

CITY OF CHICAGO, ILLINOIS



COMMUNITY DEVELOPMENT BLOCK GRANT 2013 DISASTER RECOVERY (CDBG-DR) ACTION PLAN SUBSTANTIAL AMENDMENT

Proposed Uses of the Second Allocation of CDBG-GR Funds Under the Disaster Relief Appropriations Act, 2013 (Public Law 113-2) through the U.S. Department of Housing and Urban Development (HUD)

Approved by HUD on January 14, 2015

INTRODUCTION

On June 3, 2014, HUD issued a second allocation for 2013 Community Development Block Grant - Disaster Recovery (CDBG-DR) funds for which the City of Chicago was awarded an additional \$47.7 million, for a total award of \$52 million. Per HUD regulations, this second allocation requires the City of Chicago to issue a substantial amendment to the CDBG-DR Action Plan (Action Plan) released by the City on August 11, 2014. This requirement is published in the Federal Register/Volume 79, No. 106, Docket No. FR-5696-N-09.

This substantial amendment (Substantial Amendment) updates and revises the following portions of the Action Plan:

- the locations of two of the three infrastructure activities proposed with the first \$4.3M allocation
- the unmet needs assessment (now includes additional data on housing and infrastructure) and
- the proposed funding allocations for infrastructure programs and new programs.

The Action Plan is available on the City of Chicago website at www.cityofchicago.org/grants. All sections of the Action Plan remain in effect, unless otherwise noted herein.

BACKGROUND

On April 17th and 18th of 2013, a storm system swept through Chicago that dropped approximately 5.5 inches of rain on the City, or the equivalent of a “10-year storm,” the type of storm that occurs once every ten years based on historical storm frequency tables. The storm brought extensive damage to certain areas of the city which are highly vulnerable to flooding. The heavy rains experienced during the 2013 flood resulted in sewer overflows, basement floods, and backflow of water from the Chicago River into Lake Michigan. On April 18, 2013, Illinois Governor Pat Quinn declared a state of emergency, and 38 counties, including Cook County, were declared state disaster areas. By May 10, 2013, the U.S. Department of Homeland Security’s Federal Emergency Management Association (FEMA) issued a Presidential Disaster Area declaration. As a result, the U.S. Department of Housing and Urban Development (HUD) initially allocated Community Development Block Grant-Disaster Recovery (CDBG-DR) funding in the amount of \$4.3 million to the City of Chicago to help in recovery efforts of community areas that were most impacted by the storms. On June 3, 2014, HUD allocated the City of Chicago a second allocation of \$47.7 million for recovery efforts.

HUD requires an action plan to guide the distribution of CDBG-DR funds toward necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, or economic revitalization. The City’s Action Plan committed \$4.3 million towards a long-term strategy of infrastructure restoration, specifically to the water, sewer and drainage systems in

Chicago's south side community areas most distressed by the April floods. The Action Plan was approved by HUD on August 25, 2014.

This Substantial Amendment revises the locations of two of the original three infrastructure activities proposed in the Action Plan. (See chart below.) The City will not use CDBG-DR funds to complete the Escanaba Avenue and 108th Street Sewer Improvement Projects and will identify other sources of funding to complete these activities. The City will use CDBG-DR funds for the 125th Street Sewer Improvement Project.

Original Proposed Activity Summary Table						
Address	HUD National Objective	Census Tract	Description	CDBG-DR Funds*	City Funds*	Total Cost*
Escanaba Avenue Sewer Improvement Project						
Escanaba – 99 th St to 98 th St	LMA	510100	Install 2,510 feet of new sewer mains	\$1.43	\$1.75	\$3.18
125th Street Sewer Improvement Project						
125 th St. – Wentworth Ave to Parnell Ave.	LMA	530500	Install 4,280 feet of new sewer mains	\$1.43	\$3.94	\$5.37
Eggleston Ave – 124 th St. to 126 th St.						
124 th St. – Eggleston to Parnell						
108th Street Sewer Improvement Project						
108 th St. – Eberhart to Rhodes	LMA	490900	Install 3,230 feet of new sewer mains	\$1.44	\$0.67	\$2.11
Vernon Ave. – 107 th St. to 106 th St.						
106 th St. – Vernon to Rhodes						
Eberhart Ave – 106 th St. to 330' North						
Eberhart Ave – 107 th St. to 108 th St.						
TOTAL				\$4.30	\$6.36	\$10.66

REVISED Activity Summary Table						
Address	HUD National Objective	Census Tract	Description	CDBG-DR Funds*	City Funds*	Total Cost*
125th Street Sewer Improvement Project						
125 th St. – Wentworth Ave to Parnell Ave.	LMA	530500	Install 4,280 feet of new sewer mains	\$4.30	\$1.07	\$5.37
Eggleston Ave – 124 th St. to 126 th St.						
124 th St. – Eggleston to Parnell						
				\$4.30	\$1.07	\$5.37

This Substantial Amendment incorporates all the data and tables provided in the Needs Assessment of the Action Plan but provides additional data gathered in connection with the development of the Substantial Amendment. The City’s Substantial Amendment will commit an additional \$47.7 million towards a series of projects to continue to aid in the recovery and remediation from the April 2013 flood. Specifically, the City will again commit CDBG-DR funds to public infrastructure restoration and updating, including water, sewer and drainage systems in the Chicago community areas most distressed by the April floods. With this round, the City proposes to commit \$35 million towards these public infrastructure projects while committing \$10.3 million to housing rehabilitation for homeowners and renter assistance and mitigation measures. The City will also devote \$2.4 million to administrative costs, including oversight, planning, and monitoring costs. The proposed activities are outlined in the table below.

The use of CDBG-DR funds will be consistent with HUD requirements to satisfy “unmet needs” that have not been satisfied by other public or private funding sources like FEMA Individual Assistance funds, Small Business Administration (SBA) disaster loans, or private insurance. In addition, per HUD requirements, the plan also ensures that CDBG-DR funds are spent fully on the City areas most impacted by the April storms and only on community areas located within the City’s jurisdiction. These requirements are published in the Federal Register/Volume 78, No. 241, Docket No. FR-5696-N-07.

PROPOSED REVISED BUDGET					
FIRST AWARD: \$4.3*			SECOND AWARD \$ 47.7*		
TOTAL: \$52.0*					
*expressed in millions					
	CDBG-DR				
	1ST AWARD	2ND AWARD	MATCH	TOTAL COST	NOTES
ADMINISTRATIVE COST					
<i>Project: Planning and Administration</i>	\$0	\$ 2.40	\$0	\$ 2.40	City oversight, planning and monitoring
PUBLIC INFRASTRUCTURE					
<i>Project: Street Sewer Repair</i>	\$4.30	\$25.00	\$26.07	\$55.37	New sewers to address damage from inundation
<i>Project: Albany Park Tunnel Mitigation</i>	\$0	\$10.00	\$39.00	\$49.00	Infrastructure improvements to mitigate future flooding
HOUSING PROJECTS					
<i>Project: Single- and Multi-Family Homeowner and Renter Assistance Program</i>	\$0	\$10.30	\$0	\$10.30	Rehabilitation and mitigation program for single and multifamily housing and assistance for renters
Total	\$4.30	\$47.70	\$65.07	\$ 117.07	

HOUSING OVERVIEW

After additional consultation and review of the unmet housing needs in the City of Chicago with respect to the flood of April 2013 (see unmet need below), the City of Chicago has allocated CDBG-DR funds to housing for homeowners and renters of single- and multi-unit buildings in a manner responsive to the unmet housing needs. Specifically, the City will support a homeowner assistance program and a mitigation measures program to provide funds to home and property owners to reduce the occurrence or frequency of flooding. Chicago’s housing recovery and assistance programs will also incorporate sustainability and resiliency measures by focusing on modern building standards, green building technology and energy efficiency into the reconstruction process, where feasible. The City will prioritize the needs of LMI households in its homeowner and renter programs. The City also will dedicate additional funding specifically to assist special needs populations impacted by the storm. The City affirmatively promotes fair housing through its housing programs, following all applicable federal and state statutes and regulations, and vigorously enforcing fair housing laws. The City will continue to ensure that

housing assistance is prioritized and allocated based on financial hardship and disaster-related need, without regard to race or ethnicity.

HOUSING AND RENTER UNMET NEEDS

After the submission of the Action Plan, the City of Chicago reached out to FEMA for additional homeowner data regarding homeowner and renter damage claims related to the 2013 flood that were unaddressed and unmet. Below are two tables identifying the unmet needs of homeowners and renters in response to the flooding. According to the tables below, there is still a sizable amount of unmet housing need. The assistance provided to owners and renters did not meet the FEMA verified loss (FVL). In both instances there was a \$2.5 million gap in the amount of damage assessed and the amount awarded.

OWNER		City of Chicago		
		# of Apps	Total \$ FVL	IHP RP Paid
Minor-Low	< \$3,000	20,564	\$20,208,887.57	\$18,525,690.36
Minor-High	\$3,000 - \$7,999	1,745	\$7,796,064.07	\$7,175,484.38
Major-Low	\$8,000 - \$14,999	151	\$1,552,467.32	\$1,394,904.85
Major-High	\$15,000 - \$28,800	12	\$226,918.58	\$232,414.02
Severe	> \$28,800	0	\$0.00	\$0.00
TOTALS:		22,472	\$29,784,337.54	\$27,328,493.61

Source: FEMA (Chicago, April 2013 Severe Storms and Flooding, IL-DR-4116 (as of August 7, 2014))

RENTER		City of Chicago		
		# of Apps	Total \$ FVL	IHP PP Paid
Minor-Low	< \$1,000	5,463	\$2,763,883.70	\$2,037,561.38
Minor-High	\$1,000 - \$1,999	1,842	\$2,540,986.86	\$1,908,632.22
Major-Low	\$2,000 - \$3,499	785	\$2,044,110.65	\$1,535,357.85
Major-High	\$3,500 - \$7,499	455	\$2,218,907.02	\$1,766,016.20
Severe	> \$7,500	60	\$540,696.10	\$414,752.80
TOTALS:		8,605	\$10,108,584.33	\$7,662,320.45

Source: FEMA (Chicago, April 2013 Severe Storms and Flooding, IL-DR-4116 (as of August 7, 2014))

In addition, the City once again reached out to the Community Organizations Active in Disaster of Northeast Illinois (COAD), a humanitarian association composed of voluntary and community organizations that foster coordination of service delivery to people affected by disaster, and its long term recovery committee (LTRC)¹ tasked with assisting with recovery efforts. The LTRC

¹ Participants in the LTRC include the American Red Cross, Asian Human Services, Broadview, Missionary Baptist Church, Catholic Charities, Chicago Cares, Church World Service, Good Will Chicago, Hands On Suburban Chicago, Illinois Baptist State Association (Southern Baptists), Lutheran Disaster Response Illinois, Presbyterian Disaster Assistance, St. John Lutheran Lombard, Salvation Army, Seventh Day Adventists, Trinity Lutheran Church Lisle, United

provided additional details on homes in need of repairs and assistance ranging from the following issues:

- extensive mold damage to basements and home (overwhelming issue);
- structural damage to building foundation and underneath house floor;
- cracks, holes, and buckling of ceiling or roof;
- electrical problems from flooded outlets;
- damaged or destroyed furniture and appliance;
- repair of flooring, drywall, and baseboards;
- plumbing and electrical issues;
- home condemned;
- broken plumbing broken (e.g., sewage comes up);
- tuck pointing to prevent flooding; and
- replacing sump pump.

All the homes were inspected by individuals working in connection with the LTRC to determine the validity of the homeowner's claim as well as the extent of the damage. The homes inspected are located in some of Chicago's neediest areas: more than 80% of the households (44 out of 53) have incomes below poverty level; almost 30% of the households have a disabled household member; and almost 25% of the individuals are elderly. Thus, these are individuals and households in immediate need of financial assistance to ensure that their homes are safe and healthy environments. The households identified by LTRC were in the following community areas: Ashburn, Auburn Gresham, Austin, Avalon Park, Calumet Heights, Chatham, Chicago Lawn, East Garfield Park, Humboldt Park, Morgan Park, Pullman, Roseland, South Deering, South Shore, Washington Heights, West Elsdon, West Englewood, West Garfield Park, West Lawn, and West Pullman. The homes were located in the following census tracts: 231500, 251100, 252100, 252300, 261000, 271500, 271700, 381800, 400400, 431200, 431400, 440200, 440900, 450200, 480500, 490300, 490500, 490900, 500100, 510200, 530200, 530300, 530500, 620100, 650200, 660800, 661000, 661100, 671100, 671500, 671600, 671800, 672000, 700200, 700500, 710200, 711100, 711400, 720200, 720700, 730200, 730300, 730400, and 750600.

Demographics of Community Areas (Housing Need)

The flood had an overwhelming impact on community areas with high unemployment and large populations of people of low- to moderate income and elderly. Of the 20 community areas with housing needs identified by the LTRC, 17 of 20 have median incomes below the citywide median income of \$47,780, including four community areas where the median income is below \$30,000 and 8 community areas where the median income is below \$40,000. Additionally, in 14 community areas, 30% of the households have incomes below \$25,000. The unemployment rate

in 18 of these communities exceeds the Chicago city average of 12.9% with 12 of them exceeding 20%. The impacted areas have a high percentage of elderly population living in their communities. There are 12 community areas where 12% of the population or greater is older than 65 years old; the City average is 11%. In terms of race, the majority of the individuals living in these communities are Black though Hispanics make up a sizeable portion of the population as well. Thus, aside from being some of the most affected by the storm, these are communities where the need for assistance to repair and update homes is the greatest. For additional demographic information by community area see the charts below.

By Income

Community Area	Total Households	Median Income	Income < \$25,000	Percent	Unemployed
Ashburn	12,780	\$ 67,964	2,120	16.6%	11.7%
Auburn Gresham	17,173	\$ 30,900	7,161	41.7%	28.3%
Austin	32,428	\$ 31,885	13,263	40.9%	22.6%
Avalon Park	3,857	\$ 45,465	1,150	29.8%	21.1%
Calumet Heights	5,586	\$ 55,617	1,096	19.6%	20.0%
Chatham	14,112	\$ 30,572	5,993	42.5%	24.0%
Chicago Lawn	15,416	\$ 34,480	5,542	35.9%	17.0%
East Garfield Park	6,895	\$ 25,108	3,437	38.5%	19.5%
Humboldt Park	16,778	\$ 29,778	7,263	43.3%	17.3%
Morgan Park	8,019	\$ 61,351	1,649	20.6%	15.0%
Pullman	2,984	\$ 42,939	969	32.5%	22.8%
Roseland	15,524	\$ 37,967	5,254	33.8%	20.2%
South Deering	5,332	\$ 32,278	2,207	41.4%	16.3%
South Shore	23,020	\$ 30,421	10,022	43.5%	19.8%
Washington Heights	9,308	\$ 41,348	2,651	28.5%	20.8%
West Elsdon	5,032	\$ 46,535	1,030	20.5%	16.7%
West Englewood	10,364	\$ 26,451	4,944	47.7%	35.9%
West Garfield Park	5,715	\$ 24,502	2,901	50.8%	25.8%
West Lawn	9,111	\$ 47,702	2,022	22.2%	9.6%
West Pullman	9,366	\$ 39,878	3,217	34.3%	19.2%

Source: Community Data Snapshots, Chicago Metropolitan Agency for Planning (CMAP) (updated March, 2014)

By Race

Community Area	Population	Black	Hispanic	Asian	White	Age 65+
Ashburn	42,788	51.8%	30.9%	0.3%	16.8%	9.8%
Auburn Gresham	49,634	98.1%	1.0%	0.2%	0.3%	14.9%
Austin	98,162	85.6%	8.9%	0.4%	4.6%	11.0%
Avalon Park	9,589	96.7%	0.3%	0.4%	1.7%	19.4%
Calumet Heights	14,382	93.8%	4.2%	0.1%	1.4%	23.1%
Chatham	33,272	97.5%	0.5%	0.1%	0.5%	15.4%
Chicago Lawn	54,807	53.7%	41.9%	0.8%	3.5%	6.5%
East Garfield Park	21,308	94.2%	1.7%	0.4%	3.1%	8.3%
Humboldt Park	54,351	41.7%	51.2%	0.3%	5.5%	7.8%
Morgan Park	22,701	63.9%	2.3%	0.5%	31.7%	16.4%
Pullman	7,262	84.4%	7.6%	0.5%	7.2%	15.1%
Roseland	45,285	96.2%	0.8%	0.5%	1.1%	17.0%
South Deering	16,445	60.9%	31.6%	0.3%	5.4%	12.3%
South Shore	50,138	94.2%	1.7%	0.2%	1.5%	12.4%
Washington Heights	26,021	97.6%	0.7%	0.0%	1.0%	20.8%
West Elsdon	19,006	2.1%	78.2%	1.7%	17.8%	9.1%
West Englewood	35,294	95.8%	2.6%	0.1%	1.2%	12.3%
West Garfield Park	19,385	96.0%	1.2%	0.1%	1.4%	8.7%
West Lawn	32,950	3.2%	79.6%	0.3%	16.8%	8.4%
West Pullman	30,771	93.5%	4.5%	0.0%	1.3%	13.0%

Source: Community Data Snapshots, Chicago Metropolitan Agency for Planning (CMAP) (updated March, 2014)

HOUSING ASSISTANCE PROGRAMS

Overview – To support the recovery of homeowners, the City will use funds from the second allocation of the CDBG-DR award to establish the Flood Homeowners and Renters Assistance Program (HRAP) for single- and multi-unit buildings. The City is allocating \$10.3 million from this second allocation to the HRAP. The program will be administered by the City’s Department of Planning and Development (DPD) in partnership with qualified sub-recipients.

HRAP Program – HRAP will provide grant awards to eligible primary homeowners for activities necessary to repair storm-damaged single- and multi-unit housing. In addition, the program will provide assistance to renters that were displaced or adversely affected by flooding. HRAP will rehabilitate a variety of rentals from “1 to 4 unit” buildings to large multi-family housing developments. The types of eligible improvements may include, but are not limited to, rehabilitation, mold remediation, electrical and appliance repair or replacement, basement and roof repair, and mitigation measures. In addition, the program will provide grants to individuals renters who suffered losses, including but not limited to damage to personal property, or any necessary repairs or fixes made to the rental unit in connection with flood that were required to make the unit habitable.

All rehabilitation will adhere to the Chicago Building Code, the City of Chicago's Green Permitting Program², the City of Chicago's Sustainable Development Policy³, HUD CPD Green Building Retrofit Checklist⁴, and take into consideration the need or availability of mitigation measures (discussed below). Furthermore, HRAP will promote sustainable communities and help to protect the environment by requiring the incorporation of green building technology and energy efficient development.

Mitigation Measures – In addition, the program will provide grants for proactive mitigation measures that homeowners and property owners can take to reduce or minimize the likelihood of future flooding. Along with replacing and increasing the size of sewer mains as proposed in the infrastructure section of this Substantial Amendment, there are a number of modifications and alterations that homeowners or property owners can make to their residence that will help reduce the burden on sewers that lead to overwhelming the sewer system. For example, the City of Chicago was the first major metropolitan area in the country to successfully implement an inlet control system to relieve basement flooding. The system works by installing restrictors, known as Rainblockers, to slow the flow of stormwater into the sewer system. Stormwater is detained on city streets for brief periods before flowing back into the sewer system. This measure helps relieve the burden on the sewer system and reduce the frequency of basement flooding and combined sewer overflows into our waterways. The effectiveness of the inlet control system depends not only on the installation of Rainblockers but also on downspout disconnection. The City will use CDBG-DR funding to install Rainblockers in catch basins or pay for downspout disconnection in instances where the individual is unable to perform the task alone. Under this mitigation program, individuals could also get funding for downspout rain barrels (or cisterns)⁵, permeable paving⁶, or green roofs⁷ if the individuals live in flood plains or flood prone areas with a history of repeated flooding. In addition, the City will continue to encourage residents throughout the City to engage in programs and practices that will reduce overwhelming the City's sewer system and basement flooding. For additional information on the efforts taken by the City to educate residents on how to minimize and manage stormwater damage, please go to:

² See http://www.cityofchicago.org/city/en/depts/bldgs/supp_info/overview_of_the_greenpermitprogram.html

³ See http://www.cityofchicago.org/content/dam/city/depts/zlup/Sustainable_Development/Publications/Sustainable_Development_Policy_Matrix.pdf

⁴ See <https://www.hudexchange.info/resource/3684/guidance-on-the-cpd-green-building-checklist/>.

⁵ Rain barrels can effectively capture and store the runoff from small to moderate storms. The stored water then can be used to irrigate lawns and landscaped areas in between storm events. The effectiveness of rain barrels (or cisterns) is a function of their storage volume in comparison to the size of the roof. For example, a 1,200 square foot roof could utilize 55-gallon barrels to store runoff from downspouts at the four corners of the house. The resultant storage is equivalent to about 0.3 inches of runoff.

⁶ Permeable paving has openings that allow water to pass through the surface and soak into the ground. Replace your driveway, walkway and patio cement with bricks or other pavers with spaces between them, permeable concrete or asphalt, or a combination of grass and gravel.

⁷ A green roof is a layer of landscaping installed on the top of a building. The plants retain and filter rainwater, reduce heating and cooling costs, extend the life of the roof, and improve air quality.

http://www.cityofchicago.org/content/dam/city/depts/water/supp_info/ManagingStormwaterAtHomeBrochure.pdf.

Administration – The HRAP Program will be administered by the City’s Department of Planning and Development (DPD). DPD will issue a Request-for-Proposal (RFP) to select sub-recipient(s) to implement the program activities. The selected sub-recipient(s) will have previous experience managing programs with a similar scope and the capacity to oversee the program, including but not limited to, marketing and outreach, assessing the need of applicants, investigating and approving claims and applications, and performing inspections to ensure that all rehabilitation complies with local and federal requirements. DPD staff will provide monitoring oversight of the sub-recipient(s) to ensure all contractual performance deliverables are met.

The program will allow for reimbursement of eligible expenses including reimbursing sub-recipients for eligible pre-award costs to the extent permitted by HUD. The City will adhere to the guidance provided in HUD Notice CPD-13-05 (July 30, 2013), which discusses reimbursing pre-award costs for eligible expenses incurred by homeowners, businesses and other qualifying entities.

Eligibility Criteria – Determination of eligible homeowners and renters will be determined after further consultation with key partners. However, the City will prioritize LMI households and homeowners whose homes were substantially damaged, as long as the need exists. In addition, the criteria will include but not be limited to:

- Homeowner and/or renter must have been registered with FEMA
- Home must have been in one of the most-impacted areas; a FEMA designated flood plain; or historically flood-prone area.
- Renters must have occupied the unit at time of April 2013 flood
- Only primary residences qualify for assistance; second homes will not be eligible

Eligible applicants may receive up to \$50,000 of grant assistance for approved household or rental improvements. The improvements are anticipated to be completed within 30 to 120 days of the grant application. HRAP will be in compliance with all Fair Housing Act requirements to ensure that special needs populations are served.

INFRASTRUCTURE PROJECTS

After consulting with FEMA, no additional Public Assistance data was available. At this time, the City has conducted a review of unmet needs in response to the 2013 flood and has identified two major areas of infrastructure need: sewer restoration and upgrades and a new deep diversion tunnel in Albany Park to mitigate future flooding. The Department of Water Management (DWM) has identified 17 sewer projects throughout the City of Chicago in some of the most affected areas by the 2013 floods. These sewers projects are replacing old, undersized sewer

pipes that were damaged by the inundation that occurred during the April 2013 storms. The inundated sewers caused water to overflow to the surface and flood the surrounding streets, sidewalks, and residential homes. If these sewers are not replaced, these areas will likely witness renewed flooding in the event of a similar storm. The Albany Park Tunnel will provide a much-needed diversion tunnel (separate from the Metropolitan Water Reclamation District of Greater Chicago's current network of deep tunnels) that will divert overflow from the North Branch of the Chicago River in Albany Park to the North Shore Channel. Both of these projects are being proposed to address the damage caused by the 2013 flood and proactively reduce the probability of future flooding. DWM estimates that the 17 sewer projects will be completed in 2015 and 2016 at a cost of approximately \$50 million. The Albany Park tunnel project will cost approximately \$49 million, 50% of which will be paid by the Metropolitan Water Reclamation District (MWRD). Therefore, the City has identified approximately \$89 million in infrastructure unmet need.

As detailed in the proposed activity table in the overview, the City plans to allocate a total of \$35 million of its second allocation of CDBG-DR funding to address stormwater infrastructure needs across the City. Of the \$35 million, the City proposes spend \$25 million in CDBG-DR funds on sewer restoration and renovation projects in predominantly low- to moderate-income areas (LMA) and those neighborhoods most affected by the storm and prone to flooding. The City will leverage an additional \$25 million in sewer funds to complete these projects for a total of \$50 million in sewer infrastructure spending. The City proposes to spend the remaining \$10 million in CDBG-DR funding on the Albany Park Tunnel and will leverage approximately \$39 million from MWRD, nearby TIF districts, and the State of Illinois to make up the remaining portion of the tunnel costs. Additional details on each project are provided below.

Proposed Activity Summary Table						
Address	HUD National Objective	Census Tract	Description	CDBD-DR Funds*	City Funds*	Total Cost*
128th Street Sewer Improvement Project						
E. 128th St. - S. Torrence Ave. to S. Exchange Ave.	LMA	550200	Install 1,884 feet of new sewer mains	\$0.84	\$0.84	\$1.68
69th Street Sewer Improvement Project						
E. 69th St. - S. Langley Ave. to S. St. Lawrence Ave.	LMA	421200 and 690500	Install 2,202 feet of new sewer mains	\$1.37	\$1.37	\$2.74
S. Langley Ave. - 67th St. to E. 69th St.						
116th Street Sewer Improvement Project						
W. 116th St. - S. Justine St. to S. Elizabeth St.	LMA	530300	Install 3,987 feet of new sewer mains	\$1.34	\$1.34	\$2.68
S. Bishop St. - W. 117th St. to W. 118th St.						
W. 118th St. - S. Bishop St. to S. Justine St.						
62nd Street Sewer Improvement Project						
W. 62nd St. - S. Pulaski Rd. to S. Kostner Ave.	LMA	650100 and 650200	Install 4,091 feet of new sewer mains	\$1.81	\$1.81	\$3.62
S. Karlov Ave. - W. 62nd St. to W. 61st St.						
W. 61st St. - S. Karlov Ave. to S. Kedvale Ave.						
W. 61st St. - S. Karlov Ave. to S. Komensky Ave.						
53rd Street Sewer Improvement Project						
W. 53rd St. - S. Pulaski Rd. to S. Millard Ave.	LMA	620100	Install 2,339 feet of new sewer mains	\$1.60	\$1.60	\$3.20
75th Street Sewer Improvement Project						
E. 75th St. - S. Rhodes Ave. to S. Cottage Grove Ave.	LMA	690900 and 691400	Install 2,290 feet of new sewer mains	\$1.04	\$1.04	\$2.08
S. Evans Ave. - E. 74th St. to E. 75th St.						
105th Street Sewer Improvement Project						
W. 105th St. - Morgan St. to Halsted St.	LMA	730700	Install 2,134 feet of new sewer mains	\$1.47	\$1.47	\$2.94
Aberdeen St. - W. 105th St. to W. 104th Pl.						
Aberdeen St. - W. 103rd St. to W. 103rd Pl.						
76th Street Sewer Improvement Project						
W. 76th St. - S. Stewart Ave. to S. Wentworth Ave.	LMA	691200	Install 2,865 feet of new sewer mains	\$1.38	\$1.38	\$2.76
S. Yale Ave. - W. 76th St. to 360' north of W. 76th St.						
S. Wentworth Ave. - W. 76th St. to W. 75th St.						

W. 76th St. - S. Perry Ave. to S. LaFayette Ave.						
99th Street Sewer Improvement Project						
W. 99th St. - S. Wentworth Ave. to S. State St.	LMA	490600, 490700, and 490800	Install 4,107 feet of new sewer mains	\$1.74	\$1.74	\$3.48
S. Perry Ave. - W. 101st St. to W. 102nd St.						
W. 102nd St. - S. LaSalle St. to S. Lafayette Ave.						
E. 102nd St. - S. State St. to 530 feet east						
E. 102nd Pl. - S. State St. to S. Michigan Ave.						
Augusta Avenue Sewer Improvement Project						
W. Augusta Blvd. - N. Pulaski Rd. to N. Keeler Ave.	LMA	231200 and 842100	Install 2,410 feet of new sewer mains	\$1.39	\$1.39	\$2.78
N. Keeler Ave. - W. Augusta Blvd. to W. Thomas St.						
N. Keeler Ave. - W. Augusta Blvd. to W. Walton St.						
92nd Street Sewer Improvement Project						
E. 92nd St. - S. Anthony Ave. to S. Essex Ave.	LMA	480500	Install 2,113 feet of new sewer mains	\$0.88	\$0.88	\$1.76
Oglesby Avenue Sewer Improvement Project						
S. Oglesby Ave. - E. 99th to E. 97th St.	LMA	510300	Install 3,218 feet of new sewer mains	\$2.81	\$2.81	\$5.62
E. 97th St. - S. Oglesby Ave. to S. Luella Ave.						
S. Luella Ave. - E. 97th St. to E. 96th St.						
E. 96th St. - S. Merrion Ave. to S. Brennan Ave.						
100th Street Sewer Improvement Project						
W. 100th St. - S. Normal Ave. to S. Emerald Ave.	N/A	N/A	Install 2,655 feet of new sewer mains	\$1.05	\$1.05	\$2.10
W. 101st St. - S. Morgan St. to S. Green St.						
Calumet Avenue Sewer Improvement Project						
S. Calumet Ave. - E. 89th St. to E 87th Pl.	N/A	N/A	Install 2,680 feet of new sewer mains	\$1.10	\$1.24	\$2.34
S. Eberhart Ave. E. 89th St. to E. 87th St.						
S. Eberhart Ave. - E. 89th St. to E. 89th Pl.						
Blackstone Avenue Sewer Improvement Project						
S. Blackstone Ave. - E. 76th St. to E. 77th St.	LMA	834200 and 834300	Install 1,195 feet of new sewer mains	\$1.93	\$1.93	\$3.86
E. 77th St. - S. Blackstone Ave. to S. Dante Ave.						
S. Dante Ave. -						

E. 77th St. to S. South Chicago Ave.						
95th Street Sewer Improvement Project						
E. 95th St. - S. Torrence Ave. to Oglesby Ave.	LMA	480500, 510200, 510300, and 838800	Install 2,164 feet of new sewer mains	\$0.89	\$0.89	\$1.78
Chicago Avenue Sewer Improvement Project						
W. Chicago Ave. - N. Spaulding Ave. to N. Homan Ave.	LMA	231100, 231500, 836600, and 836700	Install 4,366 feet of new sewer mains	\$2.36	\$2.36	\$4.72
N. Homan Ave. - W. Chicago Ave. to W. Iowa St.						
W. Iowa St. - N. Homan Ave. to N. Trumbull Ave.						
N. Christiana Ave. - W. Chicago Ave. to 515 feet north						
W. Augusta St. - N. Trumbull Ave. to N. Drake Ave.						
N. Drake Ave. - W. Huron Street. to W. Chicago Ave.						
W. Chicago Ave. - N. St. Louis Ave. to N. Central Park Ave.						
SUM				\$25.00	\$25.14	\$50.14
<i>* Expressed in Millions</i>						

Chicago's Water and Sewer Infrastructure

As discussed in the Action Plan, outdated and undersized sewer mains, many of which are over a century old, are currently inadequate to contain the volume of rainfall experienced in recent years in connection with climate change, which was evidenced in a dramatic fashion by the flooding of streets and neighborhoods across the City in April of 2013. In 2012, the City began an aggressive infrastructure improvement program focusing on modernizing and expanding the City's water and sewer infrastructure. In the coming decade, the City will replace 900 miles of water mains, replace or reline 760 miles of sewer pipes, line 160,000 catch basins, and renew 12 pumping stations and 2 purification plants. In connection with the general capital improvement of sewer mains, DWM has also been working with MWRD to identify sewer replacement and improvement projects to address areas of the City that are prone to flooding due to outdated infrastructure. In planning such projects, DWM and MWRD share computer modeling data on their respective sewer collection and conveyance systems to ensure operational consistency throughout Chicago.

The City used three different types of data and analysis to select the 17 sewer replacement projects. This included the use of the City's hydraulic citywide trunk sewer computer model, analysis of reported instances of flooding to the City's 311 system, and evaluation of applications by private homeowners to FEMA for individual assistance.

The City has used a hydraulic citywide trunk sewer computer model for the last five years to evaluate existing flood risk and determine the most effective infrastructure replacement projects. The model contains three basic components. The first is the existing sewer pipe network in the City of Chicago. The second component included in the model is the land use factors that determine runoff. This includes the amount and location of impervious or paved surfaces, the features that restrict flows (like flow restrictors in sewer catch basins), and the number of building downspouts that are disconnected from the sewer system. The third component of the model is the amount of rainfall that is expected from different types of storms.

The model creates outputs such as runoff volumes, water levels in the sewers, and flow metrics such as total volume, peak flow, or amount of combined sewer overflows (CSOs). The City can evaluate how changes to the inputs of the model, such as an increase in rainfall, reduction in impervious surfaces, or the size of sewer pipes, result in different model outputs such as flood risk reduction, CSO frequency reduction, and reduced inflows to treatment plants.

The City used its computer sewer model to analyze areas of flood risk following the April 2013 storms. The City identified areas that have insufficient sewer capacity and were inundated during these rain storms. When sewers are inundated, the stormwater runoff backs up out of the sewers and flows back into basements and streets. Each of the 17 projects are located in an area that has insufficient sewer capacity and contains a flood risk that was exceeded by the volume of rainfall received during the April 2013 storms.

The second analysis performed by the City was to examine calls received to the City's 311 system. The City's 311 system is a phone- and web-based portal where citizens can log non-emergency complaints or requests for assistance. The City tracks two types of calls to 311 related to flooding: water-in-basement and water-in-street. The City believes this is a good proxy for the location of actual flooding since 311 calls represent known occurrences of flooding by citizens. However, the City also believes that 311 calls often underrepresent flooding occurrences for a variety of reasons. Some citizens may not call 311 because they don't know about the system and/or they choose to handle their flooding situation on their own. The City evaluated 311 calls during the events of April 17-18, 2013 to understand which areas experienced flooding. Each of the 17 sewer projects selected for CDBG-DR funding are located adjacent to areas that had reported flooding to the City's 311 system. See Appendix 1 for a map of the 17 sewer projects overlaid with 311 calls for flooding.

The City's third analysis was an evaluation of the areas of Chicago that received a high volume of applications for FEMA Individual Assistance in connection with federal declaration 4116-DR_IL. Since these applications were made for funding in response to flood damage, the City believes that this data set is another good proxy for actual flooding occurrences. Specifically, the City evaluated those zip codes that received higher rates of applications and compared those to the level of basement flooding risk from the city's hydraulic computer sewer model and the occurrence of 311 calls during the April 2013 storms. Each of the 17 sewer projects selected for

CDBG-DR funding are located within zip codes that had high levels of applications for FEMA Individual Assistance. See Appendix 2 for a map of the 17 sewer projects overlaid with the City's zip codes. The table below shows the zip code for each of the 17 sewer projects and the number of FEMA Individual Assistance applications that were received in those zip codes as of August 7, 2013.

Proposed Activity Summary Table						
Age	Existing Diameter	New Diameter	Structures Benefitted	Benefitting Area (acres)	Zip Code	FEMA Applicants*
128th Street Sewer Improvement Project						
1929	10"	24", 30"	298	51.3	60633	352
69th Street Sewer Improvement Project						
1890, 1894	10", 12"	48", 54"	319	87.5	60637	964
116th Street Sewer Improvement Project						
1961, 1962	10", 18", 21"	24", 30", 42"	702	89.8	60643	2,895
62nd Street Sewer Improvement Project						
1924	10", 12"	24", 30", 36", 42", 48"	525	70.9	60629	2,055
53rd Street Sewer Improvement Project						
1923	24", 30", 36", 42"	48", 54", 60"	951	141.7	60632	334
75th Street Sewer Improvement Project						
1893, 1910	12"	24"	252	37.3	60619	4,210
105th Street Sewer Improvement Project						
1914, 1915, 1926	10"	24", 30", 36"	357	59.5	60643	2,895
76th Street Sewer Improvement Project						
1911, 1917, 1925	8", 12"	24", 36", 42"	156	38.9	60620	4,525
99th Street Sewer Improvement Project						
1907, 1911, 1925, 1927	12"	24", 30"	157	30.8	60628	5,732
Augusta Avenue Sewer Improvement Project						
1911, 1926	8", 12"	24", 30", 36"	310	43.5	60651	2,065
92nd Street Sewer Improvement Project						
1909	15", 18"	12", 24", 36", 42"	185	28.5	60617	3,010
Oglesby Avenue Sewer Improvement Project						
1948	12", 15", 18", 42"	24", 30", 36", 42", 60"	333	49.3	60617	3,010
100th Street Sewer Improvement Project						
1894, 1896, 1900, 1928	10", 12"	24", 30", 36", 42", 48", 54"	422	71.7	60628	5,732

Calumet Avenue Sewer Improvement Project						
1955, 1973	10", 15", 18", 21"	24", 30", 36", 42"	315	36.9	60619	4,210
Blackstone Avenue Sewer Improvement Project						
1906, 1992	12", 15"	24", 30", 36"	75	15.5	60619	4,210
95th Street Sewer Improvement Project						
1928	12"	24", 30"	59	19.5	60617	3,010
Chicago Avenue Sewer Improvement Project						
1891, 1900, 1905, 1938	12", 15"	24", 30", 36"	301	49.9	60651	2,065
SUM			5,717	922.5		
<i>* Number of FEMA Applicants in the Zip Code as of October 24, 2013</i>						

The 17 proposed sewer projects identified for this Substantial Amendment have been escalated to a higher priority because of the April 2013 flooding and the availability of CDBG-DR funding. These projects total over 8.84 miles of new sewers and will benefit more than 5,700 homes and an area of more than 922 acres at risk from flooding.

Of the 17 projects, 15 projects will benefit residents of low- and moderate-incomes, and 13 are located on the City's south side. The City will repair sewers in the following community areas: Calumet Heights, Greater Grand Crossing, Hegewisch, Humboldt Park, Roseland, South Deering, South Shore, Washington Heights, West Elsdon, West Lawn, West Pullman, and Woodlawn. These were some of the most affected areas during the April 2013 storm, and these neighborhoods routinely deal with flooding from severe rainstorms. The other two projects will occur in the west side's community area of Humboldt Park.

As the charts below illustrates, a majority of these communities have median incomes below or well below the Chicago average. In addition, at least 20% of the households in each community have a combined income of less than \$25,000 with five community areas having 40% of households that earn less than \$25,000. Also, unemployment exceeds 16% in all almost all of the communities and there are six with rates exceeding 20%. Blacks and Hispanics make up the largest segment of the population in most of these communities; seven of the neighborhoods are over 80% Black while Hispanics comprise 50% of the population in four neighborhoods. Therefore, these sewer projects will help alleviate and reduce flooding in communities where the financial need is greatest and will benefit overwhelmingly minority communities.

By Income

Community Area	Total Households	Median Income	Income < \$25,000	Percent	Unemployed
Calumet Heights	5,586	\$ 55,617	1,096	19.6%	20.0%
Greater Grand Crossing	12,605	\$ 29,254	5,580	44.3%	23.0%
Hegewisch	3,703	\$ 45,178	987	26.6%	9.6%
Humboldt Park	16,778	\$ 29,778	7,263	43.3%	17.3%
Roseland	15,524	\$ 37,967	5,254	33.8%	20.2%
South Deering	5,332	\$ 32,278	2,207	41.4%	16.3%
South Shore	23,020	\$ 30,421	10,022	43.5%	19.8%
Washington Heights	9,308	\$ 41,348	2,651	28.5%	20.8%
West Elsdon	5,032	\$ 46,535	1,030	20.5%	16.7%
West Lawn	9,111	\$ 47,702	2,022	22.2%	9.6%
West Pullman	9,366	\$ 39,878	3,217	34.3%	19.2%
Woodlawn	8,982	\$ 25,796	4,412	49.1%	24.2%

Source: Community Data Snapshots, Chicago Metropolitan Agency for Planning (CMAP) (updated March, 2014)

By Race

Community Area	Population	Black	Hispanic	Asian	White	Age 65+
Calumet Heights	14,382	93.8%	4.2%	0.1%	1.4%	23.1%
Greater Grand Crossing	32,873	96.3%	1.4%	0.1%	1.0%	13.1%
Hegewisch	10,202	9.1%	50.9%	0.2%	39.1%	14.0%
Humboldt Park	54,351	41.7%	51.2%	0.3%	5.5%	7.8%
Roseland	45,285	96.2%	0.8%	0.5%	1.1%	17.0%
South Deering	16,445	60.9%	31.6%	0.3%	5.4%	12.3%
South Shore	50,138	94.2%	1.7%	0.2%	1.5%	12.4%
Washington Heights	26,021	97.6%	0.7%	0.0%	1.0%	20.8%
West Elsdon	19,006	2.1%	78.2%	1.7%	17.8%	9.1%
West Lawn	32,950	3.2%	79.6%	0.3%	16.8%	8.4%
West Pullman	30,771	93.5%	4.5%	0.0%	1.3%	13.0%
Woodlawn	21,833	87.8%	1.8%	240.0%	7.6%	11.2%

Source: Community Data Snapshots, Chicago Metropolitan Agency for Planning (CMAP) (updated March, 2014)

Albany Park Tunnel Project

Following the April 2013 storms and flooding, a team of City officials from the Department of Buildings assessed the damage to the Albany Park area. Based on this investigation, they found approximately 70 buildings were damaged. Although we have no insurance claims for damages related to flood (as many homeowners are unwilling to risk long-term depreciation from filing such a claim), the City calculates that based on the nature and extent of the flooding, the value of homes in the area, and standard damage caused by flooding in the Chicago land area the total damage was approximately \$3,500,000. Albany Park also suffered damage from flooding to a

very similar level from a storm on September 14, 2008. See Appendix 3 for images from the 2008 Flood. This was less than 5 years before the April 18, 2013 storm. See Appendix 4 for a map that shows calls to the City's 311 system during the April 2013 storms overlaid with the FEMA-designated floodplains in Albany Park.

Under the planning assumptions that underpin the rainfall frequency projections and flooding maps, it is expected that the type of storms that occurred on September 14, 2008 and April 18, 2013 would be expected to occur once every ten years (a "10 year storm" event). However, Chicago is regularly receiving storms that exceed the expected rainfall frequencies, as evidenced by the occurrence of these two storms less than five years apart. Furthermore, since 2008, Chicago has experienced two "10-year storm", one "25-year storm" (July 23-24, 2010), and one "100-year storm" (July 22-23, 2011)⁸, primarily because of climate change. Therefore, it is reasonable to expect another storm that was similar to April 18, 2013 to occur in the near future.

To address the recurring flooding problem in the Albany Park community area, the City's departments of Water Management (DWM) and Transportation (CDOT) are working on engineering a diversion tunnel that will help alleviate the flooding of the portions of the North Branch Chicago River that are near Albany Park and led to the 2013 flooding as well as previous floods. The tunnel is 18 feet in diameter, 120 feet underground, and carved into rock. The diversion tunnel would run under Foster Avenue from its intersection with Avers Avenue until its discharge into the North Shore Channel as displayed in Appendix 5. The City of Chicago is planning to construct this tunnel because it would reduce flooding without buyouts, relocations, or construction of a wall through the neighborhood.

In the Albany Park area that would benefit from this tunnel project, there are areas that are mapped by FEMA in the 1% (or a 1% likelihood of occurring in a given year) and .02% floodplains. 72 buildings are mapped in the 1% floodplain and 440 are mapped in the .02% floodplain. The vast majority of the homes located in the 1% floodplain were damaged from the storm on April 18, 2013. If a 0.2% chance storm occurred, which is possible given the increased frequency of storms over the past five years, the impact would be much greater, 440 buildings as opposed to 72 buildings, and the damage would be significantly higher, potentially exceeding \$20 million.

The anticipated construction cost is \$49.0 million. The City is working with the Metropolitan Water Reclamation District of Greater Chicago (MWRD) to construct the tunnel. MWRD has pledged to pay approximately 50% of the total cost. The City will commit \$25 million towards this project, \$10 million via CDBG-DR funds and the remaining \$14 million from TIF funding and funds from the State of Illinois. After construction, the City would operate and maintain the tunnel.

⁸ City of Chicago Green Stormwater Infrastructure Strategy, pg. 12.

GREEN INFRASTRUCTURE

As part of Mayor Emanuel's *Building a New Chicago* infrastructure renewal program, the City of Chicago has made a significant commitment to invest in green stormwater infrastructure. As part of the City's Green Stormwater Infrastructure Strategy, the City will invest \$50 million over 5 years to incorporate natural features into capital projects to capture stormwater before it runs off into the City's overtaxed sewer system. Through this investment program, the City is currently undertaking a series of projects, including converting asphalt schoolyards into green playgrounds and incorporating bioswales into street reconstruction projects.

For the infrastructure projects included in this substantial amendment, the City will incorporate green infrastructure where appropriate. There are two primary ways that the City will integrate green infrastructure into the sewer projects. The first strategy will be to utilize porous asphalt pavement during the restoration of sewer projects where feasible. In a typical sewer restoration project, once the new sewer is buried in the street, construction crews will place fill over the new sewer pipe and then pave the street using typical hot mix asphalt. An alternative green infrastructure strategy that is feasible when the soils below the new sewer pipe are sufficiently sandy is to place a special stone aggregate layer above the sewer pipe and then pave the street using porous asphalt. Porous asphalt is different than typical hot mix asphalt due to the presence of reduced sand or fines that leave stable air pockets and void spaces that allow stormwater to infiltrate through the asphalt and aggregate and into the sandy soil, thus mimicking natural processes. The City has used porous asphalt for several street and alley projects in the past, including a recent sewer reconstruction project on the South Side of Chicago. The 125th Street Sewer Improvement Project included in the revised activity summary table on page 3 will incorporate a porous asphalt restoration, and the 17 projects will all be evaluated to determine if this paving method is suitable. Suitability will be determined based on whether there is a sand soil substrate, if traffic volumes are sufficiently low, and whether there are conflicts with other underground utilities such as water mains.

The second green infrastructure strategy that the City will use will be to plant trees in connection with the 17 sewer improvement projects. Trees are an effective green infrastructure strategy since they capture stormwater with both their leaf canopies and pits. Many of the areas of Chicago that are at risk of basement flooding have excess stormwater runoff caused by high levels of impervious surfaces and a lower number of street trees. In addition, many of Chicago's street trees are under threat from the Emerald Ash Borer invasive species. Therefore, there is a great need to increase Chicago's tree canopy through new tree plantings and many of the parkways (the area between the sidewalk and the curb) are not fully stocked with trees. When and where feasible, the City will plant new trees in the parkways adjacent to the streets that are being reconstructed due to sewer improvement projects.

RESILIENCE PERFORMANCE STANDARDS

The City certifies that it will apply the resilience performance standards required in section V(2)(e) of the June 3, 2014 Federal Register. During the planning and design phases for the infrastructure projects proposed through this substantial amendment, the City will develop and implement requirements and standards for how these projects can be more resilient under a changing climate and other stresses.

The City has already begun a process to consider how future infrastructure projects can be designed in a more resilient manner. In the City's *Green Stormwater Infrastructure Strategy*, the City committed to work with the Illinois State Climatologist and other scientific experts to analyze changing rainfall patterns and update the rainfall frequency standards used during project design and engineering. Having updated rainfall frequency standards will allow the City to better consider future climate conditions in the design of future stormwater infrastructure projects. In addition, Mayor Emanuel's *Sustainable Chicago 2015* includes initiatives to implement resilience strategies such as incorporating green standard practices in all City operations and utilize recycled materials in construction projects where feasible.

As shown in the Proposed Activity Summary Table on pages 16-17, all of the proposed sewer improvement projects would be built larger than the existing sewers that they are replacing in order to account for increased rainfall patterns and to ensure that these neighborhoods are more resilient to future storms. The City will continue to develop and implement resilience performance standards for the proposed infrastructure projects in this substantial amendment. The Department of Water Management will work with other City agencies and outside experts to create standards that will ensure that the City's stormwater infrastructure is better able to withstand and respond to climate change and other risks in the future.

MITIGATION AND RESILIENCE, METHODS, POLICIES, AND PROCEDURES

To further address the resilient building guidelines established by the Rebuilding Strategy, the City will incorporate the following components into its long-term recovery strategy:

Providing jobs to local workforce. DPD monitors certain HUD-funded construction projects to ensure the City is compliant with Section 3 of the Housing and Urban Development Act of 1968. For the construction projects proposed to be funded with CDBG-DR funds, DPD will certify that jobs generated by these activities are directed to very-low and low-income individuals. In addition, the Department of Procurement administers a Small Business Initiative (SBI) Construction Program which is designed to encourage local small businesses to have increased opportunities to participate in City-funded construction projects. Initiatives such as this will help inform the local business community of available competitive processes, including those related to CDBG-DR construction and housing rehabilitation activities.

Mitigating future risk. The proposed sewer replacement projects will help mitigate future risk of flooding by increasing the capacity of the sewers to handle heavy rainfall and prevent the inundation sustained during the April 2013 rainstorm. Also, the proposed Albany Park tunnel project will alleviate future flooding by diverting water overflow underground. Further, the City will apply appropriate construction standards on the proposed infrastructure and housing rehabilitation activities to mitigate risk. These may include, as appropriate, raising utilities or other mechanical devices above expected flood level and using water resistant paints or other materials.

Leveraging funds and evidence-based strategies. The City has identified \$65 million of local public sources as leveraged funds for the proposed CDBG-DR activities and will pursue other available public and private sources and evidence-based strategies, including social impact bonds, as appropriate.

Project labor agreements. This will not apply as there are no proposed construction projects where the total cost to the Federal Government is \$25 million or more.

Small business assistance and Energy Infrastructure. Limited data was available regarding the impact of the 2013 rainstorm on economic development and small business recovery was not identified as a priority need in the City's needs assessment. Therefore, small business assistance will not be a component at this time in the long-term recovery strategy. Similarly, as the City's energy infrastructure was not impacted by the rainstorm, and the proposed sewer and tunnel infrastructure projects do not rely upon it, energy infrastructure resilience will not be a component in the long-term recovery strategy.

The following sections have been revised and updated for this Substantial Amendment to address new project specific standards and monitoring practices.

PUBLIC HOUSING AND ASSISTED MULTI-FAMILY HOUSING

In developing its Action Plan, OBM consulted the Chicago Housing Authority (CHA) to determine if public housing residences were impacted by the storm. CHA reported that housing units within Altgeld Gardens, located at 976 E. 132nd Place on the city's south side, experienced basement flooding. Electrical services were impacted after electrical and security camera equipment was damaged. CHA estimated that approximately 150 households were affected and confirms that insurance claims were filed for reimbursement for this damage. According to data provided by CHA, this is the only public housing unit in the Chicago area that was affected by the storms on April 17th and 18th. Through its Homeowners and Renters Assistance Program (HRAP), the City will work with the CHA to determine if any privately owned properties where housing choice voucher holders may reside have been impacted by the storm and have unmet needs.

In addition, the City will identify existing assisted multi-family housing developments, including HUD-assisted developments, low-income housing tax credit (LIHTC) financed developments, and other subsidized and tax credit-assisted affordable housing in the community areas most impacted by the storm and conduct outreach to the families through HRAP to identify any unmet needs.

CONSTRUCTION AND REHABILITATION STANDARDS

All the housing assistance programs will follow environmental regulations and current city building codes in relation to issues of the flood plain and to the Chicago Building Code. See http://www.cityofchicago.org/city/en/depts/bldgs/provdrs/inspect/svcs/chicago_buildingcode_online.html. This Substantial Amendment dedicates funding to assist affordable housing units as well as market rate housing units. This assistance will also be distributed to individual homes and affordable, multi-family rental units. These activities will promote affordable housing dispersed throughout the community which will include areas that are low poverty and non-minority areas. The City's permitting process monitored by DOB ensures developers and builders comply with the building code. An example of DOBs review process is found at:

http://www.cityofchicago.org/city/en/depts/bldgs/supp_info/overview_of_the_developerservices_program0.html.

DISASTER RESISTANT HOUSING AND DISPLACEMENT

If any of the funded projects require displacement or relocation of residents, relocations will be funded in accordance with the regulations and limitations set out under the Uniform Relocation Act (URA) and encourage provision of disaster resistant housing and with City's internal policies.

MANAGEMENT OF PROGRAM INCOME

The activities proposed in this Substantial Amendment will not result in program income. Should future proposed activities result in program income, the City will comply with HUD requirements found in 24 CFR 570.489.

MONITORING STANDARDS AND PROCEDURES

The City will adhere to same project oversight, fiscal and programmatic monitoring, audit procedures, and other monitoring procedures set forth in pages 21 to 24 of the original action plan. In addition, the City will adhere to its internal process in selecting any and all sub-recipients to administer and execute the grant programs discussed in this Substantial Amendment. For new housing development and housing rehab projects funded with CDBG-DR funds, the City will follow the construction monitoring and compliance procedures administered by DPD for its existing housing programs funded by other federal sources, including HOME and

CDBG. These procedures also incorporate tenant and resident income verification checks to ensure that the projects will benefit the targeted low-income populations. See appendix 6.

CITIZEN PARTICIPATION, ACCESSIBILITY, AND AMENDMENTS

Public Comment

Per HUD regulations, this draft Substantial Amendment was posted from September 6 to October 6, 2014 to allow for the public to comment on the proposed use of funds on OBM's City webpage at www.cityofchicago.org/grants. In addition, a public hearing was held on September 29, 2014 at the Chicago Cultural Center. No written comments were received during the 30-day comment period and one comment was made at the public hearing regarding the need for mitigation assistance in the Chatham community area to help prepare residents for future storms. OBM will continue to solicit feedback from key stakeholders regarding the Substantial Amendment.

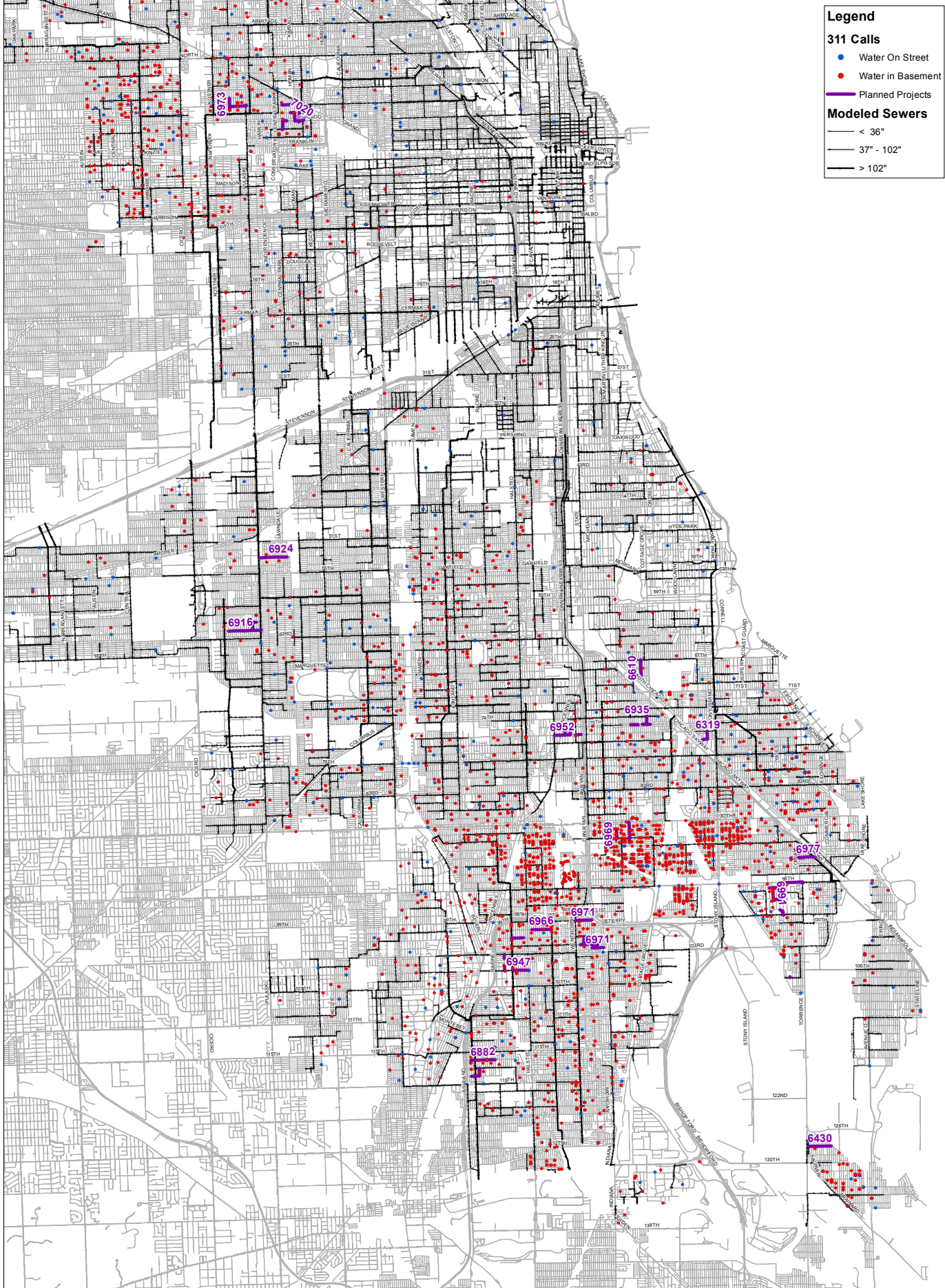
Residents and stakeholders can email comments to Budget604@cityofchicago.org and send written correspondences to the attention of Alessandra Budnik at the Office of Budget and Management, City Hall, 121 N. LaSalle Street, Room 604, Chicago, IL 60602. Residents will have ongoing access to OBM's website to review amendments to this Substantial Amendment, if applicable, and other information regarding the City's CDBG-DR grant, and to provide citizen comments.

Accessibility

The City provides resources to individuals with disabilities and non-English speaking persons to access this Substantial Amendment. The Talking Book Center of the Harold Washington Library Center provides free library services to Chicago residents of all ages who cannot read standard print comfortably due to visual or physical limitations. Private computer workstations with special equipment and software designed for low or no vision are available to use the Internet, read printed material and more. Also, each Chicago Public Library location has two ADA computer workstations and adaptive technologies including JAWS screen readers, magnifiers and videophone to meet the needs of individuals requiring special assistance. Similar adaptive technologies are available at the Mayor's Office of People with Disabilities (MOPD) and the Chicago Senior Centers.

Requests for special assistance for non-English speaking persons may be directed to the attention of Alessandra Budnik at 312-744-6670 in OBM's office. All these resources are and will continue to be made available to assist residents with any amendments or revisions to the Substantial Amendments, if needed, in the future.

APPENDIX 1



Legend

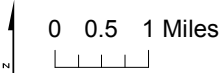
311 Calls

- Water On Street
- Water in Basement
- Planned Projects

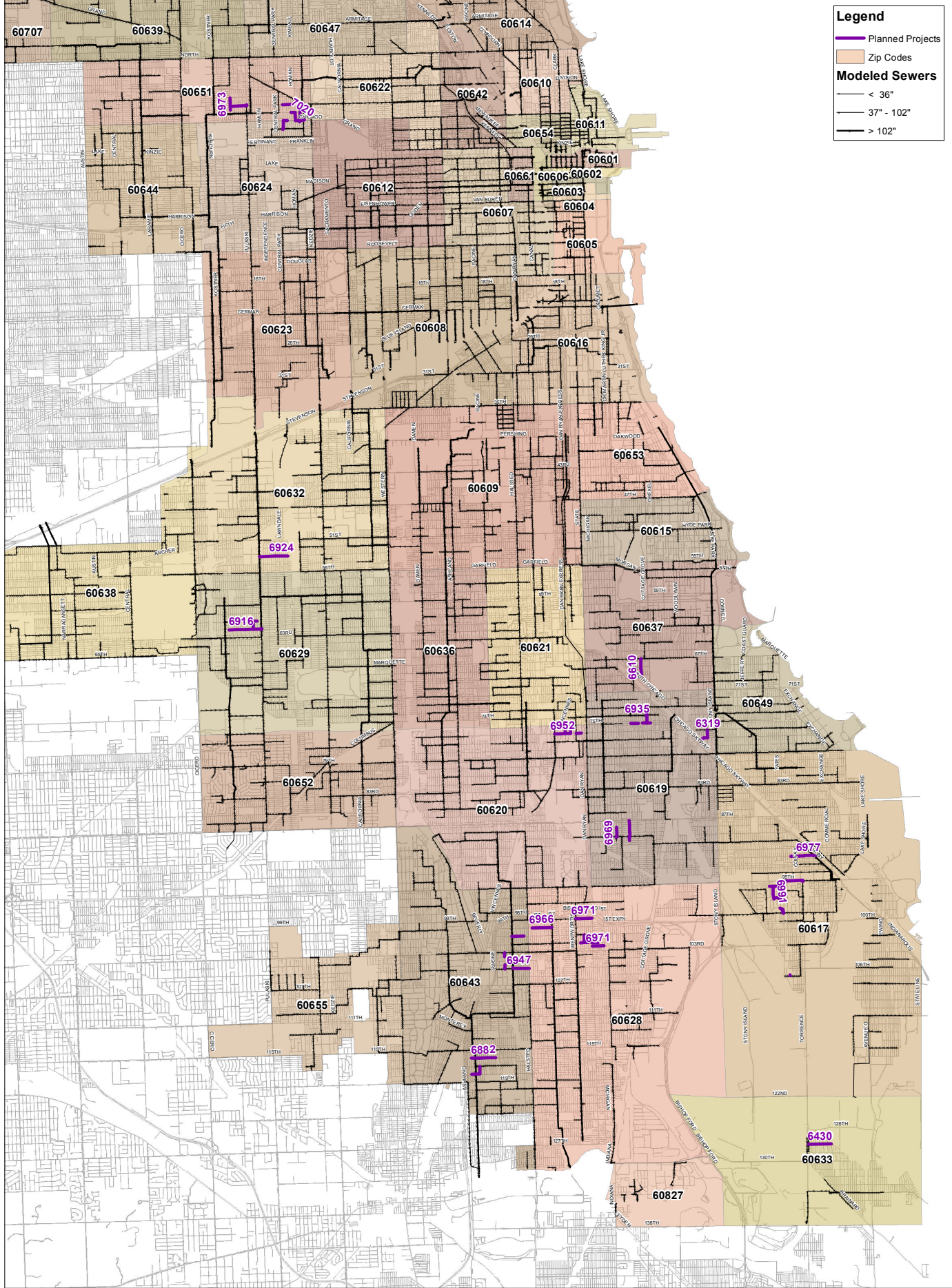
Modeled Sewers

- < 36"
- 37" - 102"
- > 102"

**Chicago Department of Water Management
Planned Projects to Address April 2013 Flooding**



APPENDIX 2



APPENDIX 3

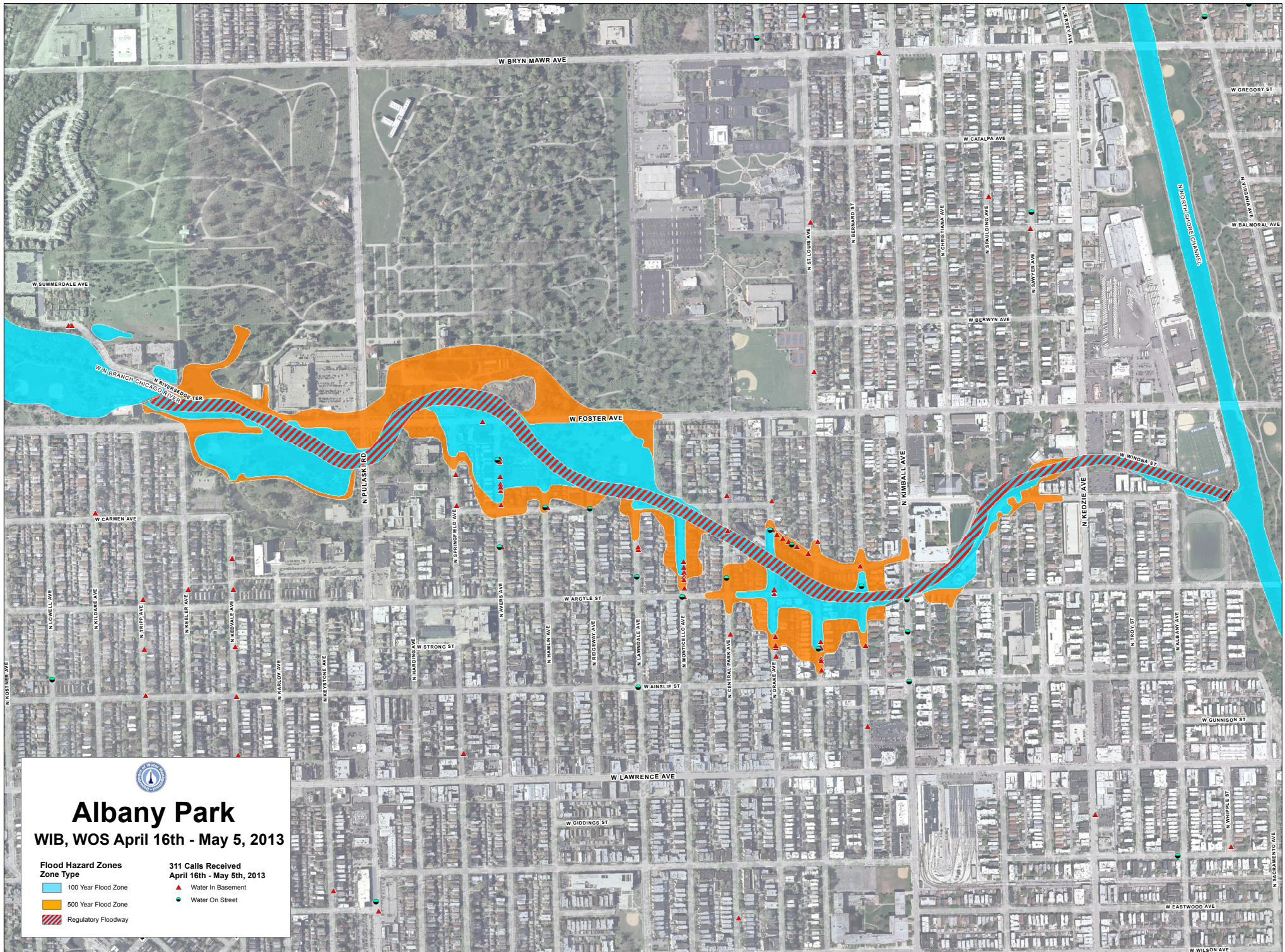








APPENDIX 4



Albany Park
 WIB, WOS April 16th - May 5, 2013

Flood Hazard Zones
 Zone Type

- 100 Year Flood Zone
- 500 Year Flood Zone
- Regulatory Floodway

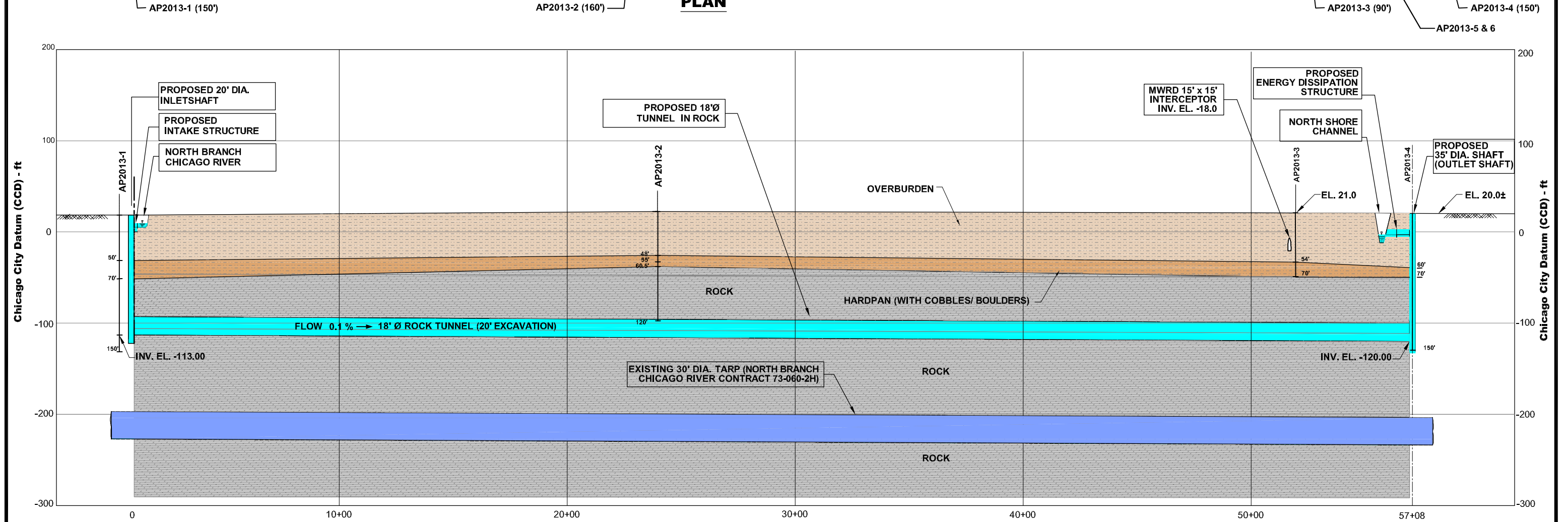
311 Calls Received
 April 16th - May 5th, 2013

- ▲ Water In Basement
- Water On Street

APPENDIX 5



PLAN



PROFILE
N.T.S.

- LEGEND:**
- PROPOSED BOREHOLE/ COREHOLE LOCATION (APPROXIMATE DEPTH)
 - AP2013-4 (*)
 - PROPOSED BOREHOLE (IN THE RIVER)



ROCK TUNNEL PLAN AND PROFILE
ALBANY PARK STORMWATER DIVERSION TUNNEL
City of Chicago

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APPENDIX 6

HOME Program Monitoring Requirements and Procedures

The purpose of the Monitoring and Compliance Division is to ensure that at a minimum all requirements of the HOME program are met, which include the following:

- That all tenant incomes meet the requirements articulated in the redevelopment agreements.
- That all rents meet HOME requirements, especially when coupled with Low Income Housing Credits, Section 8 Certificates, project-based Section 8 vouchers, other rental subsidy programs and any other Federal assistance, such as TCAP 1608, NSP or section 202 or 811 subsidies.
- That the period of affordability is maintained for the period of time contained in the redevelopment agreement.
- That projects funded through the HOME program are maintained in a manner which complies with the City of Chicago housing codes.
- That projects are being maintained and managed in such a way that the financial health of the project is not compromised.
- That other requirements such as Fair Housing requirements are being followed or that the City of Chicago Landlord Tenant Ordinance is being enforced.

The Long Term Monitoring and Compliance of the HOME Program begins during the construction phase of the project. All HOME projects are monitored for the following requirements during the construction period:

- Davis Bacon Wage Requirements
- Section 3 Requirements
- MBE/WBE participation requirements
- City of Chicago Local Hiring requirements

All developers and general contractors meet with Department of Planning and Development staff prior to the beginning of construction of a project. The department policy is that a monitoring and compliance meeting is held before a project is introduced at city council for approval. An auditor is assigned as the monitor of the project and all requirements of Davis Bacon, MBE/WBE, Local Hiring and Section 3 are discussed and questions are answered.

Both the developer and general contractor are requested to attend and asked to initial and sign a meeting recap sheet acknowledging that the training session was given. A letter is then sent to the participants explaining what was discussed in the meeting and this letter is then used as an exhibit by the Law Department's closing requirements.

DAVIS-BACON WAGE REQUIREMENTS

A copy of the most current Davis-Bacon wage requirements (both construction and landscaping) are provided as an example to the participants of the monitoring and compliance meeting. A copy of the current Davis-Bacon wage requirements in effect at the time of the signing are attached and become an

exhibit of the redevelopment agreement at the time of closing. The Davis-Bacon wage requirements that are attached to the redevelopment agreement are referenced on the semi-annual report to HUD and the redevelopment agreement signing date is the lock-in date for purposes of that report. Payrolls are requested for all sub-contractors who perform construction work on the job. Review of payrolls is completed on a monthly basis and a letter outlining any deficiencies is sent to the developer and general contractor and is tied directly to the payout request (monthly draw). Auditors will check and see that there are payrolls for each sub-contractor who is being paid on each draw down request. The payout of Federal funds can be held if there are not sufficient payrolls matching the draw request.

Additionally, if restitution is to be made to individual workers, the policy is that a copy of the canceled check (both front and back) and a signed, notarized statement from the worker is required.

SECTION 3 REQUIREMENTS

Developers and General Contractors are required to provide Section 3 documentation on any contract which is \$100,000 or more in value. Copies of employee lists are required when the first payrolls are submitted. Dates of hire for all employees are required on payrolls. If an employee is a new hire, a certification form is requested asking for household income information. Section 3 reporting is done once a year on or about March 1st of each year. The requirement which is used to judge compliance is that 30% of new hires must be Section 3 certified.

MBE/WBE REQUIREMENTS

Minority Business Enterprise requirements are 24% of Hard Cost Construction costs and Women Owned Business Enterprise requirements are 4% of Hard Cost Construction costs. If Tax Increment Financing (TIF) funds are utilized the 24% and 4% are based on a negotiated budget which is an exhibit to the redevelopment agreement. All MBE and WBE firms must be certified by the City of Chicago's Department of Procurement or Cook County Procurement office. General Contractors must be certified at the time work begins on the project not when a contract was signed. Suppliers are given credit at 60% of the total contract amount and suppliers must also be certified by the City of Chicago or Cook County. Double counting is prohibited if a firm is both a MBE and WBE. Documentation of Certification is required and consists of a five year letter of certification or three year letter of certification for Cook County documentation from the Procurement Department's web site showing that the annual no-change affidavit has been filed and the correct NAICS business code appears on the Contractor's Activity Report which is required on a quarterly basis. The Contractor's Activity Report is accompanied by a Contractor's Sworn Statement (which are part of each draw-down request).

CITY OF CHICAGO LOCAL HIRING

The City of Chicago has a local hiring ordinance which requires that 50% of all hours worked must be performed by City of Chicago residents. If a project does not comply with this requirement, liquidated damages are assessed and paid before a project can be "closed out". Damages cannot be paid by Federal funds. Damages are assessed as follows:

.0005 X Hard Construction Cost x the shortfall from 50%

Auditors review all payrolls for the above mentioned items and are responsible for ensuring compliance before any draws are paid.

LONG TERM COMPLIANCE MONTORING

There are three (3) components of the HOME long-term compliance monitoring process. The first is the Annual Owners Certification (AOC) which is requested on or about March 1st of each year with a due date of April 30th. The second are physical inspection of HOME projects which are 20% of the HOME units in the project as well as any common areas; and third are records inspections which are 20% if the HOME units in the project and should match the units which have a physical inspection.

AOC

As stated above, the Long-Term Monitoring and Compliance division sends the AOC HOME packet to owners of record on or around March 1st of each year. Owners are required to send back completed AOC documents by April 30th. The department will allow later submissions in extenuating circumstances, as long as the department was contacted and a request was placed in writing. Normally a thirty (30) day extension is granted.

The AOC packet of material contains the following:

1. Project information sheet
 - Project name
 - Project address
 - Main Contract
 - Mailing address of contact
 - Telephone, fax and e-mail of main contact
 - Name of property manager
 - Contact information for the property manager
2. Exhibit E- Annual Report of Project receiving HOME Funds
 - Information regarding code compliance
 - Information regarding change of ownership
 - Includes representations and warranties including a statement that the submitter of the document is representing that the project is in compliance with all of the currently applicable requirements of the National Affordable Housing Act, Home regulations and regulatory agreement.
3. Schedule I for each building in the project
 - Project information
 - Utilities paid by tenant and paid by the developer
 - Rent rolls - including the designation of high HOME rental units, low HOME rental units, Section 8 assisted households, project based Section 8 assisted households and other rental assistance. The rolls also requests approximate square footage of the unit, number of bedrooms and number of bathrooms.
 - Identification of any new tenants
 - Identification of steps taken to ensure that tenants have been qualified as low-income
 - Eviction information for the year

4. Tenant Income Certification Form

- A form is needed for each new household

NOTE that the tenant income certification form has been adopted by the City of Chicago, Cook County and the Illinois Housing Development Authority (IHDA) and is being used as a standard document for numerous funding sources.

5. A copy of the Lease Agreement for New Tenants

6. Audited Financial Statements

The HOME projects are distributed between the three auditors on staff. Auditors review the documentation provided and issue a letter of compliance or non-compliance. The auditor will write a specific reason for non-compliance and will require that a project submit documentation showing compliance within a 90 day period.

The Assistant Commissioner for Monitoring and Compliance maintains a log when letters were sent and the status. The results of the AOC review are then placed on the Master HOME Compliance sheet as a management tool to ensure that projects are being monitored.

RECORD INSPECTION

The policy of the department follows HOME regulatory requirements. The frequency of inspections is dependent upon the number of HOME assisted units in the project. Prior to 2013 the following was the standard:

5 or fewer units, once every 3 years

6-24 units, every other year

25 +units, annually

The frequency of auditing will not change but the statistical sample will change, however, beginning in 2014, the Department has determined that a 20% sample of HOME assisted units should be monitored with records inspections on each project. All files will be monitored in projects having five or fewer units. A 20% sample will continue to be used for all other projects.

The following items are contained in the Tenant File Checklist-Records Inspection:

- Property Name
- Property Address
- Developer/Owner
- Property Manager
- Unit Number
- Number of Bedrooms
- Tenant Name
- Number of Household Members
- Current Lease Date
- Rent Amount
- Utility Amount
- Maximum Rent Allowed
- Low/High HOME Rent Designation
- Rental Assistance/Type of Assistance

- Amount of Assistance
- Tenants Portion of Rent
- Income Type
- Verification Date of Income
- Asset Verification
- Date of Current Tenant income Certification
- Tenant Selection Policies
- Waiting List Documentation
- Lease Agreements - Properly executed; No prohibited provisions are for a minimum of one year unless otherwise agreed upon
- Verification of Disability for a Household in an Accessible Unit

The Monitoring Division imitates the on-site records inspection process. The auditor contacts the property manager to schedule an appointment at least ten days prior to a visit. The ten day requirement is especially important for the physical inspection because of the Chicago Landlord and Tenant Ordinance. Before the site visit, the auditor identifies which units to impact and reviews the General Agreement. Note that projects are monitored in conjunction with the redevelopment agreement. For example, if the redevelopment agreement states that 50% of the units are considered low HOME rents, the auditor will monitor for compliance even though the number of low HOME rent units are more than what the HOME regulations require.

The auditor brings the redevelopment agreement and the most recent rent roll with him/her on the site visit. Because most of the home funded projects have multiply funding sources, it is a requirement that the rent roll identifies "High" HOME rent units, "Low" HOME rent unites, 50% tax credit units, 60% tax credit units and must identify the type of housing vouchers (project based, Section 8, Section 8 voucher or other rental assistance such as the Low Income Housing Trust Fund). It is also imperative that the rent roll indicates if the HOME units are floating or fixed.

Since many HOME projects are CHA Plan for Transformation units, the department utilizes the CHA utility allowance which is updated on an annual basis and is configured by the number of bedrooms, the type of building (i.e. elevator, walk-up, etc.) and what the tenant is responsible for payment.

When on-site, the auditor fills out a tenant file checklist form and supposed to enter the findings electronically once all project "records" files have been inspected. The auditor reviews project level information, such as affirmative marketing plans, compliance with overall funding requirements and management and financial viability analysis (vacancy rates, tenant complaints, management procedures, etc.

ADJUSTMENT OF RENTS FOR OVER-INCOME TENANTS

The following rules apply to Very Low Income Units (as designated in the schedule) in a HOME only rental housing project with both very low income units in either fixed or floating HOME assisted units:

- If upon income recertification, a tenant household's income exceeds 50% of AMI, but is less than 80% of AMI, the assisted unit shall be considered a low income unit and the rent shall remain a

very low income unit until another household is identified who is below 50% of AMI. The property owner shall maintain the correct number of HOME assisted units at all times.

The following rules apply to floating HOME-Only assisted projects. If upon income recertification, a tenant household's income equals or exceeds 80% of AMI, the rent shall increase to the lowest of the following:

1. 30% of the tenant household's monthly adjusted income
2. The maximum rent allowable under any affordability restrictions imposed by other project funders for the assisted unit (i.e. TIF), or
3. The market rent for comparable unassisted units in the neighborhood.

NOTE: that if HOME and Low Income Housing Credits (LIHTC) are utilized in the project, HOME defers to LIHTC rules on over income tenants. If a tenant's household income exceeds the LIHTC 140% limit, the rent remains at the LIHTC limit until an available unit replaces the previous LIHTC unit. Once the unit is replaced, an over income tenant may be charged market rent (if the unit is no longer HOME-assisted) or the lower of 30% of adjusted income or market rate rent (if the unit is still considered a HOME-assisted unit).

PHYSICAL INSPECTIONS

Physical inspections of 20% of the HOME assisted units and the common areas both interior and exterior are performed by department staff, who is a construction inspector. The City of Chicago code is utilized for HOME inspections. The documentation of the inspection utilizes two (2) forms. The first is a health/safety deficiency report which is filled out at the time of the inspection and is signed by the property manager, the inspector and the Director of Construction. The items which are documented are the following:

- Roofing System
- Carpentry/Porches
- Exterior Façade
- Plumbing
- Heating System
- Electrical System
- Elevators
- Environmental Issues
 - o Pipe Insulation
 - o Peeling Paint
 - o Oil Tanks/Storage
- Sprinkler/Alarm System
- Smoke Detectors
- Fire Extinguishers
- Carbon Monoxide Detectors
- Gas Flex Line
- H.W.T. Overflow Pipes

The second document is labeled a Property Monitoring Report and the following are monitored in each apartment:

- Floors
- Walls
- Ceilings
- Doors/Trim
- Paint
- Appliances
- Plumbing Fixtures
- Electrical Fixtures
- Smoke Detectors
- Carbon Monoxide Detectors
- GFI Outlets

Each box is rated as "good", "fair", or "poor" and any deficiencies are written up in the comments section.

There is also a matrix for the exterior, interior common areas and mechanical systems. The exterior matrix has the following components:

- Masonry
- Windows/Screens
- Doors
- Concrete Walks
- Porch System
- Roof
- Exterior Paint
- Landscaping
- Fencing
- Exterior Lighting
- Electrical Service
- General Appearance

The Interior/Common Area Section had the following components:

Vestibule - Lobby

- Entry Door System
- Mailboxes/Intercom
- Wall/Ceiling

The Good, Fair and Poor designations are utilized by the inspector for each of the items listed above.

- A "Good" rating means the building system is operating in perfect condition.
- A "Fair" rating means the building/items has been properly maintained. This also indicates that the item/system is working without health and safety concerns.
- A "Poor" rating means the building system is not working properly. It also is indicative that the malfunction is in such a state that the deficiencies would affect the tenants.

Example of the rating system:

Paint

Good - Freshly painted, no peeling, cracking or flaking anywhere; no marks or spots.

Fair - Paint may have marks or spots or blotches. Paint could be peeling, cracking or flaking in a small corner of one room (affected area is 1-4 square feet).

Poor - Paint is peeling, cracking or flaking on a number of wall surfaces. If paint is missing this would generate a poor rating.

GFI Outlets

Good - All outlets and switches are complete without cracks and affixed to the wall.

Fair - Cover plates are in place but are broken or cracked.

Poor - A cover plate or switch is missing causing wires to be exposed. Note that the department follows City Code as in regards to outlets. Outlets need to be GFI in bedrooms, as well as bathrooms and kitchens.

Windows

Good - Windows are properly sealed, none of the panes are cracked or broken, and window sill is not damaged. All Window units are operating properly.

Fair - Panes could be slightly cracked; window must still open and close without complications. Window sill could be slightly damaged; however no sharp edges are permitted. If more than one window is in this condition a poor rating would be rendered.

Poor - Windows have broken or missing panes, broken or missing sills. The window system does not function properly.

APPENDIX 7

Certifications

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

Each State or Unit of General Local Government (UGLG) receiving a direct allocation under CDBG-DR must make the following certifications with its Action Plan:

A. The grantee certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within its jurisdiction and take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard (see 24 CFR 570.487(b)(2) and 570.601(a)(2)). In addition, the grantee certifies that agreements with subrecipients will meet all civil rights related requirements pursuant to 24 CFR 570.503(b)(5).

B. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.

C. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.

D. The grantee certifies that the Action Plan for Disaster Recovery is authorized under State and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.

E. The grantee certifies that activities to be administered with funds under this Notice are consistent with its Action Plan.

F. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this Notice.

G. The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

H. The grantee certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each UGLG receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).

I. Each State receiving a direct award under this Notice certifies that it has consulted with affected UGLGs in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including method of distribution of funding, or activities carried out directly by the State.

J. The grantee certifies that it is complying with each of the following criteria:

(1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in the aftermath of Hurricane Sandy, pursuant to the Stafford Act.

(2) With respect to activities expected to be assisted with CDBG-DR funds, the Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

(3) The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 50 percent of the grant amount is expended for activities that benefit such persons.

(4) The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG-DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

K. The grantee certifies that it (and any subrecipient or recipient)) will conduct and carry out the grant in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations.

L. The grantee certifies that it has adopted and is enforcing the following policies. In addition, States receiving a direct award must certify that they will require UGLGs that receive grant funds to certify that they have adopted and are enforcing:

(1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

(2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

M. Each State or UGLG receiving a direct award under this Notice certifies that it (and any subrecipient or recipient) has the capacity to carry out disaster recovery activities in a timely manner; or the State or UGLG will develop a plan to increase capacity where such capacity is lacking.

N. The grantee will not use grant funds for any activity in an area delineated as a special flood hazard area or equivalent in FEMA's most recent and current data source unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the latest issued FEMA data or

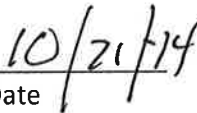
guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

O. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

P. The grantee certifies that it will comply with applicable laws.

Q. The grantee certifies that it has reviewed the requirements of this Notice and requirements of Public Law 113-2 applicable to funds allocated by this Notice, and that it has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, to ensure timely expenditure of funds, to maintain comprehensive websites regarding all disaster recovery activities assisted with these funds, and to detect and prevent waste, fraud, and abuse of funds.


Signature / Authorized Official


Date

Budget Director
Title

