



Community Development Block Grant– Disaster Recovery (CDBG-DR) Program Action Plan

2018 Disasters
Typhoon Mangkhut (DR 4396) and Super Typhoon Yutu (DR-4404)

June 19, 2020

COMMONWEALTH OF THE
NORTHERN MARIANA ISLANDS
Northern Marianas Housing Corporation

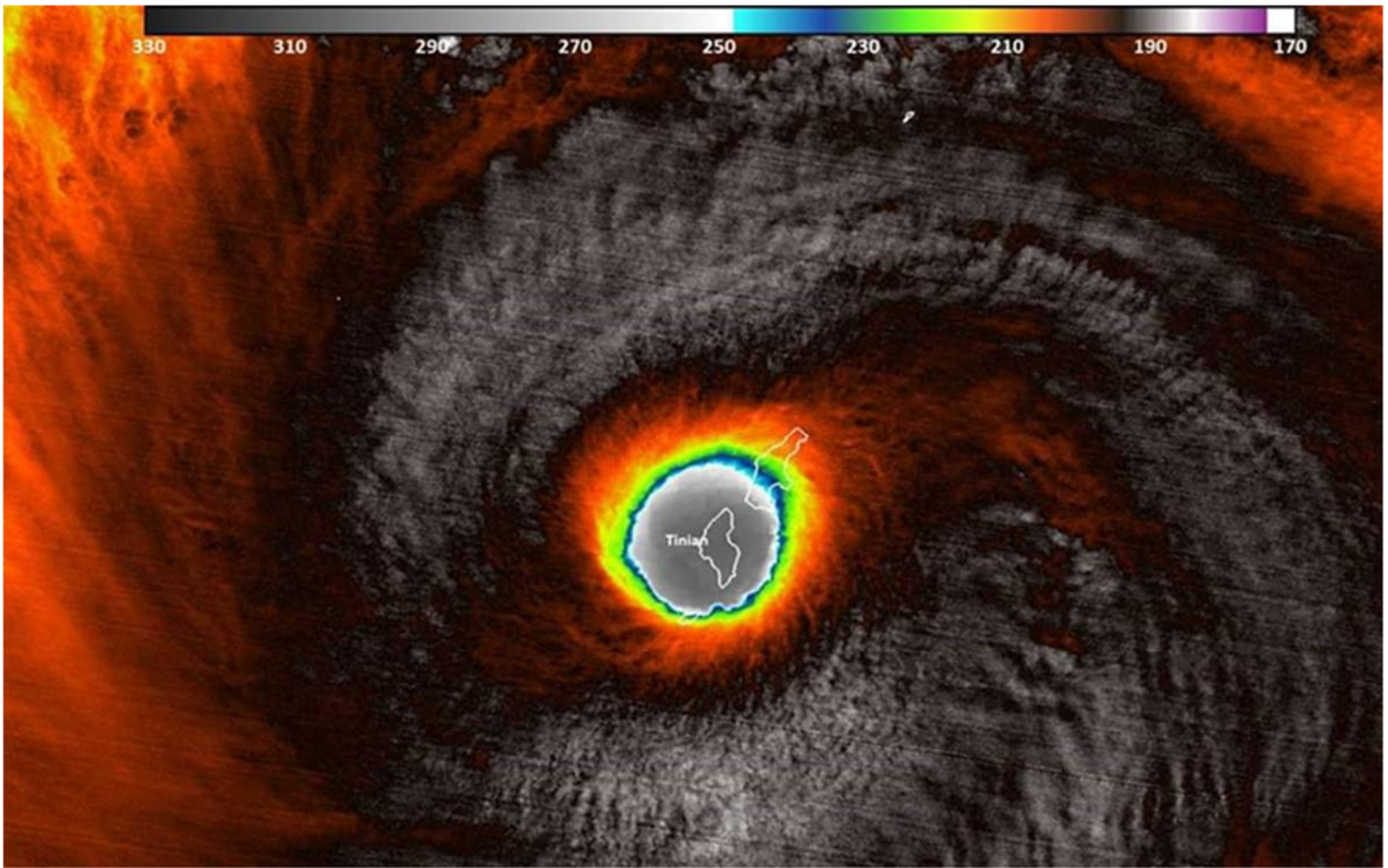
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SECTION 1 – EXECUTIVE SUMMARY

The Commonwealth of the Northern Mariana Islands (CNMI), especially, Saipan, Tinian, and Rota were severely impacted by two Typhoons in September and October of 2018. As a result, the U.S. Department of Housing and Urban Development (HUD) has allocated \$243,946,000 in Community Development Block Grant Disaster Recovery (CDBG-DR) Funds. The CNMI is required to develop an Action Plan and submit to HUD for approval a plan that details the use of funds and how it will address long term recovery efforts. The projects and activities the CNMI plan to undertake must be carried out in accordance with the HUD regulations and requirements. This action plan is comprised of the required components and includes: this Executive Summary, local needs assessment, connection to unmet needs, local programs and requirements, local consultation through a citizen participation plan, demographics, impacts and how it will address Housing, Infrastructure and the Economic Development, certifications, and other required attachments. This plan will provide the activities, programs, and projects needed by the Commonwealth to assist with its disaster recovery efforts sustained from back to back typhoons that destroyed and devastated its Islands.

Typhoon Mangkhut achieved typhoon strength on September 9, 2018 according to the Japan Meteorological Agency and a well-defined 11-mile (18 km) eye became evident on satellite imagery as the typhoon approached the Northern Mariana Islands and Guam. Mangkhut hit the Islands on September 10, 2018 with the eye passing over Rota with sustained winds across all the islands exceeding 100 mph. This resulted in a FEMA incident period of September 13-17, 2018. On September 20, 2018, Governor Ralph DeLeon Guerrero Torres requested a

major disaster declaration due to Typhoon Mangkhut with President Trump declaring a major disaster on September 29, 2018.

Forty-five (45) days later, the huge eye of Super Typhoon Yutu passed over the Islands on the morning of October 24, 2018 with sustained winds of 180 mph and waves of 25 to 40 feet. Yutu became the strongest tropical cyclone to ever impact the Mariana Islands. On Saipan, 2 people were killed and over 130 injuries were reported. The islands of Saipan and Tinian were left entirely without power and water. Yutu was rated a category 5 hurricane equivalent and covered much of the island of Saipan, all of Tinian, parts of Rota that resulted in the FEMA disaster incident period of October 24-26, 2018. Subsequently, an expedited major disaster declaration due to Super Typhoon Yutu was requested again by the Governor on October 26, 2018 with President Trump declaring the major disaster on October 26, 2018.

The major disaster declarations of Typhoon Mangkhut (DR 4396) and Super Typhoon Yutu (DR 4404) made both Individual and Public Assistance available through FEMA for the islands of Saipan, Tinian, and Rota and made Hazard Mitigation Grant Program assistance available for the entire Commonwealth. The data from FEMA and other local sources ultimately resulted in the following direct allocation of HUD CDBG-DR funding.

HUD, in response to the disaster declarations for both Typhoons, allocated over \$243 million in CDBG-DR funds to the CNMI through the publication of the Federal Register, Vol. 85, No. 17 issued January 27, 2020 as amended and effective February 3, 2020. HUD identified allocations to the jurisdictions of Saipan, Tinian, and Rota, with Saipan and Tinian earmarked as a “most impacted and distressed” area.

Figure 1. HUD Allocations. This is the expected CDBG-DR funding including expenditure requirements.

ALLOCATIONS (DISASTERS 4396 AND 4404)	HUD MOST IMPACTED AREAS – NOT LESS THAN 80%	ALLOWABLE UP TO 20% FOR NON-HUD MOST IMPACTED AREAS	TOTAL ALLOCATION	LMI AMOUNT – 70% OF TOTAL ALLOCATION
DIRECT ALLOCATION \$243,946,000.00	\$195,157,000.00	\$48,789,000.00	\$243,946,000.00	\$170,762,200.00

The total unmet need is estimated at approximately \$1.2 billion dollars with highest priority needs for housing and infrastructure. Total damage estimated by FEMA reached \$800 million. Post Yutu, the FEMA Post Declaration Assessment (PDA) Report indicated that a total of 468 units had major damage and 545 units were destroyed. Approximately 997 units suffered \$8,000 or more in damage for FEMA Real Property Verifiable Loss (RPV). Additional details regarding unmet needs is provided in Section II of this Action Plan.

The CNMI Government with oversight provided by the Governor has designated the Northern Marianas Housing Corporation (NMHC) as the lead authority to carry out the provisions on completing the Action Plan process and submitting it to HUD for approval. After conducting the thirty-day (30) comment period, the following budget allocations and projects were approved on _____ 2020 by the NMHC Board of Directors and the Governor on _____ 2020.

Through this Action Plan and the allocation of funds, the following major programs, projects, and activities to address housing, infrastructure and economic development are listed below.

Figure 2. Proposed Projects and Estimated Budgets. This details the specific budgets of HUD funded activities.

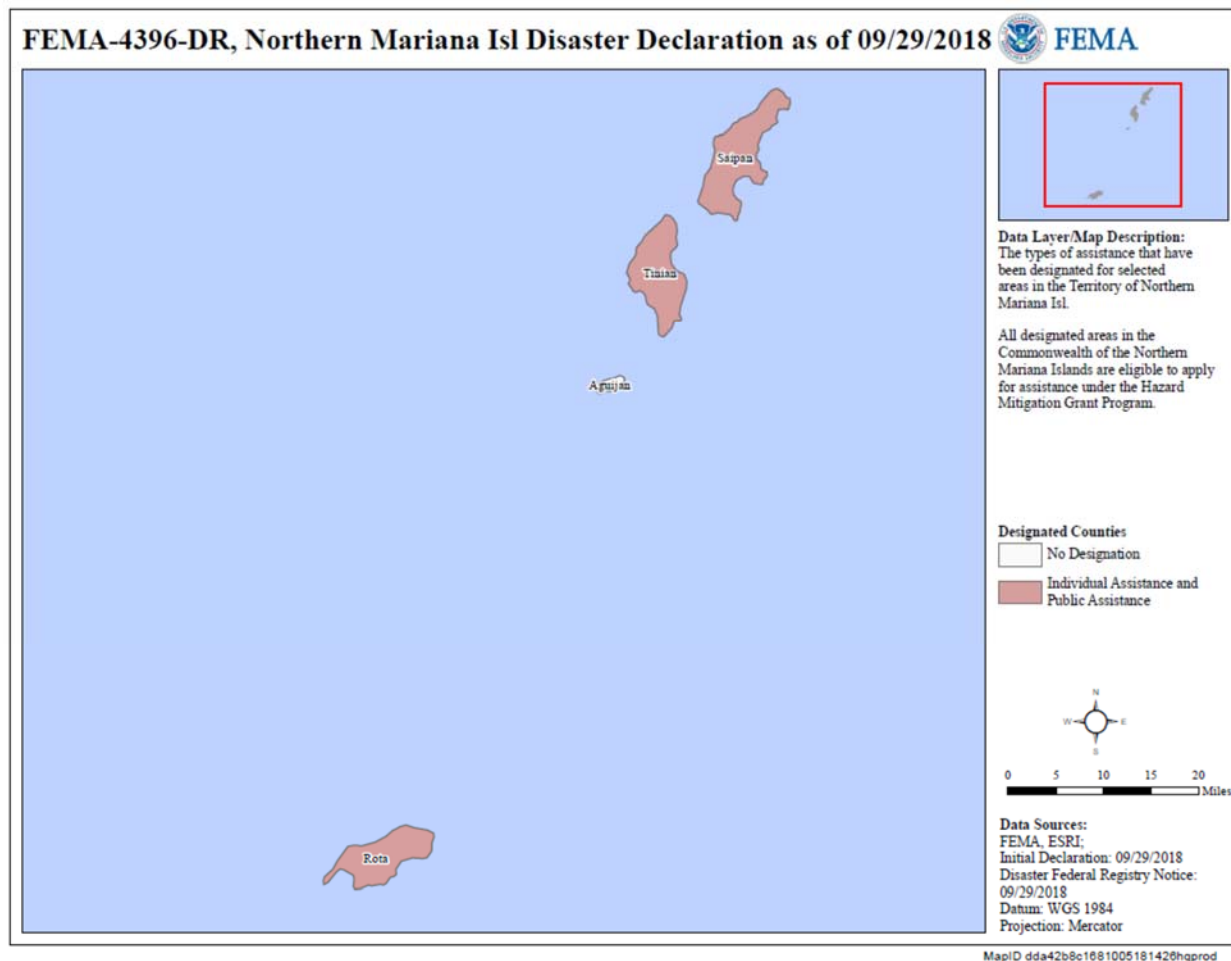
PROGRAMS	TOTAL ALLOCATION	PERCENT OF TOTAL ALLOCATION BY PROGRAM	PERCENT OF TOTAL ALLOCATION BY PROJECT TYPE
HOUSING (includes delivery costs)	\$110,000,000		
Homeowner Rehabilitation & Reconstruction	\$25,000,000	23%	45%
Single Family New Construction Development	\$60,000,000	55%	
Affordable Rental Housing Development	\$25,000,000	23%	
SUB TOTAL HOUSING	\$110,000,000	100%	
INFRASTRUCTURE	\$99,044,235		
Port Facilities	\$4,000,000	4%	41%
Public Facilities	\$43,943,908	44%	
Roads	\$8,750,000	9%	
Utilities	\$42,350,327	43%	
SUB TOTAL INFRASTRUCTURE	\$99,044,235	100%	
ECONOMIC DEVELOPMENT	\$21,359,600	100%	9%
ADMINISTRATION	\$12,098,818	100%	5%
PLANNING	\$1,443,347	100%	1%
TOTAL ALLOCATIONS OF FUNDS	\$243,946,000	100%	100%

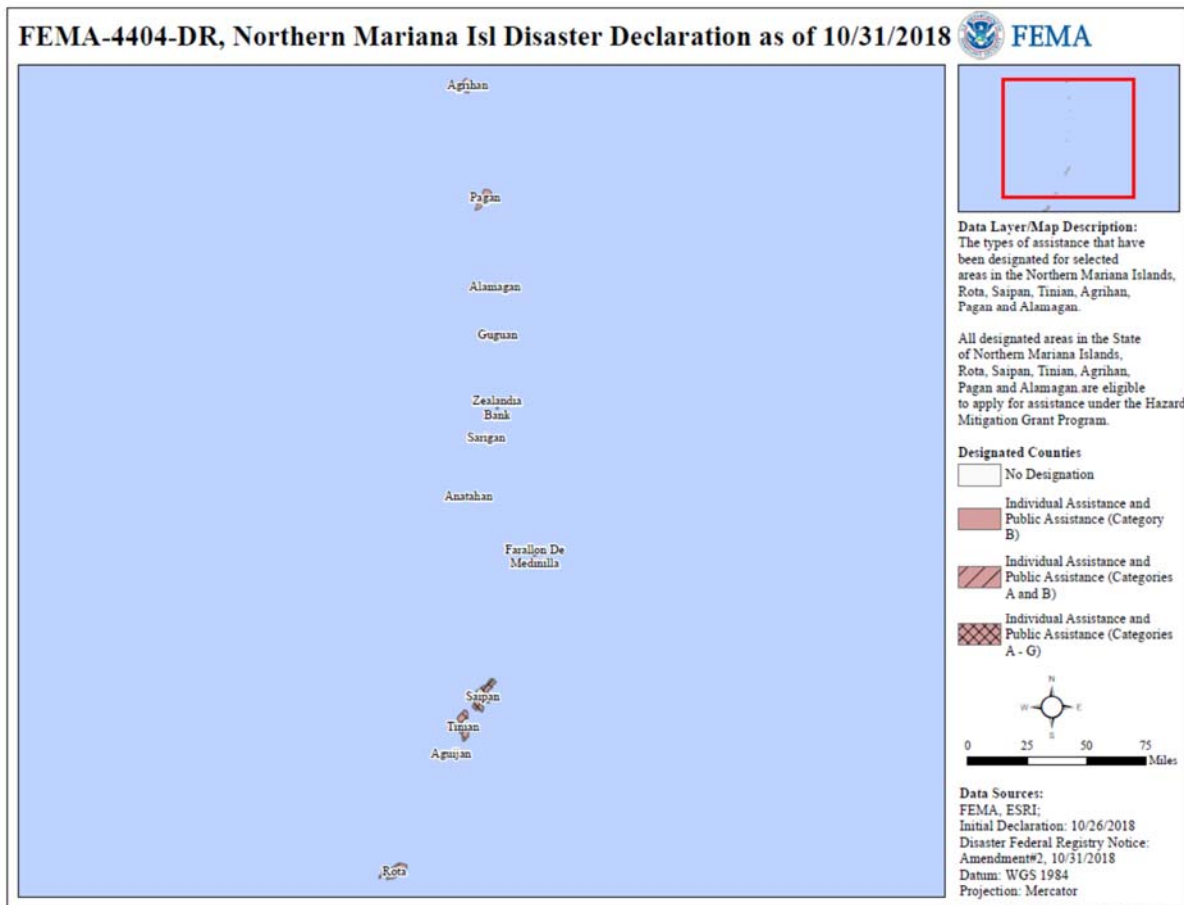
In summary, this Action Plan demonstrates the unmet needs and the shortfall of funds and how the CNMI will utilize the funding to address the impacts from both typhoons for Housing, Infrastructure and Economic Development. As this Action Plan is developed, it may be modified at a later time as source data is updated and analyzed accordingly.

SECTION 2 – NEEDS ASSESSMENT

The Commonwealth of the Northern Mariana Islands (CNMI) compiled assessment data utilizing local and federal resources, including information from FEMA, HUD, SBA, and other federal and local agencies and organizations. This needs assessment includes specific details about unmet needs within the eligible and most impacted and distressed communities.

Under DR 4396, FEMA approved 395 applications totaling \$1,011,549.70 for Individual Assistance with obligation of \$3,833,508.47 for Public Assistance Grants. Unfortunately, a little over a month later, the Super Typhoon created even more devastation and impacts across the Islands. Under DR 4404, FEMA approved 6,958 applications totaling \$41,465,716.52 for Individual Assistance with obligation of \$169,472,960.95 for Public Assistance Grants. All areas of Saipan, Tinian, and Rota were designated by FEMA for IA and PA funding as demonstrated by the maps below. The damages from both Typhoons make it one of the costliest if not the costliest events in the Commonwealth's history. As all the islands were impacted, everyday life and tourism came to a standstill.





*Note: Of the 14 Commonwealth Islands shown in the map above, the Islands of Saipan, Tinian, and Rota are the ones with principal inhabitants and are eligible for CDBG-DR funding.

The Islands of Saipan and Tinian were designated as Most Impacted Areas by HUD's most impacted areas formula. The need for the Islands is significant and the HUD allocation of CDBG-DR funds will address a portion of the needs. To demonstrate the unmet needs, the CNMI is utilizing the best available data from the U.S. Census, FEMA, SBA and other sources. The Preliminary Damage Assessment Report from FEMA used to determine the major disaster declaration indicates that over 700 residences were impacted with less than 6 percent of the residences insured. To support the needs assessment data, the American Red Cross estimated that over 51,000 persons and over 19,000 households were impacted by wind. The damage from wind severely impacted communication, power, and transportation. The estimated rainfall over the Islands during the storm was 6 to 9 inches causing flooding in low lying areas.

Below is a summary of the total unmet need by category and demonstrates how the CNMI will allocate funds based on those unmet needs. The CNMI allocated approximately 45 percent towards a variety of housing activities such as rehabilitation, reconstruction, new construction, and homeownership. Infrastructure is utilizing approximately 41 percent of the allocation and will fund major public facilities that were severely impacted by the storms. Economic Development is also addressed with approximately 9 percent of the funds allocated to support job and business stabilization and retention.

Figure 3. Unmet Need Summary. This chart demonstrates the unmet need vs the proposed allocation amounts

CATEGORY	UNMET NEED	% OF UNMET NEED	CNMI PROGRAM ALLOCATION AMOUNT*	% OF CNMI PROGRAM ALLOCATION
Housing	\$537,087,793.00	44%	\$110,000,000.00	45%
Infrastructure	\$625,175,116.00	51%	\$99,044,235.00	41%
Economic Development	\$55,788,960.00	5%	\$21,359,600.00	9%
Total	\$1,218,051,869.00		\$243,946,000.00	

*Allocation Amount includes project delivery costs and does not include program administration.

A. Impacts from Two Typhoons

Within 45 days, the Commonwealth of the Northern Mariana Islands (CNMI) was struck with two typhoons one of which was a super typhoon. The islands of Saipan, Tinian and Rota were in the path of Typhoon Mangkhut with sustained winds of 100 mph when the eye passed over Rota. Mangkhut damaged homes, caused power outages and knocked down power poles, flooded some areas, and uprooting large trees. Super Typhoon Yutu left major damage and was a direct hit to the Islands. The overall economy and the destruction of housing was profound and critical infrastructure was compromised. The effects of both Typhoon Mangkhut and Super Typhoon Yutu continue to be wide ranging. There was also complete destruction of Saipan's commuter terminal servicing Tinian and Rota. Initial impacts from Yutu closed the Saipan International Airport for 20 days with 8 airlines cancelling flights for 22 days. Five (5) hotels sustained major damage and major tourist sites were also heavily damaged. In November 2018 following the disaster, the visitor rate dropped by 42,000 as compared to the same month from the previous year. These storms had major impacts on employment, housing, infrastructure, and tourism.

B. Cumulative Impact of Prior Disasters

The Commonwealth has experienced multiple disasters in the past including a major event that made landfall in 1935 that compares to the magnitude of Yutu. At the time of Mangkhut and Yutu, the Islands were still and most recently recovering from Typhoon Soudelor that hit the Islands in 2015. Soudelor received only FEMA assistance and did not receive HUD CDBG-DR funds so recovery efforts have been slow and on-going. Preliminary assessments of Yutu indicated that it was five times worse than Soudelor.

C. Housing Conditions

There are approximately 20,850 units (4,537 Owner-occupied units; 11,498 renter-occupied units; and 4,815 vacant units) in the Commonwealth of the Northern Mariana Islands combined, per the 2010 census data.

Of the households that applied for FEMA assistance, 984 units were declared having major damage, 2,163 with minor damage, and 112 with severe damage and 239 units were entirely destroyed. However, in reality it is estimated that 19,000 households suffered damage and 534 of those were destroyed. Cost of construction and materials has increased significantly and so has labor making it difficult to support building the homes.

D. Mitigation and Resilience Needs

All housing and infrastructure projects should aim to incorporate mitigation and resiliency solutions to better ensure future recovery if another Typhoon disaster were to impact the CNMI. Project selection will consider mitigation and resiliency solutions during the criteria selection phase and may amount up to 15% (of the 10% match) of the total eligible cost of the eligible repair work on a specific project. All construction projects will comply with applicable Green Building standards for this region. Mitigation projects will be selected based on the goals, objectives and criteria listed in the Commonwealth of the Northern Mariana Islands Standard State Mitigation Plan, August 2018.

For housing projects, the resiliency measures may include: conversion of semi-concrete housing to full-concrete or roof reinforcement/replacement; installation of typhoon shutters or window protection; replacement of windows to code-rated windows; strengthening doors; structural changes needed for alternative mitigation; flood-proofing modifications; mold and mildew resistant products install; relocation of mechanical, electrical and plumbing utilities; abandon and in fill of the lower level; relocation of the habitable area to an area less prone to flood damage; installation of flood venting; site modification of discharged flood waters that mitigate future flood damage; and securely anchoring air ducts, large pipes, storage tanks, and other similar objects to prevent being blown away. Due to the high electricity costs on the islands, ENERGY STAR® products and LED light bulbs (or equivalent) are to be used to decrease the residential energy consumption and demand. Renewable energy, such as solar panels, with a backup battery may be considered at the single home or neighborhood level at the discretion of the Commonwealth Utilities Corporation (CUC) based on their existing renewable energy regulations. Per the guidelines specified in the HUD CPD Green Building Retrofit Checklist, for the rehabilitation of non-substantially damaged residential buildings where the repair costs are less than 50% replacement cost, appliances and products will be replaced as part of rehab as costs will allow. For all new construction, elevation standards will be applied so that the lowest floor is at least 2 feet above the 1 percent annual floodplain elevation.

For infrastructure resiliency solutions, improvements must address hardening of existing infrastructure and storm water management solutions, which may include avoiding an increase in impervious cover by keeping projects in their original footprint; use of pervious materials to facilitate better drainage; plant with only native vegetation; and the installation of retention basins, larger cesspools along with debris guards, and erosion control solutions. Additional improvements may include: the elevation of roadways, facilities and critical systems above base flood elevation; the installation of backup generators for critical systems and buildings; the addition of renewable energy and backup battery to critical systems and buildings; and the installation of back-up communication systems.

The CNMI fully supports the adoption and enforcement of modern and resilient building codes aimed at mitigation of hazard risk, including possible sea level rise, high winds, storm surge, and flooding. As these building codes better ensure future recovery if another Typhoon disaster were to impact the CNMI.

E. Demographic Profile of Impacted Areas

According to the 2010 United States Census, 53,883 people were living in the CNMI. The vast majority of the population resides on Saipan, Tinian, and Rota. The United States Department of the Interior cites a landmass of 183.5 square miles (475.26 km²). The other 11 islands that make up the Northern Mariana Islands are

separately inhabited therefore they are not included in this allocation of funds. The following information from the 2010 U.S. Census provides the demographic profile of the impacted areas:

Figure 4. U.S. Census Data. *This provides the general demographics of CNMI*

PLACE – COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS	TOTAL POPULATION	TOTAL HOUSING UNITS	LAND AREA IN SQUARE MILES	AVERAGE PER SQUARE MILE OF LAND	
				POPULATION DENSITY	HOUSING UNIT DENSITY
	53,883	20,850	182.33	295.5	114.4

The CNMI saw a 22% decrease in population from the 2000 to 2010 census, with the largest percentage change on Saipan (excluding the Northern Islands Municipality). According to the United Nations, the 2019 population is estimated to be approximately 57,000 which is an increase of about 6% from the 2010 census information.¹ Nearly 39% of the 10,714 family households in the CNMI are led by a single head of the household. Of the 16,035 households on the islands, 8,030 households have individuals under the age of 18 and 1,332 households have individuals 65 years and older. The median income for the CNMI in 2010 was \$34,580 and 52% of population was considered below the poverty level. Of the qualifying population, 81% have a high school degree, GED, alternative credential or higher and 18% hold a bachelor's degree or higher.

According to the 2010 Census, 43% of the residents on the islands are not U.S. citizens and of those 80% are considered temporary residents. Of the remaining 57% of residents, 87% or 26,599 persons were born in The Commonwealth of the Northern Mariana Islands. As for race makeup across the CNMI, 50% of the population is Asian followed by Native Hawaiian and Other Pacific Islanders at 35%. For ethnicities, 35% of the population is Filipino and 24% is Chamorro. Tagalog language is the dominantly spoken language in the CNMI, followed by Chamorro, and then English Only.

F. Low- and Moderate-Income Analysis

All block groups located within the CNMI areas of Saipan, Tinian, and Rota have low- and moderate-income populations that exceed 51% of the population. The following map identifies the census tract and block groups that have a low- and moderate-income population of 51 percent or more (Source: HUD's 2018 Low-and Moderate- Income Summary Data (LMISD)).

According to the ACS 2006 low- and moderate-income block groups provided by HUD, data shows that 44,232 persons out of total population of 52,312 are 80% and below the median income. Therefore, combined Saipan, Tinian, and Rota have approximately 85% of their populations at low- and moderate-income levels.

Figure 5. Census Tract and Block Group Data. *This provides the LMA data based on Percentage of LMI Population by Census Tract and Block Group from the American Community Survey (ACS) Low/Mod Block Group Dataset*

MUNICIPALITY	BLOCK GROUP	CENSUS TRACT	LOW	LOWMOD	LOWMODU NIV	LOWMOD_ PCT
Northern Islands Municipality	1	9501	-	-	-	0.00%

¹ Northern Mariana Islands Country Profile | <http://data.un.org/en/iso/mp.html>

Figure 5. Census Tract and Block Group Data. This provides the LMA data based on Percentage of LMI Population by Census Tract and Block Group from the American Community Survey (ACS) Low/Mod Block Group Dataset

MUNICIPALITY	BLOCK GROUP	CENSUS TRACT	LOW	LOWMOD	LOWMODU NIV	LOWMOD_PCT
Rota Municipality	1	9501	243	299	399	74.94%
Rota Municipality	2	9501	888	1,086	1,237	87.79%
Rota Municipality	3	9501	569	691	808	85.52%
Rota Municipality	0	9900	-	-	-	0.00%
Saipan Municipality	1	1	402	521	709	73.48%
Saipan Municipality	2	1	550	628	746	84.18%
Saipan Municipality	1	2	619	711	825	86.18%
Saipan Municipality	2	2	407	502	628	79.94%
Saipan Municipality	1	3	475	575	717	80.20%
Saipan Municipality	2	3	483	651	954	68.24%
Saipan Municipality	1	4	2,379	2,761	3,053	90.44%
Saipan Municipality	2	4	455	583	695	83.88%
Saipan Municipality	1	5	997	1,118	1,246	89.73%
Saipan Municipality	2	5	1,024	1,231	1,512	81.42%
Saipan Municipality	1	6	680	740	826	89.59%
Saipan Municipality	2	6	447	532	627	84.85%
Saipan Municipality	3	6	609	781	951	82.12%
Saipan Municipality	1	7	867	972	1,096	88.69%
Saipan Municipality	2	7	954	1,138	1,302	87.40%
Saipan Municipality	3	7	773	883	954	92.56%
Saipan Municipality	1	8	223	245	275	89.09%
Saipan Municipality	2	8	1,354	1,464	1,606	91.16%
Saipan Municipality	1	9	729	824	918	89.76%
Saipan Municipality	2	9	1,243	1,316	1,388	94.81%
Saipan Municipality	3	9	990	1,159	1,291	89.78%
Saipan Municipality	1	10	691	802	929	86.33%
Saipan Municipality	2	10	962	1,241	1,518	81.75%
Saipan Municipality	1	11	1,214	1,334	1,520	87.76%
Saipan Municipality	1	12	959	1,018	1,094	93.05%
Saipan Municipality	2	12	1,248	1,382	1,446	95.57%
Saipan Municipality	1	13	1,214	1,400	1,600	87.50%
Saipan Municipality	2	13	700	788	861	91.52%
Saipan Municipality	3	13	500	605	758	79.82%
Saipan Municipality	1	14	1,083	1,301	1,691	76.94%
Saipan Municipality	2	14	847	1,036	1,293	80.12%
Saipan Municipality	3	14	1,325	1,605	1,967	81.60%
Saipan Municipality	1	15	295	395	564	70.04%

Figure 5. Census Tract and Block Group Data. This provides the LMA data based on Percentage of LMI Population by Census Tract and Block Group from the American Community Survey (ACS) Low/Mod Block Group Dataset

MUNICIPALITY	BLOCK GROUP	CENSUS TRACT	LOW	LOWMOD	LOWMODU NIV	LOWMOD_PCT
Saipan Municipality	2	15	838	972	1,132	85.87%
Saipan Municipality	3	15	495	617	860	71.74%
Saipan Municipality	4	15	326	411	507	81.07%
Saipan Municipality	5	15	558	625	711	87.90%
Saipan Municipality	1	16	1,210	1,512	1,824	82.89%
Saipan Municipality	2	16	1,654	2,011	2,370	84.85%
Saipan Municipality	1	17	208	254	339	74.93%
Saipan Municipality	2	17	185	259	359	72.14%
Saipan Municipality	3	17	362	554	895	61.90%
Saipan Municipality	4	17	216	332	509	65.23%
Saipan Municipality	0	9900	-	-	-	0.00%
Tinian Municipality	1	9501.01	208	252	320	78.75%
Tinian Municipality	2	9501.01	446	598	706	84.70%
Tinian Municipality	3	9501.01	413	505	579	87.22%
Tinian Municipality	1	9501.02	-	-	-	0.00%
Tinian Municipality	1	9502	377	447	518	86.29%
Tinian Municipality	2	9502	446	565	679	83.21%
Tinian Municipality	3	9502	-	-	-	0.00%
Tinian Municipality	0	9900	-	-	-	0.00%

To qualify for the disaster recovery programs, household must meet the following income limits as provided by HUD.

Figure 6: HUD Income Limits. This is the latest HUD Area Median Income (AMI) Income Limits (FY2020) for the CNMI

HUD INCOME LIMITS NORTHERN MARIANA ISLANDS								
Family Size	1	2	3	4	5	6	7	8
30% of AMI	\$5,055	\$5,775	\$6,495	\$7,215	\$7,800	\$8,370	\$8,955	\$9,525
50% of AMI	\$10,150	\$11,600	\$13,050	\$14,450	\$15,650	\$16,800	\$17,950	\$19,100
60% of AMI	\$16,850	\$19,250	\$21,650	\$24,050	\$26,000	\$27,900	\$29,850	\$31,750
80% of AMI	\$26,950	\$30,800	\$34,650	\$38,500	\$41,600	\$44,700	\$47,750	\$50,850
120% of AMI	\$40,440	\$46,200	\$51,960	\$57,720	\$62,400	\$66,960	\$71,640	\$76,200

*For most current HOME program or Section 8 income limits published by U.S. Department of Housing and Urban Development, please go to <https://www.huduser.gov/portal/datasets/il.html>

Figure 7 below demonstrate the unmet needs by income category for both owner-occupied and renter.

Figure 7: Unmet Need by Income Category. This provides the Owner-Occupied & Renter Counts Based on FEMA Applications

INCOME CATEGORY	TOTAL APPLIED COUNT	TOTAL ASSISTED COUNT	COUNT OF UNMET NEEDS	% OF UNMET NEEDS (COUNT OF UNMET NEEDS/TOTAL OF UNMET NEEDS)
0-30%	6,463	1,789	4,674	69%
31-50%	1,193	330	863	13%
51-80%	1,399	387	1,012	15%
Not LMI	272	75	196	3%
Total	9,327	2,581	6,745	100%

G. Social Vulnerability Index (SoVI)

Social vulnerability will also be considered when looking at the unmet needs of the CNMI. Social vulnerability is based on assessing the capacity of how municipalities and districts will deal with disasters based on 5 main indices: Labor Force, Housing Characteristics, Poverty, Population Composition and Personal disruption.

For the island of Saipan, a 2013 dataset was developed as a part of NOAA-funded Climate Change Vulnerability Assessment for the Island of Saipan (2014), as shown in the image below. The map illustrates the relative sensitivity of villages on Saipan to the impacts of climate change.

The index was developed through consultation of peer-reviewed studies, community workshops, and expert feedback. Index calculations were performed using a weighted overlay of 22 variables, and the results represent the CNMI's first attempt at estimating the exposure and sensitivity of Saipan's population to climate hazards.

The variables used in constructing the Saipan social vulnerability index are primarily based on the findings of Human Links to Coastal Disasters (Heinz Center 2002), The Hidden Costs of Coastal Hazards (Heinz Center 2000), and Indicators to Assess Community Level Social Vulnerability to Climate Change (Wongbusakarum & Loper 2011). Additional consultation with local resource managers and community leaders helped in tailoring the index.²

The three villages/areas on Saipan with the highest index value, or considered the most socially vulnerable to disasters, as shown in red on the map, are Agingan, As Falipe, and Chalan Rueda. As part of the funding process, the CNMI will consider SoVI into the funding decision process by looking at the components involved closely with the village's effort to recover from a disaster event.

² CNMI Coastal Resources Management <https://dcrm.gov.mp/resources-publications/coastal-hazards-climate-change-and-shoreline-change/>

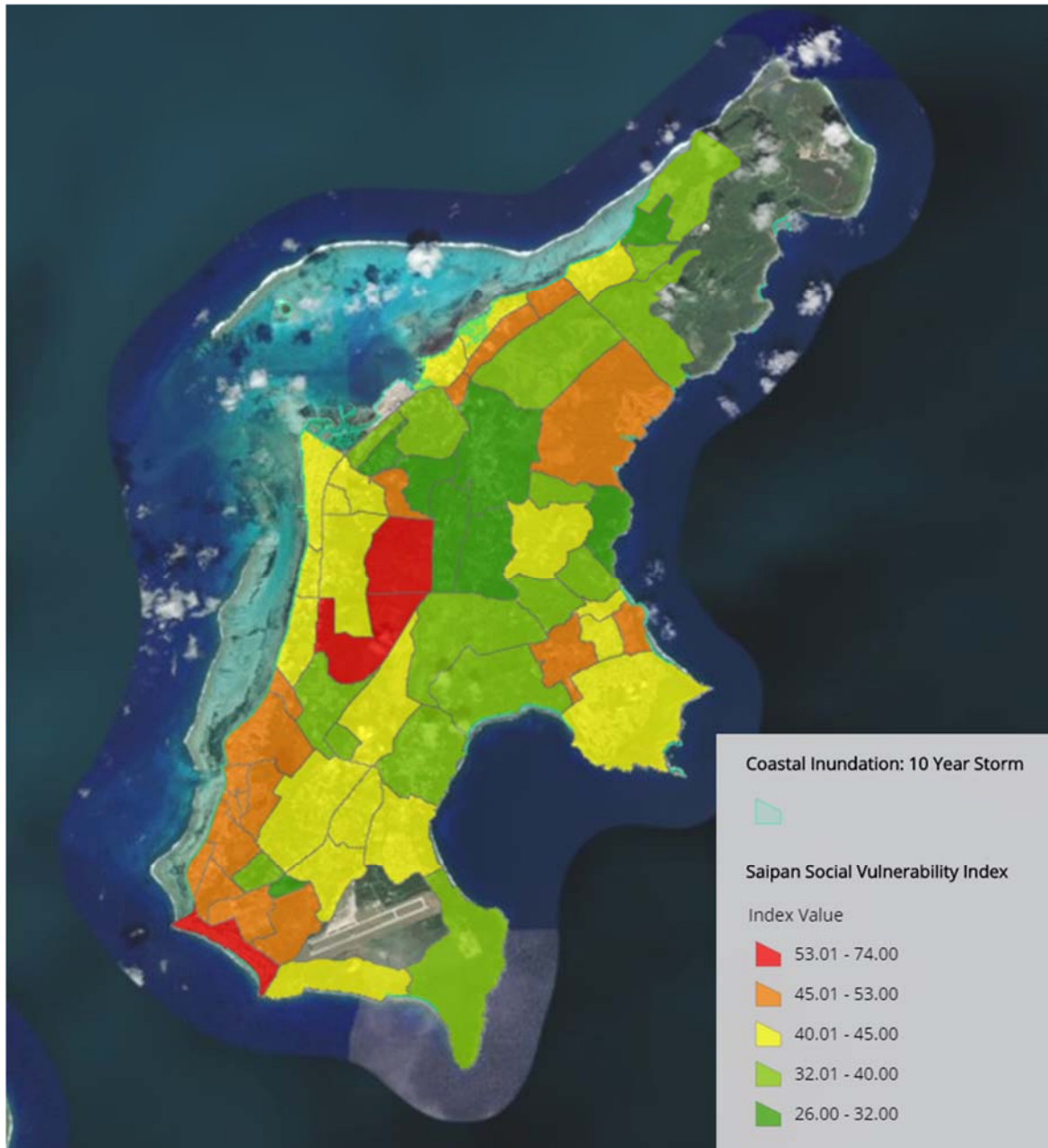
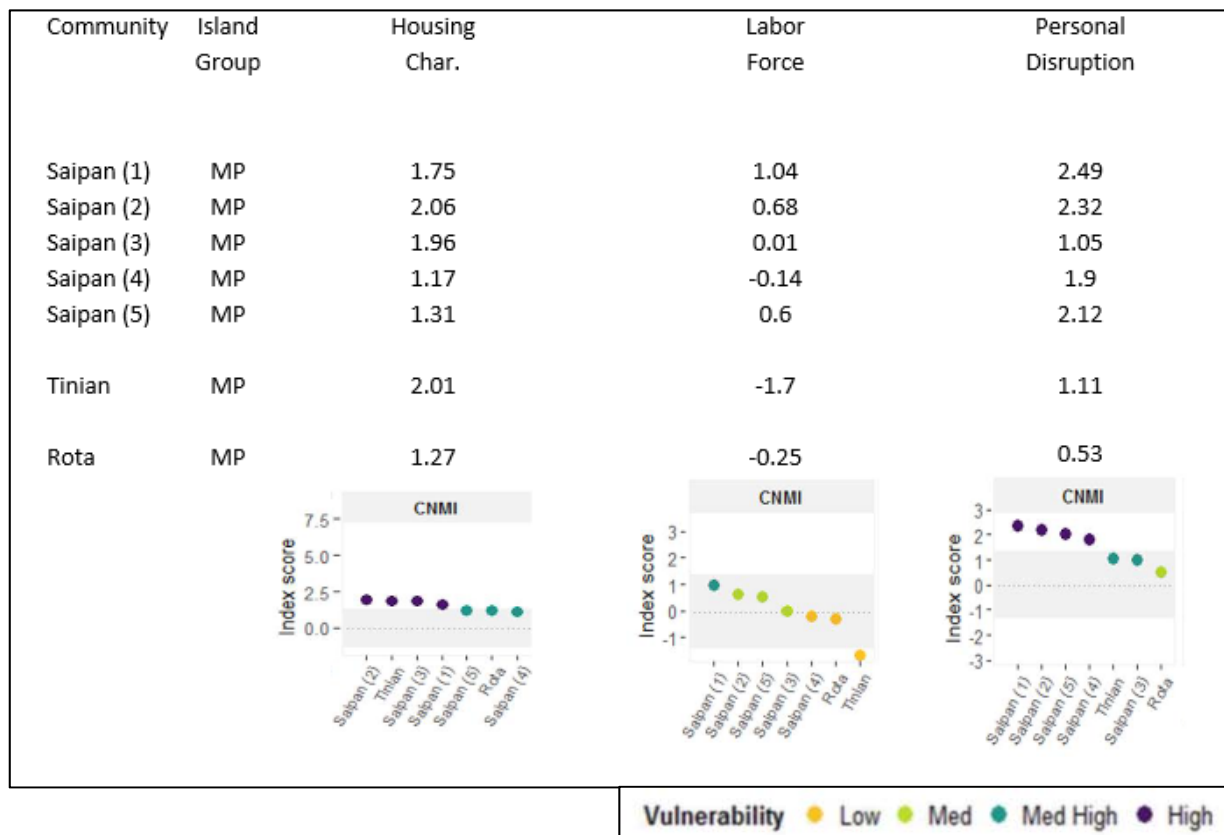
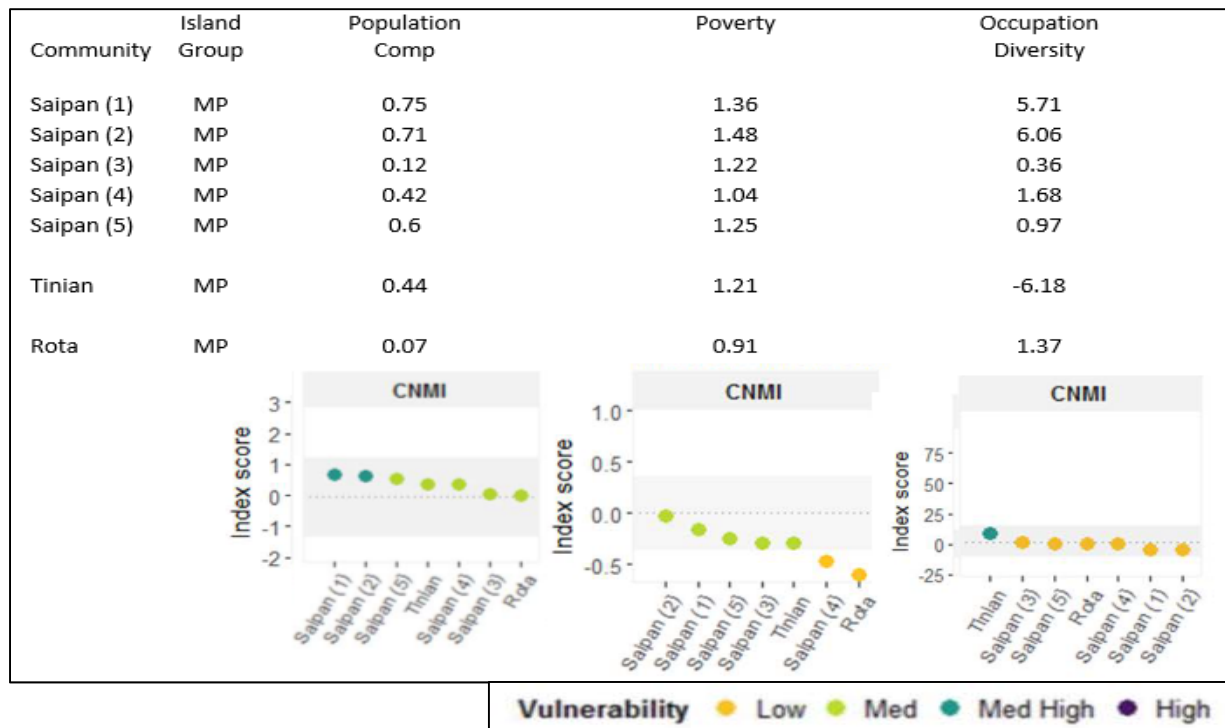


Figure 8: SoVI Map. Image from DCRM Climate & Hazards Impacts Viewer

Also, in a report dated January 2018, the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) provided the following information regarding applying vulnerability indicators. NOAA's definition of social vulnerability in this report is, "Work on social vulnerability is based on the premise that there are different capacities to deal with disasters, or adapt to incremental yet relentless change, and that these differences can be influenced by social variables." The NOAA report included 5 indices that include 1) Labor Force, 2) Housing Characteristics, 3) Poverty, 4) Population Composition, and 5) Personal disruption. This report added the Occupational Diversity Index. Variables related to education, age, household

composition, race and ethnicity, income, public assistance, housing, and employment all contribute to the development of these indices.



The majority of the overall results appear to be in the low to medium categories and the highest indices in Housing and Personal Disruption. These two categories would be expected to be higher during a disaster event, as people and housing are normally most impacted. This coincides with the priorities and projects the CNMI intends to fund.

H. Housing Impact

1. Damage and Total Unmet Needs

The majority of buildings in the southern area of Saipan lost their roofs or were destroyed while homes all over Tinian were severely damaged or destroyed. With roofs and storm shutters completely torn away, exposure to elements of wind and water easily caused severe damage to the interior of the structures.

According to HUD, only the most impacted homes are to be included in calculations for unmet housing needs. Owner-occupied homes are determined to be most impacted if they have real property damage of \$8,000 or more. Rental units are determined to be most impacted if they have personal property damage of \$2,000 or more. The FEMA verified loss amount was used as a proxy for real property damage and personal property damage, as the data received from the CNMI was limited to the FEMA verified loss. It must be noted that the data for FEMA verified loss was \$0 for all but 9 rental applications. The following are the HUD determined categories of FEMA inspected most impacted homes.

Owner-Occupied Homes

- ▶ Minor-Low: Less than \$3,000 of FEMA inspected real property damage.
- ▶ Minor-High: \$3,000 to \$7,999 of FEMA inspected real property damage.
- ▶ Major-Low: \$8,000 to \$14,999 of FEMA inspected real property damage and/or 1 to 3.9 feet of flooding on the first floor;
- ▶ Major-High: \$15,000 to \$28,800 of FEMA inspected real property damage and/or 4 to 5.9 feet of flooding on the first floor.
- ▶ Severe: Greater than \$28,800 of FEMA inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

Renter-Occupied Homes

- ▶ Minor-Low: Less than \$1,000 of FEMA inspected personal property damage
- ▶ Minor-High: \$1,000 to \$1,999 of FEMA inspected personal property damage
- ▶ Major-Low: \$2,000 to \$3,499 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor
- ▶ Major-High: \$3,500 to \$7,500 of FEMA inspected personal property damage or 4 to 5.9 feet of flooding on the first floor
- ▶ Severe: Greater than \$7,500 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor

Figure 9: Additional Support of Unmet Needs. Owner-Occupied and Renters damage and unmet based on NMHC Data

MOST IMPACTED AREA	TOTAL	OWNER ANY DAMAGE	RENTER ANY DAMAGE	TOTAL ANY DAMAGE	OWNER SERIOUS DAMAGE	RENTER SERIOUS DAMAGE	TOTAL SERIOUS DAMAGE	OWNER SERIOUS UNMET	RENTAL SERIOUS UNMET	TOTAL SERIOUS UNMET
Saipan (Municipality)	\$197,465,068	3,089	4,285	7,374	1,283	2,559	3,842	1,096	1,819	2,915
Tinian (Municipality)	\$15,727,155	319	374	693	103	213	316	88	145	233
Totals	\$213,192,223	3,408	4,659	8,067	1,386	2,772	4,158	1,184	1,964	3,148

Figure 10: Total Unmet Need. Provides FEMA Data for Owner and Renter Applicants

OCCUPANCY TYPE	TOTAL APPLICATIONS	FEMA VERIFIED LOSS (FVL) OVER \$0*	APPLICANTS WITH UNMET NEED
Owner	3,835	\$27,436,813.62	1,110
Renter	5,492	\$82,397.62	2,110
Not Specified	100	\$ 0.00	0
Total	9,427	\$ 27,519,211.24	3,220

*Of the 5,492 Renter applications, only 9 properties had a FEMA Verified Loss value and personal property damages were not included in the dataset received from FEMA.

Figure 11: Unmet Needs Calculation. Summary of damage categories demonstrating total need and the remaining unmet need.

DAMAGE CATEGORY	COUNTS OF DAMAGED HOMES	COST TO REPAIR/ RECONSTRUCT	TOTAL NEED
Damaged - Destroyed	545	\$191,592	\$104,417,705
Damaged - Serious	2,291	\$130,000	\$297,830,000
Damaged - Minor	16,164	\$8,342	\$134,840,088
Total	19,000		\$537,087,793
Total CDBG-DR Available for Housing			\$110,000,000
Remaining Unmet Need			\$427,087,793

Due to the lack of available FEMA data, the above two tables and total unmet need were calculated based on information provided by the municipalities. There are no other dollars other than CDBG-DR to meet the unmet need.

Figure 12 below demonstrates the Northern Mariana Housing Multipliers for the 2018 Disasters. These multipliers were determined using SBA estimated median repair costs in each of the Major-Low, Major-High, and Severe categories less assumed assistance from FEMA and SBA. To calculate the unmet housing needs, the number of housing units determined as the most impacted are multiplied by the multiplier amount corresponding to that category. The CNMI used multipliers provided by HUD.

Figure 12: Unmet Need Multiplier. Provides Serious Unmet Housing Need Multipliers Amount

CATEGORY	SERIOUS UNMET HOUSING NEED MULTIPLIERS AMOUNT
Major-Low	\$61,205
Major-High	\$68,614
Severe	\$79,709

2. Real Estate Market

There were approximately 20,850 units (4,537 Owner-occupied units; 11,498 renter-unit units; and 4,815 vacant units) in the Commonwealth of the Northern Mariana Islands combined, as of the 2010 census data.

Of the 53,883 people living in the CNMI, 33,468 persons, or 62% of the population, occupy rental units. Of the population residing in a rental provided by the Census, 5,781 reside in 1 unit, 1,255 are 2 to 4 units, 3,260 are 5 to 19 units, and 999 reside in complexes that are 20 or more units and the remainder of 103 reside in mobile home, container, or other unit types. The impacts to rental units appear low. To support special need housing and for housing for low- and moderate-income person and families, the following units have been developed with more units to be developed shortly under the Low-Income Housing Tax Credit Program:

Figure 13: Low Income Housing Tax Credit Data. Listing of LIHTC units that benefit low/mod renters

LIHTC RENTAL HOUSING	BEDROOMS	TOTAL UNITS	COMMENTS
Sandy Beach Homes	3	60	
Ironwood Saipan	2	26	
	3	30	
	4	24	
Tasi Homes	3	49	
Saipan Comfort Homes	2	40	
Zen Homes	2	9	Placed-in-service after Super Typhoon Yutu
	3	35	
Isa Villas I	3	15	Construction completed, placed-in-service Feb. 2020
	4	12	
Ocean View Homes	3	48	Construction completed and placed-in service in Feb. 2020
Lotus Homes	2	9	Construction to commence in 2020
	3	39	
Isa Villas II	1	9	Construction to commence in 2020
	2	15	
	3	31	
	4	16	
Total Units		467	

Two additional LIHTC projects will be awarded credits July/August 2020.

The median cost for rent was \$324 per rental unit, as show in the figure 14 below:

Figure 14: U.S. Census Data. This provides median and gross rents for the area based on 2010 data

GROSS RENT	TOTAL COUNT OF UNITS
Less than \$200	2,499
\$200 to \$499	3,772
\$500 to \$799	1,578
\$800 to \$999	459
\$1,000 or more	497
No rent paid	2,693
Median (dollars)	\$ 324

Source: US Census Data Table 3-3. Selected Housing Characteristics by Household Size: 2010

Figure 15: U.S. Census Data. This provides the median home values based on 2010 data for the CNMI areas.

HOME VALUE	TOTAL COUNT OF HOMES
Less than \$50,000	418
\$50,000 to \$99,999	1,141
\$100,000 to \$199,999	1,398
\$200,000 to \$499,999	961
\$500,000 or more	619
Median (dollars)	\$ 123,800.00

Source: US Census Data Table 3-3. Selected Housing Characteristics by Household Size: 2010

3. Homelessness

Pre-storm, there were approximately 300 homeless households in the Commonwealth. Following the storms, this number surged to over 900 homeless persons, mainly due to the loss and damage to housing stock. The Commonwealth of the Northern Mariana Islands Homeless Coalition was established in 2017, which included the creation of the CNMI Homelessness Coalition Board. Initially, the board was comprised of representatives from the Division of Youth Services, Karidat Social Services, Salvation Army, Division of Youth Affairs, and the Northern Marianas Coalition against Domestic and Sexual Violence. A Point-In-Time (PIT) homeless count was conducted in 2017, 2018, 2019, and 2020. In 2017, the count resulted in approximately 100 homeless individuals. In 2018 this number was 687. The most recent official PIT count in 2019 resulted in a significant increase in the number of persons that are homeless. There were 1,384 persons (2 emergency sheltered and 1,382 unsheltered).

To support and address homelessness, the NMHC administers the Emergency Solutions Grant (ESG) Program and provides homeless individuals and families with rental and utility assistance for a period of 10 months. There is one Homeless Coalition located in the Commonwealth known as the CNMI Homeless Prevention Coalition. The coalition has been operating for almost a year now and assists with homelessness initiatives.

4. Social and Public Services

The following social and public services were available to citizens with recovery efforts:

- ▶ American Red Cross
- ▶ Karidat

- ▶ Salvation Army
- ▶ Empty Vessel
- ▶ CARES
- ▶ Lady Diann Foundation

Social and public services assisted with a variety of services following then storm events. The American Red Cross aided the following types of residents:

Figure 16: American Red Cross (ARC) Data. Assistance provided by ARC to owners and renters.

AMERICAN RED CROSS		
TYPE	NUMBER OF OCCUPANTS	NUMBER OF UNITS
Owners	6,372	1,608
Rent Furnished	1,754	624
Rent Unfurnished	7,283	2,529
Unknown	123	37
Blank	121	36
Totals	15,653	4,834

5. Public Housing Assistance and Public Housing Authority Data

Acting in a similar role as the Public Housing Authority in the Commonwealth, the Program and Housing Division of the Northern Marianas Housing Corporation (NMHC) administers a Housing Choice Voucher Program and New Construction Multifamily Program. These programs are designed so that the tenant contributes no more than 30% adjusted annual median income towards rent and utilities. The following chart demonstrates the number of assisted units for Saipan, Tinian, and Rota. NMHC ensures that units are occupiable and that rental units are properly maintained.

Figure 17: NMHC Voucher Data. This provides a summary of Housing Choice Vouchers program information

HOUSING	SAIPAN	TINIAN	ROTA	TRANSFERS TO THE USA	TOTAL
Vouchers	301	1	10	4	316
Landlords	114	1	9	3	127
Wait List	271	18	18	N/A	307
New Admissions	2	0	0	N/A	2

Figure 18: Rental Assistance. This provides a summary of the rental assistance program.

RENTAL ASSISTANCE	SAIPAN	TINIAN	ROTA	TOTAL
Occupied	82	19	14	115
Occupancy Rate	100%	95%	88%	98%
Wait List	420	6	0	426
New Admissions	0	0	2	2

6. Insurance (NFIP, Wind, Hazard)

The following FEMA information demonstrates the communities that participate in the National Flood Insurance Program (NFIP):

Federal Emergency Management Agency Community Status Book Report N. MARIANA ISLAND Communities Participating in the National Flood Program							
CID	Community Name	County	Init FHBM Identified	Init FIRM Identified	Curr Eff Map Date	Reg-Emer Date	Tribal
690000#	NORTHERN MARIANA ISLANDS, COMMONWEALTH OF	TINIAN MUNICIPALITY/SAIPAN MUNICIPALITY/ROTA MUNICIPALITY/NORTHERN ISLANDS MUNICIPALITY	08/15/78	05/15/91	04/03/06	06/28/93	No
Summary:							
Total In Flood Program				1			
Total In Emergency Program				0			
Total In the Regular Program				1			
Total In Regular Program with No Special Flood Hazard				0			
Total In Regular Program But Minimally Flood Prone				0			

Figure 19: Insurance Data. Units on a Floodplain with Flood Insurance by Owner-Occupied or Renter-Occupied

OCCUPANCY TYPE	HAD FLOOD INSURANCE
Owner	11
Renter	228
Total	239

Data from FEMA Application Master List

7. Repetitive Losses

There is currently no data currently available regarding repetitive loss including FEMA data.

8. Small Business Assistance Disaster Home Loans

Homeowners and renters whose properties were damaged by a declared disaster could apply for a Small Business Assistance (SBA) low-interest, disaster related home loan. SBA received 2,128 applications and approved loans for 1,319 households. The total loan amount approved as June 10, 2019 was \$75,438,400.

I. Infrastructure Impact

The islands' main power lines were ripped apart from the over 200 mph winds, shutting down power to homes for weeks. Roadways were littered with downed power lines, tree branches, and debris. Cars were destroyed by debris and severe wind damage occurred that resulted in overturned vehicles. Multiple educational institutions as well as the local college were completely destroyed and rendered inoperable. Saipan International Airport sustained significant damage, terminals flooded, and navigation aids were rendered inoperable.

1. FEMA Public Assistance

The authorities of Saipan, Tinian, and Rota applied for FEMA Public Assistance (PA) following the typhoons for repairs needed to various government owned facilities. There was a total of \$170,693,936.95 obligated in Public Assistance Grants to the islands of Saipan, Tinian, and Rota. More funding is needed to address infrastructure and mitigation needs; therefore, priority projects had to be selected. The FEMA public Assistance is the best available data set to determine infrastructure needs after Typhoon Mangkhut and Super Typhoon Yutu.

2. CNMI Infrastructure

Significant damage occurred to all areas and the following offices, authorities, and other entities submitted projects totaling over \$680 million dollars in needed funds.

- ▶ Micronesian Legal Services Corp
- ▶ CNMI Judiciary
- ▶ Northern Marianas Trades Institute
- ▶ CNMI Office of Homeland Security
- ▶ Marianas Visitors Authority
- ▶ Office of the Mayor Saipan
- ▶ Office of the Mayor Rota
- ▶ Department of Fire and EMS
- ▶ Commonwealth Ports Authority
- ▶ Northern Marianas College
- ▶ Office of the Mayor Tinian
- ▶ CNMI Public School System
- ▶ Commonwealth Health Care Corp
- ▶ Department of Public Works
- ▶ Commonwealth Utilities Corp

The following chart demonstrates the approximate PA Costs by PA Category. The Local Match is 10 percent of the approximate public assistance cost and resiliency is 15 percent of the 10% local match cost (not including Debris Removal and Emergency Protective Measures). The following PA cost estimates and unmet need calculations are based on data from the FEMA Grants Portal Damage Inventory.

Figure 20: Match summary. *Total amounts contributed to local match requirements*

APPROXIMATE PA COST	10% LOCAL MATCH	15% RESILIENCY ON APPROXIMATE COST	TOTAL NEED (LOCAL MATCH + RESILIENCY)
\$ 192,246,630.31	\$13,132,111.80	\$ 1,925,406.56	\$ 15,057,518.37

3. FEMA Preliminary Damage Assessment Report

The FEMA's Preliminary Damage Assessment (PDA) process is the mechanism used to determine the impact, magnitude of damage, and resulting needs of individuals, businesses, public sector, and community as a whole. Information collected is used by the Commonwealth as the basis for the Governor's request for a major disaster or emergency declaration, and by the President in determining a response to the Governor's request (44 CFR § 206.33). The following are per capita impact indicators for FY 2019 as published in the Federal Register, October 1, 2018.

- ▶ Territory/Statewide per capita impact indicator: 8 \$1.50
- ▶ Countywide per capita impact indicator: 9 \$3.78

J. Economic Impact

Projected overall business revenue for the 1st quarter of FY 2019 following the disaster event, fell by 14.53%. In total, based on a conservative outlook for the first quarter of Fiscal Year 2019, the estimated total loss in direct economic activity caused by Super Typhoon Yutu alone was \$51,586,476.69. The estimated total loss in indirect economic activity was \$83,570,092.23. (Source MVA). There are no funds available or other identified resources to address the remaining unmet need for economic development therefore CDBG-DR funds are the only resource.

1. Employment

a. Statistics

Employment related to Tourism ranks first above all other employment types. According to the 2010 Census, foreign workers comprised 43% of the CNMI population.

b. Jobs

Almost a third of the total civilian jobs in the CNMI is in service occupations which includes: Hotels, restaurants, financial, insurance, government, retail, education, health care, construction, etc.

c. Businesses

Businesses on the Islands include tourism and hospitality, restaurants, car rentals, retail and wholesale stores, hardware stores, apartment and commercial building rentals, construction, private schools, farming, fuel suppliers, etc.

d. Disaster Unemployment Assistance

Post disaster, the U.S. and CNMI Department of Labor provided over \$1M to approved applicants under Disaster Unemployment Assistance. The overall recovery plan includes investment in skilled workforce development and institutions of higher education and supporting tourism enhancement projects.

e. Tourism

Tourism is the largest economic activity in the CNMI. In 2017, the total value of tourism within the CNMI economy amounted to \$1.1 billion, or 72% of overall Gross Domestic Product. The accommodations and amusement sector provided an average of 21.5% of total employee compensation within the Commonwealth. (Source: U.S. Bureau of Economic Analysis. 2018)

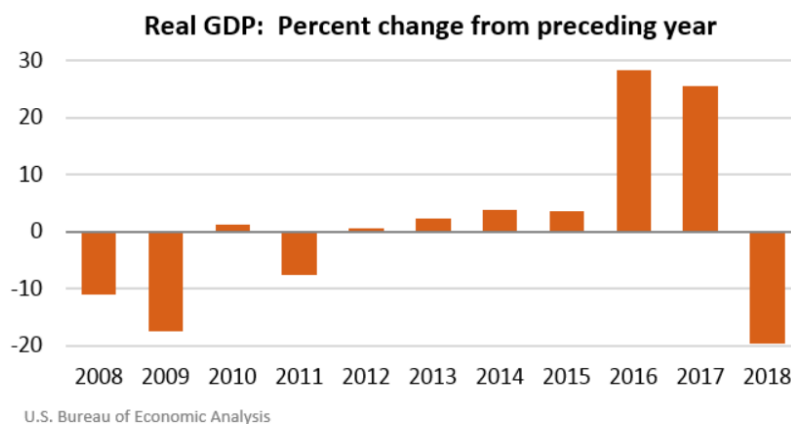
Total tourist arrivals on November 2018 was 5,595 with 44% of arrivals coming from destinations other than the CNMI's top three markets of Japan, China and Korea. In total, arrivals for the month fell by 88.35% or 42,444, marking the sharpest year-over-year downturn in recent history. Due to the influence of the tourism industry in the CNMI and the scale of the disaster brought by Super Typhoon Yutu/Mangkhut, the impacts were wide-ranging and pronounced.

f. Economy

Historically, the economy relies mainly on tourism and on the garment manufacturing sector. However, the economy continued to decline as a number of garment related businesses have closed.

According to the U.S. Department of Commerce Bureau of Economic Analysis, the Gross Domestic Product (GDP) increase reflected in the years 2016 and 2017 were due largely in part to increases in accommodations and amusement. These sectors are mainly driven by the tourism industry where the casino played a large role in attracting visitors to the islands.

In contrast, the effects of Super Typhoon Yutu dramatically reduced the number of visitors to the CNMI by 21.5% in 2018. Exports of services, due to decreased visitor spending, decreased by 38.8%. Revenues from casino gambling decreased by over 50% as well. In summary, the CNMI economy's decline was due to the reduction in export of services as well as decrease in private investment. The chart below lists the Real Gross Domestic Product percent change from preceding year, adding evidence to the decline in 2018.



With tourism standing as the only real source of revenue for the CNMI, the true impact of Super Typhoon Yutu and Typhoon Mangkhut's effects will be felt for years to come.

g. Small Business Administration (SBA) Business Disaster Loans

Businesses whose property were damaged by the declared disaster could apply for a Small Business Administration (SBA) low-interest, disaster related business loans. SBA received 361 applications and approved loans for 122 businesses. The total loan amount approved as of June 10, 2019 was \$18,289,300.

SECTION 3 – GENERAL REQUIREMENTS

A. Rehabilitation/Reconstruction of Public Housing, Affordable Housing, and Other Forms of Assisted Housing

The Program and Housing Division of the Northern Marianas Housing Corporation (NMHC) administers a new construction program that includes housing developments owned by NMHC. There is a total of 132 units that have been developed for affordable housing. Affordability is defined as paying less than 30% of adjusted annual income towards rent including utilities. The following projects are included:

- ▶ Saipan- Mihaville & Koblerville Estates
- ▶ Tinian-Broadway
- ▶ Rota-Blue Bay Homes (formerly known as "As Liyo")

B. Housing for Vulnerable Populations and Special Needs

Per the 2010 Census, 5.5% of the CNMI population have a disability and 3%, or 1,515 persons, of the CNMI population are 65 and older. Of this senior population, 99% live within generational family households. The CNMI has invested CPD funds which have benefited homeless persons, special needs populations, Section 8 housing residents, and low-and moderate-income individuals and families. NMHC continues to be proactive in their marketing efforts to assist individuals and households who are without a safe, sanitary, and decent home and works collaboratively with the private and governmental health, mental health and service agencies, to assist the homeless and non-homeless special needs populations. Priority will be given to qualified elderly or disabled household applicant(s).

C. Displacement of Persons and/or Entities including Homelessness

1. Temporary Shelter During the Storm

During Super Typhoon Yutu, residents could shelter before, during, and after the storm. Shelters were established at various locations on the Islands of Saipan, Tinian, and Rota. Facilities such as Public School System (PSS) schools and the Office on Aging Senior Center were utilized. After the storm, shelterees were eventually consolidated into the new Kagman Emergency Shelter Facility (KESF) that remained operational until March 22, 2019.

On October 25, 2018 before Super Typhoon Yutu arrived, approximately 653 individuals (persons/families) sought shelter from the storm. Of this total, 552 sought shelter in Saipan. Following the passage of the storm, shelter numbers substantially increased to over 950 with 927 of these cases in Saipan and Tinian. Post storm, shelter numbers remained the same and reached a peak in November, at 996. By the first week of December, shelter numbers decreased to approximately 197 and those shelterees were transferred to the KESF. KESF remained in operation through March 2019 because the last of the shelterees either found or were provided with alternate housing.

As for Typhoon Mangkhut on Rota, there were 25 people who sought shelter at the Man Amko Center in Sinapalo and 5 people sought shelter at the Rota High school. Post storm, 42 people were sheltered at the Man Amko Center for approximately 5 months. No one was sheltered at the Rota High School.

2. Uniform Relocation

The CDBG-DR proposed projects do not include any acquisition activities. The CNMI's plan is to minimize displacement of persons on any CDBG-DR activity or program and it will evaluate and monitor displacement pursuant to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. The types and levels of assistance is considered voluntary.

D. Elevation Standards

For all new construction homes, elevation standards will be applied so that the lowest floor is at least 2 feet above the 1 percent annual floodplain elevation. For existing homes, the CNMI will determine the feasibility of elevating homes within the 100-year floodplain. If elevation is determined not cost effective, flood proofing of the property will be done. Construction standards other than CMU blocks system may include other building systems.

If the assisted property is located within a FEMA-designated floodplain, the owner will be required to acquire and maintain flood insurance. By elevating the height of a home, the cost of flood insurance can be significantly reduced. Where disaster assistance triggers the flood insurance purchase requirement, assisted homeowners will notify any transferee of the requirement to obtain and maintain flood insurance, in writing, and to maintain such written notification in the documents evidencing the transfer of the property, and that the transferring owner may be liable, if he or she fails to do so.

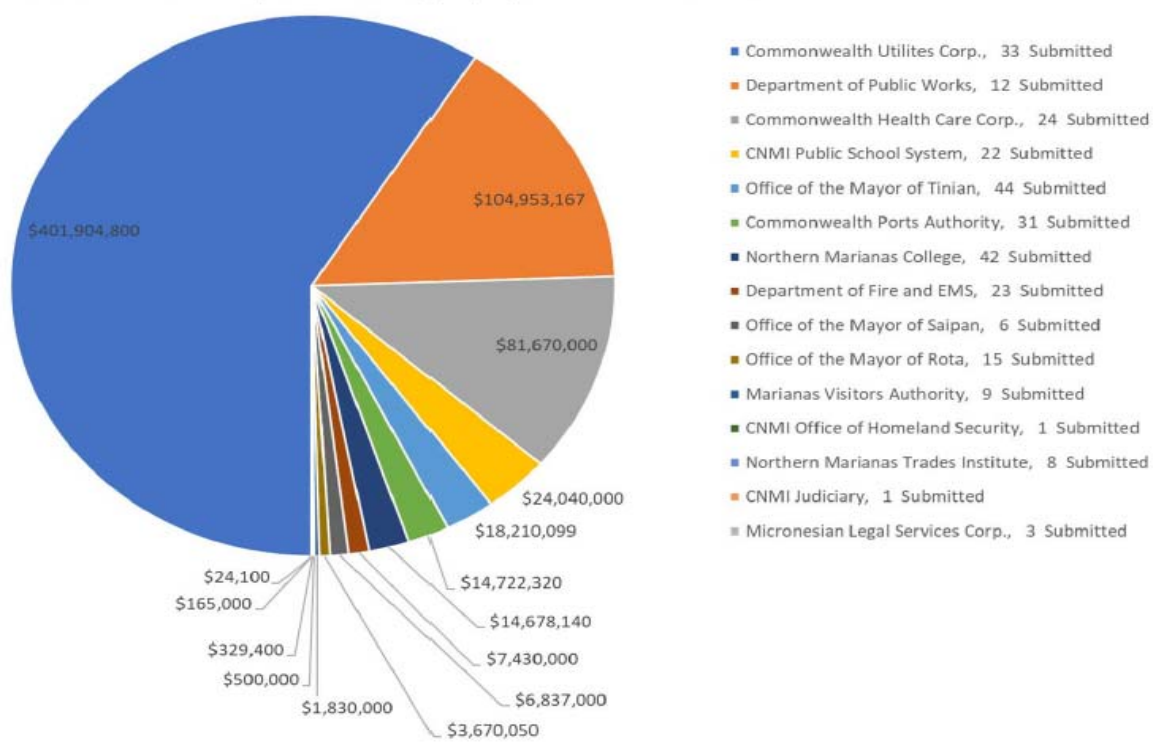
E. Planning and Coordination

The Northern Marianas Housing Corporation (NMHC) will work with a variety of local, state, and federal officials to coordinate disaster recovery efforts. This primarily includes the Governor's Office along with the Mayors of Saipan, Tinian, and Rota and other officials, entities, agencies, and organizations from smaller communities. This plan will be adopted by the NMHC Board which is made up of representatives from Saipan, Tinian, Rota, and other stakeholders so this composition has also enhanced outreach efforts.

F. Infrastructure Activities

The CNMI has identified over \$680 million in potential infrastructure projects. This results in a remaining unmet need of over \$526 million. These programs and projects are intended to benefit the Islands as a whole. Figure 21 below represents the needs that were submitted by Government and Non-Profits entities. There are over 275 projects submitted that need assistance. The estimated total value of these projects is over \$680 million. There are no funds available or other identified resources to address the remaining unmet need for infrastructure.

Figure 21: Potential Infrastructure Projects Needed. *Projects Submitted by Government and Non-Profit Entities*



The following scoring criteria will be utilized to select priority infrastructure projects and activities.

Scoring Criteria		Max Points
1	Priority Need: Meets one of the priority needs identified in the CDBG DR Action Plan	25
	Priority 1: Support the restoration/improvement of utilities, water, and sewer facilities (25 points)	
	Priority 2: Support the restoration/improvement of roads and drainage systems (20 points)	
	Priority 3: Support the restoration/improvement of critical facilities such as the schools, ports, hospital, and others that improve services to the general public (15 points)	
	Priority 4: Support the leverage of funding with other disaster assistance (such as FEMA and USACE) to ensure resiliency in infrastructure (10 points)	
	Priority 5: Support the restoration of other public facilities such as community centers, gymnasiums, etc. (5 points)	
	Economic revitalization which includes any CDBG-DR eligible activity that demonstrably restores and improves some aspect of the local economy. The economic revitalization activity may address job losses, or negative impacts to tax revenues or businesses.	
	Priority: Support the improvement/enhancement of CNMI's facilities that promote tourism	
2	Storm Resilience: In addition to addressing unmet needs, program or project proposals need to show how they would improve resilience to future storm-related damage.	15
3	Overall LMI benefit (Percent LMI benefit of the activity): Higher LMI benefit of the activity will receive higher score. For example, a project with 100 percent LMI benefit would be scored higher than a project with 65 percent LMI benefit.	25
4	Management Capacity: Subrecipient, program manager and/or developer presents depth of program or project, case and compliance management capacity to deliver services on-time and on-budget.	15
5	Cost Reasonable Budget: Budgets reflect cost reasonableness and affirmative efforts to leverage CDBG-DR funds with additional funding to address unmet needs. Budget narrative reflects research, quotes and/or contracted pricing.	20
Total Maximum Points		100

G. Leveraging Funds

Leveraging of funds will be evaluated and utilized whenever possible as other resource funding is limited. In January 2019, HUD approved \$300,000 in reallocated funding to support with initial disaster recovery efforts. Additionally, the Government of the Commonwealth of the Northern Mariana Islands (CNMI), through its Northern Marianas Housing Corporation (NMHC), receives annual entitlements of Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funds through the U.S. Department of Housing and Urban Development (HUD). For Fiscal Year 2020, NMHC has been allocated in the amount of \$961,222 for CDBG, \$463,940 for HOME, and \$79,870 for ESG funds. These funds will primarily support the CDBG-DR programs and projects by addressing other housing initiatives administered by NMHC, public services, and homeless components that are not anticipated to be funded with the CDBG-DR dollars.

CDBG-DR Funds will be leveraged with FEMA and 10 percent of the funds will be utilized for the matching requirements. This includes but is not limited to the match dollars requirements typically associated with infrastructure projects and activities. The combined CDBG-DR and FEMA funding also helps to address the unmet need overall.

NMHC also has residential loan programs to increase the number of families owning private dwellings throughout the Commonwealth including:

1. HOME Investment Partnerships (HOME Program)
2. Department of Veterans Affairs Native American Direct Loan (NADL) Program.
3. Rural Housing 502 and 504 Programs

To the greatest extent possible, NMHC will leverage funds that will result in efficient utilization of all funds and to maximize recovery dollars whenever possible to create an efficient and comprehensive approach. NMHC may also add leveraging requirements to specific program policy and guidelines as needed. CNMI government resources are limited; therefore, there are no dollars expected to be available to complete the disaster projects.

H. Appeals Process

1. General Policy

The Northern Marianas Housing Corporation (NMHC) through the assistance of HUD will be responsible for responding to complaints and appeals in a timely and professional manner. NMHC will keep a record of each complaint or appeal that it receives and it will include all communications and their resolutions.

When a complaint or appeal is received, a NMHC representative will respond to the complainant or appellant within five (5) business days where practicable to let complainant know it has been received and that NMHC has fifteen (15) business days to respond. For expediency, NMHC will utilize telephone communication as the primary method of contact; however, email and postmarked letters will be used as necessary.

2. Responsibilities

NMHC will be tasked with handling all citizen inquiries. NMHC is responsible for (1) determining whether or not complaints and appeals relate to the business or authority of NMHC, (2) ensuring that a response to all

complaints and appeals are within the appropriate time frame (a response must be provided within 15 working days of the receipt of the complaint), and (3) ushering all complaints and appeals through to a resolution. NMHC has established an internal procedure for handling incoming complaints, including a complaint escalation process, ensuring complaints are handled at the earliest stage in the process. If the issue is not resolved, it will be escalated to the NMHC Board of Directors. If no resolution is obtained at this stage, the issue will be escalated to HUD for final resolution.

3. Documentation

Documentation for each complaint or appeal must be maintained. Each file must include the following:

- ▶ Contact information for the complainant;
- ▶ Initial complaint;
- ▶ Address and assigned project number (if applicable);
- ▶ Any communications to and from complainant or appellant;
- ▶ Results of the investigation, together with any notes, letters, or other investigative documentation;
- ▶ The date the complaint or appeal was closed; and
- ▶ Any other action taken.

4. Citizen Participation Plan Responses

NMHC will provide a timely written response to every citizen inquiry or complaint. The response will be provided within fifteen (15) working days of the receipt of the complaint, when practicable. In the absence of specific action for activities, projects, and programs policies or guidelines, this policy shall prevail.

I. Program Income

Program income will be used towards CDBG-DR eligible activities. NMHC will monitor, track, and report any program income generated as the result of using CDBG-DR funds. Should program income be earned as a result from any CDBG-DR activities, program, or project, NMHC is required to utilize program income first before drawing any additional dollars from the U.S. Treasury. NMHC's treatment of program income focuses on the definition according to the CDBG-DR program, as well as handling within those guidelines. The importance of tracking program income, responsible parties, reporting in DRGR, and eventual close out are further detailed in the NMHC CDBG-DR Financial Management Policy, Section 6 - Program Income.

J. Monitoring Standards

Monitoring standards have been defined in the Northern Marianas Housing Corporation CDBG-DR Financial Management Policy under Section 11 – Monitoring Plan. This plan covers quality assurance program, monitoring review types and methods, results of monitoring reviews, and non-compliance and administrative procedures. NMHC will directly monitor inter-government recipients to ensure that they follow the terms of the Standard Agreement and submit required reporting documents to NMHC in a timely manner. NMHC will monitor projects and contractors and will invoke diverse range of communications to all stakeholders by reporting periodically accordingly to NMHC Management, NMHC Board of Directors, Governor, and the general public at large in all media. At a minimum, inter-government recipient will review and monitor their Standard Agreements and will evaluate their contractor's compliance with CDBG requirements.

K. Broadband Infrastructure

Where feasible and with HUD funding, guidance and as regulatory requirements are issued, the Commonwealth will continue its efforts in narrowing the digital divide for low-and moderate- income persons who reside throughout the communities located on the Islands. Generally, the Islands have access and connections to fast internet. As proposed activities are developed and prioritized, the Commonwealth will continue to analyze and identify areas where broadband infrastructure can be feasibly implemented for the low- and moderate-income persons and residents under the regulations at 24 CFR 570.483(b)(1) for area benefit activities, at 24 CFR 570.483(b)(2) for limited clientele, at 24 CFR 570.483(b)(3) for housing, and at 24 CFR 570.483(b)(4) job creation and retention.

L. Disaster Recovery and Response Plan

The disaster recovery and response plan include recovery efforts for housing, infrastructure, and economic development. The housing plan includes homeowner rehabilitation and reconstruction, rental rehabilitation and reconstruction, and homebuyer programs. The recovery plan will also invest in skilled workforce development and institutions of higher education, support tourism enhancement projects, provide deferred loans or low interest loans for new landlords (subject to applicable waivers are granted), develop additional rental housing stock, and support ports enhancement. Additionally, NMHC will issue a Request for Proposals (RFP) for a Rental Market Study, using the CDBG-DR planning allocation, that will help identify disaster impacts and rental market conditions and update the CNMI's utility company's Integrated Resource Plan, which uses an industry standard process in assessing a full range of power alternatives under a variety of scenarios in order to provide reliable service to customers at the lowest possible cost.



To assist with recovery planning and development, the “CNMI Planning and Development Act of 2017”, Public Law 20-20, establishes the Office of Planning and Development. Their mission is:

- ▶ To increase the effectiveness of government and private actions, to improve coordination among different agencies and levels of government and to provide for wise use of resources and future development of the CNMI.
- ▶ OPD is working with CNMI Leadership and Partners through Taskforce Working Groups to develop the “comprehensive sustainable development plan”;
- ▶ Disaster Risk Reduction Task Force includes: GAR, OMB-PA, OMB-HM, CIP, HSEM, CHCC, BECQ, DLNR, Mayors Offices, Saipan Chamber of Commerce, Strategic Economic Development Council, and more;
- ▶ OPD is working to mainstream smart, safe growth sustainability principles with support from USEPA and FEMA through the comprehensive planning process.

SECTION 4 – DISASTER RECOVERY PROGRAM

A. Action Plan

The following is a summary of the Commonwealth of the Northern Mariana Islands (CNMI) disaster recovery programs that it plans to undertake and submit to HUD for approval. This plan details the use of funds and how it will contribute to the CNMI's long term recovery efforts. This action plan is comprised of the required components and includes the local programs and requirements, use of funds, eligibility, service locations, and other items necessary to address the priorities for Housing, Infrastructure and the Economic Development.

Additionally, the Commonwealth through the Northern Marianas Housing Corporation is committed to affirmatively furthering fair housing. Currently the Analysis of Impediments to Fair Housing Choice (AI) is being updated. Impediments were identified in the Final AI Report dated December 25, 2015 and include 3 impediments that were identified for the private sector and 2 impediments identified for the public sector. In order to contribute to the AI actions and measurable objectives, program guidelines and affirmative marketing outreach will be developed in ways that will address fair housing impediments and promote a recovery that is equitable. Application processes will also provide outreach efforts that include persons with limited English proficiency, persons with disabilities, and those with special needs. The policies, guidelines, and plan will contribute to the goal to ensure that outreach and communication efforts reach eligible homeowners and renters regardless of race, ethnicity, national origin, religious, familial status, disability, "special needs", and other protected classes.

Cost Effectiveness: The Commonwealth will look at the feasibility and cost-effectiveness of each program, project and activity and will review and consider alternate options that are the most cost effective and less time to complete construction. This may include options such as new building systems, rehabilitation vs reconstruction and the incorporation of other mitigation measures that may be more cost effective. CNMI intends to maximize disaster program funds whenever possible so that as many people can be served and to increase the overall program benefits to the public. NMHC has retained an engineer to develop plans and estimate costs for construction to ensure cost of construction is reasonable.

B. Direct Allocation

The total amount of funds available for the Northern Mariana Islands is \$243,946,000 of which \$195,157,000 (80 percent) must be utilized in the HUD Most Impacted Areas of Saipan and Tinian. Overall, a minimum of 70 percent of the CDBG-DR funds excluding administrative dollars must benefit the low- and moderate- income populations on the Islands.

C. Connection to Unmet Needs

Two of the three islands (Saipan and Tinian) are in a HUD identified "most impacted and distressed" area. FEMA and the local assessment of unmet needs are the basis for the development and prioritization of recovery activities in the CNMI jurisdiction. As additional data becomes available and as additional community and stakeholder engagements take place, the unmet needs and activities to address them through CDBG-DR funds may be updated.

Figure 22 below provides a summary to demonstrate the connection to address unmet need. Through these funds, the CNMI primarily intends to address unmet housing, infrastructure, and economic development needs with approximately 80 percent of funds addressing unmet needs directly related to housing and infrastructure.

D. Program Budget

Figure 22. Proposed Projects and Estimated Budgets. This details the specific budgets of HUD funded activities.

PROGRAMS	TOTAL ALLOCATION	PERCENT OF TOTAL ALLOCATION BY PROGRAM	PERCENT OF TOTAL ALLOCATION BY PROJECT TYPE
HOUSING (includes delivery costs)	\$110,000,000		
Homeowner Rehabilitation & Reconstruction	\$25,000,000	23%	45%
Single Family New Construction Development	\$60,000,000	55%	
Affordable Rental Housing Development	\$25,000,000	23%	
SUB TOTAL HOUSING	\$110,000,000	100%	
INFRASTRUCTURE	\$99,044,235		
Port Facilities	\$4,000,000	4%	41%
Public Facilities	\$43,943,908	44%	
Roads	\$8,750,000	9%	
Utilities	\$42,350,327	43%	
SUB TOTAL INFRASTRUCTURE	\$99,044,235	100%	
ECONOMIC DEVELOPMENT	\$21,359,600	100%	9%
ADMINISTRATION	\$12,098,818	100%	5%
PLANNING	\$1,443,347	100%	1%
TOTAL ALLOCATIONS OF FUNDS	\$243,946,000	100%	100%

E. Use of Funds

1. Housing Programs

CNMI will provide three program options to assist eligible homeowners with their housing: new construction, rehabilitation and reconstruction needs. This includes a Homeowner Rehabilitation and Reconstruction Program, a Single-Family New Construction Development Program, and for renters, an Affordable Rental Housing Development Program. Additionally, a down payment closing cost assistance program may be established to support the Single-Family New Construction Development Program. Eligible residents on each of the islands are eligible to apply and participate in these programs. With regards to program recipients, no applicant will receive more assistance than the cap listed for the program in the guidelines, and no applicant can receive assistance in excess of the total amount allocated for the total program.

The Housing Recovery Plan includes priorities for the following activities:

- ▶ Homeowner Rehabilitation - Provide funding to homeowners to rehabilitate or rebuild disaster-damaged residences.
- ▶ Homebuyer - Provide funding to households to buy new homes or build new homes, if waivers are granted, to replace disaster damaged residences.
- ▶ Rental Rehab and Reconstruction - Provide financial assistance to existing or new landlords to rehabilitate affordable rental housing units.

Homeowner Rehabilitation and Reconstruction

The Homeowner Rehabilitation and Reconstruction Program is designed to cover the eligible costs to rehabilitate or reconstruct storm-related damaged properties in order to restore homeowner properties back to decent, safe, and sanitary conditions. The Governor of the CNMI has placed housing as the highest recovery priority. HUD identified “most impacted and distressed” areas of Saipan and Tinian which are earmarked for, at a minimum, 80 percent of the CDBG-DR funding.

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Homeowner Rehabilitation and Reconstruction	\$25,000,000

b. National Objective

LMI; LMH

c. Minimum and Maximum Assistance

- i. **Rehabilitation:** The minimum loan amount allowable under this program is \$10,000 to a maximum of 80% of the most current HUD HOME maximum per-unit subsidy limits and the after-rehab value of the home should not exceed the 95 percent value limits.
- ii. **Reconstruction:** Reconstruction projects may exceed the rehabilitation projects’ maximum of 80 percent of the most current HUD HOME maximum per-unit subsidy limit and the after-rehab value of the home should not exceed the 95 percent value limits.

- iii. According to NMHC’s engineer, the average cost of construction is \$191,592 (CMU block concrete foundations).

d. Eligible Activities

Housing activities allowed under CDBG-DR; HCDA Section 105(a)(1), 105(a)(3-4), 105(a)(8) 105(a)(11), 105(a)(18), and 105(a)(25), 24 CFR 570.201(g)

e. Location of Activities

Projects are located on the islands of Saipan, Tinian, and Rota.

f. Eligibility Criteria for Assistance

Property:

- i. Not located in a floodway
- ii. Owner-occupied at the time of the storm
- iii. Served as homeowner’s primary residence
- iv. Sustained damage from one or both of the Typhoons
- v. Environmentally cleared

Homeowner:

- iv. Homeowner applicants must agree to a limited subrogation of any future awards related to Typhoon Mangkhut and Super Typhoon Yutu, to ensure duplication of benefits compliance.
- v. Assistance will be provided in the form of a variety of deferred, zero-interest and interest-bearing loans dependent upon the applicant’s income. Homeowner applicants are required to maintain principal residency in the assisted property. Cash-out refinancing, home equity loans, or any loans utilizing the assisted property as collateral are not allowed during the affordability period. A violation of this policy will activate the loan repayment terms.
- vi. Homeowner applicants must agree to affordability period and lien requirements. The affordability period of homes will be based on the amount of assistance provided, where the minimum affordability period is 5 years and the maximum is 25 years with supplemental assistance. NMHC reserves the right to modify loan terms to make loan types affordable to all low and moderate income, special needs and elderly populations.
- vii. Homeowner applicants must maintain applicable insurance for the assisted property. Hazard, flood (if applicable), and windstorm insurance will be monitored during the length of the affordability period.
- viii. Where disaster assistance triggers the flood insurance purchase requirement, assisted homeowners will notify any transferee of the requirement to obtain and maintain flood insurance, in writing, and to maintain such written notification in the documents evidencing the transfer of the property, and that the transferring owner may be liable, if he or she fails to do so.

g. Target Groups and Priorities

The program will categorize the target groups by the following four priority ratings:

TARGET GROUPS	CDBG-DR PROGRAM CNMI – MEDIAN INCOME RANGE	INTEREST RATE	TYPE OF ASSISTANCE
First	0%-30%	0%	Deferred Loan [†]
Second	30.01%-50%	0%	75% Deferred Loan and 25% Non-Interest-Bearing Loan
Third	50.01%-80%	0%	50% Deferred Loan and 50% Non-Interest-Bearing Loan
Fourth	80.01%-120%	0%	25% Deferred Loan and 75% Non-Interest-Bearing Loan

[†]—Priority given to qualified elderly or disabled household applicant(s).

h. Ineligible Activities

- i. Forced mortgage payoff
- ii. Incentive payments to households that move to disaster-impacted floodplains
- iii. Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance or housing incentives
- iv. Rehabilitation/reconstruction of homes located in the floodway
- v. Rehabilitation/reconstruction of a home where:
 1. Combined household income is greater than 120 percent AMI or the national median, and
 2. Property was located in a floodplain at the time of the disaster, and
 3. Property owner did not maintain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance
- vi. Assistance for the repair, replacement, or restoration of a property to a person who has failed to meet Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a), which states that no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for “repair, replacement, or restoration” for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property.

i. Timeline

The proposed program start date is immediately following HUD’s approval of this action plan. The proposed end date is 6 years from the program start date.

Single Family New Construction Development

The devastation to the CNMI housing stock from a previous typhoon (in 2015) and the two subsequent typhoons resulted in unprecedented loss of homes that were either destroyed or remain uninhabitable. New construction of single-family homes will help restore communities impacted by the typhoons and improve

neighborhoods in need of new, infill development. The Single-Family New Construction Development Program will provide new affordable single-family homes through two program options: 1) Turnkey Home Development Program and 2) Have a Lot, Build a Home Program.

Beneficiaries for the programs include low- and moderate-income homeowners and homebuyers whose incomes are up to 120 percent AMI. Under this program, the CNMI through NMHC will utilize CDBG-DR funds to install infrastructure and construct homes on public lands or private lands if available. The development of land will include construction activities including infrastructure (roads, lighting, etc.), grading, installation of utilities, and land preparation.

NMHC will ensure that it recoups all or a portion of the CDBG-DR loan assistance provided to the homebuyer(s), if the housing unit ceases to be the principal residence of the homebuyer(s) for the duration of the period of affordability. All subsidy amounts (in the form of loans) that directly benefited the property owner (i.e., through down payment and/or closing cost assistance, deferred payment loans, interest rate buy-downs, property discount, etc.) are also subject to recapture. Recapture is capped at what is available out of net proceeds. Net proceeds are defined as the sales price less superior non CDBG-DR debt (if any) less closing costs.

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Single Family New Construction Development	\$60,000,000

b. National Objective

LMI, LMH

c. Level and Terms of Assistance

Option I: Turn Key Solution: \$20,000,000 (per, two project sites proposed).

- ▶ The per household cap (including program delivery costs) to construct homes and underlying infrastructure is \$250,000.
- ▶ The sales price of the home will be established based on the most current 95 percent of the area median purchase price for single family housing (existing or new homes), as determined by HUD.

Option II: Have a Lot, Build a Home Solution: \$20,000,000

- ▶ Cap (including program delivery costs) per unit to construct homes and underlying infrastructure is \$250,000.00

d. Eligible Activities

New construction is eligible based on information provided in the Federal Register waiving the requirements of 42 U.S.C.(a) HCDA Section 105 (a)(1), 105(a)(4), 105(a)(7-8), 105(a)(11), 105(a)(14-15)

e. Ineligible Activity

Properties to be developed cannot be in a floodway or Special Flood Hazard Area.

f. Location of Activities

Projects may be located on the islands on Saipan, Tinian, and Rota.

g. Eligible Properties

For Option I:

The development of housing will occur on undeveloped land owned or to be acquired by NMHC, public lands, or designated homestead lots. Construction will be prioritized to areas that are not at risk of future flooding and that do not pose a current or future environmental hazard. Properties must be suitable locations for marketing and resale of homes to income-qualified homebuyers.

For Option II:

- ▶ Must be owned by the program applicant, with clear title verified by title search.
- ▶ Must have no substantial adverse environmental factors as determined by an environmental review.
- ▶ Preferably be suitable locations for marketing and resale of homes to income-qualified homebuyers. Positive factors to be considered but not limited to are low crime rates, close to neighborhood schools and grocery shops, and a substantial percentage of homeowners in the immediate vicinity and recent sales to owner-occupants.

Additional program details will be identified in the program guidelines that are under development.

h. Timeline

The proposed program start date is immediately after HUD’s approval of this action plan. The proposed end date is 6 years from the program start date.

First-Time Homebuyer Program

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
First-Time Homebuyer Program	* Included in number above

b. National Objective

LMI

c. Maximum Assistance

Amount to be determined depending on per unit cost but should not be more than \$250,000.

d. Eligible Activities

This activity is eligible for CDBG-DR funds as listed in 24 CFR 570.201(n) and HCDA section 105(a)(24)

e. Location of Activities

Projects are located on the islands of Saipan, Tinian, and Rota.

f. Eligible Applicants

- ▶ Must be a first-time homebuyer.
- ▶ Must meet established income requirements.
- ▶ Must be a resident of the CNMI for three years prior to the typhoons.
- ▶ Priority given to those who have been displaced by the typhoon.
- ▶ Must be pre-qualified for a mortgage loan based on nationally accepted underwriting standards of conventional mortgages.
- ▶ Must attend NMHC's Homebuyer's Education Program and earn a Certificate of Completion.
- ▶ Must occupy the property as their primary residence.

g. Criteria for Assistance

Eligibility criteria will be included in the program guidelines that are under development.

Assistance is based on income with types of assistance provided through deferred, non-interest bearing, and interest-bearing loans. The minimum affordability period is 5 years and maximum is 25 years with supplemental assistance.

Affordable Rental Housing Development

This program will address both direct and indirect impacts of Typhoon Mangkhut and Super Typhoon Yutu of the CNMI affordable rental housing stock. Affordable rent essentially is defined as a household where not more than 30% of the adjusted monthly income goes to rent and utilities. This program seeks to redevelop and create new affordable rental housing stock. What rental units that were available prior to the disaster were quickly rented creating an even bigger shortage of available and affordable rental units. The development of new multifamily rental housing will address the shortage and meet the needs of disaster impacted rental households, including those in public housing and rental needs for special populations. Non-multifamily units are also eligible for funding assistance. Affordability period for rehabilitation or reconstruction of multi-family rental projects with 8 or more units is 15 years. New construction of multi-family rental projects with 5 or more units is 20 years.

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Affordable Rental Housing Development	\$25,000,000

b. National Objective

LMI, LMH

c. Maximum assistance

\$20,000,000 per development

d. Eligible Applicants

Acting individually or as participants in a limited partnership (LP) or limited liability corporation (LLC):

- i. For-profit developers/ borrowers
- ii. Public housing authorities
- iii. Units of local governments
- iv. Not-for-profit developers/ borrowers

e. Eligible Activities

Rehabilitation, Reconstruction, New Construction, and Acquisition. HCDA Section 105 (a)(1), 105(a)(3-4), 105(a)(7-8), 105(a)(11), and 105(a)(14-15).

f. Location of Activities

Projects are located on the islands of Saipan, Tinian, and Rota.

g. Eligibility Criteria for Assistance

Eligibility criteria will be included in the program guidelines.

h. Timeline

The proposed program start date is immediately following HUD’s approval of this action plan. The proposed end date is 6 years from the program start date.

i. Application Status

NMHC must be able to effectively communicate timely and accurate information to applicants regarding all phases of their application process. Before an applicant can be given a formal application, the interviewing loan specialist/housing specialist must conduct a pre-qualification interview to initially determine an applicant’s eligibility for assistance. Because the information collected from the applicant during this process may not be accurate, as the loan specialist/housing specialist may only be relying on “assumed estimates” regarding their employment, debt, and assets, applicants who are initially determined eligible may later be determined ineligible for the program.

Once the applicant(s) has been pre-qualified and have been later determined eligible for the program, NMHC shall officially notify the applicant(s) in writing of their eligibility. Such notification shall be mailed no later than five (5) working days after the determination, and shall contain a listing of additional information to be submitted for completion of the loan/renter file. Eligible applicant(s) shall be given thirty (30) calendar days to submit the additional information requested. Applicant(s) who do not submit all pending information before the thirty (30) calendar day deadline, shall have their application(s) file placed in the inactive files.

All ineligible applicants shall be notified in writing of their ineligibility. Such notification shall be mailed no later than five (5) working days after the determination of ineligibility and shall include a description/reason of such determination. Those found ineligible may appeal such determination to the Corporate Director within ten (10) working days from the date of receipt of the ineligibility notice. The Corporate Director will then review the appeal and render a decision within thirty (30) days from the date of receipt of the appeal letter. If the appeal

is denied by the Corporate Director then the applicant may appeal the decision within ten (10) days from the date of receipt of the denial letter to the Board of Directors.

Aside from the applicant receiving a letter, calling or emailing NMHC to inquire about their application status, the applicant may access their account online on the CDBG-DR website. The application status will show a PENDING, APPROVED, OR DENIED status.

2. Local Infrastructure Program

The Islands have over 220 miles (350 km) of highways, three airports with paved runways, and one heliport. The main commercial airport is Saipan International Airport. The government-run utility company maintains 5 power generation plants – 3 on Saipan, 1 on Tinian, and 1 on Rota. It also provides water and wastewater services and delivery. The CNMI will ensure that adaptable and reliable technologies are used to guard against premature obsolescence of infrastructure. Local infrastructure projects were selected by priority need.

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Port Facilities	\$4,000,000
Public Facilities	\$43,943,908
Roads	\$8,750,000
Utilities	\$42,350,327
TOTAL FOR INFRASTRUCTURE	\$99,044,235

b. National Objective

LMA – See Above

c. Maximum Assistance

There is not a maximum assistance amount as allocations are based on project estimates.

d. Eligible Activities

The eligible activities are acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements under 570.201 (c), except as provided in Sec. 570.207(a), carried out by the recipient or other public or private nonprofit entities building activities as listed in 24 CFR 570.205 or 570.483(b)(5) and (c)(3).

e. Location of Activities

Projects are located on the islands of Saipan, Tinian and Rota.

f. Timeline

The proposed program start date is immediately following HUD’s approval of this action plan. The proposed end date is 6 years from the program start date.

3. Economic Revitalization Program

CNMI has identified potential projects totaling over \$20 million dollars and the economic revitalization activities will contribute to the long-term recovery efforts. The Economic Revitalization Program will help create jobs that will improve the economic viability of areas impacted by Typhoon Mangkhut and Super Typhoon Yutu. The funding will also be used for marketing and promotional efforts since tourism is 90 percent of the economic base. Many small businesses were impacted, resulting in lost earnings. This program will assist in creating, sustaining, and retaining jobs in the community by providing workforce development as well as attract potential visitors to inject revenue into the islands. It is intended that this program will support all businesses that include, but not limited to those providing housing construction services, to work with and complement the housing programs for the restoration of housing funded with CDBG-DR funds.

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Economic Revitalization	\$21,359,600

b. National Objective

LMI; LMA; LMJ

c. Maximum Assistance

Allocation will be made to government entities and there is not a maximum assistance amount as allocation are based on project estimates.

d. Eligible Activities

This activity is eligible for funds as listed in HCDA section 105(a)(17), 105(a)(19), 105(a)(22).

e. Location of Activities

Projects are located on the islands of Saipan, Tinian and Rota.

f. Eligibility Criteria for Assistance

Eligibility criteria will be included in the program guidelines.

g. Timeline

The proposed program start date is immediately following HUD's approval of this action plan. The proposed end date is 6 years from the program start date.

4. Local and Regional Planning

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Planning	\$1,443,347

b. Eligible Activities

The eligible activity is planning, urban environmental design, and policy-planning-management-capacity building activities as listed in 24 CFR 570.205 or 570.483(b)(5) and (c)(3).

c. Timeline

The proposed program start date is immediately following HUD’s approval of this action plan. The proposed end date is 6 years from the program start date.

5. Administrative Funds

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Administrative Funds	\$12,098,818

b. Eligible Activities

The eligible activity is program administration as listed in 24 CFR 570.204 as defined by the Federal Register Vol. 85, No. 17 for the 6-yr. duration of the CDBG-DR Program.

c. Timeline

The proposed program start date is immediately following HUD’s approval of this action plan. The proposed end date is 6 years from the program start date.

F. National Objectives

All activities meet one or more of the National Objectives for LMI, LMH, LMA, or LMJ.

SECTION 5 – CITIZEN PARTICIPATION

A. Publication and Public Notice

A public notice was published in the local papers of general circulation on June 19, 2020 providing for the required 30-day public comment period. Additionally, the plan was posted on NMHC on its website. The NMHC will make reasonable accommodations for persons with disabilities and non-English speaking residents upon request and in accordance with the Citizen Participation Plan. The aforementioned information was included in the Public Notice for 30-day comment period. As a result of this notice, ____ comments were received.

B. Consideration of Public Comments

CNMI will consider all written comments regarding the Action Plan. A summary of the comments is provided below and the CNMI response to each Citizen Comments

The following is a summary of comments received:

Comment Received:

CNMI Response:

Comment Received:

CNMI Response:

Comment Received:

CNMI Response:

C. Substantial Amendment

As defined by policy, any change to this Action Plan will follow a substantial amendment if new activities are added.

D. Non-substantial Amendment

Non-substantial Amendments require no notice to HUD or the Public on changes of \$5 million or less.

E. Public Website

All relevant data is posted on the NMHC web page including a link for the Action Plan itself.

F. Waivers

NMHC will seek any waivers needed and/or that may be available or issued by HUD.

SECTION 6 – ATTACHMENTS

- ▶ SF-424
- ▶ Certifications

The above form and certifications are not available for the 30-day public comment version and are developed and signed at time of the Action Plan submission to HUD.

Additionally, NMHC previously submitted certifications of financial controls, procurement processes, adequate procedures for grant management, documentation for the implementation plan, and capacity assessment to HUD for an approval and a copy is available upon request.