	Approved/Underway	No	Phase 2 Buyout, Appraisal and survey ordered, approximately 120 days to close
Family M	Approved/Underway	No	Phase 2 Buyout, Appraisal and survey ordered, approximately 120 days to close
Robeson HM - 1			
Family P	Approved/Underway	Yes	CO to be issued within 30 days. Delays with Town of Rowland providing water and sewer hookup / change of contractor
Bertie - 3			
Family C	Approved/Underway	No	Offer to Purchase in Review - Closing within 60 days
Family H	Approved/Underway	No	Offer to Purchase Accepted, Closing within 45 days
Family D	Approved/Underway	No	Offer to Purchase in Review - Closing within 60 days
Bladen - 2			
Family T	Approved/Underway	No	VOAD led renovation and elevation, OSBM-DR providing local contractor support to help finish CO within 30 days
Family N	Approved/Underway	Yes	Change of contractor, CO expected within 30 days, Land Ownership / heir issues delayed start, SW MHU supply issues delayed delivery
Pender - 1			
Family M	Approved/Underway	Yes	Elevation underway, homeowner was considering withdrawal during COVID, project restarted Dec 2021 - CO expected by September 15th
City of Lumberton - 1			
Family F	Approved/Underway	Yes	Awaiting a closing date due to medical issues with family - unknown closing date

CURRENT STATUS OF ACTIVE HURRICANE MATTHEW & FLORENCE RECOVERY PROJECTS AS OF SEPTEMBER 1, 2022

County	Step	80% or More Complete	Notes
Craven County - 4			
Family W	In Review/Planning	No	CO within 180 days Added after all other projects had been funded
Family F	Approved/Underway	Yes	Offer to Purchase Accepted, Closing within 45 days
Family S	In Review/Planning	No	Phase 2 Buyout, Appraisal and survey ordered, approximately 120 days to close
Family P	Approved/Underway	No	Phase 2 Buyout, Appraisal and survey ordered, approximately 120 days to close
New Hanover - 2			
Family F	Approved/Underway		CO with 45 days - Historical District Projects took almost a year to get approved to start by City/County
Family H	Approved/Underway	Yes	CO with 45 days - Historical District Projects took almost a year to get approved to start by
New Hanover Flex - 1			
Family N	Approved/Underway	Yes	CO within 45 days Added by County for Phase 2 after all other projects had been funded
Jones Flex - 1			
Family D	Approved/Underway	No	CO within 180 days Added by County after all other projects had been funded
Brunswick - 2			
Family F	Approved/Underway	Yes	CO within 60 days - SW MHU supply delays
Family B	Approved/Underway	Yes	CO within 60 days - SW MHU supply delays
Robeson County - 1			
Family M	In Review/Planning	No	CO within 180 days Added by County after all other projects had been funded
HMGP Handoffs - 1			
Family R	In Review/Planning	No	in Planning - elevation of existing home - complex DOB issues - CO date unknown