



Addressing Housing Challenges Following Helene: DCR

Stephanie McGarrah

NCGA Joint Legislative Commission on Governmental Operations:
Subcommittee on Hurricane Response and Recovery

March 6, 2025



NC DEPARTMENT
of COMMERCE
COMMUNITY REVITALIZATION

Helene's impacts were severe and long-lasting to western North Carolina – a comprehensive recovery will be vital to addressing the need

\$59.6B

Total estimated
damages and needs

\$44.4B

Estimated
direct cost

+

\$9.4B

Estimated
indirect cost

+

\$5.8B

Strengthening
and mitigation

=

106

North Carolinians lost their
lives

74K

Homes damaged
(estimated)

5K

Miles of state-maintained
roads severely impacted

7K

Private roads, bridges, and
culverts reported damaged

50M

Cubic yards of debris

Lessons learned from NC Office of Recovery and Resiliency

- Needed better accounting and financial controls, including predictive analytics for cash flow
- Offered too many housing options
- Lacked partnerships with local governments
- Suffered from inconsistent or unclear decisions
- Lack of clear communications and expectation setting



Lessons learned from NC Pandemic Recovery Office

- Build a small, nimble organization of time-limited employees
- Provide robust oversight of federal funds through:
 - Strong technical assistance
 - Clear understanding of federal guidance
 - Contracts and MOUs that outline clear requirements
 - Monitoring
- Use SAP grants management system to more effectively track monitoring efforts and reporting
- Share information on recovery widely through reporting and website
- Work with state agencies, local governments, and external stakeholders to coordinate work and guidance
- Determine where there may be gaps in funding



Division of Community Revitalization (DCR) proposed approach

- Deploy robust financial oversight and controls
- Engage Advisory Group, legislators, stakeholders, and partners to communicate, identify challenges and gaps in funding, and assist with recovery
- Set clear expectations about what CDBG-DR is – the “last resort” federal funding source for long-term disaster recovery – and realistic program scope
- Provide transparency of funding, processes, and progress through regular communications and reporting



HUD requires grantees to develop an action plan before it will release funding

- ✓ An action plan outlines the proposed use of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds

- ✓ HUD must approve the action plan before the grantee can draw down any federal funds

- ✓ HUD identifies Most Impacted and Distressed (MID) areas for the grantees & requires that at least 80% of the CDBG-DR funds are spent in these areas

NC will receive

\$1.2B for unmet needs

and

\$186M for mitigation activities



NC DEPARTMENT
of COMMERCE
COMMUNITY REVITALIZATION



**North Carolina's draft
HUD Action Plan
proposes distributing
incoming funds to a
range of programs
across three main
recovery areas**

HUD Grantees must address three areas of recovery with their Action Plan:



Housing



Infrastructure



Economy

North Carolina proposes to spend the majority of its funding in housing and the rest to support community infrastructure (e.g., rebuilding of parks) and economic support (e.g., rebuilding downtowns)

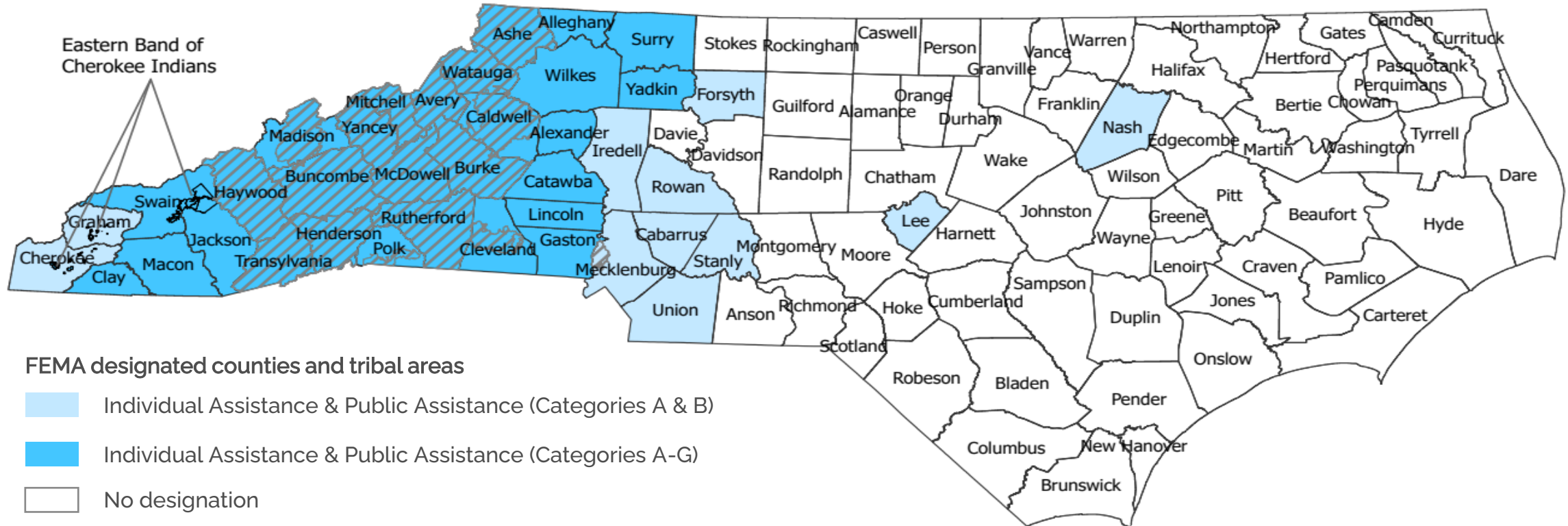


NC DEPARTMENT
of COMMERCE
COMMUNITY REVITALIZATION



HUD-designated Most Impacted and Distressed (MID) areas

FEMA / HUD Helene MID areas



The proposed funding breakdown allocates the majority to housing, with \$807M for owner-occupied unit reconstruction and rehabilitation

PRELIMINARY



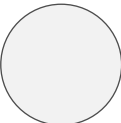
Economy

- \$111M: Commercial district revitalization



Infrastructure

- \$194M: Community infrastructure program

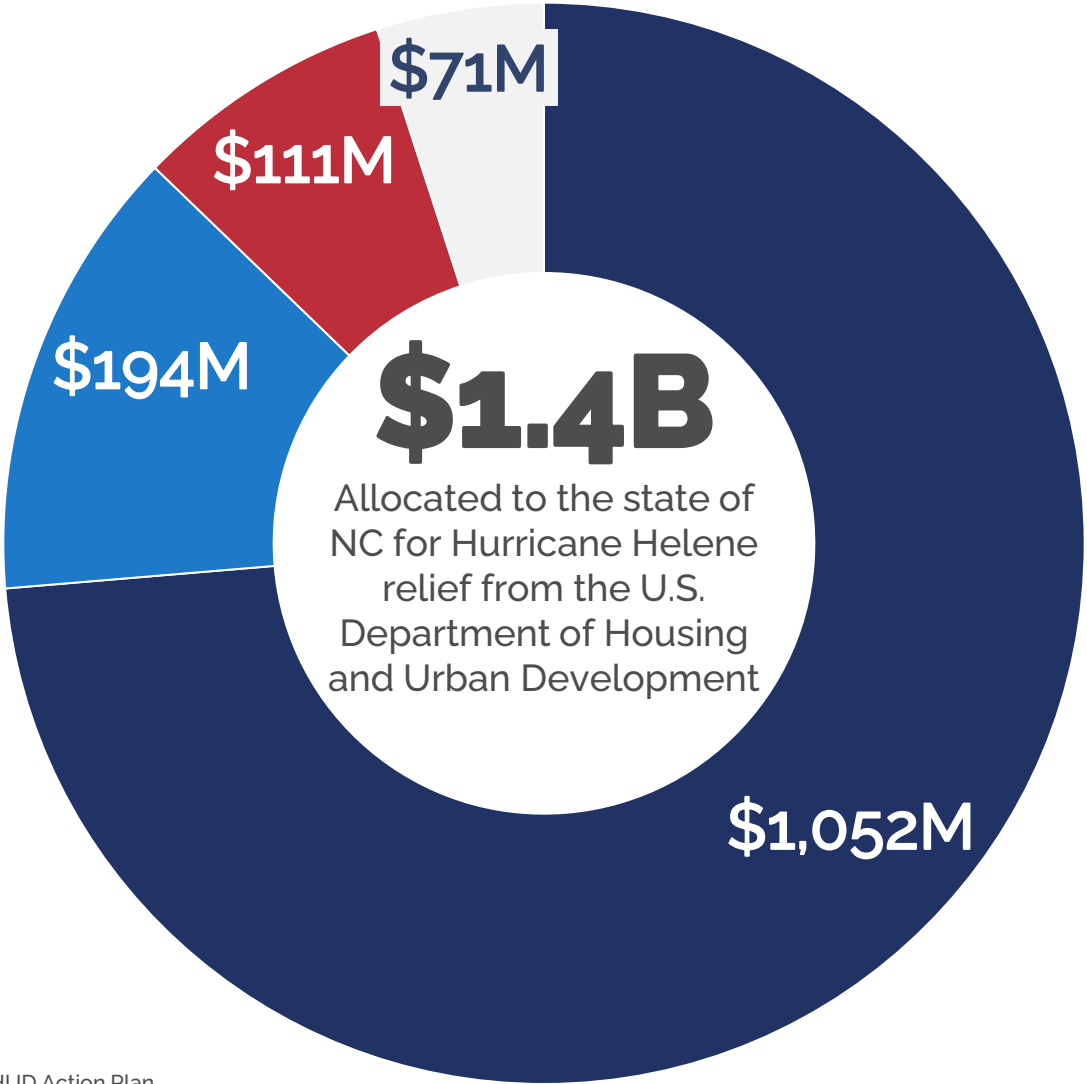


Administration



Housing

- \$807M: Reconstruction and rehabilitation for owner-occupied units
- \$53M: Workforce housing for ownership
- \$191M: Small Rental R&R and Multifamily construction program



Note: Numbers may not sum due to rounding
Source: [HUD disaster relief funding announcement](#); NC Draft HUD Action Plan

North Carolina is proposing 5 programs in its HUD Action Plan, including three for housing

PRELIMINARY








Housing



Infrastructure



Economy

Program	Description	Eligible geographic area
 Reconstruction and rehabilitation for owner-occupied units	Program will provide grants for reconstruction or rehabilitation of owner-occupied units seriously damaged or destroyed by the effects of Hurricane Helene.	Priority will be for seriously damaged or destroyed units in the HUD-defined Most Impacted and Distressed (MID) areas with the State-Identified MID areas having a secondary priority.
 Workforce housing for ownership	Fund construction of units for purchase by low- and moderate-income (LMI) households. ¹	Program will provide homeownership opportunities with 100% of funds to expended for construction of units to be purchased by LMI households.
 Small Rental R&R and Multifamily construction program	<p><u>Small rental R&R</u>: Grant for reconstruction/rehabilitation of small rental properties with seven or fewer units. Additional amounts available for mitigation and access activities</p> <p><u>Multifamily construction</u>: Program will restore housing and promote new construction of multifamily housing in HUD-identified MID areas and will focus benefit on. Funding will be via competitive process. LMI groups by imposing affordability requirements on new construction</p>	<p><u>Small rental R&R</u>: units in either MID area</p> <p><u>Multifamily construction</u>: Projects must be units in either MID area</p>
 Community infrastructure program	Provides funding for infrastructure projects that will help impacted communities become more resilient to current and future natural hazards.	Eligible applicants (local governments) must be located in HUD or State-identified MID areas and projects will be required to document link to disaster recovery needs.
 Commercial district revitalization	Program will provide grants to local governments or non-profit organizations to carry out revitalization activities in areas covered by the Helene major disaster declaration (DR-4827-NC).	Eligible applicants (local governments or non-profit organizations) must be located in HUD or State-identified MID areas and projects will be required to document link to disaster recovery needs

¹ Low- and moderate-income households as defined by HUD

Source: NC Draft HUD Action Plan








NC DEPARTMENT
of COMMERCE
COMMUNITY REVITALIZATION



Citizens and policymakers have many ways to offer input during the 30-day open comment period

PRELIMINARY

Channel	Description	How to comment
 Website	The draft Action Plan will be published on the N.C. Commerce website. People may leave a comment using a web form. Additional helpful information will be available.	commerce.nc.gov/recovery
 Email	Comments can be sent using email. This account will be monitored daily by N.C. Commerce personnel.	helene.recovery@commerce.nc.gov Subject = Action Plan Comment
 Public meetings (in-person or virtual)	<p>At least six public meetings will be held across western North Carolina beginning February 18.</p> <p>Citizens, local government officials, local and regional non-profit groups and any stakeholder wishing to comment on the proposal are welcome to attend and participate</p>	Meeting calendar available at commerce.nc.gov/recovery
 Postal mail	Comments can be sent using postal mail or overnight delivery service.	4346 Mail Service Center Raleigh, NC 27699-4346 Attention: CDBG-DR Public Comment
 Fax	Comments can be sent using a facsimile machine (fax machine)	(919) 715-0096

Reporting and Transparency

There are several ways the Division of Community Revitalization (DCR) will share information on progress:

1. Required federal reporting – Action Plan and quarterly reports to HUD
2. GrowNC website – centralized source of all disaster metrics
3. DCR website – source for more detailed CDBG-DR information
4. Partner communications – legislators, Advisory Group for Western NC Recovery, local governments, and other stakeholders

