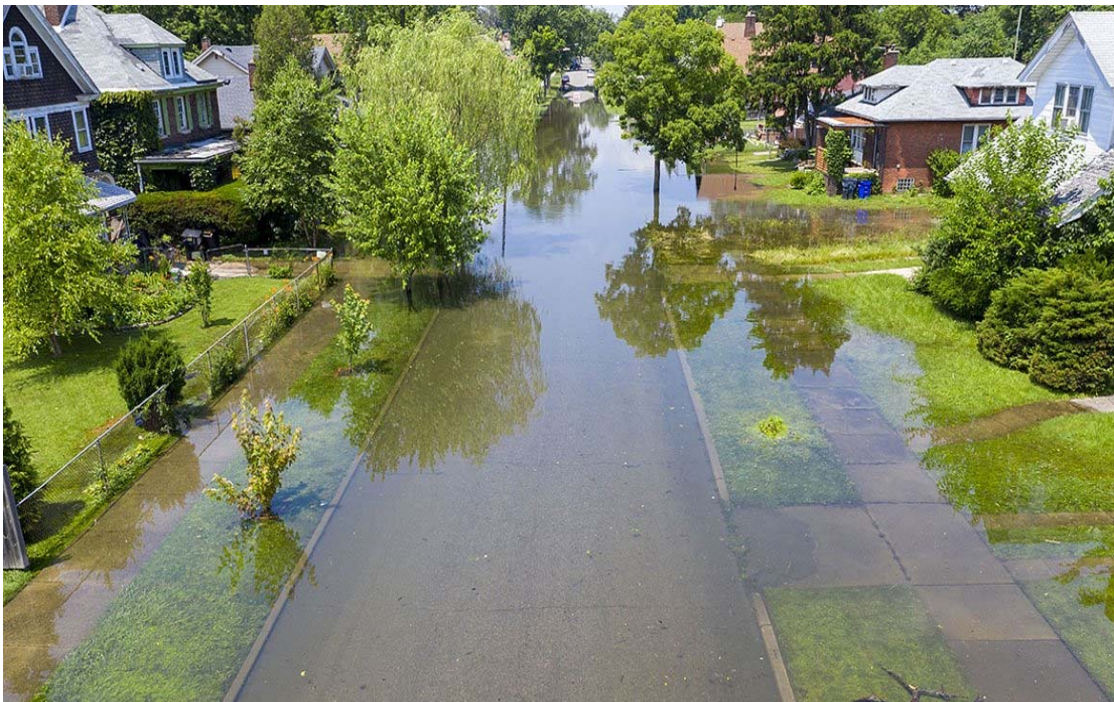




CITY OF DETROIT PUBLIC ACTION PLAN FOR COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY (CDBG-DR)



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I. Executive Summary

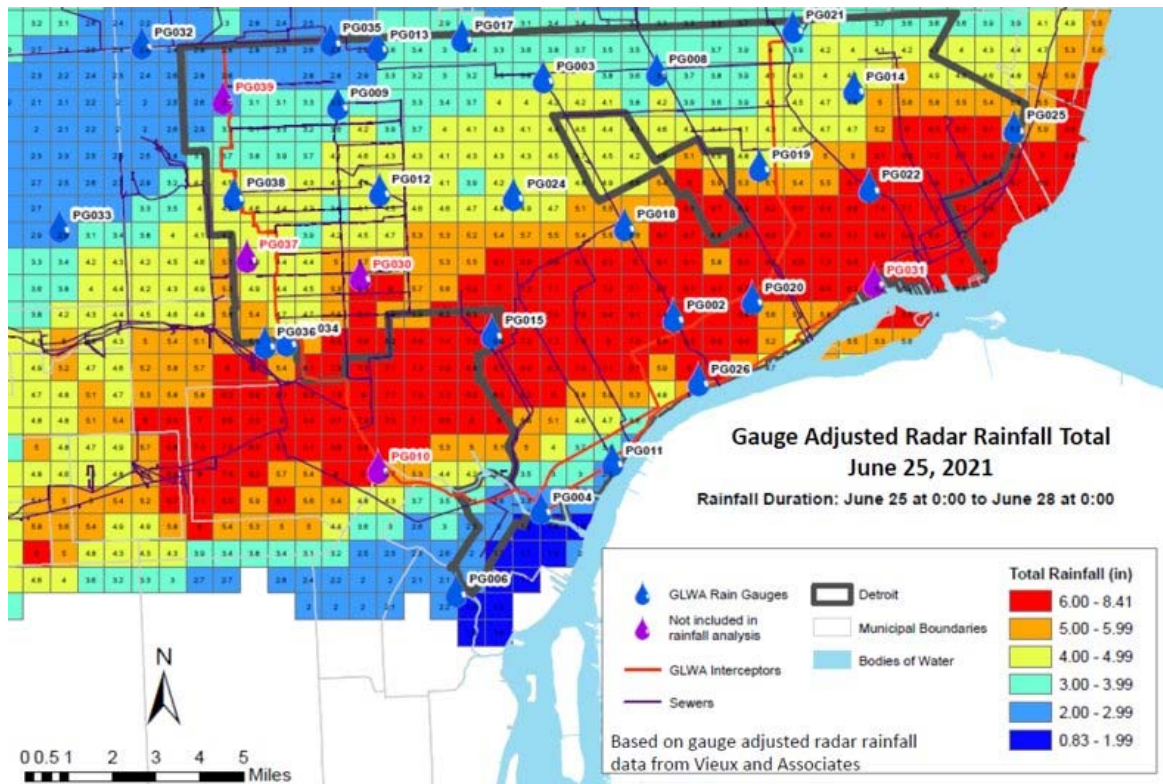
Overview

The U.S. Department of Housing and Urban Development (HUD) announced in March 2022 that the City of Detroit, Housing and Revitalization Department will receive \$57,591,000 in funding to support long-term recovery efforts following 2021 Presidential Major Disaster Declaration (federal disaster declaration FEMA #4607 - Michigan Severe Storms, Flooding and Tornadoes). These funds were allocated through the publication of the Federal Register, Vol. 87, No. 100, May 24, 2022, through the Disaster Relief Supplemental Appropriations Act Public Law 117-43. Community Development Block Grant- Disaster Recovery (CDBG-DR) funding is designed to address needs that remain after all other assistance has been exhausted. This plan details how funds will be allocated to address remaining unmet need in Detroit, Michigan.

To meet disaster recovery needs, the statutes making CDBG-DR funds available have imposed additional requirements and authorized HUD to modify the rules that apply to the annual CDBG program to enhance flexibility and allow for a quicker recovery. HUD has allocated \$57,591,000 in CDBG-DR funds to the City of Detroit, Housing and Revitalization in response to 2021 Presidential Major Disaster Declaration (federal disaster declaration FEMA #4607 - Michigan Severe Storms, Flooding and Tornadoes), through the publication of the Federal Register, Vol. 87, No. 100, May 24, 2022. This allocation was made available through the Disaster Relief Supplemental Appropriations Act Public Law 117-43.

Disaster Specific Overview

On June 25-26, 2021, Detroit experienced a 1 in 1,000-year rainstorm (0.01% probability), resulting in 6-8 inches of rain in a 12-hour period in some areas of the city. This amount of rain far exceeded the capacity of the city's infrastructure, which was designed to withstand 1.5-3 inches of rain in a 24hr period and was the root cause of flooding. Between 32,000 - 47,000 households (majority (82%) low-to-moderate income) were directly impacted by the disaster, majority of those located in City Council Districts 4, 6, 7.



Gauge Adjusted Radar Rainfall Total

Parts of Detroit received 8 inches or more of rain in a span of 12 hours which is the equivalent of a .01% probability storm.

The storm led to flooding on streets and freeways, as well as flooding in residential and commercial basements. In addition, there were power supply disruptions at the Freud and Connor pump stations, as well as collapsed sewer lateral service lines coming from single-family residences and capacity issues with the city's combined storm water and sewer system.

The following conditions were not the primary cause of the flooding, but they exacerbated the impact according to post event engineering analyses-

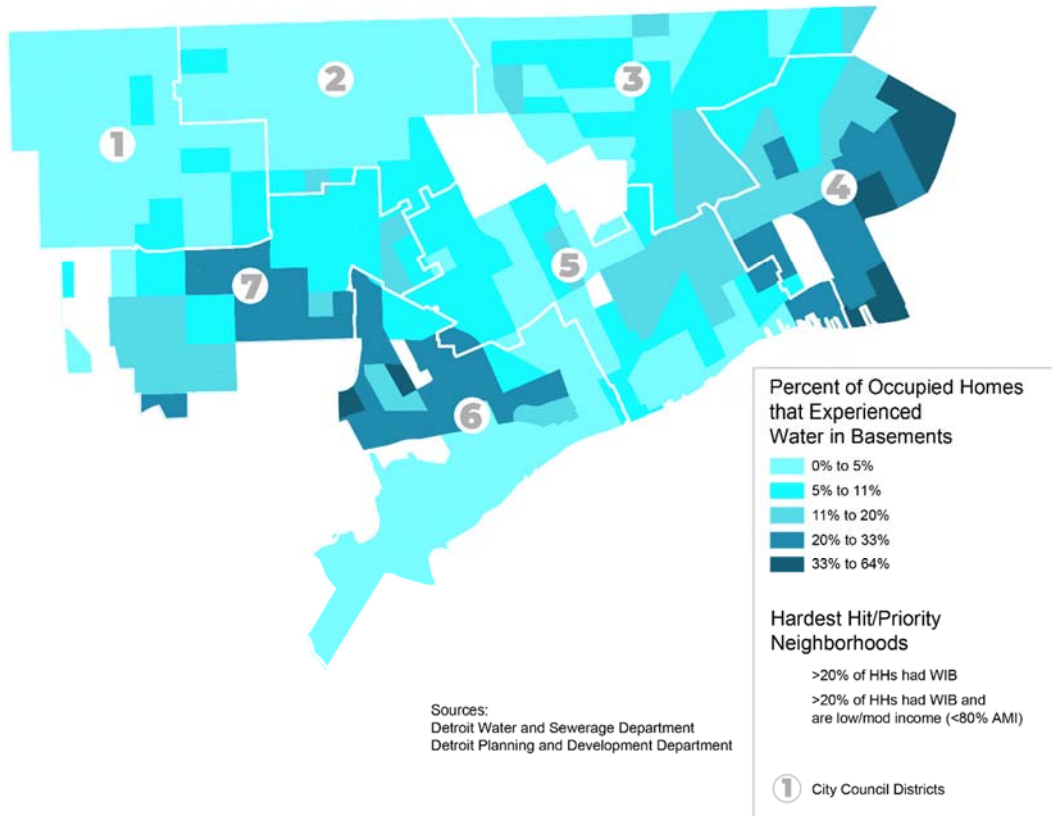
- The City's combined storm water and sewer system was only designed to handle a 10-year storm and the city was impacted by a 1 in 1,000-year storm.
- Four (4) of Twelve (12) pumps at Connor Creek and Freud pump stations lost power and stopped working, and a cable was severed on June 23 by a contractor.
- Freud Pump station had weak power supply and dipped in sustained voltage and was unreliable throughout the storm.
- The city has limited green storm water infrastructure, and the infrastructure in place was also not designed for this level of rainfall.

- The Detroit River overflowed due to the storm and as a result of high fluctuating lake levels.



Basement Back-Ups

One of the primary impacts of the storm was basement back-ups. Seventy percent (70%) of claims made to FEMA were related to water in basements as a result of the storm.

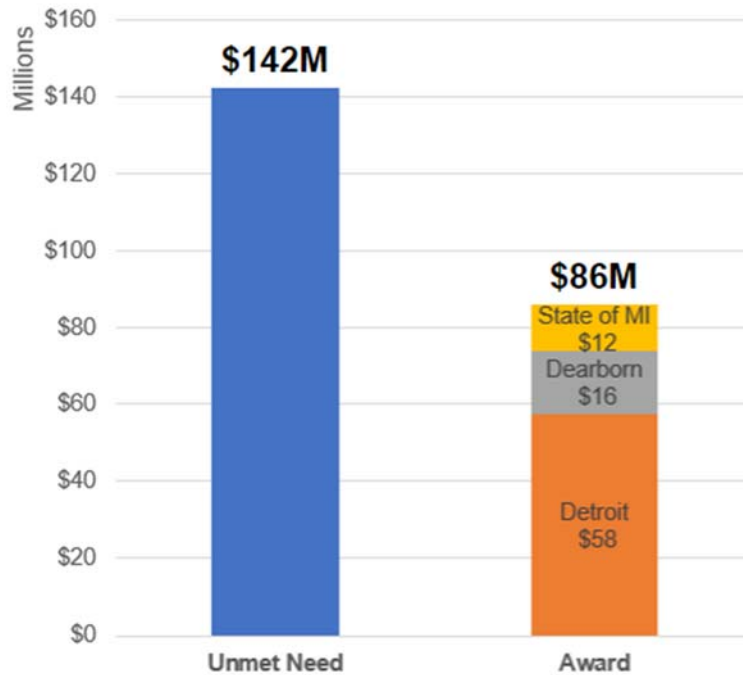


Percent of Occupied Homes that Experienced Water in Basements

Districts 4,6, and 7 experienced the highest concentration of water infiltration of water in basements. The average height of water reported in FEMA claims was 10 inches.

Summary

HUD estimated that the total unmet needs for the Federal Emergency Management Agency (FEMA) Disaster #4607 were approx. \$124MM for all impacted areas in the State of Michigan. However, only \$86MM was available in the congressional appropriation. The City of Detroit was awarded approximately 60% of the \$86MM, totaling \$57,591,000.



Unmet Need vs. CDBG-DR Award

HUD identified \$142MM of unmet need across the disaster impact areas in Michigan. By comparison, the congressional appropriation totaled \$86MM of which \$57.6MM was allocated for the Detroit Most Impacted and Distressed area (MID).

Unmet Need and Proposed Allocation

Based on the calculation of unmet needs provided by HUD utilizing FEMA data, 75% of the total unmet need for Detroit for the disaster equated to unmet Housing needs. That assessment correlated to the amount of FEMA Individual Assistance Claims and SBA Claims received as a result of the disaster, as well as logged complaints from DWSD. The City of Detroit has identified housing and infrastructure that impacts residential flooding as key activities for addressing unmet need.

The level of unmet needs is significantly greater than the amount of funding available. Therefore, the City proposes activities that aligned with accessible funding and activities closest to the impacts of the disaster. The City held three meetings with residents and stakeholders, all of which were held virtually and promoted city-wide and to City Council Districts 4, 6 and 7 (identified as most impacted districts based on data demonstrating more than 20% of occupied homes experienced water in basements). This assisted the city with aligning the proposed funding with resident needs. The City of Detroit has proposed using the CDBG-DR funding to address the following unmet needs: housing and protective infrastructure.

HUD estimated the total financial cost of unmet need to be \$124 million, with an additional 15% or \$18.5 million for mitigation activities. The unmet need calculation in disaster impact areas in Michigan is comprised of: \$92.3 million housing, \$29.1 million business, and \$2.1 million in public assistance. The City of Detroit estimates that approximately 30,000 households experienced water in basements or other storm-related impact.

The City, through its HRD, anticipates delivering the proposed activities in coordination with DWSD. The primary objectives of this plan are to directly serve income eligible homeowners in most impacted neighborhoods by assisting with eligible home repairs that were impacted by the flooding, either directly or indirectly.

In addition, the city proposed investing in infrastructure activities both for recovery and mitigation, to provide flood protection to neighborhoods in the flood plain impacted by the disaster and prevent such impacts from happening again in the future. However due to overwhelming feedback and concern from residents, this activity is suspended at this time, and will be reevaluated at a later date.

| Category | Remaining Unmet Need* | % of Unmet Need | Program Allocation Amount | % of Program Allocation Amount |
|-------------------------|-----------------------|-----------------|---------------------------|--------------------------------|
| Administration | \$0 | 0% | \$2,879,550 | 6.05% |
| Planning | \$0 | 0% | \$1,500,000 | 3.15% |
| Housing | \$61,867,587 | 64.44% | \$43,211,450 | 90.80% |
| Infrastructure | \$5,688,311 | 5.92% | \$0 | 0% |
| Economic Revitalization | \$19,516,097 | 20.33% | \$0 | 0% |
| Public Services | \$1,422,518 | 1.48% | \$0 | 0% |
| Mitigation | \$7,512,000 | 7.82% | \$0 | 0% |
| Total | \$96,006,513 | 100% | \$47,591,000 | 100% |

*HRD used the total amount of unmet need as provided by FEMA for the State of Michigan that was allocated (\$74,744,000) and divided the total amount allocated to Detroit (\$50,079,000). That equated to 67% of the unmet need allocation being attributed to Detroit. HRD Used 67% multiplied by the total unmet need in each category as provided by FEMA for the State of Michigan, resulting in the remaining unmet need calculations in the table.

Table 2a – 2021 Disasters

| State | Disasters Covered | TOTAL HUD FORMULA UNMET NEEDS | PLUS Mitigation @ 15% of unmet needs | UNMET NEED + MITIGATION (Rounded to 000) | Allocation at 60.4% of Total | Unmet Needs at 60.4% of Total Unmet Needs | Mitigation at 60.4% of Total Mitigation |
|-------|-------------------|-------------------------------|--------------------------------------|--|------------------------------|---|---|
| MI | 4607 | \$123,591,000 | \$18,539,000 | \$142,130,000 | \$85,956,000 | \$74,744,000 | \$11,212,000 |

Table 2b – Local Allocations for 2021 Disasters

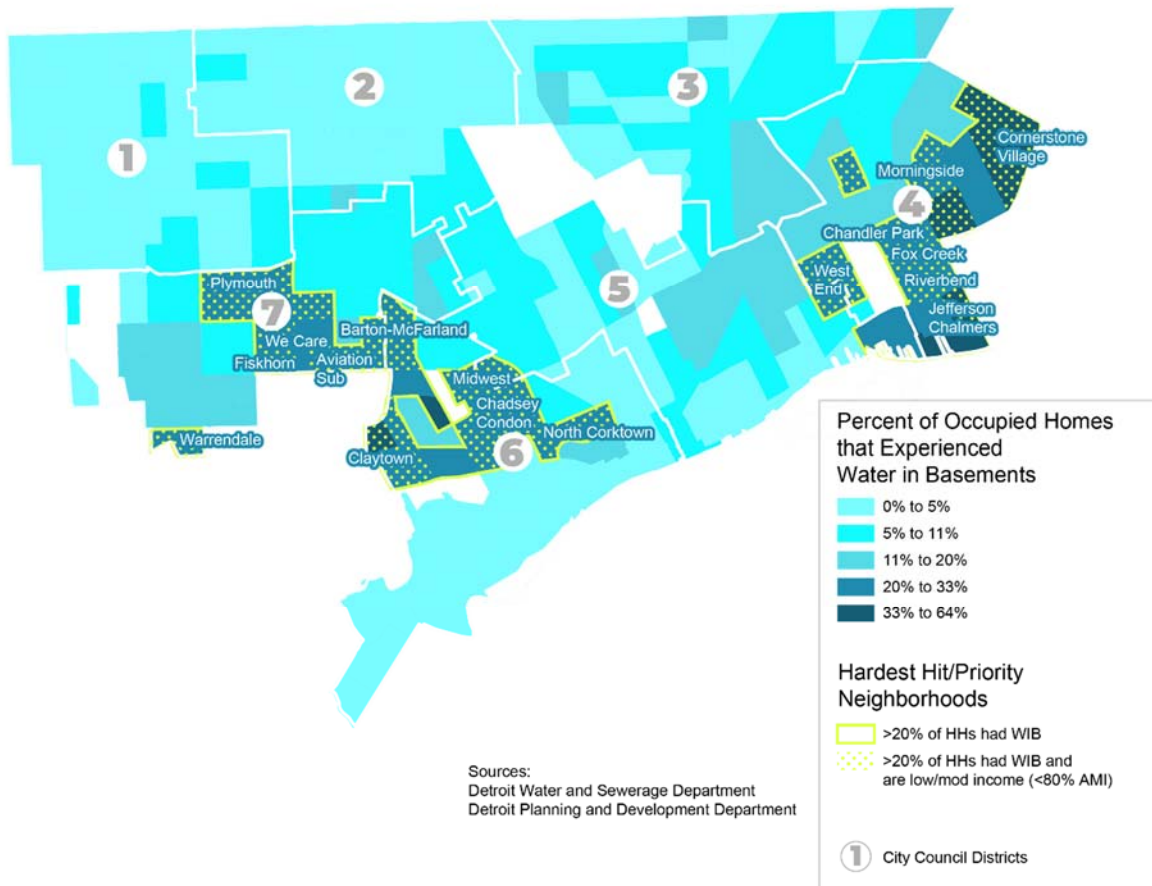
| Disaster | Grantee(s) | Total | Unmet | Mitigation |
|----------|-------------------|---------------------|---------------------|---------------------|
| MI-4607 | Detroit | \$57,591,000 | \$50,079,000 | \$7,512,000 |
| | Dearborn | \$16,332,000 | \$14,202,000 | \$2,130,000 |
| | State of Michigan | \$12,033,000 | \$10,463,000 | \$1,570,000 |
| | Total | \$85,956,000 | \$74,744,000 | \$11,212,000 |

II. Unmet Needs Assessment

Overview

In accordance with HUD guidance, the City of Detroit analyzed the impacts of the disaster to identify the level of citywide damage, which will be used as the basis for an unmet needs assessment and identification of priorities for CDBG-DR funding. During the storms on June 25-26, 2021, more than 8 inches of rain fell in a 12-hour period in some areas of the city, causing flooding of homes, businesses, streets, and highways. While the entire City of Detroit was impacted by the storms, there were areas in the city that experienced more impact due to being in lower lying areas. This includes the following neighborhoods:

- District 4: Cornerstone Village, Morningside, Chandler Park, Fox Creek, Riverbend, Jefferson Chalmers, West End
- District 6: Midwest, Chadsey-Condon, Claytown, North Corktown, Michigan-Martin
- District 7: Aviation Sub, Garden View, Plymouth-I96, Plymouth-Hubell, Paveway, We Care Community, Fiskhorn, Joy-Schaefer, Warrendale, Warren Ave Community, Barton-McFarland



Percent of Occupied Homes that Experienced Water in Basements X Low-to Moderate Income Neighborhoods

With a few exceptions, most hardest hit neighborhoods are also low-to-moderate income neighborhoods.

The City of Detroit, through its unmet needs assessment, identified various unmet disaster recovery needs, especially related to Housing and Infrastructure. Many residential neighborhoods experience basement backups due to a variety of factors, including but not limited to, rain events beyond the capacity of the existing public sewer system, power failures that impact pumping stations, and private infrastructure such as collapsed or cracked sewer lateral service lines attached to houses. These issues can exacerbate a significant rain event that causes basement backups. In addition, the city experienced flooding of highways and streets due to aging infrastructure and climate change.

During the June 25-26, 2021, rain event, up to 8 inches of rain took several days to recede from basements and streets, and it took more than two months to remove debris and clean and sanitize basements of our most vulnerable population, and some residents, due to lack of resources, had to wait even longer. Detroit Department of Public Works (DPW) and General

Services Department (GSD) removed and picked up debris in all impacted neighborhoods. The DWSD not only cleaned public sewers and street catch basins, DWSD also contracted to have several hundred basements cleaned and sanitized for seniors, persons with disabilities and those with young children in the home.

In Michigan, specifically in Detroit, most families use their basements as family rooms or recreation areas and for storage, including for some of their most cherished belongings. Not only did the homes have basement backups in June 2021, two lower eastside neighborhoods had backups in June 2016 after a heavy rainstorm, and several neighborhoods across the city experienced basement backups and flooding in August 2014, with a rainfall of 4.57 inches. Those few homeowners that were able to take measures to protect their basements after the 2014 and 2016 rain events, - such as installing backwater valves, did not experience basement backups and in-home flooding during the June 25-26, 2021, storm. However, due to the city's poverty level and 49% rental rate of single-family homes, most residents that continue to have basement backups are unable to install a backwater valve and maintain their sewer lines, which is why the City launched the Basement Backup Protection Program in May 2022 and seeking the HUD CDBG-DR funding to add sewer lateral service line replacements as part of the scope of work.

a. Housing Unmet Need

Disaster Damage and Impacts

While the disaster led to many unforeseen circumstances for Detroit residents, the housing unmet needs predate the date of the disaster. 25% (roughly 68,000) of Detroit households were cost burdened (meaning they paid more than 30% of their income on housing) prior to the disaster. Consequently, disaster recovery expenses fell on homeowners already experiencing economic hardships. The proposed activities will improve access to safe and healthy housing for low-to-moderate (LMI) people who otherwise do not have access to the resources to prevent the impacts of disasters such as these. LMI Detroit residents can face unique challenges and have more difficulty responding to disaster events than the general population due to physical and financial capabilities, health concerns, and location and quality of their housing, among other factors. While CDBG-DR requires that at least 70% of all program funds will benefit LMI persons or households, the City is proposing that 100% of CDBG-DR activities will benefit LMI persons or households.

Single Family v. Multi-family Needs; Owner Occupied v. Tenant

The housing stock in the City of Detroit is comprised overwhelmingly of detached, single-family houses. A 2015 study found that roughly 65% of Detroit's housing stock was single-family houses, nearly all of which were detached dwellings. Detached duplexes are also a standard of Detroit's housing typology, but the study found that duplexes accounted only for another 7% of the overall stock.¹

These typological characteristics were born out in FEMA claims data. Nearly all claims---94% to be specific---concerned damages to single-family and duplex properties. This statistic makes intuitive sense. Detroit's far-flung neighborhoods are mostly suburban in character, and these are precisely the neighborhoods that were among the hardest hit.

However, unlike typical detached single-family neighborhoods across the United States, in Detroit, many residents of such neighborhoods rent. This is, tragically, in large part an outcome of the foreclosure crisis and Great Recession. In 2021, an estimated 49% of occupied Detroit housing units were renter-occupied.² This figure is consistent with FEMA claims data---47% of FEMA claimants were renters.

Public Housing and Affordable Housing

Due to lack of available funding, the City of Detroit is not proposing using CDBG-DR to serve multi-family or public housing units at this time. Only units defined as single-family will be eligible for CDBG-DR Housing Recovery and Protection Programs. Single Family units are defined as structures that have 4 or less units. Multi-Family units are defined as those with 5 or more units.

Definition of Affordable Rents

While not applicable to the proposed activities but required by HUD for purposes of the Action Plan, the federal government defines affordable rents as housing costs that do not exceed 30% of a household's monthly income. For renters, these costs include rent and basic utilities (electric, gas and water). There are two basic types of affordable rental housing in Detroit:

- Naturally occurring: This type of housing is not government regulated but is considered affordable to households at market rate because costs amount to less than 30% of their monthly income.
- Regulated: This type of housing is subsidized by government programs to ensure that low-income households do not pay more than 30% of their income on rent, or that rents are restricted at a level that is affordable for low-income households.

¹ <https://www.washingtonpost.com/news/wonk/wp/2015/09/21/the-most-popular-type-of-home-in-every-major-american-city-charted/>

² [US](#) Census Bureau. 2021 American Community Survey

There are two broad categories of regulated affordable housing:

- Public Housing: Owned and operated by Detroit Housing Commission.
- Other regulated housing: Privately owned but offer affordable rents for low-income tenants.

Fair Housing, Civil Rights Data and Advancing Equity

It is the goal of City that when funding decisions are made regarding CDBG-DR, that these decisions advance equity and reduce barriers that residents may face when accessing federal funding. The City considered this in both its outreach to residents for public feedback on the CDBG-DR Action Plan, and in the initial program design for the proposed activities.

HRD has performed an assessment, using the U.S. Census, of Detroit's vulnerable populations, including members of protected classes under fair housing and civil rights laws, racially and ethnically concentrated areas, and concentrated areas of poverty.

Income Demographics

The U.S. Census Bureau reports that as of the 2020 Census, the City of Detroit is estimated to have a population of 639,111 people. Of the total population, the U.S. Census estimated the following (population estimates as of July 1, 2021):

- 546,653 or 85.5% of the population is low-to moderate income and the median household income is \$32,498
- 33.2% of the population lives in poverty
- 496,534 or 77.7% of the population is Black or African American
- 52.7% of the population is female
- 13.9% of the population is 65 years of age or older
- 15.3% of the population under the age of 65 has a disability
- 5% of the population has limited English proficiency

The proposed uses of CDBG-DR are for low-to moderate income households only. All marketing materials specific to CDBG-DR programs will include detailed information on who is eligible, how eligible residents can apply and how applicants will be prioritized due to the amount of need versus funding available. HRD will coordinate with the Department of Neighborhoods, and non-profit organizations serving targeted neighborhoods, to ensure there is sufficient notice of program launch.

HRD used U.S. Census data to inform the types of accommodations needed for outreach related to the Action Plan, and will implement the similar measures below for program outreach and launch to reduce barriers applicants may face when enrolling in the program:

- Information was released on several different platforms, including the CDBG-DR Webpage, HRD's Social Media platforms, Department of Neighborhoods newsletters

and “DONcasts”, and featured on the City’s Channel 10 used for resident programming, and email blasts to non-profit partners serving low-to moderate income residents.

- Meetings were accessible by phone and online via the Zoom platform and although held in the evening, meetings were recorded and shared on the Disaster Recovery webpage for residents to access on demand.
- Closed caption was used during the meetings to assist attendees, and the City’s Department of Civil Rights, Inclusion and Opportunity Department (CRIO) offered interpreter services including interpretation services and reasonable ADA accommodations.
- All flyers for the meetings as well as the meeting presentation slides were translated into Spanish, Bengali and Arabic, and posted to the Disaster Recovery Webpage.

LMI Analysis – Overall & Federally Declared Disaster Areas

| Municipality | Non-MID Total LMI Persons | Non-MID total Population | Non – MID Percentage LMI | MID – Total LMI Person | MID Total Population | MID – Percentage LMI |
|--------------|---------------------------|--------------------------|--------------------------|------------------------|----------------------|----------------------|
| Detroit | * | * | * | 546,653 | 639,111 | 85.5% |

***The entire City of Detroit has been declared a MID, therefore there is no Non-MID population.**

Limited English Proficiency Breakdown of Disaster – Related Areas

| | Number of Speakers in MID Area | Percent of Population in MID Area |
|--|--------------------------------|-----------------------------------|
| Limited English Proficiency | 89,882 | 5.5% |
| Arabic | 88,792 | 5.4% |
| Spanish | 66,811 | 4.1% |
| Other Indo-European Language | 41,331 | 2.5% |
| Other Asian Pacific Island Language | 9,061 | 0.6% |
| Russian, Polish, Slavic | 8,583 | 0.5% |
| Chinese | 4,992 | 0.3% |

In Detroit, 89,882 people speak English with limited proficiency. The main languages spoken at home are Arabic, Spanish, and Bengali. There are 88,792 Arabic speakers, 66,811 Spanish speakers, and 41,331 speakers of other Indo-European languages. The map below shows census tracts where 5% or more of the population has limited English proficiency and where 5% or more of the population speak another language at home.

Detroit's impervious surfaces cause stress on the sewer system by funneling stormwater into sewers instead of absorbing it into the ground. In addition, much of the surrounding counties drain through the City of Detroit, making Detroit the bottom of the water shed. Based on a sample of DWSD customers, approximately 30,000 houses have broken lateral sewer lines. Key water treatment pumping stations have inconsistent, weak power supply. Consequently, heavy rain events, like the storm in June, can cause all combined sewage and rainwater to overflow into basements, residential streets, and local highways.



Freeway Flooding. Much of Detroit's freeway network experienced severe flooding, submerging vehicles and grinding travel to a halt.

Recognizing the City's long and well-documented infrastructure challenges, as well as its ongoing efforts to mitigate future flooding in our most vulnerable areas, the City of Detroit is committed to rebuilding resiliently. In assessing unmet needs, it is important to consider the additional costs of safeguarding housing and community development investments from future disasters. As such, City of Detroit will also seek to invest resources in efforts that mitigate damage from future disasters. Mitigation options include the following:

- Protective Infrastructure as one of the City's recovery and mitigation projects will be developed in a manner that considers an integrated approach to housing, infrastructure,

³ November 23, 2021. Detroit homes are being overwhelmed by flooding — and it's not just water coming in. *NPR*. <https://www.npr.org/2021/11/23/1037540261/detroit-homes-are-being-overwhelmed-by-flooding-and-its-not-just-water-coming-in>

economic revitalization, and overall community recovery. The City of Detroit will continue to work with Federal, State and neighboring local jurisdictions to provide guidance on promoting a sound short-and-long term recovery plan in the affected areas by coordinating available resources to help in the restoration and recovery of damaged communities. Disaster recovery presents affected communities with unique opportunities to examine a wide range of issues such as housing quality and availability, environmental issues, and the adequacy of existing infrastructure. The City of Detroit will support long-term plans put in place by local and regional communities that promote the future well-being of these damaged areas by the hardening of homes and infrastructure so that communities withstand future disasters. The City of Detroit will coordinate with other local and regional planning efforts to leverage those efforts as much as possible. *During the public comment period, residents of the Jefferson-Chalmers neighborhood overwhelmingly opposed this activity. At this time, this activity is being suspended, and further outreach will be conducted a later date to determine the City's mitigation activity.*

c. Economic Revitalization Unmet Needs

Disaster Damager and Impact – Economic Revitalization

The disaster's impact on businesses was less severe than its impact on housing. FEMA and SBA claims data show that residential areas comprised a majority of the impact area. In total, 66,356 claims were submitted to FEMA for residential damages versus the 16,786 applications that were submitted to SBA for business damages. Moreover, 90% of the SBA applications for businesses concerned home-based businesses.

Businesses were also more likely to carry insurance for the damages they incurred. Only 28% of SBA applicants lacked insurance versus the 70% of FEMA claimants who lacked it.

In the end, just 202 (1.2%) out of the total 16,786 SBA applications were approved for non-residential businesses. SBA assessed the unmet need of these applications at \$3.2 million, which is an average of roughly \$16,000 per applicant.

While these statistics may be stark, they are not surprising. The hardest hit areas of the MID were residential neighborhoods, not job centers or entertainment destinations. Most economic activity in Detroit neighborhoods is retail-oriented, a sector that has suffered for decades dating back to the mid-1900s when retail flight followed white flight to the suburbs. Since then, institutional barriers in the financial industry and elsewhere have suppressed the retail economy in Detroit. As a result, retail businesses in Detroit neighborhoods are few and Detroiters often shop in the suburbs or online to meet their needs. Hence, the impact of the disaster on businesses was limited.

d. Mitigation Only Activities

As required by HUD, the City of Detroit developed a mitigation needs assessment based in part on the FEMA approved ⁴City of Detroit Hazard Mitigation Plan. This assessment addresses current and future risks, including hazards, vulnerability, and impacts of disasters and identifies appropriate mitigation actions to reduce the highest risks that Detroit faces.

Overview of City of Detroit Hazard Mitigation Plan

The goal of the Hazard Mitigation Plan (HMP) is to minimize or eliminate long-term risks to human life and property from known hazards by identifying and implementing cost-effective hazard mitigation actions. The City of Detroit’s HMP extensively reviews alternatives and designed strategies that would work best for the City. The plan provides carefully considered directions to City government by studying the overall damage potential and ensuring that funds are well spent.

Hazard mitigation does not mean that all hazards are stopped or prevented. It does not suggest complete elimination of the damage or disruption caused by such incidents. Natural forces are powerful, and most natural hazards are well beyond our ability to control. According to the Federal Emergency Management Agency (FEMA), hazard mitigation includes any sustained action taken to reduce or eliminate long-term risk to life and property from future disasters. Every community, including Detroit, faces different hazards and has different interests and resources to bring to bear to address its problems. As there are many ways to deal with natural hazards and many agencies that can help, there is no one solution to managing or mitigating their effects.

Risk Landscape – Current and Future Hazard

Located in southeastern Michigan, Detroit is the largest city in Michigan, and the 26th largest city in the United States in 2020. ⁵Founded in 1701, the city was named the Ville d’Etoit or “City of the Straight” because of its position on the Detroit River. The Detroit River separates the City of Detroit from the City of Windsor, Ontario and serves as an international boundary between the United States and Canada.

⁴ Detroit Office of Homeland Security & Emergency Management. *City of Detroit Hazard Mitigation Plan*, January 2022. by Detroit Office of Homeland Security & Emergency Management.2022.https://detroitmi.gov/sites/detroitmi.localhost/files/2022-02/Detroit%20HMP2021%20FullPlan_FINALDraftPublicPost_2.3_0.pdf

⁵ Detroit Office of Homeland Security & Emergency Management. *City of Detroit Hazard Mitigation Plan*, January 2022.pg 5. https://detroitmi.gov/sites/detroitmi.localhost/files/2022-02/Detroit%20HMP2021%20FullPlan_FINALDraftPublicPost_2.3_0.pdf

Detroit is on the northern banks of the Detroit River and south of Lake St. Clair. The land area of Detroit comprises 138.7 square miles and has an altitude of 581 feet, as measured at the Detroit River.

Due to the increase in developments across the City of Detroit, the floodplains are impacted which contributes to flooding being a major hazard in Detroit. Prior to the developments, rainfall would simply soak into the ground, or slowly find its way to the river. With impervious surfaces the rainfall runs off quickly to the streets and man-made channels and pipes. Floods cause significant damage to public and private property, disable utilities, make roads and bridges impassable, destroy crops and agricultural lands, cause disruption to emergency services, and result in fatalities.

The Detroit MHP developed a risk assessment to rate the likelihood of any disaster harming Detroit. Below charts 1, 2, and 3 at illustrate Flooding as the greatest hazard risk for the City of Detroit.

| Hazard | Potential for Causing Death | Population Affected | Property and Economic Damage | Local Response Capability |
|--|-----------------------------|---------------------|------------------------------|---------------------------|
| Flooding | 2 | 4 | 4 | 5 |
| Infrastructure Failure – Energy Emergency | 1 | 4 | 3 | 3 |
| Structural Fires | 4 | 2 | 3 | 4 |
| Extreme Winter Weather | 3 | 5 | 1 | 2 |
| Extreme Summer Weather | 2 | 2 | 2 | 2 |
| Hazardous Materials Releases | 4 | 2 | 2 | 3 |
| Public Health Emergencies | 3 | 2 | 1 | 2 |
| Civil Disturbance | 2 | 2 | 3 | 2 |
| Public Transportation Accidents | 3 | 2 | 1 | 3 |
| Petroleum and Natural Gas Pipeline Accidents | 2 | 3 | 2 | 2 |
| Drought | 2 | 2 | 0 | 2 |
| Nuclear Power Plant Accidents | 1 | 2 | 3 | 2 |
| Oil/Natural Gas Well Accidents | 0 | 1 | 3 | 2 |
| Earthquake | 1 | 1 | 1 | 2 |

Chart 1. Hazard Risk

⁶ Detroit Office of Homeland Security & Emergency Management. *City of Detroit Hazard Mitigation Plan*, January 2022, https://detroitmi.gov/sites/detroitmi.localhost/files/2022-02/Detroit%20HMP2021%20FullPlan_FINALDraftPublicPost_2.3_0.pdf

| Hazard | Likelihood of Occurrence (25%) | Potential for Causing Death (25%) | Population Impacted (20%) | Physical and Economic Damage (20%) | Local Response Capability (10%) | Total | 2015 Rank | 2021 Rank |
|-------------------------------|--------------------------------|-----------------------------------|---------------------------|------------------------------------|---------------------------------|-------|-----------|-----------|
| Civil Disturbance | 2 (.50) | 2 (.50) | 2 (.50) | 3 (.60) | 2 (.20) | 2.30 | 5 | 8 |
| Drought | 2 (.50) | 2 (.50) | 2 (.40) | 0 (.0) | 2 (.20) | 1.70 | 11 | 11 |
| Earthquake | 1 (.25) | 1 (0.25) | 1 (.20) | 1 (0.20) | 2 (.20) | 1.1 | 10 | 14 |
| Infrastructure Failure | 5 (1.25) | 1 (0.25) | 4 (.80) | 3 (.60) | 3 (.30) | 3.20 | 3 | 2 |
| Extreme Summer Weather | 4 (1) | 2 (.50) | 2 (.50) | 2 (.40) | 2 (.20) | 2.60 | 6 | 5 |
| Extreme Winter Weather | 4 (1) | 3 (.75) | 5 (1) | 1 (.20) | 2 (.20) | 3.15 | 1 | 4 |
| Structural Fires | 3 (.75) | 4 (1) | 2 (.40) | 3 (.60) | 4 (.40) | 3.15 | 2 | 3 |
| Flooding | 3 (.75) | 2 (.50) | 4 (.80) | 4 (.80) | 5 (.50) | 3.35 | 6 | 1 |
| Hazmat Releases | 2 (.50) | 4 (1) | 2 (.40) | 2 (.40) | 3 (.30) | 2.60 | 7 | 6 |
| Nuclear Power Plant Accident | 1 (.25) | 1 (.25) | 2 (.40) | 3 (0.60) | 2 (.20) | 1.70 | 9 | 12 |
| Oil/Natural Gas Well Accident | 1 (.25) | 0 (.0) | 1 (.20) | 3 (.60) | 2 (.20) | 1.25 | 9 | 13 |
| Pipeline Accident | 1 | 2 | 3 | 2 | 2 | 1.75 | 12 | 10 |

| Hazard | Likelihood of Occurrence (25%) | Potential for Causing Death (25%) | Population Impacted (20%) | Physical and Economic Damage (20%) | Local Response Capability (10%) | Total | 2015 Rank | 2021 Rank |
|--------------------------------|--------------------------------|-----------------------------------|---------------------------|------------------------------------|---------------------------------|-------|-----------|-----------|
| | (.25) | (.50) | (.60) | 40) | (.20) | | | |
| Public Health Emergency | 4 (1) | 3 (.75) | 2 (.40) | 1 (.20) | 2 (.20) | 2.55 | 4 | 7 |
| Public Transportation Accident | 2 (.50) | 3 (.75) | 2 (.40) | 1 (.20) | 3 (.30) | 2.15 | 8 | 9 |

Chart 2

| Significant Natural Hazards | | | | | | |
|-----------------------------|------------------------------|--------|------|--------|------------------|------------|
| Natural Hazard | Time of Potential Occurrence | | | | Last Major Event | |
| | Spring | Summer | Fall | Winter | Year | Location |
| Energy Emergency | X | X | X | X | 2021 | City-Wide |
| Extreme Summer Weather | X | X | | | 2020 | City-Wide |
| Extreme Winter Weather | | | X | X | 2021 | City-Wide |
| Structural Fires | X | X | X | X | 2021 | City-Wide |
| Hazardous Materials Release | X | X | X | X | 2019 | SW Detroit |
| Public Health Emergency | X | X | X | X | 2020 | Nationwide |
| Floods | X | X | X | X | 2021 | City-Wide |

Chart 3. Significant Natural Hazard

As the risk assessment tables demonstrate, flooding is at the forefront of Detroit's hazard risks. Consequently, mitigation activities will be geared towards reducing the potential losses and preventing Detroit's vulnerability to flood disaster events.

Hazard & Vulnerability Risk Analysis

⁷Flood Insurance History

The City of Detroit has been a part of the National Flood Insurance Program (NFIP) since 1974 with an initial Flood Insurance Rate Map (FIRM) identified in 1981. In 2017, the City joined the Community Rating System (CRS) and maintains a Class 8 rating.

According to NFIP, there are 403 policies in force in Detroit. These policies provide insurance worth \$82,121,200 as of 2021. The NFIP Repetitive Loss/Severe Repetitive Loss data provided indicates a total of 64 RL/SRL properties with a net total claim of \$1,437,151.30. The National Center for Environmental Information (NCEI) estimates total property losses for a 15-year period to be \$169,600,000 for an average loss of \$11.3 million per year. These figures would suggest that adequate coverage is provided to those who would be most impacted by river flooding in Detroit. According to NOAA, the River Rouge crested above flood stage in Detroit on 41 occasions between 1968 and 2021. When combined with other flooding events recorded through NCEI records, such as heavy rain or snow melt, the city has experienced 2.96 flooding events per year since 1978.

⁸Most Recent Disaster

Prior to the June 2021 event, in August 2014, the City of Detroit had an unusually extreme amount of rainfall that created flood conditions in the Metropolitan Detroit area. The National Weather Service say that the total of 4.57 inches of rain that fell for the day is the second heaviest calendar-day rainfall on record in Detroit, after the 4.74-inch rainfall of July 31, 1925. The flooding closed major freeways, hospitals, businesses, schools and government offices. This storm has been categorized by some weather experts as a 100-year type of event. Almost 10 billion gallons of sewer overflows poured into southeast Michigan's waters in the historic August flooding, according to a Detroit Free Press review of data from the Michigan Department of Environmental, Great Lakes and Energy.

Conclusion of Mitigation Needs Assessment

This Mitigation Needs Assessment makes it clear that historically, flooding has been a major hazard for the City of Detroit. By characterizing the hazard in terms of its frequency and the City's vulnerability, the City can draw on this needs assessment and the HMP to identify current and future flood hazards throughout the City of Detroit and target CDBG-DR funds toward cost-effective solutions to mitigate flooding over the long term. In addition, this assessment further

⁷ Detroit Office of Homeland Security & Emergency Management. *City of Detroit Hazard Mitigation Plan*, January 2022, pg 36-38. https://detroitmi.gov/sites/detroitmi.localhost/files/2022-02/Detroit%20HMP2021%20FullPlan_FINALDraftPublicPost_2.3_0.pdf

⁸ Detroit Office of Homeland Security & Emergency Management. *City of Detroit Hazard Mitiation Plan*, January 2022. Pg.40-42. https://detroitmi.gov/sites/detroitmi.localhost/files/2022-02/Detroit%20HMP2021%20FullPlan_FINALDraftPublicPost_2.3_0.pdf

supports proposed CDBG-DR mitigation activities undertaken as part of this allocation so that, at a minimum, they do not exacerbate hazards but rather serve to lessen their impacts.

Mitigation Activities

The City of Detroit's mitigation project will increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters. Incorporation of these measures also reduces costs in recovering from future disasters. Mitigation measures that are not incorporated into those rebuilding activities must be a necessary expense related to disaster relief, long-term recovery, and restoration of infrastructure, housing, or economic revitalization that responds to declared disaster FEMA-4607-DR-MI.

The City of Detroit is proposing to construct protective infrastructure in the Jefferson Chalmers neighborhood as the mitigation activity. This activity will reduce the amount of homes in the floodplain zone, preventing future impacts from flooding and lake fluctuation levels and allow homeowners to be eligible for federal funding without needing flood insurance. Regular homeowners' insurance already presents a cost burden to many Detroit residents, flood insurance requirements present an even larger cost burden, creating additional barriers to federal assistance for low-to moderate income households. However, during the public comment period, residents of the Jefferson- Chalmers neighborhood overwhelmingly opposed this activity. Therefore, this activity is being suspended. Further outreach will be conducted a later date to determine the City's mitigation activity.

III. General Requirements

a. Citizen Participation

Per the applicable Federal Register Notice 6326-N-01 for FEMA disaster #4607, in order to permit a more streamlined process and ensure disaster recovery grants are awarded in a timely manner, HUD has waived requirements at 24 CFR 91.105(b) through (d) and replaced them with requirements found in Appendix B: Consolidated Notice III D "Citizen Participation Requirements".

In addition, in order to ensure disaster recovery grants are awarded in a timely manner, the City of Detroit is waiving its requirements in its Citizen Participation policy found at #6 (Consideration of Public Comments) #9 (Publication of the Consolidated Plan, Annual Action Plan and Performance Reports) #10 (Public Hearings on the Consolidated and Action Plan), #11 (public Comment Period on the Proposed Consolidated and Action Plan) #12 (Substantial Amendments) for the CDBG-DR grant and is replacing them with the requirements below that align with the Citizen Participation Requirements in the Consolidated Notice.

Publication of the Action Plan and Opportunity for Public Comment:

Comments and opinions on the proposed CDBG-DR Action Plan will be considered by the City when preparing the final Action Plan. A summary of comments and views received will be attached to the final plan. A summary of the reasons for not accepting opinions or views not included in the plan will also be attached to the final plan. A draft will be available on the City's Disaster Recovery website.

Citizens can provide comments by using the following methods:

- Via telephone: 1-313-224-6380, Hours: Monday to Friday from 8:30 am-4:30 pm
- Via email at: Disasterrecovery@detroitmi.gov
- In writing at: Housing & Revitalization Department, Disaster Recovery Team, 2 Woodward Ave, Ste. 908, Detroit MI, 48226

Publication of the CDBG-DR Action Plan:

The City will publish a summary of the proposed CDBG-DR Action Plan on the City's Disaster Recovery website. This summary will be prominent posting and will describe the contents and purpose of the action plan. Copies of the complete proposed plan will be available in the offices of the Housing and Revitalization Department and on the City's website.

Public Hearings on the CDBG-DR Action Plan:

The City will follow the requirements of the City of Detroit Community Outreach Ordinance as applicable or hold at least one public hearing to obtain citizen views and to respond to proposals and questions on the Action Plan per the requirements of the Consolidated Notice. Public hearings may be held virtually. If more than one public hearing is held in person, the City will hold each hearing in a different location that promotes geographic balance and maximum accessibility.

Notice of these hearings will be published on the City's Disaster Recover website at least one (1) day prior to the start of the public comment period, and the City will utilize one or more of the following methods of communication to inform residents such as: electronic mailings, press releases, statements by public officials, media advertisements, public service announcements and/or contacts with neighborhood organizations through the City Department of Neighborhoods.

The City will hold these hearings at locations that are physically accessible to persons with disabilities. The City will make arrangements for the participation of persons with special needs and for non-English speaking residents if a significant number of such persons are expected to participate, or if such persons give reasonable notice of their intent to attend.

Meetings

The city will provide citizens with reasonable and timely access to local meetings on CDBG-DR Action Plan related matters. In many cases, public notice of these meetings will be given using the methods described in the above public hearing section.

Application Status

The City will provide multiple methods of communication, such as websites, phone number, email address, fax number, or other means to provide applicants for recovery assistance with timely information to determine the status of their application.

Publication of the Public Action Plan

The City will publish the proposed Public Action Plan, amendments and public comment on the City disaster recovery website. Citizens, and other interested parties will have a reasonable opportunity to review the plan or substantial amendment.

Outreach and Engagement

The City of Detroit will hold three public meetings, all virtually (one city-wide and one for district 4, one for district 6/7). Citizens will be notified through the Housing and Revitalization Department's GovDelivery email, social media public notice, media advertisements and through the City of Detroit's Department of Neighborhoods. The city will work with Civil Rights Inclusion Opportunity (CRIO) to provide LEP services, including ASL and translation services at all meetings.

In the development of this disaster recovery action plan, the City of Detroit consulted with disaster-affected citizens in the most impacted areas in Districts 4,6,7, stakeholders like Jefferson East Inc., Midwest Council, and Chadsey Condon, local governments such as the City of Dearborn and the State of Michigan, and other affected parties in the surrounding geographic area to ensure consistency of disaster impacts identified in the plan, and that the plan and planning process was comprehensive and inclusive.

In addition to the activities above, the City of Detroit will publish the action plan on the City of Detroit's Disaster Recovery webpage for a 30-day public comment period. Citizens will be encouraged to present their comments and opinions on the proposed plan at the public hearing, or by mail, email, or telephone directed to the offices of the Housing and Revitalization Department. Citizens will be notified via email blast at GovDelivery and Department of Neighborhoods list serves, social media outlets, and public service announcements. The City of

Detroit will ensure that all citizens have equal access to information, including persons with disabilities and limited English proficiency (LEP).

Comments and opinions on the proposed action plan will be considered by the city when preparing the final action plan. A summary of comments and views received will be attached to the final plan. A summary of the reasons for not accepting opinions or views not included in the plan will also be attached to the final plan. A draft will be available on the City's website. Citizens can provide comments via email at ***disasterrecovery@detroitmi.gov***. For more information, citizens can refer to the City of Detroit's Citizen Participation plan at: <https://detroitmi.gov/departments/housing-and-revitalization-department/disaster-recovery>

Public Hearings

The City of Detroit will hold three virtual public hearings to inform residents city wide and in the MID areas. The most impacted and distressed neighborhoods from the June 2021 disaster are Districts, 4,6, and 7 based on the number of DWSD basement flooding claims.

Complaints

The city will respond to written complaints related to the CDBG-DR Action plan and substantial amendments in a timely manner. Complaints are encouraged to be submitted via email at disasterrecovery@detroitmi.gov but may also be submitted via telephone at 313-224-6380 or by mail to:

City of Detroit
2 Woodward Ave.
Suite 908. Housing and Revitalization Department (HRD)
Detroit, MI 48237.

Formal complaints may be made in person at public meetings and hearings, by mail, email and by telephone to the offices of the Housing and Revitalization Department (HRD). Response to written complaints will be made in writing within 30 days, where practical. Persons with complaints will be encouraged to put such complaints in writing with appropriate documentation. Informal complaints may be oral complaints at public hearings, meetings, and by telephone. When possible, City staff will try to respond orally to such complaints immediately. In some instances, persons making oral complaints will be asked to put the complaint in writing with appropriate documentation. In other instances, the City has and will respond within 30 working days either orally or in writing as appropriate and convenient.

Owners of property assisted with CDBG-DR funds will also be provided with opportunities to appeal the quality of work on their properties. The CDBG-DR Program Manager or their designee will review the appeal, and then either approve or deny the appeal. The owner will be

notified in writing of the decision made within 30 days of the appeal. If the owner is not satisfied with the decision, the appeal is escalated to the Director of the Housing and Revitalization Department, where the Director has the final say. There's a limited time to respond to the appeal and all responses are provided in writing.

A record of each filed complaint or appeal is kept in an information file. When a complaint or appeal is filed, HRD will respond to the complainant or appellant within 30 business days where practicable. For expediency, HRD will utilize telephone communication as the primary method of contact, email and postmarked letters will be used as necessary to document conversations and transmit documentation. Information about the right and how to file a complaint shall be printed on all program applications, guidelines, and HRD's public website for CDBG-DR in all local languages, as appropriate and reasonable. Procedures for appealing an HRD decision on a complaint shall be provided to complainants in writing as part of the complaint response.

b. Public Website

In accordance with Federal Register Vol. 87, No. 100, the City of Detroit must have procedures to maintain a comprehensive public website that permits individuals and entities awaiting assistance and the general public to see how all grant funds are used and administered. As a result of CDBG-DR funds being appropriated, the city has created a separate CDBG-DR webpage <https://detroitmi.gov/departments/housing-and-revitalization-department/disaster-recovery>.

The City's CDBG-DR webpage will be updated on a regular basis (at minimum, quarterly) in accordance with established procedures and standards so that it will contain links to information regarding the use and management of grant funds. Links to all action plans and action plan amendments, performance reports, citizen participation notices, and program information for activities described in the action plan. Contracts and procurement actions that do not exceed the federal micro-purchase threshold, as defined in 2 CFR 200.1, are not required to be posted to the City's website.

To ensure meaningful access to the CDBG-DR programs and activities by LEP persons, including individuals from underserved communities, the City will make all documents accessible to persons with disabilities and those with limited English proficiency (LEP) available to the public upon request.

c. Amendments

A substantial amendment to the Action Plan will follow the same procedures for publication as the original Action Plan in accordance with the city's Citizen Participation Plan. All amendments, both substantial and non-substantial, will be posted on the city's CDBG-DR website. The beginning of every amendment will include a section that identifies the content that is being added, deleted, or changed. In addition, this section will include a revised budget allocation table that reflects the entirety of all funds and will clearly illustrate the movement or reallocation of program funding. The city's most recent version of the entire Action Plan will be accessible for reviewing as a single document at any given time.

Substantial Amendment

When a substantial amendment to the action plan is being considered, a notice will be published on the City's website and distributed via GovDelivery and Department of Neighborhoods list serves and social media outlets, in adherence with ADA and LEP requirements, that the city intends to amend the action plan. This notice will describe the amendment and indicate how citizens may comment on it. A period of at least 30 days of the posting will be provided for citizens to comment on the amendment before it is an implemented substantial amendment. The City will consider, review, and respond to all public comments and views received on proposed substantial amendments and submit to HUD for approval. A summary of these comments and views will be attached to the to the substantial amendment. If comments and views are not accepted, the reasons for not accepting them will be summarized and attached to the substantial amendment.

At a minimum, the following modifications will constitute a substantial amendment:

- A change in program benefit or eligibility criteria.
- the addition or deletion of an activity.
- a proposed reduction in the overall benefit requirement, or
- the allocation or reallocation of more than \$3 million from one major program area to another (the four major program areas area Housing, Infrastructure, Economic Development and Planning)

Non-Substantial Amendment

Although non substantial amendments do not require HUD's approval or seek public comment to become effective, the City will notify HUD of any plans to make an amendment that is not substantial. The City will notify HUD five (5) business days before the change is effective.

The city understands that the DRGR system must approve the amendment to change the status of the Public Action Plan to "reviewed and approved." The DRGR system will automatically approve the amendment by the fifth day, if not completed by HUD sooner.

d. Displacements of Persons and Other Entities

The City of Detroit does not anticipate the proposed activities in this Action Plan resulting in the displacement of persons or other entities. In the event that any CDBG-DR activities displace persons or entities, The City of Detroit will minimize displacement of persons or entities as a result of the implementation of CDBG-DR projects by ensuring that all CDBG-DR programs are administered in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended (49 CFR Part 24) and the implementing regulations at 24 CFR Part 570.496(a). All subrecipients will be required to demonstrate that they have adopted policies and procedures to minimize displacement in accordance with these regulations and will be monitored by the city to ensure compliance with URA.

Per Federal Register 87, Vol. 100, section II. D.7: CDBG-DR funds may not be used to support any Federal, state, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For purposes of this paragraph, public use shall not be construed to include economic development that primarily benefits private entities. Any use of funds for mass transit, railroad, airport, seaport or highway projects, as well as utility projects which benefit or serve the general public including energy related, communication-related, water related, and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Pub. L. 107–118) shall be considered a public use for purposes of eminent domain.

e. Protection of People & Property

The City of Detroit will implement activities that will ensure high quality, durability, energy efficiency, sustainability, and mold resistance. The City will adopt and enforce modern and resilient building codes that mitigate hazard risk from flooding and comply with Green Building standards.

Elevation Standards

The City of Detroit, where applicable, will adhere to the provisions recognized under the City of Detroit's Specific Flood Elevation Standards and flood hazard reduction (Section 50.14-528-529). Provisions for new construction and substantial improvements of residential and non-residential structures in all flood hazard areas must have the lowest floor, including the basement, elevated to or above the base flood level; or be constructed so that the structure below base flood level together with attendant utility and sanitary facilities, is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. These codes recognize that the most recent base flood elevation data received from Federal Emergency Management Agency shall take precedence over data from other sources. Mixed-use structures with no dwelling units and no residents must be elevated or floodproofed up to at least two feet above base flood elevation. The average cost associated with elevating structures is:

- To raise an existing home approximately 36" and install a flood proofed and vented foundation would be \$45 per square foot x number of floors, limit 3. No basement.
- To raise an existing home approximately 36" and install a flood proof pier supports with skirting would be \$30 per square foot x number of floors, limit 3. No basement.
- New construction with flood proofing and vented foundation \$6.50 per square foot for each 1 foot of elevation above finish grade. No basement.

- New construction with piers and skirting \$4 per square foot for each 1 foot of elevation above finish grade. No basement.

Flood Insurance Requirements

The City of Detroit may not provide disaster assistance for the repair, replacement, or restoration of a property to a person who has received federal flood disaster assistance that was conditioned on obtaining flood insurance and then that person failed to obtain or allowed their flood insurance to lapse for the property.

The City of Detroit is prohibited by HUD from providing CDBG-DR assistance for the rehabilitation or reconstruction of a house if:

1. The combined household income is greater than 120% AMI,
2. The property was in a floodplain at the time of the disaster, and
3. The property owner did not maintain flood insurance on the damaged property.

Construction Standards

The City of Detroit will require quality inspections and code compliance inspections on all projects and places an emphasis on high-quality, durable, sustainable, and energy efficient construction methods and materials. Site inspections will be required on all projects to ensure quality and compliance with building codes.

The City will meet construction standards on all rehabilitation, reconstruction, or new construction activities found in the Consolidated Notice (II.B.2.a through II.B.2.d) as applicable to the proposed activities.

Contractor Standards

The City of Detroit will follow general labor standards provisions when applicable, which indicates that the Contractor shall require and monitor all construction work for compliance with all applicable Federal Labor Standards, as described in the clauses found in the regulations at 2 CFR 200 and shall report any noncompliance to the HRD, as required by Federal regulations.

The City shall require that all necessary contract language required by the regulations at 2 CFR 200 and (2) by City of Detroit Executive Order 2016-1 be included in all construction contracts and subcontracts for construction performed under this Agreement. If the Contractor should directly employ workers on actual construction, the Contractor shall comply with (1) all Federal labor standards applicable to the employment of such workers; and (2) City of Detroit Executive Order 2016-1.

The Contractor shall monitor all construction work performed under their Agreement or performed under the supervision and/or control of the Contractor for compliance with all applicable Federal Labor Standards, including those described at 2 CFR 200 and shall comply and/or require compliance with City of Detroit Executive Order 2016-1, and shall report any

noncompliance with said Federal requirements and with said Executive Order 2016-1 to the HRD.

The City of Detroit will require a warranty period post-construction with a formal notification to beneficiaries on a periodic basis. The City intends to issue a notice to homeowners halfway during warranty period (6 months from the date of final inspection) and one month prior to the expiration of the warranty. The City will also provide opportunities to appeal the quality of work on their properties. For the contractor to receive final payment, the property owner will be required to sign off on a completion of work form that states that all work has been performed in accordance with the construction contract to their satisfaction.

The City follows HUD guidelines for cost reasonableness. Costs are considered 'reasonable' if they do not exceed what a prudent person would incur under similar circumstances. All costs must pass the 'rational person' test by meeting all the following criteria:

1. The cost is recognized as ordinary and necessary for the operation of the project
2. The cost is in accordance with market prices for comparable goods or services as evidenced by cost estimates and documentation
3. The individuals responsible for incurring the cost acted with prudence and for the benefit of the organization and its activities
4. The cost has been incurred after following the established practices of the organization, in accordance with the terms and conditions of the award

Contractors selected under the CDBG-DR program will make every effort to provide opportunities to low and very-low-income persons by providing resources and information to notify Section 3 individuals and businesses of opportunities in the community. The City of Detroit will report Section 3 accomplishments in the Disaster Recovery Grant Reporting (DRGR) system.

Preparedness, Mitigation, and Resiliency

The City of Detroit will implement activities that will ensure high quality, durability, energy efficiency, sustainability, and mold resistance. The City will adopt and enforce modern and resilient building codes that mitigate hazard risk from flooding and comply with Green Building standards. All newly constructed buildings must meet all city building codes, standards, and ordinances. All new construction of residential buildings or replacement and/or reconstruction of substantially damaged buildings will incorporate Green Building Standards.

The City of Detroit proposed constructing protective infrastructure as the mitigation strategy. This mitigation strategy will be an estimated cost of \$10 million, benefiting over 200 households. This strategy will remove several homes from the floodplain zone. This allows the neighborhood to be eligible for federal funding and homeowners won't have to purchase flood insurance. During public comment period, residents of the Jefferson- Chalmers neighborhood

overwhelmingly opposed this activity. At this time, this activity is being suspended, and further outreach will be conducted a later date to determine the City's mitigation activity.

Broadband Infrastructure in Housing

In the event that the City of Detroit does substantial rehabilitation or new construction of a building with more than four (4) rental units, they will include installation of broadband infrastructure, except when: the location of the new construction or substantial rehabilitation makes the broadband infrastructure infeasible, the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden, or the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

The City of Detroit does not plan to rehabilitation or construct buildings with 4 or more units with this funding.

Cost Effectiveness

A demonstrable hardship is a substantial change in an Applicant's situation that prohibits or severely affects their ability to provide a minimal standard of living or the necessities of life including food, housing, clothing, and transportation without causing economic distress well beyond mere inconvenience as shown by objective evidence. The City of Detroit will define "demonstrable hardship" and "not suitable for rehabilitation" as they relate to recovery programs in the policies and procedures associated with the use of the city's CDBG-DR funds as they relate to each program.

The City of Detroit will adopt policies and procedures that communicate how it will analyze the circumstances under which an exception is needed, and the amount of assistance necessary and reasonable.

Duplication of Benefits

A duplication of benefits, as defined by the Stafford Act, occurs when a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose, and the total assistance received for that purpose is more than the total need for assistance. The City of Detroit will comply with Section 312 of Stafford Act, as amended by the Disaster Recovery Reform Act of 2018 (DRRA), and the OMB Cost Principles within 2 CFR § 200 that requires all costs to be "necessary and reasonable" for the performance of the Federal award, ensuring that all activities aid a person or entity only to the extent that the person or entity has a disaster recovery need that has not been fully met.

The city is required to develop and maintain adequate procedures to prevent a duplication of benefits that address (individually or collectively) each activity or program. The City's policy includes, at a minimum: (1) a requirement that any person or entity receiving CDBG-DR

assistance must agree to repay assistance that is determined to be duplicative; and (2) a method of assessing whether the use of CDBG-DR funds will duplicate financial assistance that is already received or is likely to be received by acting reasonably by evaluating need and the resources available to meet that need.

HRD's policy "Community Development Block Grant Coronavirus (CDBG-CV) and Disaster Recovery (CDBG-DR) Duplication of Benefits Policy" is available on its CDBG-DR Webpage <https://detroitmi.gov/departments/housing-and-revitalization-department/disaster-recovery> for review.

The policy requires all applicants receiving CDBG-DR assistance to execute a Duplication of Benefits Affidavit as part of the application process, including detailed information about all sources of recovery assistance received, or available to be received, as applicable. Applications are reviewed by the City or its designated representative to calculate potential DOB and alter the amount of assistance based on DOB. HRD will also assess the funding available to the City for recovery activities on a regular basis to ensure that a duplication of benefits does not occur after assistance has been delivered. HRD will perform after assistance checks on a sample of beneficiary's and partners no more than a year after assistance was provided.

In instances where a potential/actual duplication of benefits is identified after the award of funds and the execution of an agreement, the City of Detroit will terminate the agreement and no further disbursement of funds for the duplicated activities. The City may update this policy as additional guidance is received by HUD. If a duplication of benefits arises in the duration of the agreement, the City of Detroit will adhere to the guidelines set forth in the Stafford Act (chapter 37 of title 31) for the recapturing of funds.

IV. Grantee Proposed Use of Funds

Overview

The City of Detroit is the lead agency and responsible entity for administering \$57,591,000.00 in CDBG-DR funds allocated for disaster recovery. As required by the FR Vol. 87 No. 100, the City of Detroit will allocate at least 80 percent of the funds to address unmet needs with HUD-identified "most impacted and distressed" areas which equates too city-wide. Furthermore, funds will be prioritized to serve resident in the most impacted neighborhoods of the MID. Those most impacted neighborhoods are listed in this Action Plan and are in City Council Districts 4,6, and 7.

a. Program Budget

| Program Category | Program | Budget | HUD & Grantee Identified MID Budget | % of Allocation | National Objective | Estimated Outcome |
|--------------------------------|---------------------------------|---------------------|-------------------------------------|-----------------|--|----------------------|
| Housing | <i>Rehab</i> | | | | | |
| | <i>Buyout</i> | | | | | |
| | <i>New Construction</i> | | | | | |
| | <i>Other</i> | \$43,211,450 | \$43,211,450 | 90.8% | 24 CFR 270.208(a)(3) – Activities benefitting Low-to moderate income persons (Housing LMH) | 1500-2000 Households |
| Economic Revitalization | <i>Workforce Training</i> | | | | | |
| | <i>Business Grants</i> | | | | | |
| | <i>Other</i> | | | | | |
| Infrastructure | <i>Water/Sewer Improvements</i> | | | | | |
| | <i>Health Facilities</i> | | | | | |
| | <i>Other</i> | | | | | |
| Public Services | <i>Legal Services</i> | | | | | |
| | <i>Housing Counseling</i> | | | | | |
| | <i>Other</i> | | | | | |
| Mitigation | <i>Mitigation</i> | | | | | |
| Admin | <i>Admin</i> | \$2,879,550 | \$2,879,550 | 6.05% | | |
| Planning | <i>Planning</i> | \$1,500,000 | \$1,500,000 | 3.15% | | |
| TOTAL | | \$47,591,000 | \$47,591,000 | 100% | | |

Connection to Unmet Needs

The level of unmet needs is significantly greater than the amount of funding available. Therefore, the City proposes activities that aligned with accessible funding and activities closest to the impacts of the disaster. Based on the calculation of unmet needs provided by HUD utilizing FEMA data, 75% of the total unmet need for Detroit for the disaster equated to unmet Housing needs. That assessment correlated to the amount of FEMA Individual Assistance Claims and SBA Claims received as a result of the disaster, as well as logged complaints from DWSD. The City of Detroit has identified housing and infrastructure that impacts residential flooding as key activities for addressing unmet need.

The City of Detroit is proposing to construct protective infrastructure in the Jefferson Chalmers neighborhood as the mitigation activity. This activity will reduce the number of homes in the floodplain zone, preventing future impacts from flooding and lake fluctuation levels and allow homeowners to be eligible for federal funding without needing flood insurance. Regular homeowners' insurance already presents a cost burden to many Detroit residents, flood insurance requirements present an even larger cost burden, creating additional barriers to federal assistance for low-to moderate income households. However, during the public comment period, residents of the Jefferson- Chalmers neighborhood overwhelmingly opposed this activity. Therefore, this activity is being suspended. Further outreach will be conducted a later date to determine the City's mitigation activity.

Leveraging Funds

The City of Detroit anticipates leveraging CDBG-DR funds with FEMA Hazard Mitigation and American Rescue Plan Act (ARPA) funds to assist the Jefferson Chalmers neighborhood, and potentially other residents who live in the Most Impacted Neighborhoods who do not meet the eligibility requirements of CDBG-DR. In addition, the City plans to apply for FEMA Building Resilient Infrastructure and Communities (BRIC) funding for sewer separation projects and funding from the U.S. Army Corps of Engineers (USACE) for other infrastructure projects to generate the most effective and comprehensive recovery. While applications for funding have been submitted for these various funding sources, no awards have been made to the City at this time.

Program Partners

The City of Detroit's Housing and Revitalization Department (HRD) will be partnering with the Detroit Water and Sewerage Department to administer the CDBG-DR funds. The City anticipates working with non-profit partners in targeted neighborhoods to get resources about how to access the funds out to residents.

Distribution of Funds

The level of need is significantly greater than the amount of funding available. Therefore, the City proposes activities that aligned with accessible funding and activities closest to the impacts of the disaster. The City estimates that approximately 30,000 households experienced water in basements or other storm related impact. The City, through HRD, anticipates delivering the proposed activities in coordination with DWSD. The primary objective of this plan is to serve income eligible homeowners in most impacted neighborhoods by assisting with eligible home repairs that have a tie back to the disaster and create the greatest impact.

Program Income

The City does not expect to receive any program income from the activities proposed in this plan. If any program income or repayments is received, the City will follow its currently adopted processes to properly identify the source of income and related allocation (CDBG, CDBG-DR, CDBG-CV etc), receipt the income in the proper HUD reporting system, and re-use the income for activities eligible under the given source of income. Program income received after the close out of the allocation will be used in accordance with CDBG Entitlement funds, according to the Consolidated Notice.

Resale or Recapture

Assistance to eligible homeowners will be provided in the form of a grant, and therefore does not trigger any recapture or resale provisions.

However, property owners applying with eligible tenants will be subject to a recapture provision. This means that there will be repayments due on a descending scale if the property owner fails to meet program requirements or sells or transfers the property within the 5-year loan period. For example, if a property owner receives \$10,000 in assistance, approximately \$166.67 of that loan will be forgiven each month over the 5-year loan period (\$10,000/60 months). However, if the property owner decides to sell before the loan period ends, or fails to meet program requirements, for example at month 30, then the remaining balance of the loan (\$5,000) is due to the City. The City will place a mortgage on the property for the 5-year period which will be filed with the Wayne County Register of Deeds to ensure compliance.

b. Program Details

Housing Program(s)

For the CDBG-DR Housing Recovery and Protection program, the City will make grants available to eligible homeowners and will make forgivable loans available to property owners renting to eligible tenants. Maximum assistance per household shall not exceed \$30,000 (except in instances where the City may find it necessary to provide an exception on a case-by-case basis as outlined in its CDBG-DR program policies and procedures).

All applicants must meet the following eligibility requirements:

- Households applying must be at or below 80% of the Area Median Income (AMI) as determined annually by HUD.
- Applicants must live in a single-family residential structure (1-4 units).
- Households must be able to demonstrate impact (tie-back) from the June 25-26, 2021, flood event.
- The property must be in one of the following 22 neighborhoods in the designated most impacted City Council districts:

- District 4: Cornerstone Village, Morningside, Chandler Park, Fox Creek, Riverbend, West End
- District 6: Midwest, Chadsey-Condon, Claytown, North Corktown, Michigan-Martin
- District 7: Aviation Sub, Garden View, Plymouth-I96, Plymouth-Hubell, Paveway, We Care Community, Fiskhorn, Joy-Schaefer, Warrendale, Warren Ave Community, Barton-McFarland
- The property cannot be in a floodplain.
- Applicants must be able to demonstrate that there is no duplication of benefits (see Section IV of this Action Plan – Duplication of Benefits for more information).

In addition, applicants who meet the eligibility requirements above will be prioritized based on the following criteria:

- Households needing private lateral sewer repairs or replacement will be served first
- Households impacted by additional flood events (specifically August 2014, as well as July and August 2021) will be prioritized over other applicants

Assistance provided to rental properties will be treated as a 60-month deferred payment loan from HRD to the property owner, meaning repayment is deferred for 5 years. The loan will be secured through a mortgage and note placed on the address being assisted. There will be repayments due on a descending scale if the owner fails to meet program requirements or sells or transfers the property within the 5-year loan period. If the program requirements are met for the 5-year period, the loan will be considered 100% satisfied, and the loan will be forgiven. Program requirements include:

- Property must be registered with the City of Detroit Buildings, Safety, Engineering and Environmental Department (BSEED).
- At least 51% of the tenants must low to moderate income and be at or below 80% AMI (if two units, one must be rented to a LMI households).
- If the unit(s) are vacated during the 5-year period, the property owner must market to low-to moderate income tenants during the 5-year period (HRD may review annually, and landlords will be required to provide marketing materials to HRD as documentation).

The City will use CDBG-DR funds to run a closed circuit television inspection (CCTV) of the private lateral sewer service line, and if needed, repair or replace private lateral sewer service lines and install new backwater valves. Funding will also be used to replace furnaces or hot water heaters damaged by the flood on a case-by-case basis.

Buyout Program(s)

No buyout programs are being proposed at this time.

Infrastructure Program(s)

The City proposed that funding be used for protective infrastructure to assist the Jefferson Chalmers neighborhood in getting out of the 100 year flood plain. However, during the public comment period, residents in the Jefferson Chalmers neighborhood stated overwhelmingly that they opposed using CDBG-DR funding for this activity at this time. Therefore, the City is suspending funding this activity at this time. Further outreach will be conducted a later date to determine how the \$10MM unallocated CDBG-DR funds will be used.

Economic Revitalization Program(s)

No economic revitalization programs are being proposed at this time.

Public Facilities Program(s)

No public facilities programs are being proposed at this time.

Public Services Program(s)

No public services programs are being proposed at this time.

Mitigation Program(s)

As a mitigation activity, The City proposed that funding be used for protective infrastructure to assist the Jefferson Chalmers neighborhood in getting out of the 100 year flood plain. However, during the public comment period, residents in the Jefferson Chalmers neighborhood stated overwhelmingly that they opposed using CDBG-DR funding for this activity at this time. Therefore, the City is suspending funding this activity at this time. Further outreach will be conducted a later date to determine how the \$10MM unallocated CDBG-DR funds will be used.