NORTHERN MARIANAS HOUSING CORPORATION

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

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October 22, 2026

Michelle Cushing
Community Planning and Development Specialist
Office of Disaster Recovery (ODR)
U.S. Department of Housing and Urban Development
Denver Regional Office
1670 Broadway, 21st Floor
Denver, CO 80202

RE : Non-Substantial Amendment No. 09 (CDBG-DR Action Plan)

Dear Ms. Cushing:

Pursuant to Subsection 5.E [1] of NMHC's CDBG-DR Action Plan, as amended, the Northern Marianas Housing Corporation (NMHC) hereby notifies the U.S. Department of Housing and Urban Development (HUD) of **Non-Substantial Amendment No. 09** to the CDBG-DR Action Plan. This amendment is published at https://cnmi-cdbgdr.com/action-plan/amendments/as of **October 22, 2026**.

This amendment will **(1)** update the grant's period of performance end date from November 24, 2026, to June 30, 2030, consistent with the extension approved by HUD on May 26, 2026, and reflected in Amendments 2 and 3 to Grant Agreements B-19-DV-69-0001 and B-19-DV-69-0002; **(2)** reprogram $189,579 of obligated funding that is projected to not be spent from the Infrastructure Program – Public Facilities to the Housing Rehabilitation/Reconstruction Program – Optional Relocation Assistance (ORA) activities to ensure sufficient funding is available to assist future eligible low- and moderate-income (LMI) applicants; and **(3)** add an additional chart to the Economic Revitalization section to provide a detailed breakdown of individual subrecipient grant awards.

Sincerely,

Zenie P. Mafnas
Corporate Director

[1] Non-substantial amendments require notice to HUD at least five (5) days prior to the amendment going into effect. They do not require notice to the public on changes of $5 million or less. All amendments will be listed on the CDBG-DR website sequentially.

Enc. : Summary of Non-Substantial Amendment No. 9

Cc : NMHC Board of Directors
: NMHC Deputy Corporate Director
: NMHC Chief Financial Officer
: CDBG-DR Division Managers
: File

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Summary of Non-Substantial Amendment No. 09

I. The Northern Marianas Housing Corporation (NMHC), "Grantee," hereby updates the **CDBG-DR grant period of performance end date from November 24, 2026, to June 30, 2030**, consistent with the extension approved by the U.S. Department of Housing and Urban Development (HUD) on May 26, 2026.

BACKGROUND

NMHC submitted a request to the U.S. Department of Housing and Urban Development (HUD) to extend the CDBG-DR grant period of performance and budget period deadline from November 24, 2026, to June 30, 2030, due to project implementation and completion challenges resulting from factors largely outside of NMHC's control. These factors include the CNMI's geographic isolation, limited local construction capacity, heavy reliance on imported construction materials and supplies, workforce constraints, and a complex regulatory environment, which have contributed to extended project timelines. On May 26, 2026, NMHC received notification from HUD that its request for the full extension was approved. HUD authorized NMHC to proceed with the necessary adjustments to its CDBG-DR programs and Action Plan to reflect the revised June 30, 2030 period of performance and budget period deadline.

According to NMHC's CDBG-DR Citizen Participation Plan contained in the approved Action Plan: Substantial Amendments are required when there is a change in program benefit/eligibility criteria, addition/deletion of an activity, or re-allocation of substantial amounts. A substantial amendment will also be required if any program changes exceed five million dollars ($5,000,000.00). Substantial amendments must provide a reasonable opportunity (at least 30 days) for citizen comment. All changes will be documented by NMHC's CDBG-DR Program to provide both necessary and reasonable justifications. All substantial amendments will include the following:

- The exact identification of which content is being added, deleted or changed
- A clear description of where funds are moved from/to
- The updated and revised budget after re-allocation of funding NMHC will notify HUD of any non-substantial amendments within five business days before it becomes effective.

These changes will be listed and available for the public via the CNMI CDBG-DR website at www.cnmi-cdbgdr.com.

NMHC has made the determination that none of the changes in this Non-Substantial Amendment No. 09 are of the nature that would require a substantial amendment, given that they cover updates to expenditure projections, a reallocation of less than $5,000,000, and the insertion of a table for greater clarity on the use of funds.

AMENDMENTS

Subsection 4.E.1- Homeowner Rehabilitation and Reconstruction (Page 79)

k. Timeline

The proposed program start date is immediately following HUD's approval of the original Action Plan subject to environmental review clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030. ~~Funds must be expended within 6 years from the date the grant agreement was executed with HUD.~~

Subsection 4.E.1- Single Family New Construction Development (Page 82)

k. Timeline

The proposed program start date is immediately following HUD's approval of the original Action Plan subject to environmental review clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030. ~~Funds must be expended within 6 years from the date the grant agreement was executed with HUD.~~

Subsection 4.E.1- Affordable Rental Housing Development (Page 86)

i. Timeline

The proposed program start date is immediately following HUD's approval of the original Action Plan subject to environmental review clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030. ~~Funds must be expended within 6 years from the date the grant agreement was executed with HUD.~~

Subsection 4.E.2- Local Infrastructure Program (Page 87)

f. Timeline

The proposed program start date is immediately following HUD's approval of the original Action Plan subject to environmental review clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030. ~~Funds must be expended within 6 years from the date the grant agreement was executed with HUD.~~

Subsection 4.E.3- Economic Revitalization Program (Page 91)

g. Timeline

The proposed program start date is immediately following HUD's approval of the original Action Plan subject to environmental review clearance. ~~All funds must be expended within 6 years from the date the grant agreement was executed with HUD~~ The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030 with the exception of the funds allocated under the Tourism Waiver which, ~~expires 2 years after the initial drawdown for this allocation~~. were subject to a separate period of performance. The Tourism Waiver originally had a period of performance end date of December 31, 2023, which was subsequently extended twice, with a final period of performance end date of December 31, 2025.

Subsection 4.E.4- Local and Regional Planning (Page 92)

c. Timeline

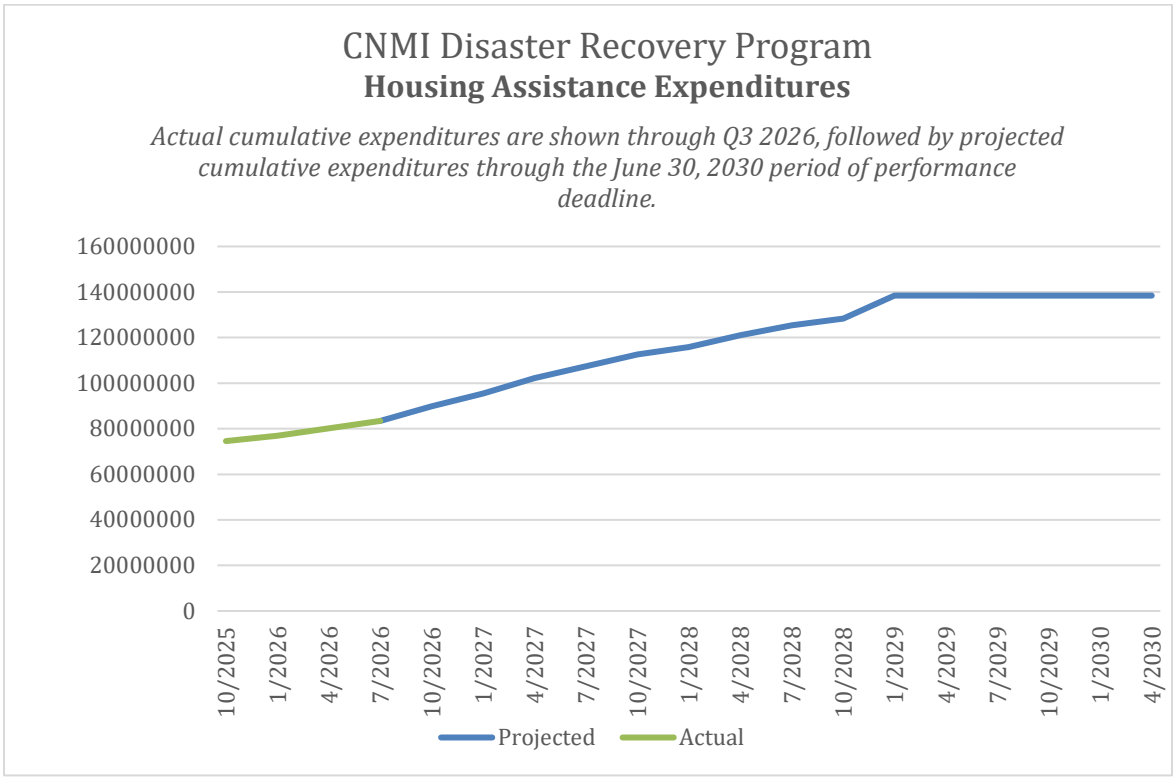
The proposed program start date is immediately following HUD's approval of the original Action Plan subject to environmental review clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030. ~~Funds must be expended within 6 years from the date the grant agreement was executed with HUD.~~

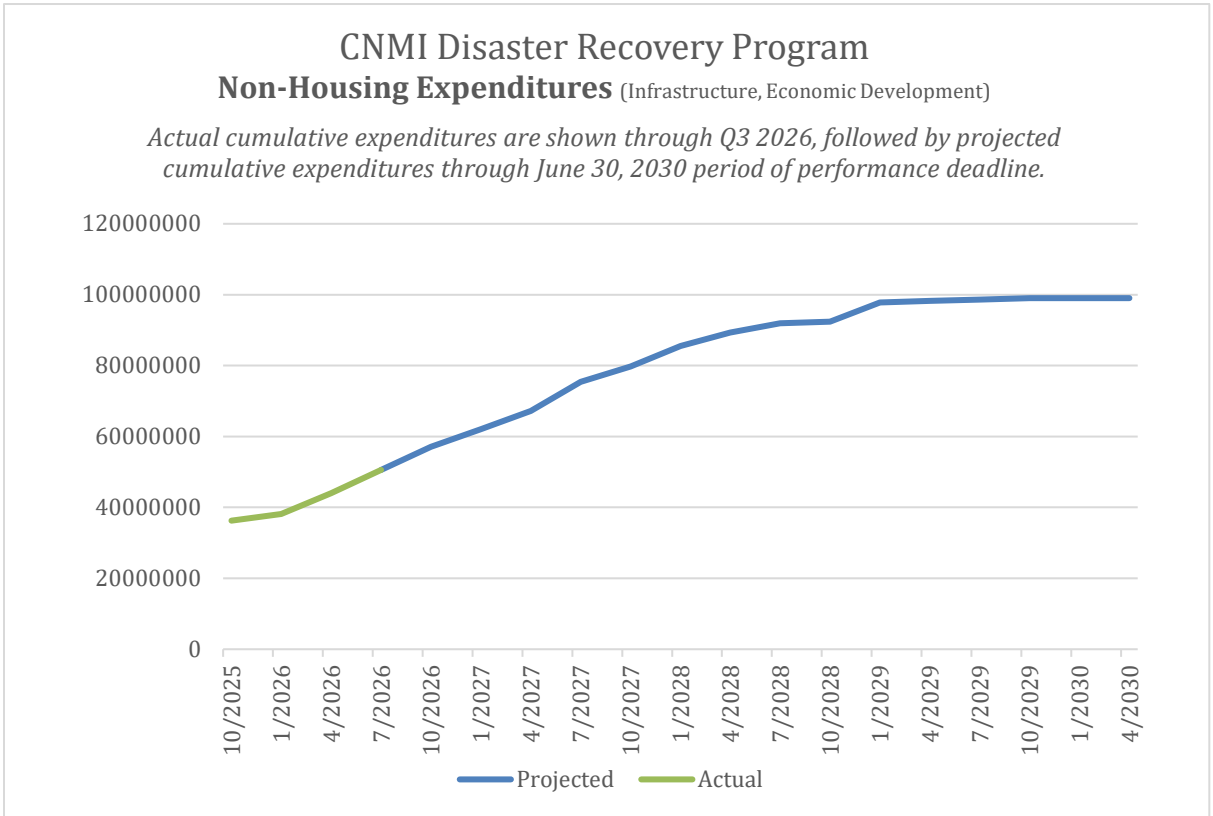
Subsection 4.E.5- Administrative Funds (Page 93)

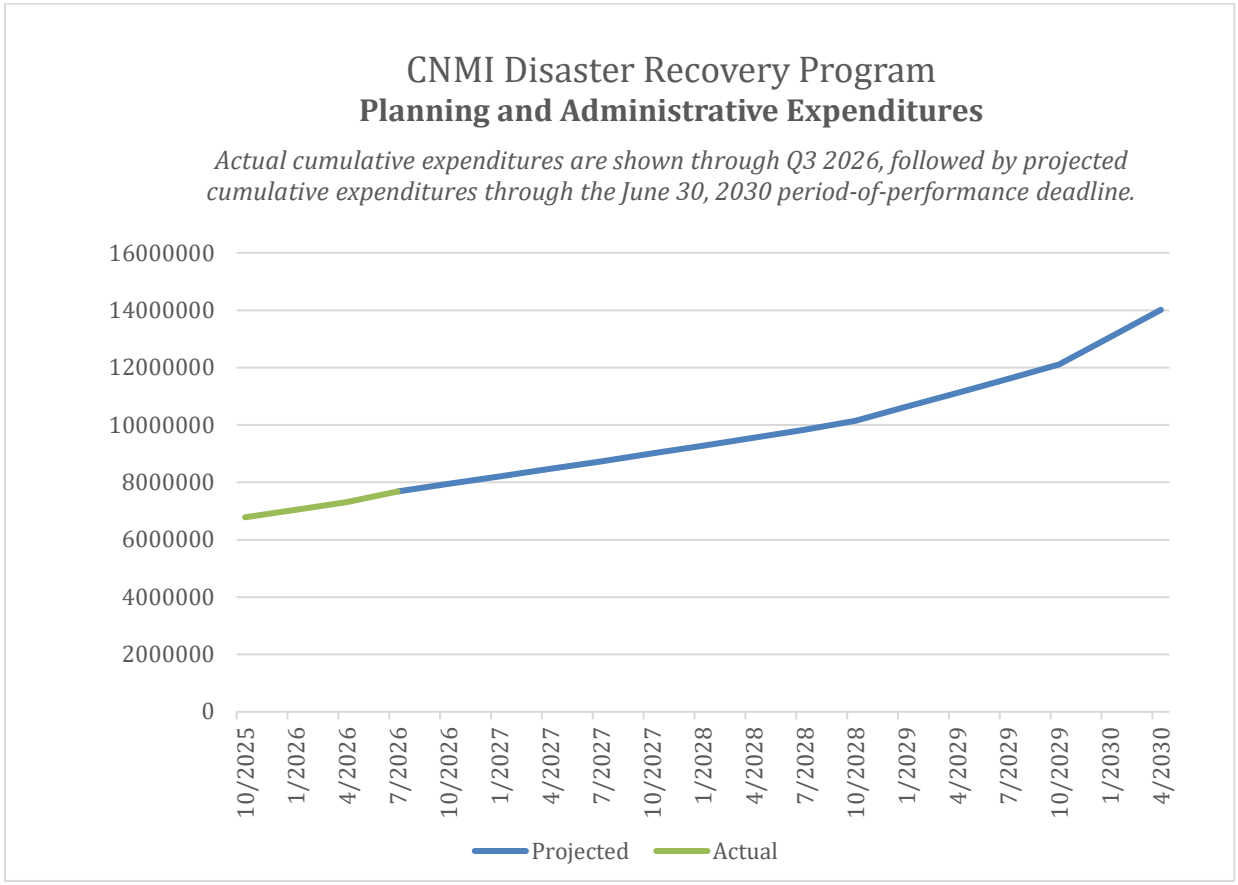
c. Timeline

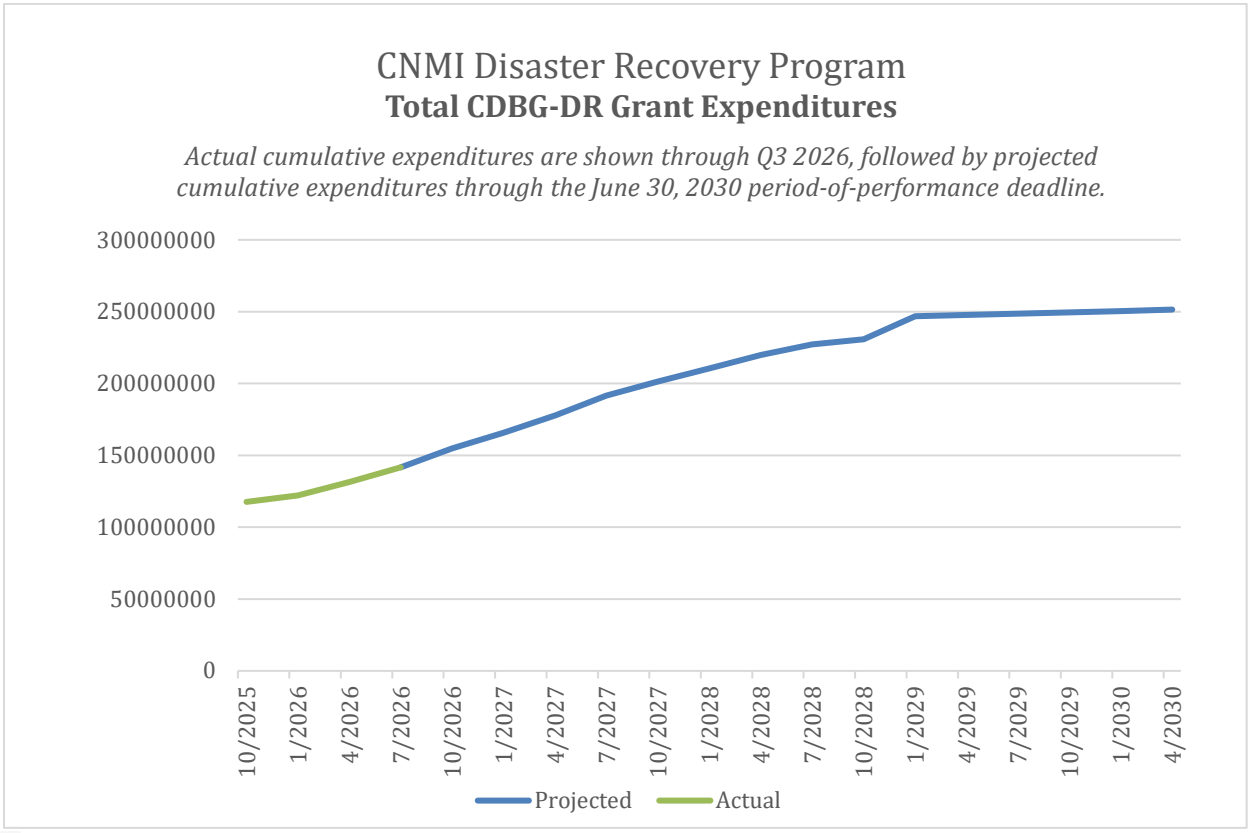
The proposed program start date is immediately following HUD's approval of the original Action Plan. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030. ~~The proposed end date is 6 years from the program start date.~~

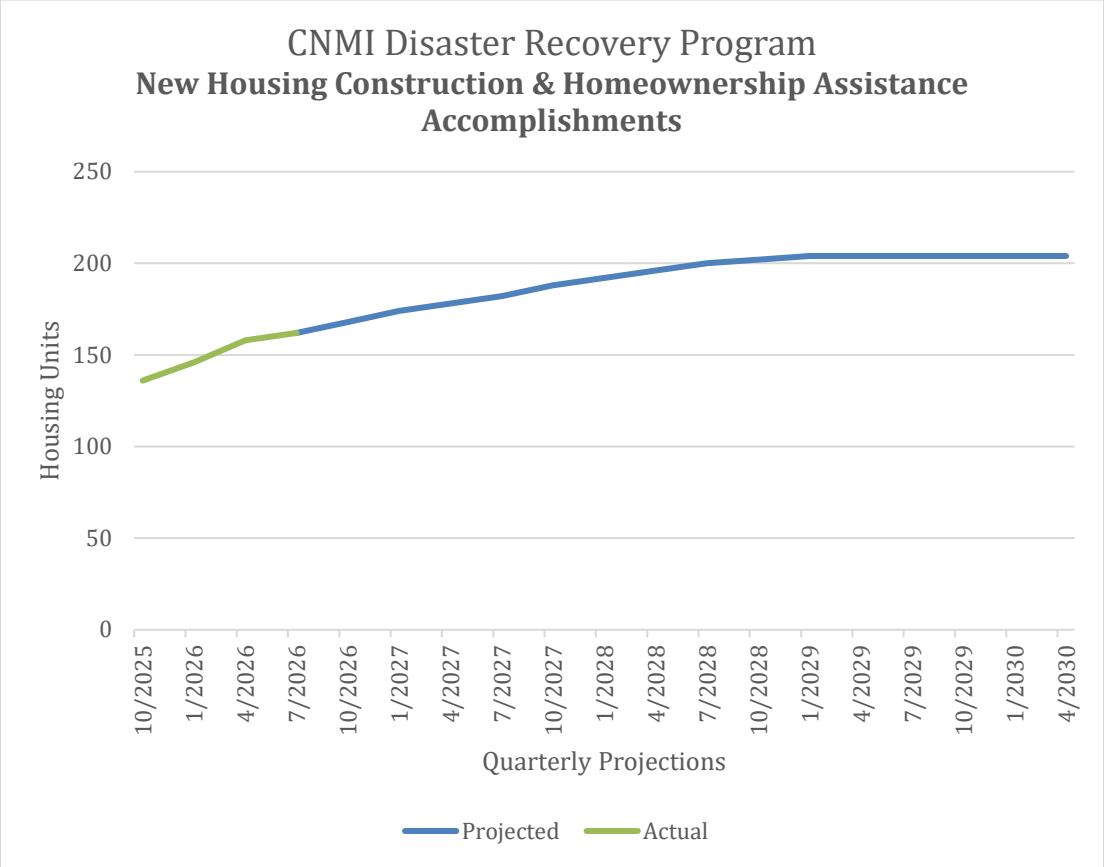
Subsection 7.C – Projections for Expenditures and Performance Outcomes (Page 134)

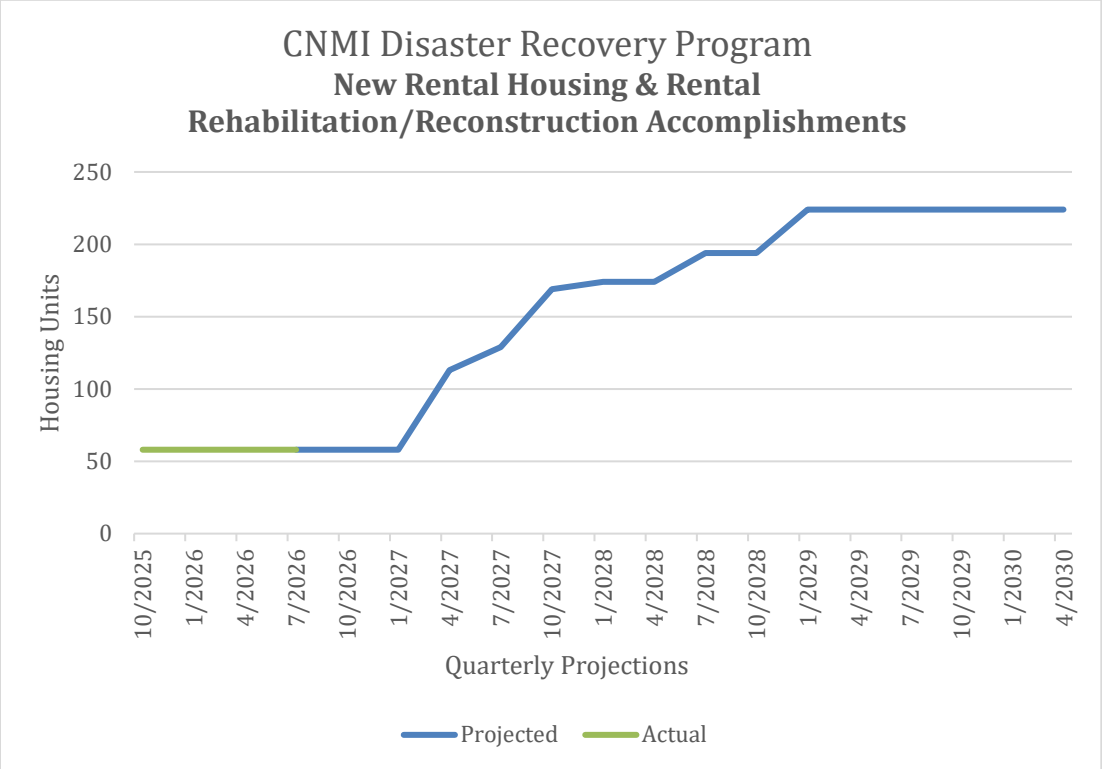


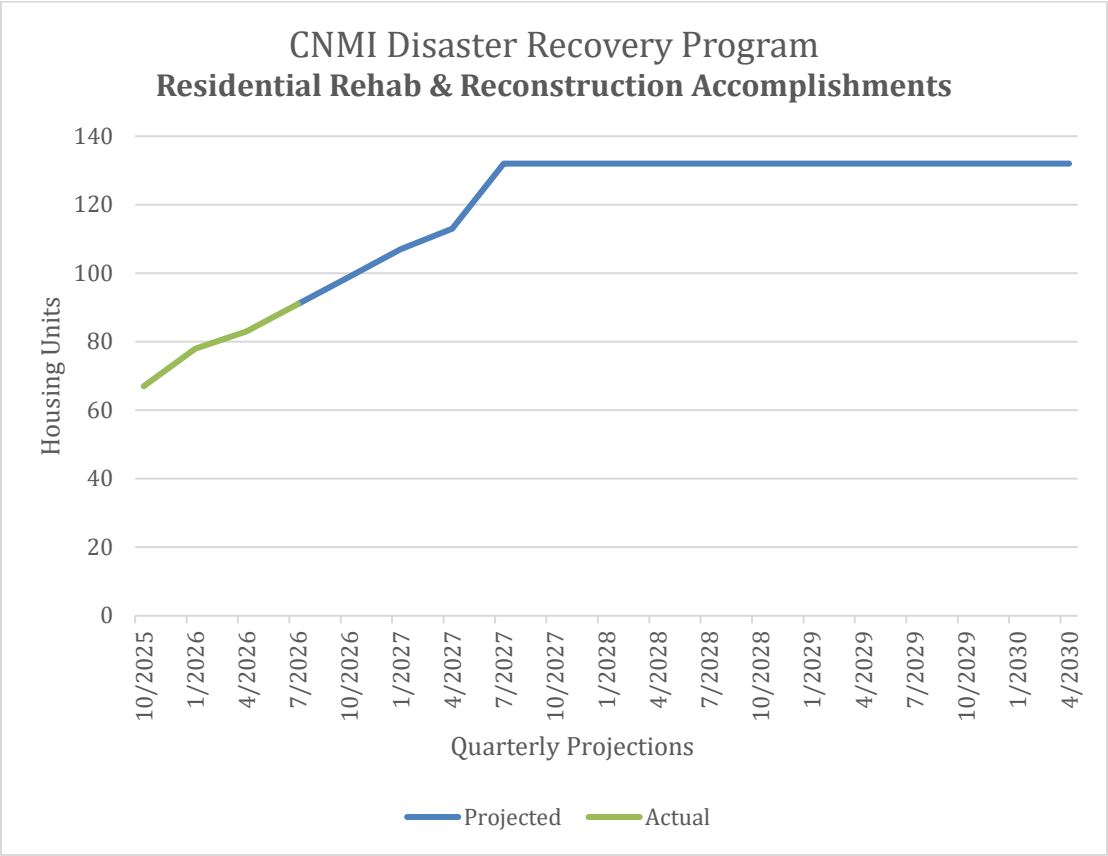


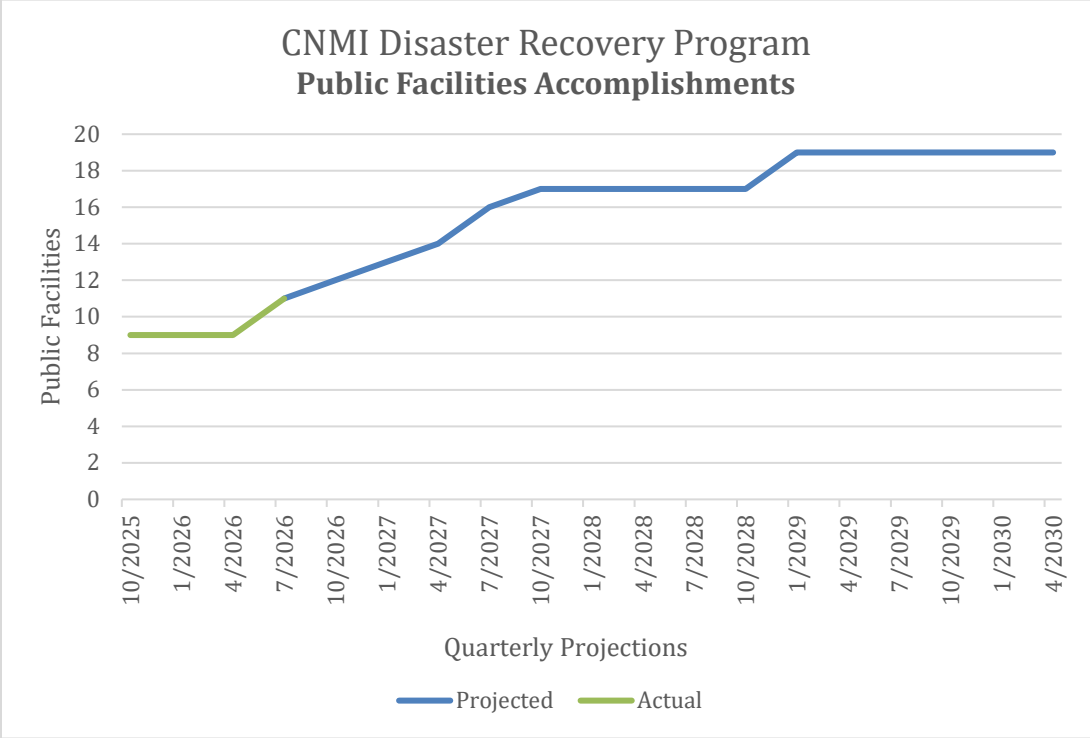

CNMI Disaster Recovery Program
Planning and Administrative Expenditures
Actual cumulative expenditures are shown through Q3 2026, followed by projected cumulative expenditures through the June 30, 2030 period-of-performance deadline.
16000000
14000000
12000000
10000000
8000000
6000000
4000000
2000000
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Projected
Actual

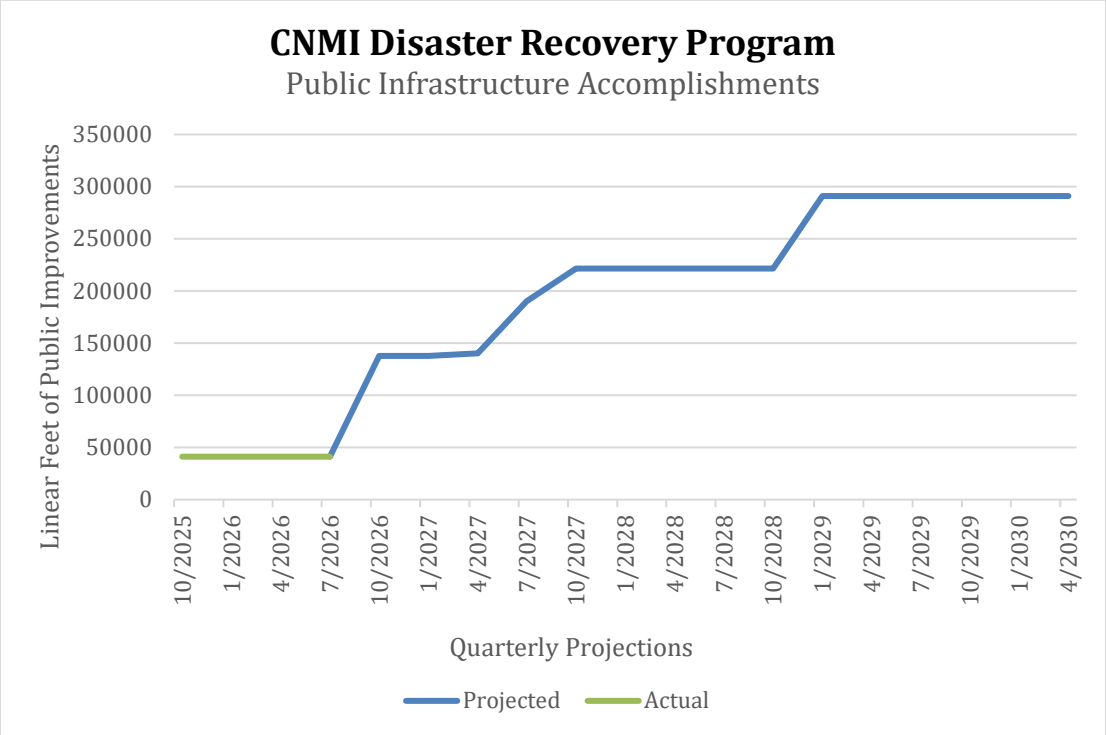

CNMI Disaster Recovery Program
Total CDBG-DR Grant Expenditures
Actual cumulative expenditures are shown through Q3 2026, followed by projected cumulative expenditures through the June 30, 2030 period-of-performance deadline.
300000000
250000000
200000000
150000000
100000000
50000000
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Projected
Actual

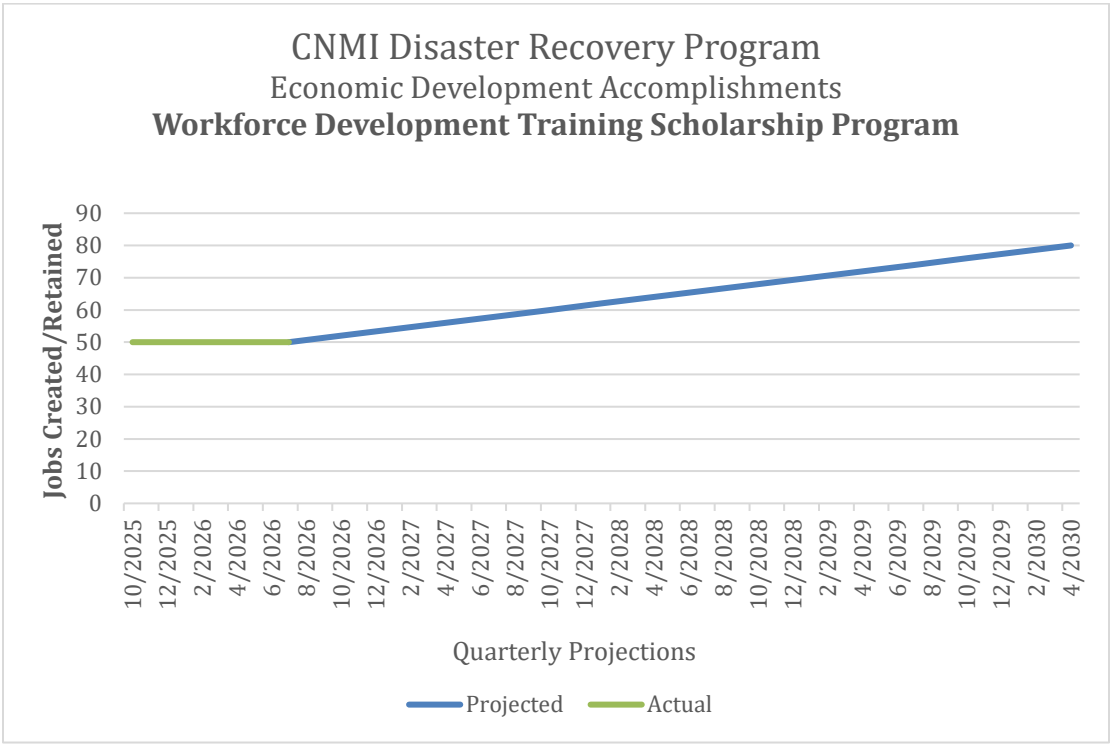

CNMI Disaster Recovery Program
New Housing Construction & Homeownership Assistance Accomplishments
250
200
150
100
50
0
Housing Units
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Quarterly Projections
Projected
Actual

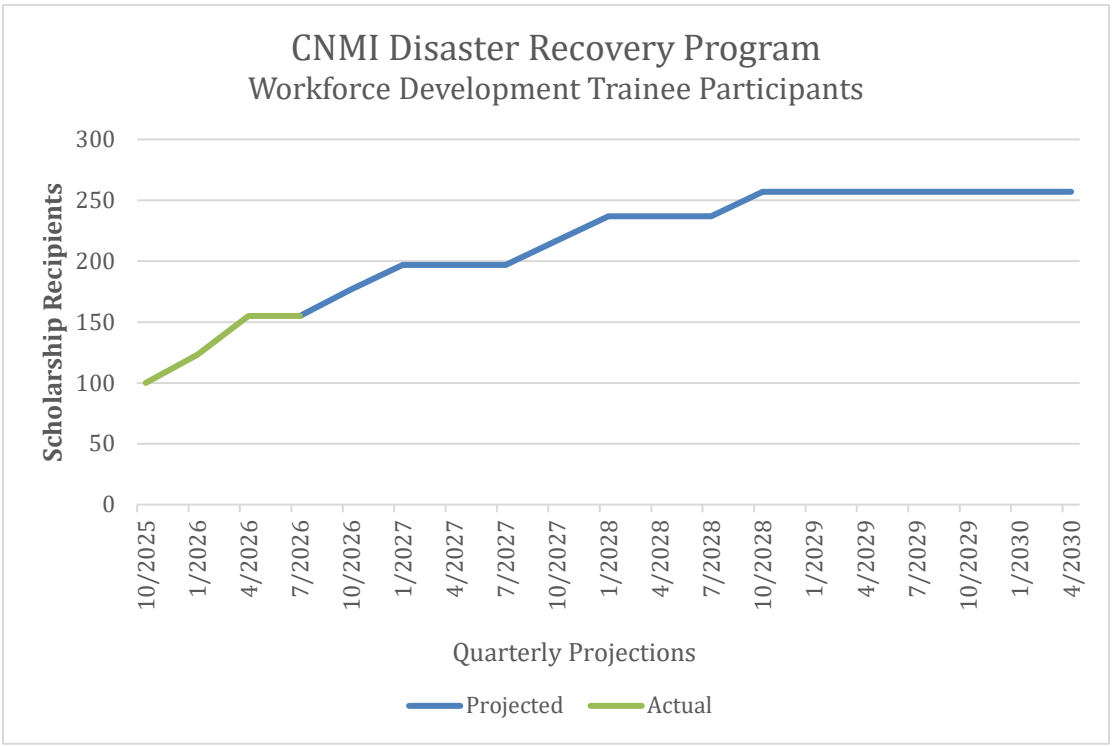

CNMI Disaster Recovery Program
New Rental Housing & Rental Rehabilitation/Reconstruction Accomplishments
250
200
150
100
50
0
Housing Units
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Quarterly Projections
Projected
Actual


CNMI Disaster Recovery Program
Residential Rehab & Reconstruction Accomplishments
Housing Units
140
120
100
80
60
40
20
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Quarterly Projections
Projected
Actual


CNMI Disaster Recovery Program
Public Facilities Accomplishments
Public Facilities
20
18
16
14
12
10
8
6
4
2
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Quarterly Projections
Projected
Actual


CNMI Disaster Recovery Program
Public Infrastructure Accomplishments
Linear Feet of Public Improvements
350000
300000
250000
200000
150000
100000
50000
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Quarterly Projections
Projected
Actual


CNMI Disaster Recovery Program
Economic Development Accomplishments
Workforce Development Training Scholarship Program
Jobs Created/Retained
90
80
70
60
50
40
30
20
10
0
10/2025
12/2025
2/2026
4/2026
6/2026
8/2026
10/2026
12/2026
2/2027
4/2027
6/2027
8/2027
10/2027
12/2027
2/2028
4/2028
6/2028
8/2028
10/2028
12/2028
2/2029
4/2029
6/2029
8/2029
10/2029
12/2029
2/2030
4/2030
Quarterly Projections
Projected
Actual


CNMI Disaster Recovery Program
Workforce Development Trainee Participants
Scholarship Recipients
300
250
200
150
100
50
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Quarterly Projections
Projected
Actual

II. The Northern Marianas Housing Corporation (NMHC), "Grantee," hereby reallocates **$189,579 in obligated funding that is projected to not be spent for the Infrastructure Program – Public Facilities Program** to the **Homeowner Rehabilitation/Reconstruction Program – Optional Relocation Assistance (ORA)** activities to address remaining unmet needs for that homeowner program by ensuring sufficient funding is available to assist future eligible low- and moderate-income (LMI) homeowners.

BACKGROUND

NMHC has determined that the remaining budget for Optional Relocation Assistance (ORA) is insufficient to cover future eligible relocation expenses for applicants whose homes are undergoing rehabilitation or reconstruction through the Homeowner Rehabilitation/Reconstruction Program. Eligible ORA costs include rent, utilities, moving, and storage subsidies incurred during the period of relocation. To address this anticipated funding shortfall and ensure that eligible applicants can receive the relocation assistance for which they qualify, NMHC has identified $189,579 in obligated funds from the Infrastructure – Public Facilities activity that can be reprogrammed to support ORA activities.

AMENDMENTS

Pursuant to Subsection 5.E., the following proposed modifications shall go into effect (5) days following formal notification to HUD or on **October 29, 2026**, as prescribed by NMHC's CDBG-DR Action Plan.

The proposed modifications, as presented herein, are as follows.

1. The sum of $189,579 shall be reprogrammed from NMHC's unspent Infrastructure – Public Facilities funds and distributed as follows:

Program Activities	**Description of Eligible Activities Expenses**	**Amount**
Homeowner Rehabilitation/Reconstruction Program **ORA Activities**	Rental, utility, moving, and storage allowance subsidies[2]	$189,579

[2] Subject to NMHC's published FY 2026 Payment Standards and Utility Allowance Schedules.

CHANGES [Highlighted in Yellow]

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS CDBG-DR ALLOCATIONS			
	Previous Allocation	**Change**	**Revised Allocation**
TOTAL ALLOCATIONS	$254,324,000		$254,324,000
HOUSING PROGRAMS	$138,423,600	$189,579.00	$138,613,179
Homeowner Rehab and Recon	$39,957,033	$189,579.00	$40,146,612
Single-Family New Const Dev	$59,009,534		$59,009,534
Affordable Rental Housing Dev	$39,457,033		$39,457,033
INFRASTRUCTURE PROGRAM	$91,279,335	($189,579.00)	$91,089,756
Port Facilities	$0		$0
Public Facilities	$39,316,053.68	($189,579.00)	$39,126,474.68
Roads	$16,975,166		$16,975,166
Utilities	$34,988,115.32		$34,988,115.32
ECONOMIC DEVELOPMENT	$8,660,000		$8,660,000
ADMINISTRATION	$12,617,718		$12,617,718
PLANNING	$3,343,347		$3,343,347

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Subsection 4.D – Program Budget (Page 74)

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)	**$138,613,179**		
Homeowner Rehabilitation & Reconstruction	$40,146,612	29%	**55%**
Single Family New Construction Development	$59,009,534	43%	
Affordable Rental Housing Development	$39,457,033	28%	
SUB TOTAL HOUSING	**$138,613,179**	**100%**	
INFRASTRUCTURE	**$91,089,756**		
Port Facilities	$0	0%	**36%**
Public Facilities	$39,126,474.68	43%	
Roads	$16,975,166	19%	
Utilities	$34,988,115.32	38%	
SUB TOTAL INFRASTRUCTURE	**$91,089,756**	**100%**	
ECONOMIC DEVELOPMENT	$8,660,000	100%	3%
ADMINISTRATION	$12,617,718	100%	5%
PLANNING	$3,343,347	100%	1%
TOTAL ALLOCATIONS OF FUNDS	**$254,324,000**	**100%**	**100%**

Subsection 4.E.1 – Homeowner Rehabilitation & Reconstruction (Page76)

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Homeowner Rehabilitation and Reconstruction	~~$39,957,033~~ $40,146,612
Performance Outcome	Approximately 142 - 160 units will be assisted

Subsection 4.E.2 – Local Infrastructure Program (Page 86)

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Port Facilities	**$0**
Public Facilities	~~**$39,316,053.68**~~ **$39,126,474.68**
Roads	**$16,975,166**
Utilities	**$34,988,115.32**
TOTAL FOR INFRASTRUCTURE	~~**$91,279,335**~~ **$91,089,756**
Performance Outcome	**About 20-30 public facilities will be assisted**

III. The Northern Marianas Housing Corporation (NMHC), "Grantee," hereby adds an **additional chart to the Economic Revitalization section** of the CDBG-DR Action Plan to provide further detail regarding the individual **subrecipient grant awards** under the program.

BACKGROUND

NMHC is adding an additional chart to the Economic Revitalization section of the CDBG-DR Action Plan to provide greater clarity and transparency regarding the individual subrecipient grant awards under the program. The chart will provide a more detailed breakdown of the grant awards associated with the Tourism Waiver and Workforce Development Training Scholarship Program (WDTSP), allowing the individual awards and corresponding program allocations to be more clearly reflected in the Action Plan.

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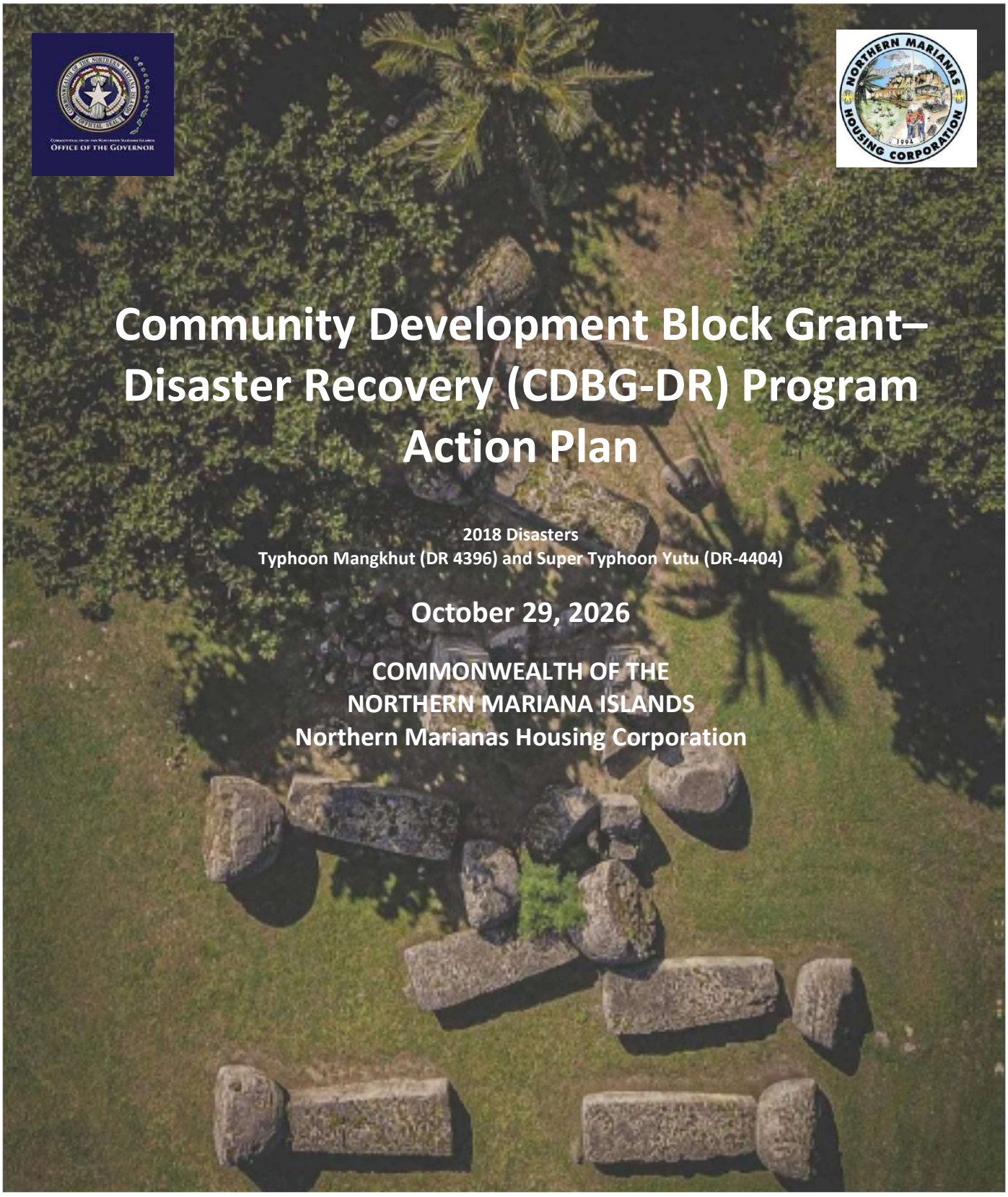
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Fax: (670)532-9441

AMENDMENT

Subsection 4.E.3 – Economic Revitalization Program (Page 89)

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST	PERFORMANCE OUTCOME
Economic Revitalization – **Tourism Waiver**	$7,500,000	Hotel occupancy increase up to 60%
Economic Revitalization – **Workforce Development Training Scholarship Program**	$1,160,000	300 workforce development participants rained
TOTAL ALLOCATION	**$8,660,000**	



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

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

October 29, 2026

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
Northern Marianas Housing Corporation

The Supplemental Appropriations for Disaster Relief Requirements, 2018 (Pub. L. 115–254) and 2019 (Pub. L. 116-20); approved January 27, 2020

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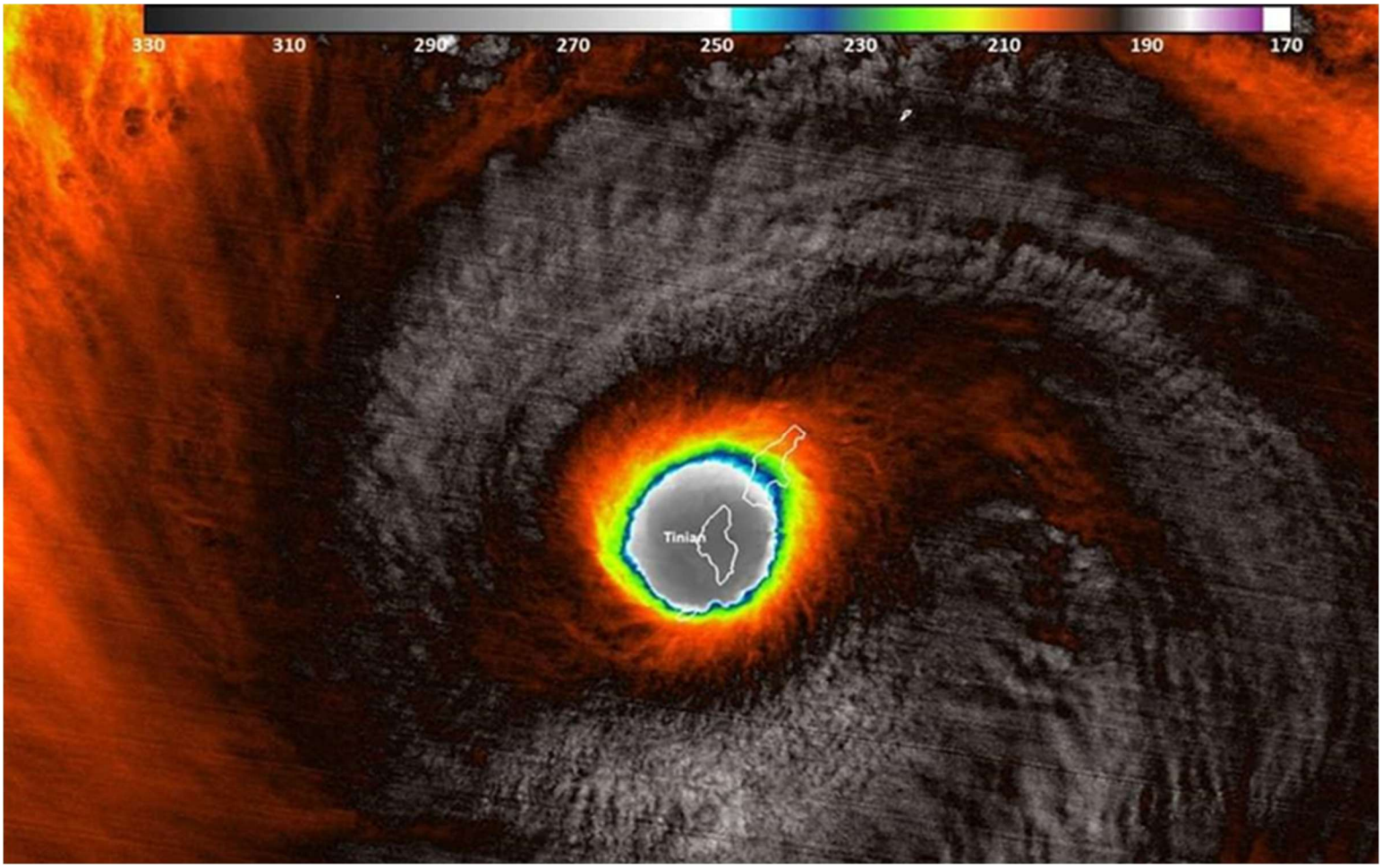
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SECTION 1 – EXECUTIVE SUMMARY

The Commonwealth of the Northern Mariana Islands (CNMI), an archipelago of 14 islands, sustained severe damages from two typhoons in September and October 2018, respectively, thereby impacting the three main inhabited islands of Saipan, Tinian, and Rota. Consequently, 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 and submit an Action Plan to HUD. The plan must provide details on the use of funds, describe long term recovery efforts, and is subject to HUD's approval. The projects and activities the CNMI plans to undertake must be carried out in accordance with the HUD regulations and requirements. This action plan is comprised of the required components that include: Executive Summary, local needs assessment, nexus 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, two 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.

A. Substantial Amendment No. 01: Summary

Pursuant to Subsection 5. A. of the Northern Marianas Housing Corporation ("NMHC") Community Development Block Grant Disaster Recovery Action Plan (Hereinafter referred to as "CDBG-DR AP"), this is to notify the general public of the following substantial amendment to NMHC's CDBG-DR:

1. An increase to CDBG-DR Housing Programs' allocation in the sum of $9,859,100 and administration by $518,900 resulting from HUD supplemental appropriation in the amount of $10,378,000 for the Commonwealth of the Northern Mariana Islands' ("CNMI") unmet needs as authorized by 86 FR 569.
2. De-obligate the amount of $4,000,000 earmarked for "Port Facilities" and reallocate and equally distribute these freed up funds to "Public Facilities" and "Roads."

Justification

As clearly indicated in the CDBG-DR AP (p. 11), NMHC reported $420,274,767 in the CNMI's Housing unmet needs and has allocated the sum $113,362,000 (46% of total CDBG-DR funding) towards the program's Housing Programs. Indisputably, the additional appropriation of $9,859,100 will go a long way in terms of NMHC addressing the existing unmet needs.

Therefore, the sum of $9,859,100 will be equally distributed among the three (3) CDBG-DR Housing Programs: 1. Homeowner Rehabilitation and Reconstruction; 2. Single-Family New Construction Development; and 3. Affordable Housing Rental Development, where each program shall be allocated $3,286,366.

Similarly, NMHC was notified by the Commonwealth Ports Authority that this agency has completed airport facility repairs using insurance proceeds and agency funds. Therefore, the requested $4,000,000 in CDBG-DR funds are no longer needed or required. Consequently, and as a result of these substantial amendments, the Action Plan's Allocation Summary is revised as follows:

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS CDBG-DR ALLOCATIONS			
	Previous Allocation	**Change**	**Revised Allocation**
TOTAL ALLOCATIONS	$243,946,000	$10,378,000	$254,324,000
HOUSING PROGRAMS	$113,362,000	$9,859,100	$123,221,100
Homeowner Rehab and Recon	$36,120,667	$3,286,367	$39,407,033
Single-Family New Const Dev	$41,120,667	$3,286,367	$44,407,033
Affordable Rental Housing Dev	$36,120,667	$3,286,367	$39,407,033
INFRASTRUCTURE PROGRAM	$105,881,835		$105,881,835
Port Facilities	$4,000,000	[$4,000,000]	$0
Public Facilities	$56,881,508	$2,000,000	$58,881,508
Roads	$8,650,000	$2,000,000	$10,650,000
Utilities	$36,350,327		$36,350,327
ECONOMIC DEVELOPMENT	$8,660,000		$8,660,000
ADMINISTRATION	$12,098,818	$518,900	$12,617,718
PLANNING	$3,943,347		$3,943,347

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 $254,324,000.00	$203,459,200.00	$50,864,800.00	$254,324,000	$178,026,800.00

The total unmet need is estimated at approximately $1.2 billion with the highest priority needs for housing and infrastructure. The 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 are 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 August 26, 2020 by the NMHC Board of Directors and the Governor on August 31, 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)	**$123,221,100**		
Homeowner Rehabilitation & Reconstruction	**$39,407,033**	32%	48%
Single Family New Construction Development	**$44,407,033**	36%	
Affordable Rental Housing Development	**$39,407,033**	32%	
SUB TOTAL HOUSING	**$123,221,100**	**100%**	
INFRASTRUCTURE	**$105,881,835**		
Port Facilities	**$0**	**0%**	**42%**
Public Facilities	**$58,881,508**	**56%**	
Roads	**$10,650,000**	**10%**	
Utilities	$36,350,327	34%	
SUB TOTAL INFRASTRUCTURE	**$105,881,835**	**100%**	
ECONOMIC DEVELOPMENT	**$8,660,000**	**100%**	**3%**
ADMINISTRATION	**$12,617,718**	**100%**	**5%**
PLANNING	**$3,943,347**	**100%**	**2%**
TOTAL ALLOCATIONS OF FUNDS	**$254,324,000**	**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 progresses, it may be modified at a later time as source data is updated and analyzed accordingly.

B. Substantial Amendment No. 02: Summary

Pursuant to Subsection 5. A. of the Northern Marianas Housing Corporation ("NMHC") Community Development Block Grant Disaster Recovery Action Plan (Hereinafter referred to as "CDBG-DR AP"), as amended (2022), this is to notify the general public of the following substantial amendment to NMHC's CDBG-DR AP:

1. To de-obligate the sum of $14,602,500 allocated to NMHC's CDBG-DR Infrastructure Program and allocate said amount ($14,602,500) to NMHC's CDBG-DR Single Family New Construction Development Housing Program.

Justification

As detailed in the CDBG-DR Action Plan's Executive Summary, NMHC identified approximately $420,274,767 in housing unmet needs and has since allocated the sum of $123,221,100 to its CDBG-DR Housing Programs and distributed as follows: 1) Homeowner Rehab Recon: $39,407,0333; 2) Single-Family New Const Dev: $44,407,033; and 3) Affordable Rental Housing Dev: $39,407,033.

As anticipated based on its Needs Assessment which addresses CNMI's housing unmet needs and since the launch of its CDBG-DR Housing Programs on January 4, 2021, the number of approved eligible applicants has exceeded funds available and allocated to the Single-Family New Construction Development Housing Program. In fact, NMHC has closed the program and no longer accepts loan applications for this program and maintains a list of approved applicants who potentially qualify for program financial assistance.

To address and mitigate the waiting list issue, NMHC decided to leverage CDBG-MIT funds with its CDBG-DR grant by way of allocating the sum of $14,602,500 derived from the former source of funding to NMHC's Infrastructure Program thereby freeing up CDBG-DR funds representing the same amount ($14,602,500) that shall be reprogrammed to support the CDBG-DR Single-Family New Construction Development Housing Program and through this Substantial Amendment.

Pursuant to Section 5 A. of the Northern Marianas Housing Corporation ("NMHC") Community Development Block Grant Disaster Recovery ("CDBG-DR") Program's Action Plan ("AP"), as amended (2022), this is to notify the general public about this proposed Substantial Amendment No. 02 and afford citizen participation and the opportunity to comment on this proposed amendment. The general public has thirty (30) days from publication date of the Public Notice to submit comments on these proposed changes to the CDBG-DR AP. Substantial amendments are required when there is a change in program benefit/eligibility criteria, addition/deletion of an activity, or reallocation of substantial amounts. A substantial amendment will also be required if any program changes exceed five million dollars ($5,000,000). Substantial amendments must provide a reasonable opportunity (at least 30 days) for citizen comment. All changes must be documented by NMHC's CDBG-DR Program to provide both necessary and reasonable justifications.

The general public is encouraged to submit written comments to NMHC no later than thirty (30) days following publication of the published public notice dated December 28, 2022 or no later than January 27, 2023. Comments may be submitted via Fax at No.: (670) 234-9451, mailed to P.O. Box 500514 Saipan, MP 96950, or emailed to cnmi-cdbg-dr@nmhcgov.net.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS CDBG-DR ALLOCATIONS			
	Previous Allocation	**Change**	**Revised Allocation**
TOTAL ALLOCATIONS	$254,324,000		$254,324,000
HOUSING PROGRAMS	$123,221,100	$14,602,500	$137,823,600
Homeowner Rehab and Recon	$39,407,033		$39,407,033
Single-Family New Const Dev	$44,407,034	$14,602,500	$59,009,534

Affordable Rental Housing Dev	$39,407,033		$39,407,033
INFRASTRUCTURE PROGRAM	$105,881,835	[$14,602,500]	$91,279,335
Port Facilities	$4,000,000		$0
Public Facilities	$58,881,508		$58,881,508
Roads	$10,650,000		$10,650,000
Utilities	$36,350,327	[$14,602,500]	$21,747,827
ECONOMIC DEVELOPMENT	$8,660,000		$8,660,000
ADMINISTRATION	$12,617,718		$12,617,718
PLANNING	$3,943,347		$3,943,347

Page 72, adjust allocations on Program Budget Table (Figure 22)

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)	**$137,823,600**		
Homeowner Rehabilitation & Reconstruction	$39,407,033	29%	**54%**
Single Family New Construction Development	$59,009,534	42%	
Affordable Rental Housing Development	$39,407,033	29%	
SUB TOTAL HOUSING	**$137,823,600**	**100%**	
INFRASTRUCTURE	**$91,279,335**		
Port Facilities	$0	0%	**36%**
Public Facilities	$58,881,508	65%	
Roads	$10,650,000	11%	
Utilities	$21,747,827	24%	
SUB TOTAL INFRASTRUCTURE	**$91,279,335**	**100%**	
ECONOMIC DEVELOPMENT	$8,660,000	100%	3%

ADMINISTRATION	$12,617,718	100%	5%
PLANNING	$3,943,347	100%	2%
TOTAL ALLOCATIONS OF FUNDS	**$254,324,000**	**100%**	**100%**

Page 79: Adjust allocations for Single-Family New Construction Development

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Single Family New Construction Development	**$59,009,534**
Performance Outcome	Approximately 176 to 215 units will be assisted

b. National Objective

LMI; LMH; UN

c. Level and Terms of Assistance

Option I: Turn-Key Solution: **$0** (one project site proposed).

The per household cap (including program delivery costs) to construct homes and underlying infrastructure is $250,000.

Option II: Have a Lot, Build a Home Solution: **$59,009,534**

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

C. Substantial Amendment No. 03: Summary

Pursuant to **Subsection 5.D.**[1], the following proposed modifications shall go into effect after the required 30-day public comment period ends and concurrence from the U.S. Department of Housing and Urban Development.

The proposed modifications, as presented herein, were prompted by the following reason(s):

1. After close consultation with the U.S. Department of Housing and Urban Development ("HUD"), the Northern Marianas Housing Corporation "NMHC" (hereinafter referred to as the "Grantee" interchangeably) hereby seeks to assist Non-LMI[2] homeowners whose single and principal dwellings or homes were damaged by qualifying storm(s)[3] under the *Urgent Need* National Objective;

[1] A **substantial amendment** is defined as a change in program benefit or eligibility criteria; the addition or deletion of
an activity; or the allocation or reallocation of a monetary threshold specified by the grantee in its action plan. The CNMI monetary threshold for a substantial amendment is any changes in Action Plan amounts that exceed $5 million. Substantial amendments are changes to an Action Plan which require a 30-day public comment period. All amendments will be listed on the CDBG-DR website sequentially.

[2] 80.01% or greater AMI

[3] Presidentially Declared Disasters: 1. Typhoon Mangkhut; and 2. Super Typhoon Yutu

2. There are still families, bona fide disaster victims, whose total household income exceed the NMHC CDBG-DR Homeowner Rehabilitation and Reconstruction Program's Income Limits schedule and whose homes were destroyed by qualifying storm(s) and remain in disrepair;

3. 13 families have thus far been identified as Non-LMI household applicants whose applications were previously denied under NMHC's CDBG-DR Homeowner Rehabilitation and Reconstruction Program due to household incomes exceeding the program's Income Limits schedule, and whose homes were destroyed by qualifying disaster(s) and remain in disrepair;

4. NMHC's CDBG-DR Homeowner Rehabilitation and Reconstruction Program's total allocation is $39,457,033. HUD requires that 80% of the total program allocation be used to assist Low-Moderate (LMI) Income families to rehabilitate or reconstruct their storm-damaged homes. NMHC anticipates to assist an estimated 126 eligible LMI families under the LMI National Objective. Funding for LMI families is $31,525,626. The remaining 20% will be used to assist approximately 31 eligible Non-LMIs under the Urgent Need National Objective. Funding for Urgent Need families is $7,931,407;

5. **Section 1** of **85 FR 4651** provides that "A Grantee may determine where to use the remaining 20 percent of the allocation, but that portion of the allocation may only be used to address unmet disaster needs in those areas that the grantee determines are 'most impacted and distressed' (Municipalities of Saipan and Tinian) and that received a presidential major disaster declaration…" Clearly, unmet disaster needs in these MID areas still exist but NMHC's program Income Limits schedule, which is not required under this particular program, precludes this class of applicants from qualifying for CDBG-DR financial assistance under NMHC's CDBG-DR Homeowner Rehabilitation and Reconstruction program;

6. Due to low application submission under the NMHC CDBG-DR Rehabilitation and Reconstruction Program, it has been determined that the current Income Limits schedule under the Urgent Need National Objective, 80.01% - 120% of the Area Median Income (AMI), needs to be amended in order for NMHC to assist more disaster victims rehabilitate or reconstruct their homes and whose incomes exceed 120% AMI;

7. This Substantial Amendment will not affect funding for LMI families. HUD does not object to this proposed Substantial Amendment but strongly recommends that the thirteen (13) Non-LMI applicants who previously applied and were subsequently denied assistance due to their incomes exceeding the program's current Income Limits schedule (80.01% - 120%) and that NMHC has on record be assisted first;

8. This Substantial Amendment is required to authorize NMHC to modify the program's Income Limits schedule to allow the agency to assist disaster victims, whose total household incomes exceed the program's Income Limits schedule of 120% AMI, repair their homes. Financial Assistance shall be subject to availability of funds.

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g. Target Groups

The program will categorize the target groups by the following income ranges:

TARGET GROUPS	CDBG-DR PROGRAM CNMI-MEDIAN INCOME RANGE	INTEREST RATE	TYPE OF ASSISTANCE
First	0%-30%	~~0%~~ N/A	~~Deferred Loan~~ Grant
Second	30.01% -50%	~~0%~~ N/A	~~75% Deferred Loan and 25% Non-Interest-Bearing Loan~~ Grant

Third	50.01% - 80%	~~0%~~ N/A	~~50% Deferred Loan and 50% Non-Interest-Bearing Loan~~ Grant
Fourth	80.01% or greater	~~0%~~ N/A	~~25% Deferred Loan and 75% Non-Interest-Bearing Loan~~ Grant (The national objective for this group is urgent need)

~~**This table also applies to First-Time Homebuyer Program and the Single-Family New Construction Development~~

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h. Ineligible Activities

~~v. 1. Combined household income is greater than 120 percent AMI or the national median, and~~

Public Notice was published on February 27, 2024 to March 28, 2024. There were no written comments received during the 30-day comment period.

D. Substantial Amendment No. 04 Summary

Pursuant to Subsection **5.D.**[1], the following proposed modifications shall go into effect after the required 30-day public comment period ends and concurrence from the U.S. Department of Housing and Urban Development.

The proposed modifications, as presented herein, were prompted by the following reason(s):

1. The Commonwealth of the Northern Mariana Islands (CNMI) through the Northern Marianas Housing Corporation (NMHC) has determined the necessity to allocate additional funding towards road, power, and water repair projects under the Low Mod Area Benefit (LMA) National Objective. This need stems from the significant damage caused by qualifying storms that have impacted vital infrastructure, disrupting essential services and community functioning. NMHC proposes to reprogram $19,565,454.32 from Public Facilities Activities to Roads Activities ($6,325,166) and Utilities Activities ($13,240,288.32).

2. **Evaluation and Expansion of Projects**: A comprehensive evaluation revealed that the CNMI's infrastructure, particularly in the areas of road and utilities, requires greater diversification and support. The damage assessment, limited resources, and cost of inflation led to the identification of additional projects and additional funding needed on Saipan, Tinian and Rota, which have been severely impacted. These additional projects are crucial to restoring and improving critical infrastructure and services, hence the need to increase the budget allocated for these activities.

3. **Infrastructure Activities for Disaster Recovery**: The Substantial Amendment also allows NMHC to adjust the program's Infrastructure Plan. By reallocating funds, the agency can provide targeted assistance to disaster victims by accelerating the pace of infrastructure recovery. Given the importance of roads, utilities, and basic services to the economic and social stability of the affected areas, modifying the funding allocations is vital for disaster recovery efforts.

4. This amendment is necessary for the CNMI's infrastructures that were greatly impacted by the 2018 storms. In order to target heavily impacted areas and make improvements, NMHC is proposing to amend the CNMI Action Plan to allocate sufficient funding to critical infrastructure projects. Doing so will not only greatly impact the strength and resilience, but also, recovery of the CNMI. NMHC strongly believes that this amendment is necessary and funds will ensure that the resources are appropriately allocated to the most heavily impacted areas.

5. During the planning process, it became clear that the most impacted areas were Saipan and Tinian, and that infrastructure activities on these islands should be prioritized. The scoring criteria established in the action plan (refer to page 51) will guide how projects and activities are selected, with a strong emphasis on the infrastructure's broad benefits across the islands.

    - **Benefit to the Population**: Due to the small size of the CNMI islands, any infrastructure improvements will have widespread benefits for the entire population. Moreover, the high percentage of low- to moderate-income benefit area and over 90% of the population are minority residents ensures that these activities will provide broad, equitable benefits. These factors also ensure economic stability so residents can remain in homes and residences and retain their jobs because the infrastructure is improved. The actual size of the Islands also means that all persons will benefit from most of the infrastructure improvements.
    - **Economic Stability**: Improved infrastructure will play a critical role in ensuring economic stability for residents. Enhanced roads, power grids, and water systems will help maintain residential stability, allowing individuals to retain their homes and jobs, which are key factors in sustaining local economies.

6. The transfer of funds under Substantial Amendment No. 04 is necessary to address the infrastructure challenges exacerbated by recent storms. Without this amendment, NMHC would not have the flexibility to allocate sufficient resources to critical infrastructure projects. By modifying the budget and increasing the available funding for road and utility projects, the CNMI can make measurable progress in recovery, particularly in the areas that have been hit hardest. These improvements are also essential for long-term resilience in the face of future natural disasters.

Given the substantial impact these infrastructure projects will have on both the recovery and future resilience of the CNMI, we strongly believe that this amendment is justified and necessary. The transfer of funds will ensure that resources are appropriately allocated to the most urgent areas, allowing us to support disaster victims and stabilize the affected communities.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS CDBG-DR ALLOCATIONS

	Previous Allocation	Change	Revised Allocation
TOTAL ALLOCATIONS	$254,324,000		$254,324,000
HOUSING PROGRAMS	$137,923,600		$138,423,600
Homeowner Rehab and Recon	$39,457,033		$39,957,033
Single-Family New Const Dev	$59,009,534		$59,009,534

Affordable Rental Housing Dev	$39,457,033		$39,457,033
INFRASTRUCTURE PROGRAM	$91,279,335		$91,279,335
Port Facilities	$0		$0
Public Facilities	$58,881,508	($19,565,454.32)	$39,316,053.68
Roads	$10,650,000	$6,325,166.00	$16,975,166
Utilities	$21,747,827	$13,240,288.32	$34,988,115.32
ECONOMIC DEVELOPMENT	$8,660,000		$8,660,000
ADMINISTRATION	$12,617,718		$12,617,718
PLANNING	$3,843,347		$3,343,347

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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)	**$138,423,600**		
Homeowner Rehabilitation & Reconstruction	$39,957,033	29%	**54%**
Single Family New Construction Development	$59,009,534	43%	
Affordable Rental Housing Development	$39,457,033	29%	
SUB TOTAL HOUSING	**$138,423,600**	**100%**	
INFRASTRUCTURE	**$91,279,335**		
Port Facilities	$0	0%	**36%**
Public Facilities	$39,316,053.68	43%	
Roads	$16,975,166	19%	
Utilities	$34,988,115.32	38%	
SUB TOTAL INFRASTRUCTURE	**$91,279,335**	**100%**	
ECONOMIC DEVELOPMENT	$8,660,000	100%	3%
ADMINISTRATION	$12,617,718	100%	5%
PLANNING	$3,343,347	100%	2%
TOTAL ALLOCATIONS OF FUNDS	**$254,324,000**	**100%**	**100%**

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a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Port Facilities	**$0**
Public Facilities	$39,316,053.68
Roads	$16,975,166
Utilities	$34,988,115.32
TOTAL FOR INFRASTRUCTURE	$91,279,355
Performance Outcome	About 20-30 public facilities will be assisted

E. Non-Substantial Amendment No. 01: Summary

1. To replace the three (3) year residency requirement on eligibility for housing assistance afforded to Low- and Moderate Income individuals under Section (g) of the Homebuyer Program with "Must be a resident of the CNMI at the time of application or have been a resident of the CNMI at the time of the qualifying event."

2. To amend Subsection 2. d. of the Local Infrastructure Program to add language that allows DR funds to be used for 10% FEMA Local Match under the subsection: "Eligible Activities" and to include a corresponding Table delineating these eligible activities on page 74 of the Action Plan.

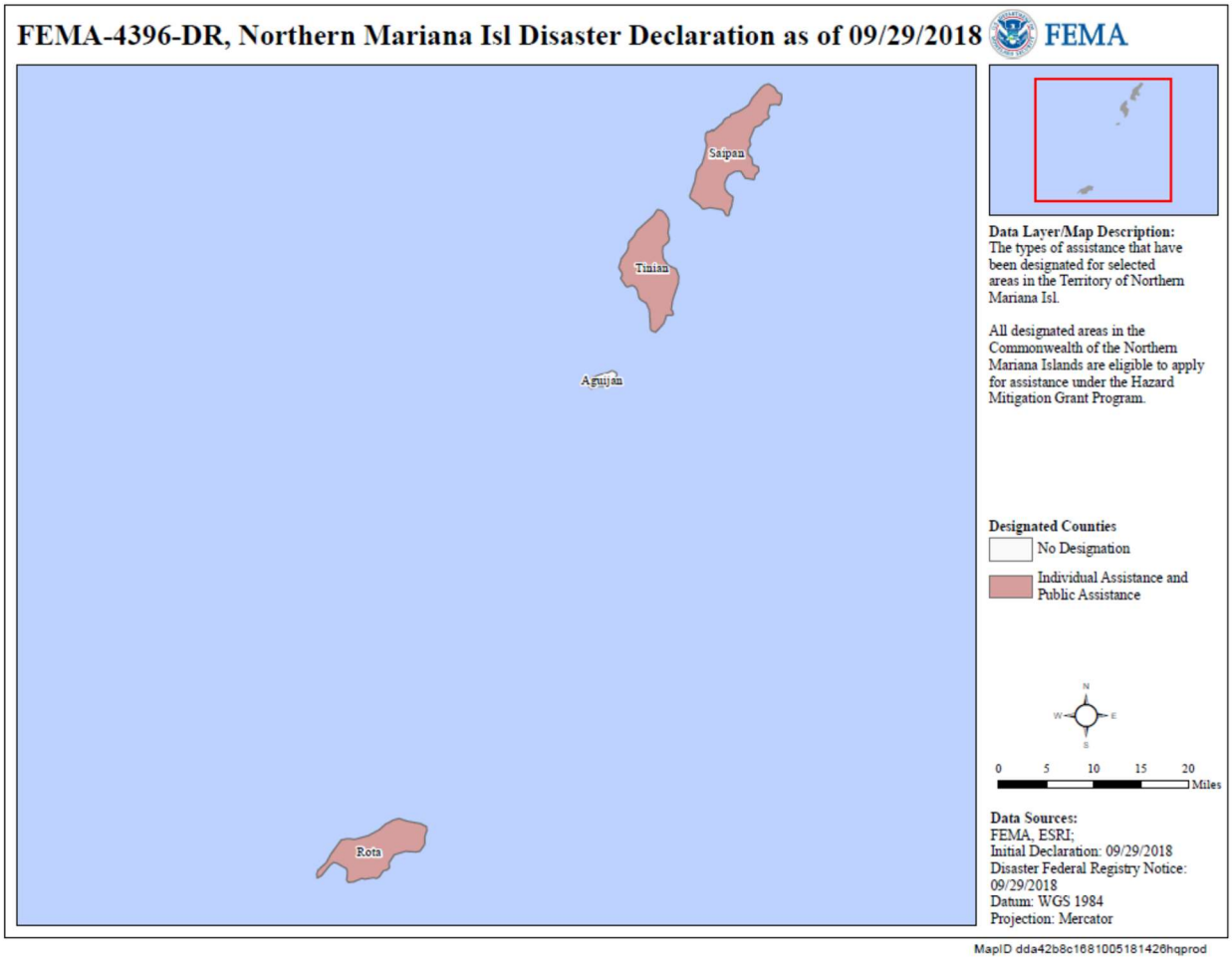
Eligible Activities [HCDA and 24 CFR 570.201]

Eligible Activities	HCDA Eligible Activities (Section 105(a))	24 CFR 570.201
Acquisition of Real Property	HCDA Section 105(a)(1)	24 CFR § 570.201(a) - Acquisition
Public Facilities and Improvements	HCDA Section 105(a)(2)	24 CFR § 570.201(c) - Public facilities and improvements
Clearance, Rehabilitation, Reconstruction, and Construction of Buildings	HCDA Section 105(a)(4)	24 CFR § 570.201(d) – Clearance and remediation activities
Payment of Non-Federal Match	HCDA Section 105(a)(9)	24 CFR § 570.201 (g) - Payment of non-Federal share

The NMHC CDBG-DR AP requires citizen participation when a substantial amendment to the said administrative plan occurs and when "any program changes exceed five million dollars ($5,000,000)." Further, "Substantial amendments must provide a reasonable opportunity (at least 30 days) for citizen comment. All changes will be documented by NMHC's CDBG-DR program to provide both necessary and reasonable justifications." Non-substantial amendments do not require citizen participation.

SECTION 2 – NEEDS ASSESSMENT

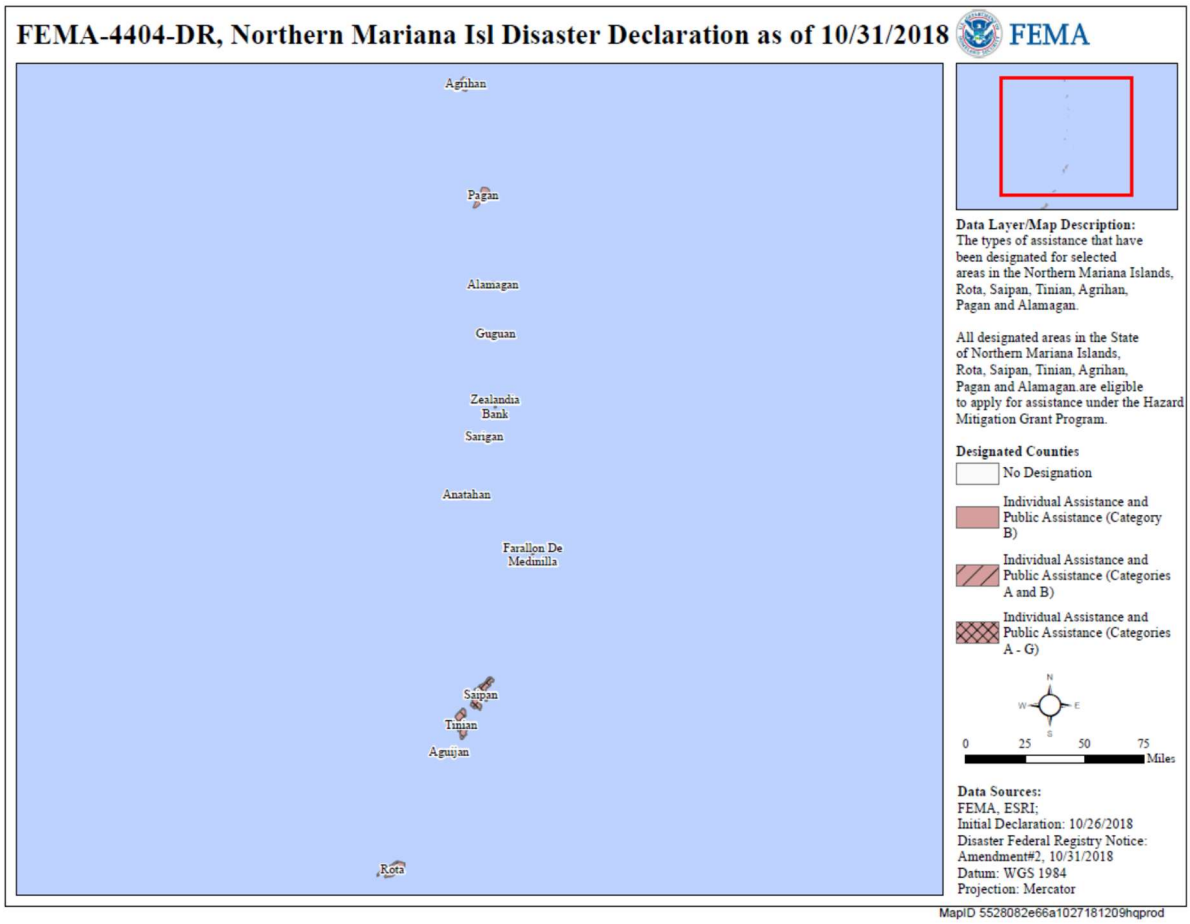
The Commonwealth of the Northern Mariana Islands (CNMI) compiled assessment data utilizing local and federal resources, including information from FEMA, HUD, SBA, and other federal and local agencies and organizations. This needs assessment includes specific details about unmet needs within the eligible and most impacted and distressed communities. A comprehensive needs assessment was conducted in accordance with HUD guidance. NMHC reached out to government and non-profits entities to solicit priority projects. These activities, programs, and projects were then evaluated for their connections to short- and long-term recovery efforts. Housing projects were based on FEMA, Census, and American Red Cross data for single and multi-family housing. A scoring criterion will be used for infrastructure. The needs assessment provided allocation to all 3 project types (Housing, Infrastructure, and



Economic Development) and projects for most impacted and distressed areas. Considerations for housing also included infrastructure and economic development activities that support housing.

Under DR 4396, FEMA approved 395 applications totaling $1,011,549.70 for Individual Assistance with an 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 an 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 with the majority of the population residing on Saipan. The **entire** islands of Saipan and Tinian were most impacted by the storm and where the most needs were identified post-storm. The CNMI concurs with HUD that Saipan and Tinian should be designated as the most impacted and distressed areas. Therefore, there is no "State" identified most impacted or distressed areas that differ from HUD.

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 46 percent towards a variety of housing activities such as rehabilitation, reconstruction, new construction, and homeownership. Infrastructure is utilizing approximately 43 percent of the allocation and will fund major public facilities that were severely impacted by the storms. Economic Development is also addressed with approximately 4 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	ESTIMATED TOTAL DAMAGE	FUNDING AWARDED OR OBLIGATED	UNMET NEED	% OF UNMET NEED	CNMI PROGRAM ALLOCATION AMOUNT*	% OF CNMI PROGRAM ALLOCATION
Housing	$520,317,836	$100,043,069	$420,274,767	38%	**$123,221,100**	48%
Infrastructure	$789,101,580	$163,926,464	$625,175,116	57%	$105,881,835	42%
Economic Development	$74,078,260	$18,289,300	$55,788,960	5%	$8,660,000	3%
Administrative	N/A	N/A	N/A	N/A	**$12,617,718**	5%
Planning	N/A	N/A	N/A	N/A	$3,943,347	2%
Total	**$1,383,497,675**	**$282,258,832**	**$1,101,238,843**	**100.00%**	**$254,324,000**	**100.00%**

**Unmet need is equal to Estimated Total Damage less Funding Awarded or Obligated*

Category	Funding Source	Amount
Economic Development	SBA Business Loans	$ 18,289,300
Housing	FEMA Individual Assistance - Yutu	$ 23,976,345
Housing	FEMA Individual Assistance - Mangkhut	$ 628,323
Housing	SBA Home Loans	$ 75,438,400
Infrastructure	FEMA Public Assistance - Yutu	$ 118,475,296
Infrastructure	FEMA Public Assistance - Mangkhut	$ 3,866,956
Infrastructure	FHWA Emergency Relief Program	$ 4,269,064
Infrastructure	US Department of Education	$ 31,315,148
Infrastructure	Economic Development Administration	$ 6,000,000
All	Private Insurance	No data available
		$ 282,258,832

A. Fair Housing & Civil Rights

NMHC shall ensure that no person on the grounds of race, color, nation origin, religion, sex, sexual orientation, age, familial status, or disability be excluded from participation in any CDBG-DR funded activities. Section 109 of Title I of the Housing and Community Development Act of 1974 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development Block Grant Disaster Recovery Program. Additionally, NMHC will comply with Title VI of the Civil Rights Act of 1964 as amended in 1988, Title VIII of the Civil Rights Act of 1968 (Fair Housing Act, 42 U.S.C. 3601-3619) as amended, Architectural Barriers Act of 1968, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990 as well as other Acts and various executive orders.

The demographic analysis considered racial and ethnic minorities, elderly, persons with disabilities, families with children, and the other protected classes. Because the American Community Survey does not gather information for the CNMI, a detailed breakdown of the racial/ethnic population as household owners/renters could not be provided. The latest data that could be provided dates back to the 2000 US Census. The CNMI CDBG-DR program intends to fill this informational void by adding this topic requirement into the scope of work for a planned rental market survey. Please note that all block groups on the islands of Saipan, Tinian, and Rota are considered low- and moderate-income areas (see chart on Figure 5) with the lowest percentage of low/mod persons at 61.90% and the highest percentage at 92.56%; therefore, information is provided to all islands and districts and this is primarily provided through the NMHC web site. It should also be noted that outreach measures were limited during the Action Plan development phase due to Covid-19. There are no targeted areas for CDBG-DR as any location on all 3 islands are eligible to participate and apply for the CDBG-DR programs. NMHC could not identify any racially/ethnically concentrated and poverty concentrated areas within the CDBG-DR eligible areas because all block groups on all islands are predominately low/mod and where the majority of the residents are minorities.

Likewise, racial and ethnic demographics over the islands also show a majority of minorities inhabit all areas; therefore, areas of minority concentration do not exist. For example, with a total population of just over 53,000 according to the 2010 U.S. Census, data provided from the most recent Analysis of Impediments shows that approximately 28,240 persons were considered to be Asian, including 21,537 Filipino and 3,829 Chinese. Some 23,267 persons were Pacific Islander, including 18,564 Chamorro and Carolinian. Additional information can be found in the most recent Analysis of Impediments. Applications will be accepted in person to accommodate non-English speaking households and persons.

Some 41,069 persons speak both English and another language although English is the predominant language spoken. Therefore, information will be published in most common languages which is English and NHMC will provide in other languages upon request. See LEP Section for how an applicant can request for this service.

Demographic information shows that residents of Saipan show the highest concentration of elderly households. The elderly population, or those over age 65 had the greatest growth between 2010 and 2017; therefore, program priorities for assistance give the highest priority to elderly and disabled. The programs also provide assistance to extremely low-income persons and family which is made up in large part of the elderly population.

CDBG-DR grantees are responsible for ensuring that all housing assisted with CDBG-DR funds is made available on a non-discriminatory basis: that is, without regard to race, color, religion, sex, disability, familial status, age, or national origin.

Marketing and Outreach to affirmatively market CDBG-DR Programs will occur through one or more of the following methods:

- Working with local non-profit and community-based organizations i.e., American Red Cross and Karidat.
- Holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), provide sign language assistance when requested, and provide special assistance for those who are visually impaired when requested.
- Provide reasonable accommodations as needed to make the Program accessible to people with disabilities. At a minimum, notices and signs will be posted and provided in intake areas and other points of entry at all three designated NMHC CDBG-DR program buildings (including the Tinian and Rota Field Offices) as well as

on bulletin boards of government agencies and business establishments. Notification will also be provided through one of more of the following: outreach documents, telephone voice mail menus, local newspapers, radio and television stations, and/or community-based organizations.

- Utilize Fair Housing logo in program materials, general correspondence, advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights and obligations under Fair Housing regulations.
- Review program and marketing material annually to ensure compliance and improve outreach to low and moderate income persons and families and minorities.
- NMHC will retain documentation on public notices, advertisements, announcements, and marketing measures used to demonstrate its efforts.
- Information will be readily available and maintained on the NMHC Recovery website at http://www.cnmi-cdbgdr.com.
- Overall, special arrangements will be made for individuals who have a disability, with special needs, language interpretation needs, or for persons needing alternate times and locations by calling 670-233-9447 or emailing a request to cnmi-cdbg-dr@nmhgov.net

Any ADA accessibility/mobility related work will not affect the maximum cap.

B. 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 were profound and critical infrastructure was compromised. The effects of both Typhoon Mangkhut and Super Typhoon Yutu continue to be wide-ranging. There was also the complete destruction of Saipan's commuter terminal servicing Tinian and Rota. Initial impacts from Yutu closed the Saipan International Airport for twenty (20) days with eight (8) airlines canceling 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.

C. 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. Over the past 25 years, CNMI has been affected by 11 typhoons with peak winds in excess of 100 mph. Most of these extreme storms caused millions of dollars in damages. Research indicates that multiple recovery efforts from natural disasters had negative impacts on local economies (Gerling 2017, Platt 2019) and these impacts disproportionately affect people of low socioeconomic status (SAMHSA, 2017). 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.

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 an 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 (2018)[4].The CNMI also supports training, oversight, and enforcement of building codes to ensure cost-effective compliance.

Resilience planning implies building toward future climate conditions; therefore, mitigation and resiliency projects should be planned under expected future climate conditions (e.g., greater storm winds, increased flooding, sea-level rise/inundation). As such, project scoping will be coordinated with resiliency planning partners to meet goals and objectives which includes engagement of stakeholders across government agencies as well as non-profits, special interest groups, and the private sector. The most recent hazard maps and environmental data will be incorporated into project planning and support the selection of cost-efficient and appropriate mitigation actions.

For housing projects, the resiliency measures may include: mitigation measures based on projected future storm severity, 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 infill 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 floodwaters 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. Due to the critical importance of conserving water, sourcing of EPA WaterSense (or equivalent) hardware for toilets, faucets, and showerheads will be encouraged. Design for passive survivability should also be prioritized based on lessons learned from prior disasters. 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 as required by the Department of Public Works' Floodplain management standards. On average, the costs associated with elevating a new construction housing unit 2 feet above the 1% annual floodplain elevation will vary based on the square footage of the proposed unit, but for a standard a 1,000 square foot unit, the elevation cost, (labor, equipment, and materials included) is estimated to be between $5,000 to $6,000.

[4] CNMI SSMP (2018), pages 8 – 15, accessed on August 10, 2020, from https://opd.gov.mp/wp-content/uploads/opd/2018-CNMI-SSMP-Update.pdf

For infrastructure resiliency solutions, improvements must address hardening of existing infrastructure and stormwater 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 and may also include the use of "low impact development" interventions such as the use of compost, mulch, and vegetation to reduce erosion and manage runoff. 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. These considerations are essential in ensuring holistic approaches to infrastructure resiliency that include the reduction and safe management of solid and hazardous waste and disaster debris with waste reduction, reuse, recycling, composting, and solid and hazardous waste disposal infrastructure.

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 in the event of another Typhoon disaster, CNMI is also supportive of training, oversight, and enforcement of building codes to ensure cost-effective compliance that reduces risk to people, the economy, and the environment. Note: The CNMI recently has adopted the 2018 International Building Code with amendments.

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

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.[5]

1. Total Population, Population by District and Age

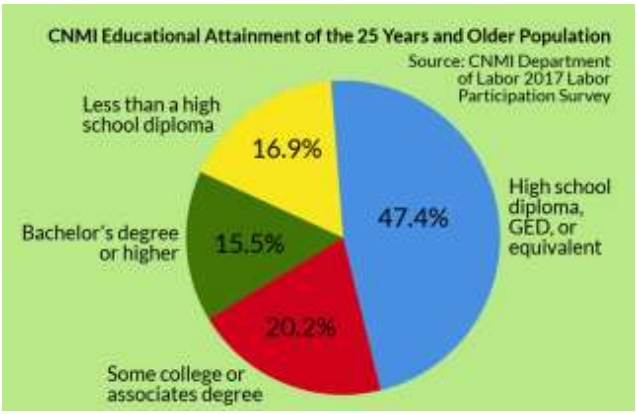
In 2000, the population of the Northern Mariana Islands stood at 69,221. A decade later and according to the 2010 U.S. Census, the population dropped to 53,883. In 2017, the CNMI's population slightly decreased to an estimated 52,264. There were a total of 47,564 residents in five districts on Saipan. District 3 had the largest population of 15,218, followed by District 1 with a population of 14,416. On the island of Tinian, the population was 2,626. There

[5] Northern Mariana Islands Country Profile | http://data.un.org/en/iso/mp.html

were 2,072 on Rota. In 2017, a majority of the population was aged 25 to 54 years, with residents aged 35 to 54 accounting for the largest share of the population, at 33.4 percent. The population as a whole fell by 3.0 percent over 2010 to 2017 time period due to a sharp decline in the number of residents aged 25 to 34, and children aged less than five years with a decrease of 25.8 percent and 24.8 percent, respectively. As a result, the composition of the population by age shifted markedly over the decade as the share of residents aged 5 to 19 rose about 28.7 percent and the share of residents aged 55 to 64 grew by 11.1 percent

2. Education

Of the qualifying population, 83% have a high school degree, GED, alternative credential or higher and 15.5% hold a bachelor's degree or higher according to the CNMI Department of Labor 2017 Participation Survey.



3. Vulnerable and Special Needs

The CNMI will promote housing for vulnerable populations including children and elderly residents, residents with disabilities, and the homeless population. These populations have a broad spectrum of characteristics, similar to the population at large, but a distinguishing factor for them is an increased risk of homelessness due to the fragile nature of their existence, some relying heavily on others for their care, others living on fixed incomes and vulnerable to hardships caused by sudden demands on their resources. The activities that will address the needs of these vulnerable and special needs populations include the Housing Voucher Program and NHMC's continuing development of affordable housing units.

4. Homeless and At-Risk of Homelessness

Homeless and persons at risk of homelessness have increased by approximately 33% since the storm events. This increase is mainly due to the loss and damage to the 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. To help address homeless/homelessness needs, the following entities/agencies/organizations have been identified that include the Division of Youth Services, Karidat Social Services, Salvation Army, Division of Youth Affairs, and the Northern Marianas Coalition Against Domestic and Sexual Violence. Additionally, 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 12 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.

5. Transitional, Permanent Supportive, and Permanent Housing Needs, and Individuals and Families that are Homeless or At-Risk of Homelessness

The CNMI currently does not have transitional housing; however, NMHC has set aside CDBG funds to build one on the southern side of Saipan with the anticipated start of construction in December 2020. 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. This Agency is working towards needs and solutions for permanent supportive and permanent housing need solutions. Temporary housing is provided through the Emergency Solutions Grant Program, funded through HUD and administered at NMHC and through the Emergency Food (and Shelter) Program, administered by Karidat Social Services and funded through the United Way. All organizations that currently exist in the CNMI work diligently towards one common goal: to provide affordable housing, supportive services, and community development assistance to homeless and special needs populations.

On an annual basis, NMHC will:

1. Continue to administer the ESG program and conduct case management for literally homeless and at risk of homelessness households.
2. Support the work of non-profit organizations and the public sector providing assistance to very low and low-income individuals, and special needs populations.
3. As the statistics have been gathered for the number of people living with AIDS in the CNMI, and although the number is rather small, the NMHC will identify funding to support the CNMI's special needs population (particularly for housing assistance).
4. Continue to support the revitalization of programs implemented by the Transitional Living Center who offers services to those who are likely to become homeless after being discharged from a publicly-funded institution (prison, mental institution, etc.) and the Independent Living Center who offer life skill training to the special needs population.
5. Continue to support the operations of the only two existing shelters (whether through CDBG or ESG) in the CNMI - The Guma Esperansa Shelter (serves domestic violence victims who are considered homeless), and the Division of Youth Services Shelter (serves youth who are victims of child abuse and neglect/runaway youth).
6. Within the next five years, annually conduct a point in time survey to gather more accurate information on homeless households in the CNMI, and once the data is gathered, apply for a Continuum of Care Program grant in order to meet the homeless needs in the CNMI (Target date: Year 3 of the Consolidated Plan).
7. Acquire, construct, rehabilitate, or convert structures for use as housing for special needs and homeless populations.
8. Acquire, construct, rehabilitate or convert structures used as public facilities to provide services for special needs and homeless populations (i.e., soup kitchens, outreach facilities, etc.)

6. Homeless Prevention

The CNMI desires to prevent low-income individuals and families with children (especially those with incomes below 30 percent of the area median) from becoming homeless. Individuals and families who are at-risk of becoming homeless are provided assistance such as security and utility deposits, rental and utility arrears, and up to 12 months of rental and utility payments. Persons receiving assistance are also provided case management and other support services for families to achieve housing stability.

7. Non-Homeless Special Needs Assessment

HUD identifies special needs populations to include the elderly, frail elderly, persons with physical and developmental disabilities, substance abusers, persons with disabilities (mental, physical, developmental, persons with HIV/AIDS and their families), persons with alcohol or other drug addiction, public housing residents, and victims of domestic violence, dating violence, sexual assault, and stalking. This segment of the population has a wide variety of needs and there are local and regional support services to help address those needs. Many of these needs are being met through local public services and without public assistance.

Based on the 2010 Census data for the CNMI, of the total population 60 years and older, 16 percent are below the poverty level, and 19 percent of the population has a disability. There was also a 59 percent increase in households whose ages ranged from 65-74 years old in renter-occupied units, while there was a 29 percent increase in households within the same range in owner-occupied units. As with the elderly population, for those ages 75-84, there was a 50 percent increase in households since 2000 and a 31 percent increase for those 85 and over in owner-occupied units. For the renter-occupied units, there was a 36 percent increase in households ages 75-84, and a 50 percent increase in households ages 84 and over.

Persons with Alcohol or Other Drug Addiction: Persons with alcohol and other drug addiction has been minimal in the CNMI. Data for FY 2014 gathered from the Community Guidance Center of the Department of Public Health (now known as the Commonwealth Healthcare Corporation) indicated that a total of 27 individuals were identified to have alcohol or other drug addiction. The CNMI Governor Ralph Deleon Guerrero Torres has dedicated substantial resources to fighting substance abuse and established the Substance Abuse, Addiction, and Rehabilitation (SAAR) Program. A facility dedicated entirely to addiction was opened in Saipan in 2017 by SAAR called the HOPE Recovery Center. At its facility in Saipan, the Community Guidance Center provides substance abuse treatment to adults, adolescents, and children, and its programs have been particularly successful in curbing drug and alcohol abuse among youth in the Northern Mariana Islands.

Persons with Disabilities: Of the total civilian non-institutionalized population, 5 percent of adults 18 years and older have a disability and 1 percent of children under the age of 18 are disabled. Of the total civilian non- institutionalized population who are 65 years and older, 1 percent have a disability. According to the 2010 Census, only 42 percent of disabled adults are employed while 83 percent of non- disabled adults are working.

Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking: According to the CNMI Office of the Attorney General, there were 111 criminal domestic violence cases reported in 2019. There appears to be an increase in cases based on the following history: 2018: 73 cases; 2017: 48 cases; 2016: 77 cases; and 2015: 74 cases. To aid victims, collaboration with a non-profit organization and service providers such as the Domestic Violence Intervention Cent (DVIC), and the Coalition Against Sexual Assault are utilized.

8. Housing

Housing Market/Stock Profile/Economic Hardship

FEMA data was used as the basis to determine funding allocations for owner and rental considering the damaged units are a result of the needs assessment. There were more owners with major, minor, and severe damages than rental properties. The owners with major, minor, and severe damage equate to 96.8 percent of the FEMA reported units leaving a very small percent for rental. However, NMHC considered the number of destroyed rental units as compared to owner units as part of the needs assessment. The total destroyed rental units according to FEMA was

228 with a smaller number attributed to owner destroyed units. Therefore, the funding allocated in the Action Plan addresses the need for new rental units and is for replacement of destroyed rental units. The funding allocated in the Action Plan will complete 270-310 rental units.

NMHC could not identify concentrations of low/mod and minority persons since all block groups on all the islands (lowest level of data available) are low/mod and since the majority of the population is minority. CNMI conducted participation from all three islands as a whole since all block groups are low/mod and the population on each island are majority minority. The planning process considered ways to promote the availability of affordable housing that could be located anywhere and would address where units are needed most. *See* **Section A. Fair Housing and Civil Rights** for demographic analysis and data.

F. Analysis of Impediments

As a result of detailed demographic, economic, and housing analysis, along with a range of activities designed to foster public involvement and feedback, the Commonwealth of the Northern Mariana Islands has identified a series of fair housing issues/impediments, and other contributing factors that contribute to the creation or persistence of those issues.

The table below provides a list of the contributing factors that have been identified as causing these fair housing issues/impediments and prioritizes them according to the following criteria:

1. High: Factors that have a direct and substantial impact on fair housing choice.
2. Medium: Factors that have a less direct impact on fair housing choice, or that the Northern Marianas Housing Corporation has limited authority to mandate change.
3. Low: Factors that have a slight or largely indirect impact on fair housing choice, or that the Northern Marianas Housing Corporation has limited capacity to address.

Contributing Factors		
Commonwealth of the Northern Mariana Islands		
Contributing Factors	**Priority**	**Justification**
Insufficient affordable housing in a range of unit sizes	High	Some 20.3 percent of households had cost burdens in 2010. This is more significant for owner households with a mortgage, of which 31.2 percent have cost burdens. This signifies a lack of housing options that are affordable to a large proportion of the population.
Insufficient accessible affordable housing	High	The number of accessible affordable units may not meet the need of the growing elderly and disabled population, particularly as the population continues to age. The elderly population grew by 69.5 percent between 2010 and 2017, representing the fastest-growing age group in the CNMI. In 2010, an estimated 57.4 percent of persons aged 75 and older had a disability. Disabilities were found at a greater rate on the Island of Rota, as seen in Maps IV.19 through IV.24.
Lack of fair housing infrastructure	High	The fair housing survey and public input indicated a lack of collaboration among agencies to support fair housing.
Insufficient fair housing education	High	The fair housing survey and public input indicated a lack of knowledge about fair housing and a need for education. This is also demonstrated in the lack of fair housing complaints in the CNMI.

Insufficient understanding of credit	High	The fair housing survey and public input indicated an insufficient understanding of credit needed to access mortgages.

The following summarizes the fair housing issues/impediments and contributing factors, including metrics, milestones, and a timeframe for achievements.

Fair Housing Goal	Impediments to Fair Housing Choice/Contributing Factors	Recommended Actions
Promote affordable homeownership and rental opportunities	Insufficient affordable housing in a range of unit sizes	Continue to promote homeownership and affordable rental opportunities in high opportunity areas with the use of CDBG and HOME funds. Over the next five (5) years: ▶ 260 rental units added ▶ 10 homeowner units added 100 rental units rehabilitated ▶ 10 homeowner housing units rehabilitated Record activities annually.
Promote community and service provider knowledge of ADA laws	Insufficient accessible affordable housing	Increase outreach and education for housing providers in the state, focusing on legal requirements concerning reasonable accommodation, in coordination with local disability advocate organizations. Record activities annually.
Increase outreach and education for housing providers in the Commonwealth	Lack of fair housing infrastructure Insufficient fair housing education Insufficient understanding of credit	Continue to conduct fair housing outreach and education targeting rental tenants, providing an overview of fair housing laws and examples of discrimination that housing consumers may encounter in the rental housing market. Continue to publicize the responsibilities of the Commonwealth's fair housing officer, a role currently filled by the Family Self-Sufficiency Program Coordinator of the Northern Marianas Housing Corporation, in print and online media, including the Housing Corporation website. Continue to promote education through websites and online materials. Continue to fund homeownership counseling using HOME funds: 30 over five (5) years. Record activities annually.

G. 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 a 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	LOWMODUNIV	LOWMOD_PCT
Northern Islands Municipality	1	9501	-	-	-	0.00%
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%

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	LOWMODUNIV	LOWMOD_PCT
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%
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, households must meet the prescribed income limits, as

published by the U.S. Department of Housing and Urban Development (HUD) annually, at: https://www.hudexchange.info/resource/5334/cdbg-income-limits/. Prevailing or most recent HUD-published Income Limits may also be viewed and obtained at any of NMHC's offices located on Saipan, Tinian, and Rota.

Figure 6 below demonstrates the unmet needs by income category for both owner-occupied and renter.

Figure 6: 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%**

H. 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.[6]

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.

[6] CNMI Coastal Resources Management https://dcrm.gov.mp/resources-publications/coastal-hazards-climate-change-and-shoreline-change/ (original data link); alternate link: https://opd.gov.mp/library/reports/becq-dcrm-2014-saipan-climate-change-vulnerability-assessment/

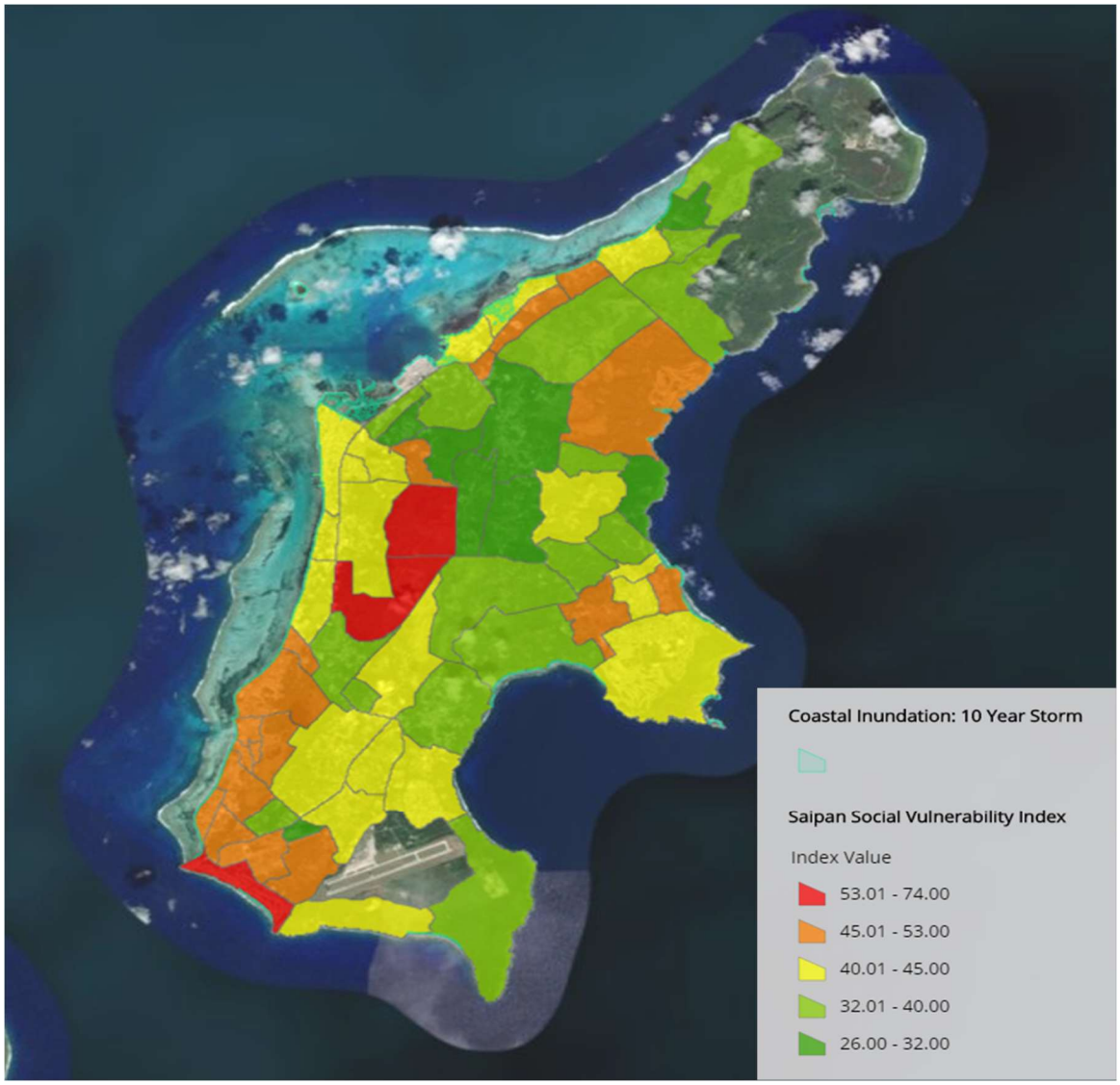
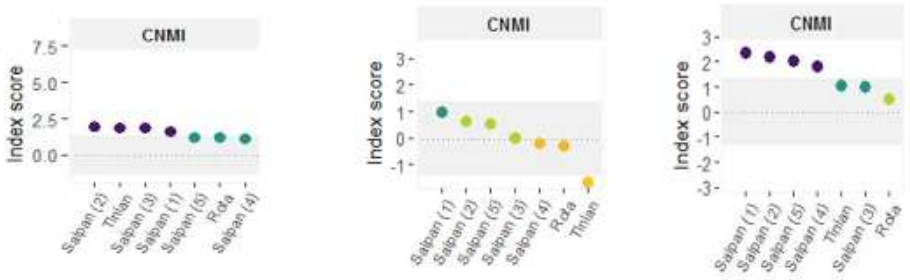


Figure 8: SoVI Map. *Image from DCRM Climate & Hazards Impacts Viewer*

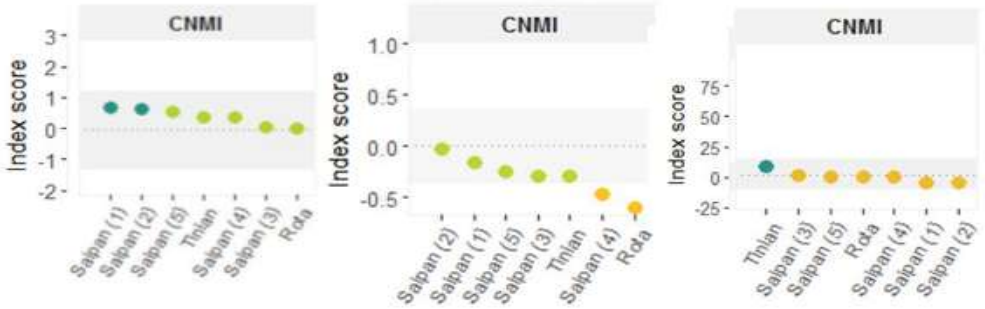
Also, in a report dated January 2018, the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) provided the following information regarding applying vulnerability indicators. NOAA's definition of social vulnerability in this report is, "Work on social vulnerability is based 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.

Community	Island Group	Housing Char.	Labor Force	Personal Disruption
Saipan (1)	MP	1.75	1.04	2.49
Saipan (2)	MP	2.06	0.68	2.32
Saipan (3)	MP	1.96	0.01	1.05
Saipan (4)	MP	1.17	-0.14	1.9
Saipan (5)	MP	1.31	0.6	2.12
Tinian	MP	2.01	-1.7	1.11
Rota	MP	1.27	-0.25	0.53



Vulnerability Low Med Med High High

Community	Island Group	Population Comp	Poverty	Occupation Diversity
Saipan (1)	MP	0.75	1.36	5.71
Saipan (2)	MP	0.71	1.48	6.06
Saipan (3)	MP	0.12	1.22	0.36
Saipan (4)	MP	0.42	1.04	1.68
Saipan (5)	MP	0.6	1.25	0.97
Tinian	MP	0.44	1.21	-6.18
Rota	MP	0.07	0.91	1.37



Vulnerability Low Med Med High High

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 are most impacted. This coincides with the priorities and projects the CNMI intends to fund.

I. Housing Conditions and Impact

1. Housing Conditions and Impact

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 20,850 housing units on the Islands and supported by data from the Red Cross, it is estimated that over 90% of the households suffered damage from the typhoons. Based on FEMA data (January 2019) 545 homes were destroyed, 2,291 had serious damage and the remaining households suffered minor damage. Approximately, 9,327 households applied for FEMA assistance. Of the households that applied for assistance, 2,291 units were declared having major damage, 4,104 with minor damage, and 239 units were completely destroyed. The cost of construction and materials has increased significantly and so has labor making it difficult to support building the homes.

2. 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 the 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	2,161	$8,342	$18,027,062
Total	**4,997**		**$420,274,767**
Total CDBG-DR Available for Housing			$110,000,000
Remaining Unmet Need			$310,274,767

Due to the lack of available FEMA data, the above two tables and total unmet needs 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 Marianas 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 is 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

3. 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 units are 1 unit structures, 1,255 units are 2 to 4 unit structures, 3,260 units are 5 to 19 unit structures, 999 units are 20 or more units, and the remainder of 103 units are comprised of mobile home, container, or other unit types. Although rental data appears significant at 62% of the population, roughly 43% of the rental population is comprised of non-US citizens. In addition, FEMA IA data (Figure 10) reflects a huge disparity in real property FEMA Verified loss (FMVL) between renters and owners. Only nine total renter applications had FMVL of roughly $82 thousand compared to owner FMVL of $27 million. To support special need housing and for housing for the 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 shown in 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)	$ 324.00

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

4. Homelessness

Pre-storm, there were approximately 300 homeless households in the Commonwealth. Following the storms, this number surged to over 500 homeless households, mainly due to the loss and damage to the 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, NMHC administers the Emergency Solutions Grant (ESG) Program and provides homeless individuals and families with rental and utility assistance for a period of 12 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.

5. Social and Public Services

The following represent the actions planned to enhance coordination between public and private housing and social service agencies. To coordinate the various affordable housing programs with other private and public service providers, the CNMI/NMHC will undertake the following activities:

- Continue to operate as the lead agency and work with the Continuum of Care Committee to administer and evaluate homeless programs and address additional needs in the continuum of care.
- Continue assessing the needs of the homeless and planning effective delivery systems.
- Continue to develop and consider collaborative partnership providing housing and mental health services.
- Maintain and provide information on the NMHC web site regarding assisted housing programs.
- Refer applicants to appropriate social service agencies.
- Work with resources that develop and implement activities that assist families in moving from welfare to work.
- Provide referrals to the private assisted housing projects when available.
- Provide technical assistance to developers, non-profits, coalitions, and neighborhood groups interested in developing housing projects or special activities related to the CDBG, HOME, and Continuum of Care Programs.
- Participate in outreach events to educate the public and network with other agencies on housing programs available through NMHC including Fair Housing efforts.
- Utilize the NHMC office to make efforts, as appropriate, to bring various groups together to achieve community goals, coordinate services, or encourage joint projects.

The CNMI/NMHC engages in collaboration with many local community partners including private housing providers, social service agencies, and others; but also continues through outreach efforts to seek additional involvement from other entities on disaster issues. Additionally, many public services are being satisfied via the normal CDBG and the recent CDBG-COVID programs.

Traditional CDBG funded public services will complement activities intended to address housing and economic revitalization needs and is additional leverage of funds for the overall needs. Those services in addition to the actions listed above help make services accessible to individuals having wide-ranging disabilities including mobility, sensory, developmental, emotional, and other impairments.

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**

6. Assisted Housing and Public Housing Assistance and 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.

Shortly following the onslaught of Typhoon Mangkhut and Super Typhoon Yutu, the Northern Marianas Housing Corporation (NMHC) was administering 322 Housing Choice Vouchers (HCVs). Of this no., 308 families were assisted on Saipan; one (1) on Tinian; 9 on the island of Rota and four (4) families ported to the U.S. mainland with NMHC-administered HCVs.

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

HOUSING	SAIPAN	TINIAN	ROTA	TRANSFERS TO THE USA	TOTAL
Vouchers	308	1	9	4	322
Landlords	114	1	9	3	127
Wait List	271	18	18	N/A	307
New Admissions	2	0	0	N/A	2

Post-Typhoon Mangkhut and Super Typhoon Yutu Damage Assessments [Saipan, Tinian, and Rota]

After the passage of Typhoon Mangkhut and Super Typhoon Yutu, respectively NMHC inspectors conducted assessments on damages on all its S8 HCVP-assisted units on Saipan, Tinian, and Rota. Results of these assessments follow:

Saipan Assisted Units

NMHC's Typhoon Mangkhut damage assessment report reveals minor damages, which include:

1. Three (3) assisted units with damaged window glass;
2. Three (3) assisted units with ceiling leaks; and
3. Two (2) assisted units with damaged carport roof.

The S8 HCVP landlords were notified to address these inspection deficiencies in a timely manner and a subsequent or follow-up re-inspection showed that the cited deficiencies were cured

Tinian Assisted Units

A damage assessment was performed which showed no damages to Tinian's S8 HCVP assisted unit from Typhoon Mangkhut.

Rota Assisted Units

A damage assessment was performed which showed no damages to Rota's S8 HCVP assisted units from Typhoon Mangkhut.

Saipan Assisted Units

The follow-up ST Yutu damage assessment report, dated December 19, 2018, shows:

1. 20% of assisted units that were severely damaged (e.g., major damages to the unit's roof) by ST Yutu. As of the date of the damage assessment report, 10% completed roof repairs while the remaining 10% were still undergoing repairs;
2. 35% of assisted units experienced moderate damage, i.e., shattered windows, missing doors, and flooding; 20% of which was addressed and confirmed during the December 19, 2018 follow inspection.

Tinian Assisted Units
A damage assessment was performed which showed no damages to Tinian's S8 HCVP assisted unit from ST Yutu.

Rota Assisted Units

A damage assessment was performed which showed no damages to Rota's S8 HCVP assisted units from ST Yutu.

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

Repairs to damaged NMHC-owned units (Mihaville and Koblerville Estates located on the island of Saipan) will be covered by FEMA 404 and 406 grants, except for the FEMA 10% local matching requirement at which NMHC intends to pursue CDBG-DR program funds to cover. FEMA has obligated the sum of $297,973.80 on September 4, 2019 to fund repairs to NMHC's Koblerville and Mihaville housing subdivisions according to information provided by the CNMI's Public Assistance Office.

Furthermore, NMHC was also approved an additional **$515,000** from FEMA's Hazard Mitigation Grant Program to harden our PHA-owned assisted units:

1. **$159,000** for the enhancement of windows and accordion typhoon shutters on all 34 units at NMHC's Koblerville Estates;
2. **$209,000** for the enhancement of windows and accordion typhoon shutters on all 48 units at NMHC's Mihaville Estates; and
3. **$147,000** for the modification of louver windows to sliding tempered glass windows on all 48 units at NMHC's Mihaville Estates.

7. 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 (FEMA AppData 1-6-2020)

8. Repetitive Losses

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

9. Small Business Assistance Disaster Home Loans

Homeowners/leaseholders 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 of June 10, 2019, was $75,438,400.

J. 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. The 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 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

K. Economic Impact

While it is nearly impossible to capture the full extent of damage to businesses affected by the storms, the impact of Typhoon Mangkhut and Super Typhoon Yutu on the CNMI's economy, small businesses, and the workforce was significant and remains a critical area of concern. Businesses, both large and small, were directly impacted by the storms, through damage to property, loss of inventory, and forced business closures and indirectly, in the form of damage to critical enabling infrastructure (i.e. power outages and blocked roads).

The CNMI's small businesses were hit especially hard given their limited access to finance and resources to withstand and recover from such devastation, further worsening the challenge of recovery after the storms. The revitalization of the economy depends heavily on the renewed health of these small businesses.

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

41.4 percent of the jobs in major industries come from Accommodation and Food Services; Retail Trade; and Arts, Entertainment, and Recreation (CNMI Department of Commerce's CNMI Population Characteristics 4th Quarter 2017).

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 & Section 3

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.

It is the desire of the CNMI to the greatest extent feasible to comply with the Section 3 requirements that are generated by certain HUD financial assistance regarding training, employment and other economic opportunities. Key provisions and special outreach effort will be made to low- and moderate-income person and minorities by:

- Appointing a local Section 3 Coordinator or hire a compliance specialist with this responsibility
- Posting Section 3 requirement and opportunities on the DR web page
- Continue to include Section 3 language where applicable in all CDBG-DR related bids, procurements, and contracts
- Encourage adoption of local Section 3 plans to recipients receiving CDBG-DR funds
- Provide Section 3 Training and Literature

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)

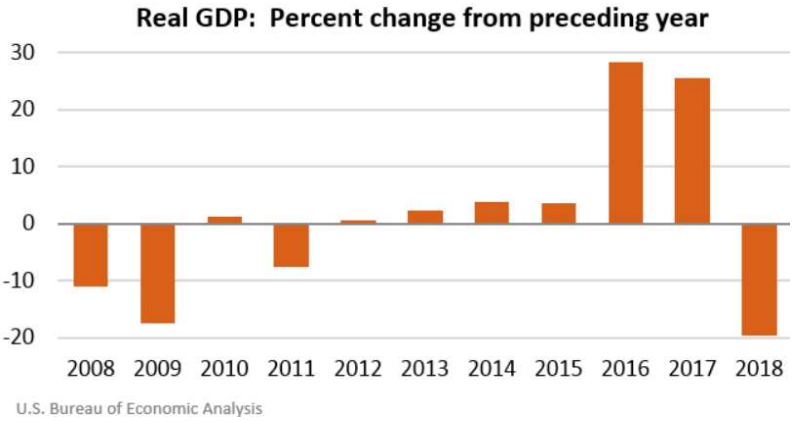
Total tourist arrivals in November 2018 were 5,595 with 44% of arrivals coming from destinations other than the CNMI's top three markets of Japan, China, and Korea. In total, arrivals for the month fell by 88.35% or 42,444, marking the sharpest year-over-year downturn in recent history. Due to the influence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

f. Economy

Historically, the economy relies mainly on tourism and 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 the export of services as well as a decrease in private investment. The chart below lists the Real Gross Domestic Product percent change from the 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 properties 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 the 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, 48 units; & Koblerville Estates, 34 units
- Tinian: Broadway, 20 units
- Rota: Blue Bay Homes (formerly known as "As Liyo"), 30 units

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) with incomes between 0%-30% of the area median income. Elderly or disabled household applicants may receive 100% forgivable loan assistance with an affordability period of 20 years on a 30-year term.

(1) An elderly family is a family whose head of household, spouse, or sole member is age 62 or older.

(2) A disabled family is a family whose head of household, spouse, or sole member is a person with a disability. Person with a disability:

(A) Means a person who:

1. Has a disability, as defined in 42 U.S.C. § 423;

2. Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:

i. Is expected to be of long-continued and indefinite duration;

ii. Substantially impedes his or her ability to live independently, and

iii. Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or

iv. Has a developmental disability as defined in 42 U.S.C. § 6001.

(B) Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome; and

(C) Does not include a person whose disability is based solely on any drug or alcohol dependence.

(D) The applicant's physician must complete the Homebuyer/Homeowner Program Disability Eligibility Verification Form to certify the borrower's disability. As appropriate, NMHC shall require a court legal guardianship in cases where the physician certification indicates that the applicant is incapacitated or incompetent to enter into a legal and binding agreement such as a mortgage.

To further clarify, priority in application processing **for all CDBG-DR programs** will be afforded to qualified elderly or disabled households for applications for assistance and CNMI will utilize the definitions established by HUD consistent with the NMHC HOME Program. The following definitions will be utilized for qualifying persons and household that are elderly or disabled:

Elderly Family: A family whose head, spouse, or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly Person: An elderly person is a household composed of one or more persons, at least one of whom is 62 years of age or more.

Disabled Family: A family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

Disabled Person or Household: 1. One or more persons at least one of whom is an adult (18 years or older) who has a disability; or 2. Two or more persons with disabilities living together, or one or more such persons living with another person who is determined by HUD, based upon a certification from an appropriate professional (e.g., a rehabilitation counselor, social worker, or licensed physician) to be important to their care or wellbeing.

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 the Public School System (PSS) schools and the Office on Aging Senior Center were utilized. After the storm, shelterees were eventually consolidated into the Kagman Emergency Shelter Facility (KESF) which used to be a youth detention center that remained operational until March 22, 2019. Under this Action Plan, Kagman Shelter is proposed to be relocated for use in future disasters.

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, 25 people 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.

The CNMI government, through the CNMI Department of Community and Cultural Affairs (DCCA) Office of Youth Services and Northern Marianas Housing Corporation's Community Development Block Grant (CDBG) and Community Development Block Grant Disaster Recovery (CDBG-DR), has explored building a mass permanent shelter to temporarily house families during and after natural disaster and calamities and until it is safe for these families to return back to their respective residential dwellings. In fact, and shortly following the onslaught of Typhoon Soudelor which ravaged the island of Saipan in August 2015, Governor Ralph Deleon Guerrero Torres recognized the dire need to construct shelters needed to lodge vast numbers of people displaced by the storm. Although the CNMI Public School System provided temporary shelter to disaster families, many were turned away due to the PSS facilities exceeding occupancy capacity.

Consequently, Governor Torres charged the DCCA-Office of Youth Services to enhance, retrofit, and expand a couple of their youth centers and the Kagman Community Center to serve multiple purposes, mainly: 1. A facility that offers a wide range of programs for the youth and the community; and 2. To serve as a typhoon emergency center before, during, and aftermath of storms. Therefore, on March 31, 2017, DCCA-Office of Youth Services, submitted a CDBG application that sought "to build the capacity and improve the delivery and quality infrastructure of mass shelter and care for disaster refugees before-during-and aftermath of the storm through the allocation of resources and coordination of information" by way of expanding and enhancing the following existing facilities: Koblerville and Tanapag Youth Center and the Kagman Community Center, all located on the island of Saipan. Similarly, the development, assignment, and designation Kagman Emergency Shelter Facility "KESF" was pursued and established.

In the meantime, the CNMI government will continue to utilize the KESF as well as other DCCA offices, e.g., Aging Offices on Saipan, Tinian, and Rota, to temporarily house shelterees during and post natural disasters. Moreover, the CNMI Public School System in close consultation with DCCA, CNMI Red Cross, and CNMI's Homeland Security and Emergency Management Office, has agreed to allow the use of its school cafeterias and classrooms as temporary shelters for disaster families.

2. Uniform Relocation

The CDBG-DR proposed projects do not include any acquisition activities. The CNMI plans 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 are considered voluntary.

D. Construction Standards

The CDBG-DR proposed projects and programs will adhere strictly to the construction and design standards developed for the CDBG-DR program. These standards detail the methods, materials, and requirements for all projects including but not limited to:

(1) **Health and Safety** - identifying all life-threatening deficiencies that must be addressed immediately if the housing is occupied [24 CFR 92.251(b)(1)(i)]

(2) **Major systems** – requiring that, upon project completion, each major system, as defined in 24 CFR 92.251(b)(1)(ii), had a remaining useful life of a minimum of 5 years, or for a longer period as specified by the NMHC, or the major system was rehabilitated or replaced as part of the rehabilitation [24 CFR 92.251(b)(1)(ii)]

(3) **Lead-based paint** [24 CFR 92.251(b)(1)(iii)]

(4) **Disaster mitigation** (if applicable) – requiring the property to meet the disaster mitigation requirements [24 CFR 92.251(b)(1)(vi)]

(5) **State and local codes, ordinances and zoning requirements** [24 CFR 92.251(b)(1)(vii)]

(6) **Minimum deficiencies that must be corrected based on inspectable items and areas in HUD's Uniform Physical Condition Standards** [24 CFR 92.251(b)(1)(viii)]"

These standards also take into close consideration the Green Building Standards, the 2018 International Building Code, and the Tropic Energy Code. In addition, all project design will take into account the CNMI's Seismic Zone "D" and Wind Exposure "D" category designations. The full set of standards is outlined in attachment "F" of this action plan.

Reasonable accommodations will be made to meet needs based on the nexus between the disability and the improvement requested. Single family and rental housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794). Properties occupied by a disabled or elderly household member(s) qualify for services aimed at removing architectural barriers under the rehabilitation and reconstruction programs for single family and rental properties proposed in this Action Plan. The programs will also offer certain floor plans for each bedroom size designed with accessible features. Rental units will be designed with a percentage of accessible units proportional to the total units. Repairs or improvements increasing overall accessibility may be undertaken and are in addition to program caps and are not used to calculate feasible of a project between rehabilitation and reconstruction. Section 504 requires that any alterations of multifamily (5+ units) rental projects, a minimum of 5 percent of the dwelling units in the project (but not less than one unit) must be accessible to individuals with mobility impairments. An additional 2 percent of the dwelling units (but at a minimum, not less than one unit) must be accessible to individuals with sensory impairments (i.e., hearing or vision impairments).

In buildings with 4 or more dwelling units and at least one elevator, all dwelling units and all public/common use areas are subject to the Fair Housing Act's accessibility requirements. In buildings with 4 or more dwelling units and no elevator, all ground floor units and public and common use areas are subject to the Fair Housing Act's accessibility requirements.

For new construction, Section 504 applies only to Projects that include 5 or more units. Projects with 5+ units must be designed and constructed to be readily "accessible" to and usable by persons with disabilities (including the common areas). "Accessible," when used with respect to the design, construction, or alteration of an individual dwelling unit, means that the unit is located on an accessible route and when designed, constructed, altered, or adapted can be approached, entered, and used by individuals with physical disabilities.

A 15+ unit Project, with rehabilitation costs that are 75% or more of the replacement cost of the completed facility, is considered substantial rehabilitation. In this case, a minimum of *5* percent of the dwelling units in the Project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent, at a minimum (but not less than one unit), must

be accessible to individuals with sensory impairments.

Eligible accessibility improvements include but may not be limited to:

1. Grab bars
2. Transitional floor coverings
3. Zero entry showers with seats
4. Bathtubs with seats
5. Replacement of door knobs with lever action handles
6. Plumbing alteration or modifications
7. Ramps
8. Sliding doors
9. Kitchen cabinet modifications
10. Widening doorways and hallways
11. Electrical switches and convenience outlet relocation
12. Toilet alteration or modification

E. Elevation Standards

At this time, the CNMI will not provide funding assistance (i.e. minor rehabilitation, major rehabilitation, or new construction) to properties located in a floodplain but if NMHC does decide to provide such assistance in the future, 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. Considering that CMU traditional blocks system is the primary build method for the CNMI and the difficulty associated with elevating these types of homes, NMHC will utilize the following formula to determine feasibility of elevating existing homes for major rehabilitation projects. If the cost of elevation with rehab is more than 75% of the replacement cost or $187,500, the home will be reconstructed and elevated. Homes must be elevated that are in a flood plain. Construction standards other than CMU traditional blocks system may include other building systems.

If NMHC does decide to provide assistance in the future, 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/leaseholders 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. Failure to maintain flood insurance as applicable may result in ineligibility for future disaster assistance. Applicants whose income is over 120% of the AMI at the time of a future event, may not be eligible for future CDBG-DR assistance the next time the property is flooded.

F. 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 Action Plan has been reviewed by the Office of the Governor and will be adopted by the NMHC Board which is made up of representatives from Saipan, Tinian, and Rota, and other stakeholders as this composition will also enhance marketing and outreach efforts.

The Northern Marianas Housing Corporation will spend no more than 15% of its total allocation on eligible Planning activities. This includes all Action Plan development activities, which are considered planning activities. NMHC also intends to fund planning-only grants for studies, technical reports, or the like. This may include costs incurred for data gathering, studies, analysis, and preparation of plans. For the purposes of this grant award, the cost of engineering or architectural plans in support of construction activities will be treated as direct project delivery costs. Only NMHC can incur planning costs.

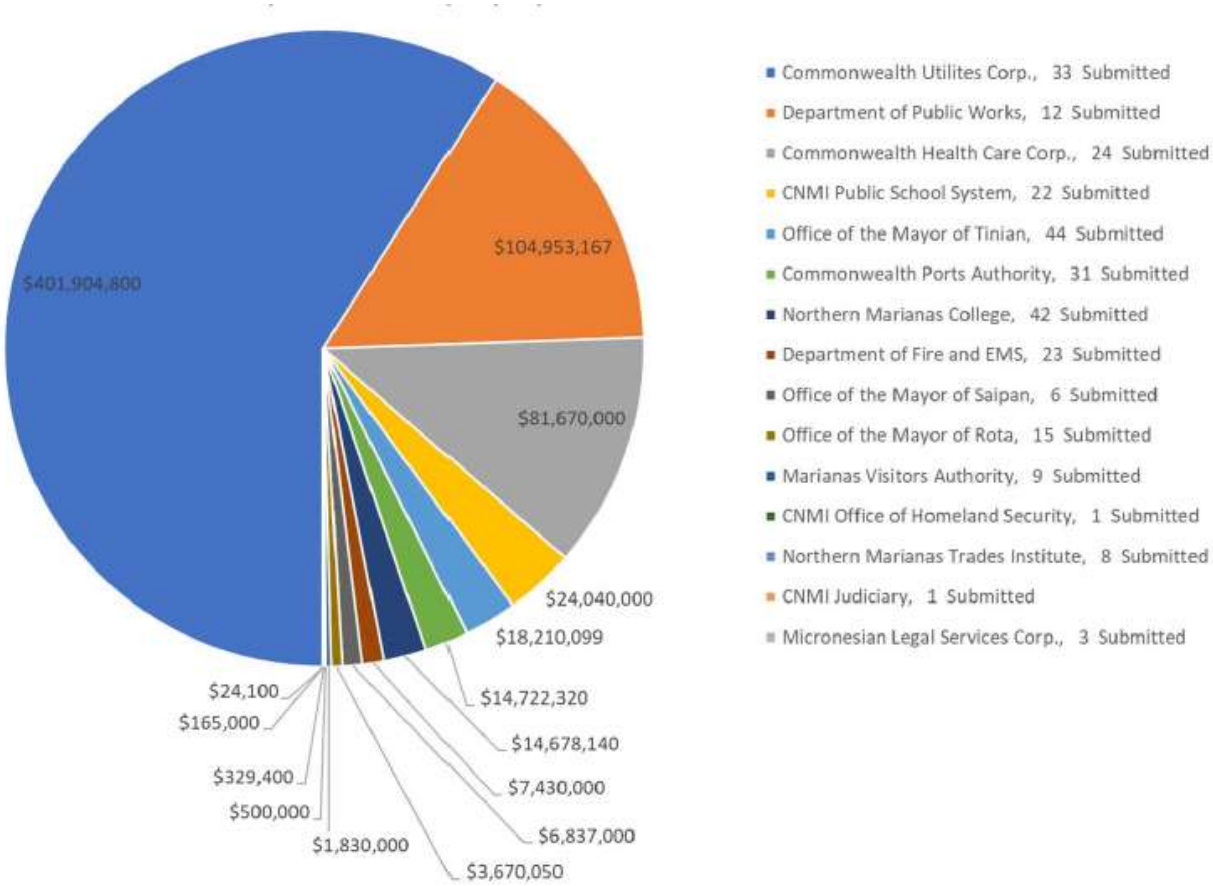
In accordance with the February 9, 2018 notice 83 FR 5850, NMHC will consider how planning decisions may affect ethnic and low-income concentrations and will consider ways to provide the availability of affordable housing in low-poverty, non-minority areas where appropriate and in response to natural hazard-related impacts. Like HUD, the CNMI's goal is to reduce concentrations of lower-income populations. However, all census tracts and block groups for Saipan, Tinian, and Rota are 100% low mod, therefore activities are not based on geographic locations, and are based on need and/or income. NMHC will work with developers to find appropriate redevelopment sites to provide homes for a range of household incomes. NMHC will continue to consult with communities, various departments, and key stakeholders and will market proposed programs to the public especially the extremely low income and minority persons to increase opportunities for assistance in areas with fewer concentrations.

G. 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 while helping to address the remaining unmet housing need. 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 as mentioned above is over $680 million. There are no funds available or other identified resources to address the remaining unmet need for infrastructure.

Infrastructure activities during the planning process will be based on a scoring criteria with concentrations on the islands of Saipan and Tinian as most impacted areas. It was also desired that infrastructure activities selected would benefit the Islands as a whole due to the fact that any block group and/or any combination of block groups qualifies as a low- and moderate-income benefit area and that over 90 percent of the population on any island are minority residents. These factors also ensure economic stability so residents can remain in homes and residences and retain their jobs because the infrastructure is improved. The actual size of the Islands also means that all persons will benefit from most of the infrastructure improvements.

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	*All priority needs must support housing* **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, 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)	
2	**Storm Resilience:** In addition to addressing housing 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 a 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 a 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. The budget narrative reflects research, quotes and/or contracted pricing.		20
	Total Maximum Points		**100**

H. 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. Approximately $165,000,000.00 of CNMI's FEMA funds will be leveraged with the recovery dollars. 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 help to address the unmet need overall.

CDBG-DR will also be leveraged with FEMA funds, especially for mitigation projects. Hazard Mitigation Grant Program assistance was made available for the entire Commonwealth initially. CDBG-DR funds will be used up to 15% (of the 10% match requirement) towards the cost of eligible repair work on specific projects.

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
4. The Commonwealth Development Authority (CDA) (parent company of NMHC) has a rent-to-own program that aims to provide affordable, well-built, typhoon resilient, safe, and secure homes.

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 policies and guidelines as needed. The CNMI government resources are limited; therefore, there are no dollars expected to be available to complete the disaster projects.

Additionally, utilization of low-income housing tax credits funds in developing more units increases the CNMI's rental housing stock to specifically benefit renters. This housing also contributes to special needs housing (additional points awarded in the QAP) and for housing for low- and moderate-income person and families.

I. Duplication of Benefits (DOB)

1. Introduction

Community Development Block Grant Disaster Recovery (CDBG-DR) grants are one of multiple Federal sources which assist disaster recovery. These sources of Federal assistance often can be used for the same purposes by grantees and disaster survivors. For this reason, the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121-5207) (Stafford Act) and CDBG-DR appropriations acts require HUD and its grantees to coordinate with other Federal agencies that provide disaster assistance to prevent the duplication of benefits (DOB). The Stafford Act's

prohibition on DOB aims to ensure that federal assistance serves only to "supplement insurance and other forms of disaster assistance." (42 U.S.C. 5170).

The Northern Marianas Housing Corporation (NMHC), or "Grantee" hereinafter used interchangeably, must prevent DOB when carrying out eligible activities. A duplication occurs when a person, household, business, or other entity receives disaster assistance from multiple sources for the same recovery purpose, and the total assistance received for that purpose is more than the total need. The amount of the DOB is the amount received in excess of the total need for the same purpose. When total need for eligible activities is more than total assistance for the same purpose, the difference between these amounts is an "unmet need." Grantees must limit their assistance to unmet needs for eligible activities to prevent a DOB. When reimbursement is permitted by the CDBG-DR grant requirements, unmet needs can include amounts needed for reimbursement.

The Disaster Recovery Reform Act of 2018 (DRRA) amendment did not directly address the use of CDBG-DR funds to reimburse costs paid with subsidized loans. However, the corollary request from CDBG-DR grantees to permit reimbursement presents a range of policy and fiscal implications. CDBG-DR funds are provided for long-term disaster recovery to assist activities under title I of the Housing and Community Development Act of 1974. The primary objective of title I is the development of viable communities by the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. **In authorizing the use of CDBG-DR funds for the reimbursement of costs paid with subsidized loans**, the Department of Housing and Urban Development (HUD) must ensure that NMHC's CDBG-DR resources will remain available principally to benefit low- and moderate-income persons, a group that often has difficulty qualifying for subsidized loan assistance. HUD acknowledges that many CDBG-DR grantees face challenges in meeting this requirement. HUD recognizes, however, that CDBG-DR funds are provided as a federal block grant to States and local governments with an understanding that these grantees are best positioned to address the long-term disaster recovery needs of their communities by working within the requirements of the CDBG program, including the overall low- and moderate-income benefit requirement and the requirement that the use of all funds meet a national objective.

Furthermore, when determining the amount of CDBG-DR funding provided to NMHC, one of the key factors for HUD is an estimate of severe unmet housing need**.** This estimation deducts out SBA loan proceeds in a manner that is unaffected by the DRRA amendment. As a result, any CDBG-DR funds directed to reimburse eligible costs paid with subsidized loans are funds that are not directed to severe unmet housing needs or economic revitalization needs as estimated by HUD.

Therefore, HUD, through 84 FR 28836, incorporated a range of safeguards to ensure that CDBG-DR funds are used for reimbursement of eligible costs of meeting the housing rehabilitation needs or economic revitalization needs of applicants that applied for, were approved for, and borrowed SBA loans funds. HUD, in consultation with partner Federal agencies, has developed these safeguards to promote a responsible approach to requests to use CDBG-DR funds to reimburse for eligible recovery costs originally paid with subsidized loan funds.

2. Applicability

This updated policy covers DOB requirements for CDBG-DR grants received in response to a disaster declared between January 1, 2015 and December 31, 2021. It includes information about preventing and collecting a DOB. The requirements of policy will apply retroactively to June 25, 2019 (publication of 84 FR 28836). This policy reflects the requirements of recent CDBG-DR supplemental appropriations acts and amendments to the Stafford Act, which impact DOB for certain grantees.

3. DOB Calculation Process

The Stafford Act requires a fact specific inquiry into assistance received by each applicant. This notice refers to the subject of a DOB review as an "applicant" or "CDBG-DR applicant" and uses the term "applicant" to include individuals, businesses, households, or other entities that apply to the grantee or a subrecipient for CDBG-DR

assistance, as well as entities that use CDBG-DR assistance for an activity without submitting an application (*e.g.,* the department or agency of the grantee administering the grant, other state or local departments or agencies, or local governments).

NMHC is prohibited from making a blanket determination that CDBG-DR assistance under one of its programs or activities does not duplicate another category or source of assistance. NMHC must conduct an individualized review of each applicant to determine that the amount of assistance will not cause a DOB by exceeding the unmet needs of that applicant. A review specific to each applicant is necessary because assistance available to each applicant varies widely based on individual insurance coverage, eligibility for various sources of assistance, and other factors.

This section establishes the primary considerations that must be part of a DOB analysis when providing CDBG-DR assistance, and a framework for analyzing need and avoiding DOB when calculating awards. NMHC has the discretion to develop policies and procedures that tailor their DOB analyses to their own programs and activities so long as the grantee's policies and procedures are consistent with the requirements of the governing Federal Register Notice (84 FR 28836). If the **Federal Register** notices governing the CDBG-DR grant require the HUD Secretary to certify that the grantee's DOB procedures are adequate, the NMHC's procedures must meet standards HUD adopts to determine adequacy.

A. Assess Applicant Need

NMHC must determine an applicant's total need. Total need is calculated based on need estimates at a point in time; total need is the current need. However, if the NMHC's action plan permits CDBG-DR assistance to reimburse costs of CDBG-DR eligible activities undertaken by the applicant before submitting an application (see subsection on Use *of CDBG-DR for Reimbursement of Costs Paid by Subsidized Loans Following DRRA Qualifying Disasters* in this section) the total need also includes these costs. Generally, total need is calculated without regard to the NMHC's program-specific caps on the amount of assistance.

For rehabilitation, reconstruction, or new construction activities, the need is relatively easy to determine from construction cost estimates.

NMHC's assessment of total need must consider in-kind donations of materials or services that are known to the NMHC at the time it calculates need and makes the award. In-kind donations are non-cash contributions, such as donations of professional services, use of construction equipment, or contributions of building materials. In-kind donations are not "financial assistance" that creates a DOB under the Stafford Act, but they do reduce the amount of CDBG-DR assistance for unmet need because the donated goods or services reduce activity costs.

B. Identify Total Assistance

To calculate DOB, NMHC required to identify "total assistance." For this notice, total assistance includes all reasonably identifiable financial assistance available to an applicant.

(i) Types of Resources Included in Total Assistance

Total assistance includes resources such as cash awards, insurance proceeds, grants, and loans received by or available to each CDBG-DR applicant, including awards under local, state or federal programs, and from private or nonprofit charity organizations. At a minimum, NMHC's efforts to identify total assistance must include a review to determine whether the applicant received FEMA, SBA, insurance, and any other major forms of assistance (*e.g.,* State disaster assistance programs) generally available to applicants.

Total assistance does not include personal assets such as money in a checking or savings account (excluding insurance proceeds or disaster assistance deposited into the applicant's account); retirement accounts; credit cards and lines of credit; in-kind donations (although these non-cash contributions known to the grantee reduce total need); and private loans.

Under this section, a private loan is a loan that is not provided by or guaranteed by a governmental entity, and that requires the CDBG-DR applicant (the borrower) to repay the full amount of the loan (principal and interest) under typical commercial lending terms, *e.g.,* the loan is not forgivable. For DOB calculations, private loans are not financial assistance and need not be considered in the DOB calculation, regardless of whether the borrower is a person or entity.

By contrast, subsidized loans for the same purpose are to be included in the DOB calculation unless an exception applies.

(ii) Availability of Resources Included in Total Assistance

Total assistance includes available assistance. Assistance is available if an applicant: (1) Would have received it by acting in a reasonable manner, or in other words, by taking the same practical steps toward funding recovery as would disaster survivors faced with the same situation but not eligible to receive CDBG-DR assistance; or (2) has received the assistance and has legal control over it. Available assistance includes reasonably anticipated assistance that has been awarded and accepted but has not yet been received. For example, if a local government seeks CDBG-DR assistance to fund part of a project that also has been awarded FEMA Hazard Mitigation Grant Program (HMGP) assistance, the entire HMGP award must be included in the calculation of total assistance even if FEMA obligates the first award increment for the project, but subsequent increments remain unfunded until certain project milestones are met.

Applicants for CDBG-DR assistance are expected to seek insurance or other assistance to which they are legally entitled under existing policies and contracts, and to behave reasonably when negotiating payments to which they may be entitled. For example, it may be reasonable for an applicant to elect to receive an immediate lump sum insurance settlement based on estimated cost of rehabilitation instead of waiting for a longer period of time for the insurance company to calculate reimbursement based on actual replacement costs, even if the reimbursement based on actual costs would exceed the lump sum insurance settlement.

HUD generally considers assistance to be available if it is awarded to the applicant but is administered by another party instead of being directly deposited with the applicant. For example, if an entity administering homeowner rehabilitation assistance pays a contractor directly to complete the rehabilitation, the assistance is still considered available to the applicant.

By contrast, funds that are not available to an applicant must be excluded from the final CDBG-DR award calculation. For example, insurance or rehabilitation assistance received by a previous owner of a disaster damaged housing unit is not available to a current owner that acquired the unit by sale or transfer (including a current owner that inherited the unit as a result of the death of the previous owner) unless the current owner is a co-recipient of that assistance.

Funds are not available to an applicant if the applicant does not have legal control of the funds when they are received. For example, if a homeowner's mortgage requires insurance proceeds to be applied to reduce the unpaid mortgage principal, then the lender/mortgage holder (not the homeowner) has legal control over those funds. The homeowner is legally obligated to use insurance proceeds for the purpose of reducing the unpaid mortgage principal and does not have a choice in using them for any other purpose, such as to rehabilitate the house. Under these circumstances, insurance proceeds do not reduce CDBG-DR rehabilitation assistance eligibility.

Alternatively, if a lender requires use of insurance for rehabilitation, or a disaster-affected homeowner chooses to apply insurance proceeds received for damage to the building to reduce an unpaid mortgage principal, these insurance proceeds are treated as a DOB and reduce the amount of CDBG-DR funds the grantee may provide for rehabilitation.

C. Exclude Non-Duplicative Amounts

Once NMHC has determined the total need and the total assistance, it determines which sources it must exclude as non-duplicative for the DOB calculation. NMHC must exclude amounts that are: (1) Provided for a different purpose; or (2) provided for the same purpose (eligible activity), but for a different, allowable use (cost). Below, each of these categories is explained in greater detail.

(i) Funds for a Different Purpose

Any assistance provided for a different purpose than the CDBG-DR eligible activity, or a general, non-specific purpose (e.g., "disaster relief/recovery") and not used for the same purpose must be excluded from total assistance when calculating the amount of the DOB.
Insurance proceeds for damage or destruction of a building are for the same purpose as CDBG-DR assistance to rehabilitate or reconstruct that building. On the other hand, grantees may exclude, as non-duplicative, insurance provided for a different purpose (e.g., insurance proceeds for loss of contents and personal property, or insurance proceeds for loss of buildings (such as a detached garage) that the grantee has determined it will not assist with CDBG-DR funds). However, a grantee may treat all insurance proceeds as duplicative if it is impractical to identify the portion of insurance proceeds that are non-duplicative because they are for a different purpose than the CDBG-DR assistance.

Similarly, CDBG-DR assistance paid to a homeowner as a housing incentive for the purpose of inducing the homeowner to sell the home to NMHC (e.g., in conjunction with a buyout) are for a different purpose than funds provided for interim housing (e.g., temporary assistance for rental housing during a period when a household is unable to reside in its home). In such a case, interim housing assistance may be excluded from the final DOB calculation as non-duplicative of funds paid for the housing incentive.

(ii) Funds for Same Purpose, Different Allowable Use

Assistance provided for the same purpose as the CDBG-DR purpose (the CDBG-DR eligible activity) must be excluded when calculating the amount of the DOB if the applicant can document that actual specific use of the assistance was an allowable use of that assistance and was different than the use (cost) of the CDBG-DR assistance (*e.g.,* the purpose is housing rehabilitation, the use of the other assistance was roof replacement and the use of the CDBG-DR assistance is rehabilitation of the interior of the house). NMHC should consult with HUD to determine what documentation is appropriate in this circumstance. As a starting point, NMHC should consider whether the source of the assistance requires beneficiaries to maintain documentation of how the assistance was used.

Whether the use of the non-CDBG-DR assistance is an allowable use depends on the rules imposed by the source that provided the assistance. For example, assume that under NMHC's CDBG-DR homeowner rehabilitation program and an applicant to the program can document that he/she previously received and used FEMA funds for interim housing costs (*i.e.,* rent). If FEMA permitted the applicant to use its assistance for the general purpose of meeting any housing need, NMHC can exclude the FEMA assistance used for interim housing as non-duplicative of the CDBG-DR assistance for rehabilitation.

If, on the other hand, FEMA limited the use of FEMA funds to housing rehabilitation, then the full amount of the FEMA assistance must be considered for the specific purpose of housing rehabilitation and cannot be excluded if the applicant used those funds for interim housing. If interim housing is not an allowable use, the amount of the FEMA housing rehabilitation assistance used for interim housing is considered a DOB. If NMHC thinks the actual use of the FEMA assistance may be allowable, NMHC should contact FEMA for clarification.

Assistance provided for the purpose of housing rehabilitation, including assistance provided for temporary or minor rehabilitation, is for the same purpose as CDBG-DR rehabilitation assistance.

However, NMHC can exclude assistance used for different costs of the rehabilitation, which are a different allowable use (rehabilitation costs not assisted with CDBG-DR). For example, if the other assistance is used for minor or temporary rehabilitation which enabled the applicant family to live in their home instead of moving to temporary housing until rehabilitation can be completed, NMHC can undertake remaining work necessary to complete rehabilitation. The grantee's assessment of total need at the time of application may include the costs of replacing temporary materials with permanent construction and of completing mold remediation by removing drywall installed with other assistance. These types of costs to modify partially completed rehabilitation that the grantee determines are necessary to comply with the requirements of CDBG-DR assistance do not duplicate other assistance used for the partial rehabilitation.

NMHC is encouraged to contact HUD for further guidance in cases when it is unclear whether non-CDBG-DR assistance for the same general purpose can be excluded from the DOB calculation because it was used for a different allowable use.

D. Identify DOB Amount and Calculate the Total CDBG-DR Award

The total DOB is calculated by subtracting non-duplicative exclusions from total assistance. Therefore, to calculate the total maximum amount of the CDBG-DR award, the grantee must: (1) Identify total need; (2) identify total assistance; (3) subtract exclusions from total assistance to determine the amount of the DOB; and (4) subtract the amount of the DOB from the amount of the total need to determine the maximum amount of the CDBG-DR award.

Three considerations may change the maximum amount of the CDBG-DR award.

First, the grantee may impose a program cap that limits the amount of assistance an applicant is eligible to receive, which may reduce the potential CDBG-DR assistance available to the applicant.

Second, the grantee may increase the amount of an award if the applicant agrees to repay duplicative assistance it receives in the future. Section 312(b) of the Stafford Act permits a grantee to provide CDBG-DR assistance to an applicant who is or may be entitled to receive assistance that would be duplicative if: (1) The applicant has not received the other assistance at the time the CDBG-DR grantee makes its award; and (2) the applicant agrees to repay the CDBG-DR grantee for any duplicative assistance once it is received. The agreement to repay from future funds may enable a faster recovery in cases when other sources of assistance are delayed (*e.g.,* due to insurance litigation). HUD requires all grantees to enter agreements with applicants that require applicants to repay duplicative assistance before receiving CDBG-DR assistance.

Third, the applicant's CDBG-DR award may increase if a reassessment shows that the applicant has additional unmet need, as discussed in the next section of this policy.

E. Reassess Unmet Need When Necessary

Although long-term recovery is a process, disaster recovery needs are calculated at points in time. As a result, a subsequent change in an applicant's circumstances can affect that applicant's remaining unmet need, meaning the need that was not met by CDBG-DR and other sources of assistance. Oftentimes, unmet need does not become apparent until after CDBG-DR assistance has been provided. Examples may include: A subsequent disaster that causes further damage to a partially rehabilitated home or business; an increase in the cost of construction materials; vandalism; contractor fraud; or theft of materials. Unmet need may also change if other resources become available to pay for costs of the activity (such as FEMA or Army Corps), and reduce the need for CDBG-DR.

To the extent that an original disaster recovery need was not fully met or was exacerbated by factors beyond the control of the applicant, the grantee may provide additional CDBG-DR funds to meet the increased unmet need.

NMHC must be able to identify and document additional unmet need, for example, by completing a professional inspection to verify the revised estimate of costs to rehabilitate or reconstruct damaged property.

4. Special Considerations

The potential for DOB arises most frequently under CDBG-DR housing programs but is not limited solely to that type of activity. The following examples do not form an exhaustive list of all CDBG-DR funded programs or activities. They are included to illustrate instances when duplicative assistance can occur when assisting other recovery activities:

A. Programmatic Considerations Related to Each Type of Assistance

(i) State grantees may assist state or local government entities by providing funding to restore infrastructure (public facilities and improvements) after a disaster. CDBG-DR funds used directly by state and local governments for public facilities and improvements or other purposes are also subject to the DOB requirements of the Stafford Act. For example, a wastewater treatment facility owned by a local government may need to be rehabilitated. In this instance, total assistance, for a DOB analysis, would not only include any other federal assistance available to rehabilitate the facility, but it must also include any local funds that are available for this activity. And if local funds were previously designated or planned for the activity, but are no longer available, NMHC should document that the local government recipient does not have funds set aside for the activity in any capital improvement plan (or similar document showing planned use of funds).

(ii) Payments made under the Uniform Relocation Assistance and Real Property Acquisition Act (URA). Grantees may provide a displaced person (as defined under 24 CFR 570.606) with rental assistance payments under the URA. To comply with CDBG-DR DOB requirements, before issuance of rental assistance payments required by the URA, grantees must complete a DOB analysis. For example, a CDBG-DR grantee must check FEMA assistance data to determine that FEMA did not provide rental assistance payments during the same time period (under the URA or as part of a FEMA Individual Assistance Award). The URA also prohibits payments for the same "purpose and effect" as another payment to a displaced person (49 CFR 24.3).

B. Subsidized Loans

This policy updates guidance on the treatment of subsidized loans in a DOB analysis as the result of recent statutory changes. Private loans are not "assistance" and therefore are not a duplication.

The full amount of a subsidized loan available to the applicant for the same purpose as CDBG-DR assistance is assistance that must be included in the DOB calculation unless one of the exceptions provided herein applies, including the exception authorized in the DRRA amendments to section 312 of the Stafford Act (which applies to disasters occurring between January 1, 2016 and December 31, 2021, until the amendment sunsets October 5, 2023). A subsidized loan is available when it is accepted, meaning that the borrower has signed a note or other loan document that allows the lender to advance loan proceeds.

NMHC is reminded that CDBG-DR supplemental appropriation acts typically provide that CDBG-DR funds "may not be used for activities reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency or the Army Corps of Engineers." This prohibition (or similar prohibitions) in CDBG-DR appropriations acts applies to loans even if the loans would not be treated as a DOB under the exceptions provided in this policy.

(i) **Subsidized Loans.** Under this policy, subsidized loans (including forgivable loans) are loans other than private loans. Both SBA and FEMA provide subsidized loans for disaster recovery. Subsidized loans may

also be available from other sources. Subsidized loans are assistance that must be included in the DOB analysis, unless an exception applies.

(ii) Exceptions When Subsidized Loans Are Not a Duplication.

(a) *Short-term subsidized loans for costs later reimbursed with CDBG-DR.* **Federal Register** notices governing CDBG-DR grants generally permit grantees to reimburse costs of the grantee or subrecipient for eligible activities on or after the date of the disaster. If the grantee or subrecipient obtained a subsidized short-term loan to pay for eligible costs before CDBG-DR funds became available (for example, a low-interest loan from a local tax increment financing fund), the reimbursement of the costs paid by the loan does not create a duplication.

(b) *Declined or cancelled subsidized loans.* The amount of a subsidized loan that is declined or cancelled is not a DOB. To exclude declined or cancelled loan amounts from the DOB calculation, the grantee must document that all or a portion of the subsidized loan is cancelled or declined unless the loan qualifies under the exclusion discussed in **(c)** below.

(c) *Declined SBA Loans:* Declined loan amounts are loan amounts that were approved or offered by a lender in response to a loan application, but were turned down by the applicant, meaning the applicant never signed loan documents to receive the loan proceeds. The CDBG-DR supplemental appropriation for 2017 disasters provides "the Secretary and any grantee . . . shall not take into consideration or reduce the amount provided to any applicant for assistance from the grantee where such applicant applied for and was approved, but declined assistance related to such major declared disasters that occurred in 2014, 2015, 2016, and 2017 from the Small Business Administration under section 7(b) of the Small Business Act (15 U.S.C. 636(b))." NMHC shall not treat declined subsidized loans, including declined SBA loans, as a DOB (but are not prohibited from considering declined subsidized loans for other reasons, such as underwriting). If a grantee's DOB policies and procedures treat declined loans as a DOB, the grantee must update its policies and procedures. NMHC is only required to document declined loans if information available to the grantee (*e.g.,* the data the grantee receives from FEMA, SBA, or other sources) indicates that the applicant received an offer for subsidized loan assistance, and NMHC is unable to determine from that available information that the applicant declined the loan. If NMHC is aware that the applicant received an offer of loan assistance and cannot ascertain from available data that the applicant declined the loan, NMHC must obtain a written certification from the applicant that the applicant did not accept the subsidized loan by signing loan documents and did not receive the loan.

(d) *Cancelled Loans:* Cancelled loans are loans (or portions of loans) that were initially accepted, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. The cancelled loan amount is the amount that is no longer available. The loan cancellation may be due to default of the borrower, agreement by both parties to cancel the undisbursed portion of the loan, or expiration of the term for which the loan was available for disbursement.

The following documentation is sufficient to demonstrate that any undisbursed portion of an accepted subsidized loan is cancelled and no longer available:

(1) A written communication from the lender confirming that the loan has been cancelled and undisbursed amounts are no longer available to the applicant; or

(2) a legally binding agreement between NMHC and the applicant that indicates that the period of availability of the loan has passed and the applicant agrees not to take actions to reinstate the loan or draw any additional undisbursed loan amounts.

The documentation described above must be maintained by NMHC. Without this documentation, any approved but undisbursed portion of a subsidized loan must be included in NMHC's calculation of the total assistance amount unless another exception applies.

For cancelled SBA loans, the grantee must notify the SBA that the applicant has agreed to not take any actions to reinstate the cancelled loan or draw any additional undisbursed loan amounts.

(e) *The subsidized loan meets the requirements for a statutory exception under the DRRA's amendments to the Stafford Act.* The DRRA amendments apply only to major disasters or emergencies declared between January 1, 2016, and December 31, 2021 (DRRA Qualifying Disasters). However, the DRRA also provides that the amendment sunsets (*i.e.,* the Stafford Act is amended to remove this provision) on the date that is 5 years after the date the DRRA's enactment, therefore, the exception for DRRA Qualifying disasters no longer applies after October 5, 2023. Grantees shall continue to treat loans accepted in response to disasters declared in 2015 as a duplication of benefits, unless another exception applies.

For DRRA Qualifying Disasters, FEMA has advised that a loan is not a prohibited duplication of benefits under section 312(b)(4)(C) of the Stafford Act, as amended by section 1210 of the DRRA, provided that all Federal assistance is used toward a loss suffered as a result of a major disaster or emergency.

(iii) **Treatment of Disbursed Loans That Meet the Statutory Exception Under the DRRA Amendments.** FEMA also advised that the DRRA amendments do not automatically require or authorize repayment of existing loan amounts. Instead, FEMA advised "whether particular federal grant funds are available for the purpose of paying down a loan provided for disaster losses is a determination reserved for the grant awarding agency, pursuant to its statutory program authorities and appropriations."

(iv) **Treatment of Undisbursed Loans That Meet the Statutory Exception Under the DRRA Amendments.** For subsidized loans made in response to DRRA Qualifying Disasters, accepted but undisbursed loan amounts (e.g., accepted but undisbursed SBA loan amounts) are not considered a DOB. Grantees that received a CDBG-DR grant in response to a DRRA Qualifying Disaster may revise awards to applicants with undisbursed subsidized loan assistance from SBA or other sources to provide additional CDBG-DR assistance. The amount of additional CDBG-DR assistance must be based on a revised DOB analysis that excludes accepted but undisbursed loan amounts from total assistance when calculating the maximum CDBG-DR award. If the grantee provides additional CDBG-DR assistance, NMHC must notify the lender and must obtain a written agreement from the applicant that the applicant will not make additional draws from the subsidized loan without the NMHC's approval. The grantee must review and approve any subsequent draws to determine whether all Federal assistance is used toward a loss suffered as a result of a major disaster or emergency, as required by the DRRA.

5. Recordkeeping

NMHC must document compliance with DOB requirements. Policies and procedures for DOB should may be specific for each program funded by NMHC and should be commensurate with risk. Grantees should be especially careful to sufficiently document the DOB analysis for activities they are carrying out directly.

Insufficient documentation on DOB can lead to findings, which can be difficult to resolve if records are missing, inadequate, or inaccurate to demonstrate compliance with DOB requirements.

When documenting its DOB analysis, NMHC cannot rely on certification alone for proof of other sources of funds for the same purpose (unless authorized by this Section). Any certification by an applicant must be based on supporting evidence that will be kept available for inspection by HUD. For example, if an applicant certifies that other sources of funds were received and expended for a different purpose than the CDBG-DR funds, NMHC must substantiate this assertion with an additional source of information (*e.g.,* physical inspections, credit card statements, work estimates, contractor invoices, flood inundation records, or receipts). For these reasons, HUD recommends that as soon as possible after a disaster, grantees advise the public and potential applicants to retain all receipts that document expenditures for recovery needs. NMHC should consult their CPD representative with questions about the sufficiency of documentation.

6. Agreement To Repay

The Stafford Act requires grantees to ensure that applicants agree to repay all duplicative assistance to the agency providing that Federal assistance. To address any potential DOB, each applicant must also enter into an agreement with the CDBG-DR grantee to repay any assistance later received for the same purpose for which the CDBG-DR funds were provided. This agreement can be in the form of a subrogation agreement or similar document and must be signed by every applicant before the grantee disburses any CDBG-DR assistance to the applicant.

In its policies and procedures, NMHC must establish a method to monitor each applicant's compliance with the agreement for a reasonable period after project completion (*i.e.,* a time period commensurate with risk). Additionally, if required by the **Federal Register** notice governing the use of the CDBG-DR grant funds, NMHC's agreement must also include the following language: "Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729." If the **Federal Register** notice governing the use of a grantee's CDBG-DR grant does not require that language to be added, grantees may include this or similar language at their discretion.

7. Collecting a Duplication

If a potential DOB is discovered after CDBG-DR assistance has been provided, the grantee must reassess the applicant's need at that time. If additional need is not demonstrated, CDBG-DR funds shall be recaptured to the extent they are in excess of the remaining need and duplicate other assistance received by the applicant for the same purpose. This determination, however, may depend on what sources of assistance were last received by the applicant.

If NMHC fails to recapture funds from an applicant, HUD may impose corrective actions pursuant to 24 CFR 570.495, 24 CFR 570.910, and **Federal Register** notices, as applicable. Also, HUD reminds grantees that the Stafford Act states that "A person receiving Federal assistance for a major disaster or emergency shall be liable to the United States to the extent that such assistance duplicates benefits available to the person for the same purpose from another source." If the grantee does not recapture the duplicative assistance, that individual applicant will still be liable to the United States government.

NMHC may refer to any relevant guidance or the debt collection procedures in place for the state or local government. HUD is available to provide guidance to grantees in establishing or revising the grantee's duplication of benefits policies and procedures.

J. Disputes & Appeals

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.

DISPUTES

Formal disputes [hereinafter referred to as "Disputes" interchangeably] are written complaints, including faxed and emailed statements, or letters that may result in an investigation. Disputes may be filed by any party involved in the application process, including the homeowner or building contractor. All disputes must be properly documented and timely adjudicated and resolved. An Applicant for funding for disaster recovery may appeal the disposition of the Application. Outlined below are some eligibility requirement examples but not limited to:

- Income
- Ownership Residency
- Child support
- A procedural error occurs where the Application was not processed by program staff in accordance with the guidelines established
- The amount of funding for which the Applicant is eligible included exceeding caps.
- Duplication of Benefits estimates
- Affirmatively Furthering Fair Housing
- Construction issues
- Other issues as necessary may be appealed to the NMHC

Disputes must be in writing and filed in writing with the Office of the NMHC corporate director within five (5) business days after knowledge of the facts surrounding the dispute. NMHC must issue a formal response within fifteen (15) business days after a formal dispute is filed.

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 including a list of all parties involved;
- The date the complaint was received;
- 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.
- Required documentation for formal complaints will include:
  - A description of the complaint
  - The name of each person contacted in relation to the complaint
  - A summary of the results of the review or investigation of the complaint
  - An explanation of the reason the file was closed, if the file was closed upon receipt of a written complaint, the following steps will occur:
    - A control number will be assigned to the complaint.
    - Enter the complaint into a tracking system and maintain it as either an electronic or hard copy file.
    - A review and/or investigation of the complaint will occur.
- A determination will be made as to which program the complaint refers.
- The findings will be submitted to an individual designated by the Program.
- Determine if the Complainant is an applicant, contractor or direct party

4. Citizen Participation Plan Responses

NMHC will provide a timely written response to every citizen inquiry or complaint. In the absence of specific action for activities, projects, and program policies or guidelines, the CDBG-DR Citizen Participation Plan shall prevail.

This Citizen Participation Plan details rules and procedures for public participation relating to any activity financed with CDBG-DR funding. The goal of this plan is to give all citizens the opportunity to participate in the distribution of CDBG-DR funds. It must encourage citizen participation in the development of an Action Plan, all substantial amendments to the Plan, and quarterly performance reports regarding the CNMI CDBG-DR Program. This plan conforms to the requirements of 83 FR 40314 and any special provision established by regulation in regards to CDBG-DR grants.

NMHC will utilize the following avenues to advertise and notify the public of the CDBG-DR Program:

- Notices in the local newspaper
- Radio announcements
- Letters to government agencies
- Social Media outlets
- The CNMI CDBG-DR website
- The Office of the Governor's website
- Other applicable forms of communication

Citizens who have difficulty accessing the website can contact the CNMI CDBG-DR office via the following avenues:

- Telephone: (670) 233-9447/9448/9449/9450

- Email: cnmi-cdbg-dr@nmhcgov.net
- Physical copies will be available at:
  - CDBG-DR Office – 3rd Floor of the Ladera Building, Chalan Laulau, Beach Road
  - NMHC Tinian Field Office – Tinian, MP
  - NMHC Rota Field Office – Rota, MP
- Physical copies can also be requested via mail:

  CDBG-DR Office

  P.O. Box 500514

  Saipan, MP 96950

K. Program Income

Program income (PI) will be used towards CDBG-DR eligible activities. NMHC will monitor, track, and report any program income generated as a result of using CDBG-DR funds. Should program income be earned as a result of 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. NMHCs CDBG-DR Financial Management Policy (Section 6) is available and contains policy information regarding how PI is defined, how PI is treated, how PI is tracked in DRGR and addresses how PI is treated after the closeout. NMHC's program income is defined as "gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal awards as defined by the Federal regulation under 2 CRF Part 200. PI will be tracked on a weekly basis and reports provided to the Corporate Director. The CDBG-DR Finance Manager will ensure that all program income received is utilized first and spend on approved CDBG-DR activities. Program income will then be reported in DRGR accordingly. Any remaining program income on hand after closeout will be transferred to the annual CDBG Program in accordance with the regulations and utilized accordingly and is not subject to waivers and alternative requirements.

L. 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 the 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 a 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, the inter-government recipient will review and monitor their Standard Agreements and will evaluate their contractor's compliance with CDBG requirements.

M. 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 CFR570.483(b)(3) for housing, and at 24 CFR 570.483(b)(4) job creation and retention.

N. 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, provide deferred loans or low-interest loans for new landlords (subject to applicable waivers are granted), to increase the rental housing stock of safe, decent, and sanitary units, 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 has an all-encompassing document that summarizes the coordinated efforts to address future hazardous and pre-storm activities entitled "2018 Standard State Mitigation Plan" (https://opd.gov.mp/library/plans/2018-standard-state-mitigation-plan/). This document can also be found on our Disaster Recovery website at http://cnmi-cdbgdr.com. Additionally, 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 the 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.

The Office of Planning and Development (OPD) is working with the Planning and Development Advisory Council (PDAC) to mainstream principles of sustainable development and "Smart, Safe Growth" across resource management sectors. PDAC has endorsed principles and sustainable development objectives that will be considered and mainstreamed across planning and project implementation efforts. These SSG Principles include:

	Principle	Definition
1	Climate Change	Consider long-term climate change impacts of sea level rise, coastal inundation, increased storm intensity, variabilities in precipitation, and drought in planning, design, and cost determination for infrastructure and development projects as well as natural area preservation and enhancement planning.
2	Retreat	Plan to retreat from the areas of highest risk by discouraging or regulating development in these areas and promoting alternative uses of high-risk land, such as walkable public waterfront parks and recreation areas.
3	Retrofit	Retrofit existing structures and infrastructure located in hazard-prone areas to reduce vulnerabilities.
4	Critical Facilities Location	Locate new critical facilities (e.g., water and sewer systems, roads, hospitals, power plants, transmission and communication lines, and public safety facilities) outside of high-risk zones.
5	Development Incentives	Utilize regulatory and financial incentives to locate new development away from high risk areas into lower risk areas or to areas where risk can be reduced through management measures.
6	Sustainable Development BMPs	Establish regulatory policies that recommend/require the use of "*CNMI Sustainable Development Manual: Best Management Practices*" for commercial/public/multifamily developments.
7	Ecosystem Services	Maintain sufficient key natural resource areas (e.g., coral reefs, wetlands, mangroves, riparian zones, and vegetated slopes) that support and enhance ecosystem services, to protect infrastructure investments and developed areas.
8	Green Infrastructure	Encourage green infrastructure, soft stabilization measures and living shoreline alternatives at development sites, island open spaces and infrastructure deployment.
9	Development Decision Process	Ensure that development decision processes are predictable, fair, and transparent.
10	Early Collaboration	Encourage early-stage government agency collaboration and stakeholder engagement in development planning and decision making.
11	Knowledgeable SSG Communities	Promote a community of leaders and networks knowledgeable in the principles of smart, safe growth.
12	Adaptive Management	Integrate adaptive management approaches to smart, safe growth development and incorporate lessons learned into future planning and development efforts. Periodic assessments and updates to be scheduled and funded.

The Office of the Governor's Recovery Planning Taskforce has outlined the following recovery priorities:

- **Recovery Planning**
  - Recover from recent typhoon events with resilient and sustainable policies, practices, and programs.
  - Review and synthesize relevant plans and unmet needs to re-establish an aligned priority list in the content of the immediate needs of the disaster response and ongoing needs of a resilient CNMI.
  - Ensure that long-term support planning includes addressing the unmet needs of individuals and families in the later stages of overall recovery.
  - Coordinate long-term assistance and resources for individuals affected by a disaster who do not have adequate personal resources for basic needs as a result of the disaster.

- Develop a recovery strategy that includes access to spiritual, emotional, physical, and financial resources to those affected by disaster regardless of race, creed, color, gender, sexual orientation, citizenship status, disability, or religious preference.

- **Housing and Village Revitalization**
  - Promote and support the FEMA Permanent Housing Construction program as a Commonwealth-wide commitment to resilient housing, implementing Smart, Safe Growth policies.
  - Establish new resilient housing through strengthening repairs, improving code guidance, and implementing pilot housing projects to establish new thresholds of sustainability for buildings and villages in CNMI.
  - Build sustainable communities with resilient housing stock and accessible services.
  - Ensure that workforce development planning and foreign labor recruitment account for resilient housing construction.

- **Economy and Financial Empowerment**
  - Reestablish access to capital and promote economic growth to rebuild households, businesses, and local government capabilities.
  - Diversify the economy through the creation of new industries, the promotion of local entrepreneurship, and the attraction of reputable foreign and US mainland investments.
  - Integrate recovery programs with sustainable economic activities to benefit residents, businesses, and visitors.
  - Streamline social safety net programs to reduce and eliminate poverty.
  - Ensure sufficient access to job opportunities within the recovering economy and prioritize access to residents that are unemployed or underemployed as a result of the disaster.

- **Infrastructure**
  - Design and replace infrastructure to be resilient to future events.
  - Develop sustainable infrastructure that enables rapid response and recovery to future disaster events.
  - Prioritize resiliency of critical utilities such as access to non-potable water for residents and power for homes, businesses, and public services.

- **Health, Education, and Social Services**
  - Provide health and social services to mitigate long term disaster impacts.
  - Ensure limited interruption to classroom instruction for K-12 students.
  - Support academic counseling for college students recovering from a disaster.
  - Encourage disaster-affected students through additional academic support and tutoring in order to stabilize graduation and retention rates.

- **Environmental Quality, Monitoring, and Remediation**
  - Monitor and improve groundwater quality and access integration of water resources into all mitigation and recovery planning to ensure Ridge to Reef consideration of potential impacts on this life-sustaining resource.
  - Natural and Cultural Resources

- Identify vulnerabilities and opportunities to reduce risks to natural and cultural resources to wind, flooding, and storm surge events.

- **Risk Reduction and Long-term mitigation Strategies**
  - Examine social and economic vulnerability to future events and establish mitigation methods for recovery objective areas for the Commonwealth.
  - Examine lessons learned and develop plans in response to proven points of failure and missing services during critical periods of response and recovery.
  - Improve response capabilities at the village level to ensure access to hardened, self-contained shelters, storage of essential supplies, and communications backup systems.

- **Program Management**
  - Involve the whole community of stakeholders and residents in long-term planning.
  - Maintain transparency between all stakeholders.
  - Humanize recovery policies, priorities, and goals.

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 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 an equitable recovery. 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/leaseholders 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 alternative options that are to the extent most cost-effective and less time to complete construction. However, sometimes the cost of climate adaptation measures to ensure buildings are resistant to projected climate conditions may cost more than options to build to today's climate conditions. 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 the 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. Figure 22 below provides a summary to demonstrate the connection to address the unmet

need. Through these funds, the CNMI primarily intends to address unmet housing needs supported by infrastructure and economic development.

Overall, the economy and the sustainability of neighborhoods is needed to prevent further decline to the housing market since the typhoons hit. A majority of project funds is allocated to housing. Infrastructure and economic development activities are needed to support the recovery efforts for housing by providing the following:

- Adequate infrastructure including roads, utilities, port, and public facilities will be required to support the proposed housing programs for rehabilitation, reconstruction, and new construction.
- Economic Revitalization activities help to create and retain jobs in the community, helping households stabilize their employment and/or by increasing their income. Workforce development as part of economic revitalization will provide local citizens with the training needed to become skilled workers thereby, allowing local citizens to attain lifelong workplace skills and to be competitive in the job market.
- Long term recovery cannot be sustained without the combination of housing, infrastructure, and economic development activities.
- CNMI housing programs will be complemented by a broad approach to infrastructure to help stabilize households and return families to re-establish communities.
- Preparedness and mitigation measures considered for housing supported by infrastructure and economic development programs and projects will ensure residents of the Islands especially the Saipan and Tinian MID areas create safer and more resilient communities and neighborhoods post-storm.

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)	**$138,613,179**		
Homeowner Rehabilitation & Reconstruction	$40,146,612	29%	**55%**
Single Family New Construction Development	$59,009,534	43%	
Affordable Rental Housing Development	$39,457,033	28%	
SUB TOTAL HOUSING	**$138,613,179**	**100%**	
INFRASTRUCTURE	**$91,089,756**		
Port Facilities	$0	0%	**36%**
Public Facilities	$39,126,474.68	43%	
Roads	$16,975,166	19%	
Utilities	$34,988,115.32	38%	
SUB TOTAL INFRASTRUCTURE	**$91,089,756**	**100%**	
ECONOMIC DEVELOPMENT	$8,660,000	100%	3%
ADMINISTRATION	$12,617,718	100%	5%
PLANNING	$3,343,347	100%	1%
TOTAL ALLOCATIONS OF FUNDS	**$254,324,000**	**100%**	**100%**

E. Use of Funds

1. Housing Programs

CNMI will provide three program options to assist eligible homeowners/leaseholders 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 priority placed on elderly or disabled residents with incomes between 0%-30% of the area median income. Elderly or disabled household applicants may receive 100% forgivable loan assistance with an affordability period of 20 years on a 30-year term.

(1) An elderly family is a family whose head of household, spouse, or sole member is age 62 or older.

(2) A disabled family is a family whose head of household, spouse, or sole member is a person with a disability. Person with a disability:

(A) Means a person who:

1. Has a disability, as defined in 42 U.S.C. § 423;

2. Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:

i. Is expected to be of long-continued and indefinite duration;

ii. Substantially impedes his or her ability to live independently, and

iii. Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or

iv. Has a developmental disability as defined in 42 U.S.C. § 6001.

(B) Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome; and

(C) Does not include a person whose disability is based solely on any drug or alcohol dependence.

(D) The applicant's physician must complete the Homebuyer/Homeowner Program Disability Eligibility Verification Form to certify the borrower's disability. As appropriate, NMHC shall require a court legal guardianship in cases where the physician certification indicates that the applicant is incapacitated or incompetent to enter into a legal and binding agreement such as a mortgage.

Citizenship requirements must comply with Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 41 USC 601 et seq. (PRWORA) which governs the eligibility of persons (U.S. citizens, U.S. nationals, and qualified aliens) for "federal public benefits" as defined in section 401(c) of that law. With the ever-increasing costs of materials and labor, home repairs and constructing or purchasing homes may appear to be out of reach for the CNMI's low-income families. The housing options provided to these families under the CDBG-DR Housing Programs along with HUD guidelines will make home repairs, new construction, purchase of homes, and

rentals attainable and affordable. Further, low-income families be assisted through grant-based housing programs, i.e., Homeowner Rehabilitation and Reconstruction and Homebuyer and First-Time Homeowner New Construction, to ensure that they will qualify and move into safe, decent, and sanitary homes. 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. Circumstances, where additional costs may be incurred, will be reviewed against cost reasonableness guidelines and to meet reasonable accommodations and accessibility requirements. NMHC anticipates assisting more than 800 families by the time the grant closes 6 years from the date of the grant agreement. From the FEMA data (January 2019), 545 units were destroyed and 2,291 units were seriously damaged, therefore the number of units estimated to be completed still leaves a gap of over 2000 units that will not be addressed.

Special requests through the appeal process can be made for justification that may exceed the program cap.

The Housing Recovery Plan includes priorities for the following activities:

- Homeowner Rehabilitation - Provide funding to homeowners/leaseholders to rehabilitate or rebuild disaster-damaged residences.
- Homebuyer - Provide funding to households to buy/lease 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 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	$40,146,612
Performance Outcome	Approximately 142 - 160 units will be assisted

b. National Objective

LMI; LMH; UN

c. Minimum and Maximum Assistance

i. **Rehabilitation**: The minimum grant amount allowable under this program is $10,000 to a maximum of $200,000.

ii. **Reconstruction:** Reconstruction projects may exceed the rehabilitation projects' maximum of $200,000.

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)

This activity includes rehabilitation and reconstruction to provide options for returning occupants to their homes and provides decent, safe, and sanitary housing. Housing activities allowed include New Construction, Rehabilitation/Reconstruction, Single Family, Owner, or Rental. Activities include clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements.

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:

i. 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.
ii. Assistance will be provided in the form of a grant and 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 grant repayment terms.
iii. Homeowner applicants must agree to the affordability period. 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 10 years with supplemental assistance and 10 years if reconstruction.
iv. 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. These policy types are available and appear to be affordable.
v. Where disaster assistance triggers the flood insurance purchase requirement, assisted homeowners/leaseholders 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

The program will categorize the target groups by the following income ranges:

TARGET GROUPS	CDBG-DR PROGRAM CNMI – MEDIAN INCOME RANGE	INTEREST RATE	TYPE OF ASSISTANCE
First	0%-30%	N/A	Grant
Second	30.01%-50%	N/A	Grant
Third	50.01%-80%	N/A	Grant
Fourth	80.01% or greater	N/A	Grant (The national objective for this group is urgent need.)

**This table also applies to First-Time Homebuyer Program and the Single-Family New Construction Development

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. The property was located in a floodplain at the time of the disaster, and

   2. The 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. Uniform Relocation Act

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24 (42 U.S.C. 4601 et seq.) (URA): URA applies to all acquisitions of real property of displacements of a person resulting from federal or federally assisted program projects. The objective of the URA is to provide uniform, fair, and equitable treatment of a person whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to involuntary displacements from residential units (49 CFR Subpart B) and acquisition or multifamily damaged/occupied activities that require the relocation of tenants. However, NMHC most assure that the Uniform Relocation Act requirement will be followed and that both displaced occupants and any current occupants if any of the project are identified. These occupants are entitled to advisory services, in the form of notices and counseling, moving and/or storage expenses, and coverage of all displacement costs for temporary or permanent relocation pursuant to formula and applicable Federal Register notices. The program will monitor displaced and current tenants and maintain records from the inception of the project. Failure to do so can lead to unexpected and substantial costs and work delay. “Demonstrable hardship” and “not suitable for rehabilitation” are defined in the program policies and procedures.

Also see **Section 6: Residential Anti-Displacement and Relocation Assistance Plan (RARAP).**

j. Recapture Provision

NMHC will ensure that it recoups all or a portion of the loan assistance provided to the homeowner(s) if the housing unit ceases to be the principal residence of the homeowner(s) for the duration of the period of affordability. Subsidy amounts (in the form of grants) that directly benefited the property owner are also subject to recapture. Recapture is capped at what is available out of net proceeds.

k. Timeline

The proposed program start date is immediately following HUD's approval of the original Action Plan subject to environmental review clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030.

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 an 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/leaseholders and homebuyers/leaseholders 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)/leaseholder(s) if the housing unit ceases to be the principal residence of the homebuyer(s)/leaseholder(s) for the duration of the period of affordability. All subsidy amounts (in the form of grants) that directly benefited the property owner are subject to recapture. Recapture is capped at what is available out of net proceeds.

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Single Family New Construction Development	**$59,009,534**
Performance Outcome	Approximately 176 to 215 units will be assisted

b. National Objective

LMI; LMH; UN

c. Level and Terms of Assistance

Option I: Turn-Key Solution: **$0** (one project site 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: **$59,009,534**

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)

This activity will provide a better opportunity for residents to have decent, safe, and sanitary housing by allowing the construction of a new unit. New construction is eligible based on information provided in the Federal Register. Housing activities allowed include New Construction, Rehabilitation/Reconstruction, Single Family, Owner, or Rental. Activities supporting this activity may include clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings.

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/leaseholders.

For Option II:

- Must be owned by the program applicant, with a 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/leaseholders. 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. Target Groups

Refer to Target Groups in Homeowner Rehabilitation and Reconstruction

i. Uniform Relocation Act

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24 (42 U.S.C. 4601 et seq.) (URA): URA applies to all acquisitions of real property of displacements of person resulting from federal or federally assisted program projects. The objective of the URA is to provide uniform, fair, and equitable treatment of person whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to involuntary displacements from residential units (49 CFR Subpart B) and acquisition or multifamily damaged/occupied activities that require the relocation of tenants. However, NMHC most assure that the Uniform Relocation Act requirement will be followed and that both displaced occupants and any current occupants if any of the project are identified. These occupants are entitled to advisory services, in the form of notices and counseling, moving and/or storage expenses, and coverage of all displacement costs for temporary or permanent relocation pursuant to formula and applicable Federal Register notices. The program will monitor displaced and current tenants and maintain records from the inception of the project. Failure to do so can lead to unexpected and substantial costs and work delay. "Demonstrable hardship" and "not suitable for rehabilitation "are defined in the program policies and procedures.

Also see **Section 6: Residential Anti-Displacement and Relocation Assistance Plan (RARAP).**

j. Recapture Provisions

NMHC will ensure that it recoups all or a portion of the CDBG-DR loan assistance provided to the homebuyer(s)/leaseholder(s), if the housing unit ceases to be the principal residence of the homebuyer(s)/leaseholder(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. Net proceeds are defined as the sales price less superior non-CDBG-DR debt (if any) less closing costs. NMHC will utilize the following recapture options:

(1) Recapture entire amount: NMHC may recapture the entire amount of the loan and/or subsidy from the homebuyer(s)/leaseholder(s) if the sale of the property occurs within halfway into the given affordability period. For example, a homebuyer/leaseholder was approved for a $50,000 CDBG-DR loan to construct a home. The affordability period is therefore, fifteen years. On the seventh year, the borrower sells the house for $60,000. Since the borrower failed to comply with the minimum seven and one half (7 ½) years of the fifteen-year affordability period, the recaptured amount is $50,000.

(2) Forgiveness: NMHC may reduce the loan amount and/or subsidy to be recaptured on a pro rata basis for the period the homebuyer(s)/leaseholder(s) has/have owned and occupied the housing unit measured against the required affordability period; however, homebuyer(s)/leaseholder(s) must occupy the housing unit at a minimum of ten years or at least halfway into the affordability period, whichever is greater, in order to qualify for this recapture option. For example, if the CDBG-DR subsidy is $60,000 with 15-year affordability and the owner sells the property in the 12th year of ownership the recapture amount will equal $12,000. ($60,000/15 years affordability period x 3 years remaining = $12,000 recapture.)

(3) Buyer's recovery of initial investment: The homebuyer(s)/leaseholder(s) investment (down payment and capital improvements made by the owner since purchase) may be repaid in full before any CDBG-DR funds are recaptured, provided that the homebuyer(s)/leaseholder(s) occupied the housing unit at a minimum of ten years before the sale of the property and the homebuyer's/leaseholder's household income level is at or below 50% of the area median income in order to qualify for this recapture option. (4) Shared appreciation. In the case where net proceeds exceed the amount necessary to repay both the homebuyer(s)/leaseholder(s) investment and the CDBG-DR assistance, the excess proceeds may be shared proportionately (i.e., percentage of investment provided) by both parties.

(4) Legal Instrument to Enforce Recapture: NMHC must use deed restrictions, land covenants, or other similar legal documents to enforce these recapture restrictions.

k. Timeline

The proposed program start date is immediately after HUD's approval of the original Action Plan subject to environmental review clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030.

First-Time Homebuyer Program

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
First-Time Homebuyer Program	* Included in number above
Performance Outcome	Approximately 176 to 215 buyers will be assisted

b. National Objective

LMI; UN (UN is for a person between 80% to 120% of AMI)

c. Maximum Assistance

The amount to be determined depending on per-unit cost but should not be more than $250,000. Not more than 20% of the turnkey units as well as 20% of the homebuyer/leaseholder and homeownership/leaseholdership assistance shall be made available to families above 80% but not more than 120% of AMI.

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)

Eligible activities include direct homeownership/leaseholder assistance to low- or moderate-income households. Provision of direct assistance to facilitate and expand homeownership/leaseholder among persons of low and moderate-income (except that such assistance shall not be considered a public service for purposes of paragraph (8)) by using such assistance to—

i. subsidize grant-based housing assistance for low- and moderate-income homebuyer(s)/leaseholder(s);

ii. finance the acquisition by low- and moderate-income homebuyer(s)/leaseholder(s) of housing that is occupied by the homebuyer(s)/leaseholder(s);

e. Target Groups

Refer to Target Groups in Homeowner Rehabilitation and Reconstruction

f. Location of Activities

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

g. Eligible Applicants

(Also applicable to LMI families with the exception of the AMI threshold)

- Incomes may not exceed 120% of AMI. Incomes between 80.01% to 120% of AMI will be classified as urgent need.
- Must be a first-time homebuyer(s)/leaseholder(s) i.e. have not purchased a home in the last 3 years.
- Must meet established income requirements.
- Priority is given to those who have been displaced by the typhoon.
- Must attend NMHC's homebuyer(s)/leaseholder(s) Education Program and earn a Certificate of Completion.
- Must occupy the property as their primary residence.

h. 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 a grant award. The minimum affordability period is 5 years and the maximum is 15 years with supplemental assistance.

Affordable Rental Housing Development

This program will address both the 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 assisted housing and rental needs for special populations. Non-multifamily units are also eligible for funding assistance. The 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. Note: Scattered unit owners of less than 8 units that receive funds for reimbursement of the cost of repairs will be required to adhere to an affordability period of 10 years, while new construction of scattered units with less than five units will be required to adhere to an affordability period of 15 years.

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Affordable Rental Housing Development	$39,457,033
Performance Outcome	Approximately 270-310 units will be assisted

b. National Objective

LMI, LMH

c. Maximum Assistance

For Multifamily projects, the maximum CDBG-DR award amount for a housing project is $30,000,000, and a per-unit construction cost cap of up to $200,000 for rehabilitation and $250,000 for new construction or reconstruction has been set. Circumstances where additional costs may be incurred, will be reviewed against cost reasonableness requirements approved on a case-by-case basis. Awards will be in the form of either a loan or a grant; however, in some instances, a loan will be the required structure for financing rental development. If this is the case, the terms of the loan may be forgivable.

For small multifamily (2-4 units) and individual (scattered) housing projects, the maximum CDBG-DR award amount for the program that is used or to be used for rental housing of LMI residents is $8,286,366 [Previous Amount: $5,000,000]. A cap of up to $200,000 per rehabilitated unit has been set. Reimbursement of actual costs of rehabilitation must be provided and materials used must not be luxurious. New construction or reconstruction of individual houses to be used as rental housing is capped at $250,000. The affordability period is mentioned above.

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 (NMHC)
iii. Not-for-profit developers/borrowers
iv. Owners of Section 8 properties

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).

The activity includes development of affordable rental housing. It may include rehabilitation, reconstruction, new construction, and acquisition. The Affordable Rental Housing Development Program provides financing assistance for costs associated with the acquisition and new construction or substantial rehabilitation of larger affordable rental housing projects. The Program seeks to leverage other public and private affordable housing financing sources, including public lands (property) and Low-Income Housing Tax Credits. The Program supports the development of new affordable housing (including individually-scattered houses), to address the rental housing shortage and help revitalize hard hit communities. Projects selected for assistance will primarily serve LMI residents, including special needs and other vulnerable populations. The Program may also assist mixed-income projects where the majority of units are reserved for occupancy by persons of LMI and for which developers are able to leverage other funding to support non-LMI units. This Program will allow for the acquisition, demolition, rehabilitation, and new construction as it pertains to the development of affordable units for LMI individuals. Assistance is provided for rehabilitation, reconstruction, and new construction of housing after accounting for all federal, local and/or private sources of disaster-related assistance, including but not limited to, property owners and/or flood insurance proceeds.

f. Location of Activities

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

g. Eligibility Criteria for Assistance

All projects must include a tie-back to the storms, and documentation supporting this tie-back must be maintained in the project files.

Underwriting criteria for multifamily rental housing projects are as follows:

- The submitted project is consistent with the CDBG-DR Action Plan goals.
- The funding request is feasible.
- There is a tie back to Typhoon Mangkhut or Super Typhoon Yutu.
- The developer has the experience and capacity to complete the proposed development.
- The developer has experience in running a federal housing program such as the Section 8 Housing Choice Voucher Program, LIHTC Program, etc.
- The costs associated with the development portion of the proposal are necessary, reasonable, and financially feasible.
- The projected operational costs are necessary and reasonable, and that the proposed development is sustainable for the duration of the Affordability Period.
- The sources and uses of funds statement and lender commitments reflecting sufficient resources to complete the proposed development (usually for LIHTC projects).
- The total amount of government assistance is not more than is necessary to produce the project.

For individually scattered lots rental housing development:

1. Must be owned by the program applicant, with a clear title verified by title search.
2. Must have no substantial adverse environmental factors as determined by an environmental review.
3. 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.
4. Detailed eligibility criteria will be included in the respective program guidelines.

h. Uniform Relocation Act

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24 (42 U.S.C. 4601 et seq.) (URA): URA applies to all acquisitions of real property of displacements of person resulting from federal or federally assisted program projects. The objective of the URA is to provide uniform, fair, and equitable treatment of person whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to involuntary displacements from residential units (49 CFR Subpart B) and acquisition or multifamily damaged/occupied activities that require the relocation of tenants. However, NMHC most assure that the Uniform Relocation Act requirement will be followed and that both displaced occupants and any current occupants if any of the project are identified. These occupants are entitled to advisory services, in the form of notices and counseling, moving and/or storage expenses, and coverage of all displacement costs for temporary or permanent relocation pursuant to formula and applicable Federal Register notices. The program will monitor displaced and current tenants and maintain records from the inception of the project. Failure to do so can lead to unexpected and substantial costs and work delay. “Demonstrable hardship” and “not suitable for rehabilitation” are defined in the program policies and procedures.

Also see **Section 6: Residential Anti-Displacement and Relocation Assistance Plan (RARAP).**

i. Timeline

The proposed program start date is immediately following HUD's approval of the original Action Plan and subject to environmental clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030.

j. 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) working 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 the premature obsolescence of infrastructure. Local infrastructure projects will be selected by priority need and selection criteria can be found in this Action Plan on Section 3. F. "Scoring Criteria". As part of the selection process, the scoring criteria identified five major priorities based on a point system:

1. Priority Need in relation to Housing (25 points)
2. Storm Resilience (15 points)

3. Overall LMI Benefit (25 points)
4. Management Capacity (15 points)
5. Cost Reasonable Budget (20 points)

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Port Facilities	**$0**
Public Facilities	**$39,126,474.68**
Roads	**$16,975,166**
Utilities	**$34,988,115.32**
TOTAL FOR INFRASTRUCTURE	**$91,089,756**
Performance Outcome	**About 20-30 public facilities will be assisted**

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).

Reimbursements.

1. **Reimbursement of disaster recovery expenses.** The provisions of 24 CFR 570.489(b) are applied to permit a State grantee to charge to the grant otherwise allowable costs incurred by itself, its recipients or subrecipients (including public housing authorities (PHAs)) on or after the incident date of the covered disaster. A local government grantee is subject to the provisions of 24 CFR 570.200(h) but may reimburse itself or its subrecipients for otherwise allowable costs incurred on or after the incident date of the covered disaster. Section 570.200(h)(1)(i) will not apply to the extent that it requires pre-agreement activities to be included in a consolidated plan. The Department expects a grantee to include all pre-agreement activities in its action plans.

The eligible activities are acquisition, construction, reconstruction, rehabilitation, or installation of public facilities and improvements, carried out by the recipient or other public or private nonprofit entities.

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 the original Action Plan and subject to environmental clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030.

3. Economic Revitalization Program

The Economic Revitalization Program is essential for the success of the housing recovery efforts as it will provide opportunities to ensure the financial independence of homeowners/leaseholders and renters for the care and maintenance of their homes. The impact of Typhoon Mangkhut and Super Typhoon Yutu on the CNMI's economy, businesses, and the workforce were significant. Tourism-related industries such as guest lodging and food services were most especially affected. These industries account for roughly 40% of CNMI jobs.

The attraction, retention, and return of the tourism industry and related jobs are critical to the long-term recovery of the CNMI. The large-scale rebuilding efforts currently on-going and those created through the CDBG-DR program will also create unique opportunities to invigorate the CNMI's workforce and increase the local labor force. These efforts to revitalize the economy will ultimately support the CNMI community in maintaining financial stability and independence. Therefore, the CNMI will invest $8,660,000 in programs and activities to revitalize the economy through two main areas: tourism marketing/promotional activities and workforce development.

Recognizing tourism as the largest contributor to employment and the GDP, the CNMI has submitted a Tourism Waiver application to the U.S. Department of Housing and Urban Development (HUD) outlining two main areas of focus which were Tourism Marketing and Destination Enhancement. HUD subsequently approved the waiver request for Tourism Marketing with a cap of no more than $10,000,000, but did not approve Destination Enhancement activities. The approved waiver allows for these activities to be conducted in the geographical locations of Saipan, Tinian, and Rota. Specific metrics demonstrating the impact of CDBG-DR expenditures on the tourism and other sectors of the economy are outlined below under the "Eligible Activities" portion of the Economic Revitalization Program. These funds will expire 2 years after the initial drawdown for this allocation.

Through this waiver approval, the CNMI plans to allocate $7,500,000 for marketing/promotional activities. These funds will be utilized to create a global branding and marketing strategy establishing an identity of an alluring and desirable island resort destination for the travel community. Unifying the CNMI brand is integral to building a strong brand position and identity. The purpose of the global branding initiative is to share the unity and diversity of the 14 islands in the CNMI. The CNMI plans to enhance existing marketing platforms locally and in source markets, while also creating new opportunities, ideas, and guidelines to strategically brand *The Marianas* to current and potential new markets.

In 2018, prior to Typhoon Mangkhut and Super Typhoon Yutu, the Hotel Association of the Northern Mariana Islands (HANMI) reported an 82% hotel occupancy rate. The Marianas Visitors Authority (MVA) reported $9.2 million dollars in its 2018 marketing budget and expenses. Based on these figures, the CNMI will seek to increase hotel occupancy by 60% with the $7.5 million allocation provided through the Tourism Waiver.

The CNMI also understands that developing programs to expand economic activity is critical to supporting thousands of LMI jobs. Many small businesses and workers in the CNMI are directly or indirectly dependent on Tourism. Many of these individuals are of low- or moderate-income and lost their homes, as well as their job; making it even more critical to identify ways to allow them to regain both economic stability and secure housing.

Thus, to maximize the potential of local residents to secure jobs and contracts in the recovery efforts, the CNMI will allocate $1,160,000 towards workforce development. The workforce development program will provide local education institutions, private and public, the means to expand vocational training opportunities and create partnerships with local businesses to develop an avenue for job placement.

The workforce development program will offer training opportunities for LMI residents in the most in-demand sectors for the CNMI. The primary focus of the workforce development program will be LMI residents to fill jobs in recovery-related sectors such as construction. With construction, producing skilled workers by way of investing CDBG-DR funds into educational institutions such as the Northern Marianas Trades Institute (public) and Latte Academy (private), will yield the following outcomes:

2. Address the shortage of construction workers,
3. Benefit LMIs by providing them employment and income; and
4. Address HUD's Section 3 requirement.

It is worth mentioning that, Latte Academy, which was established in 2013, offers job trainings in nationally recognized certifications. Further, the Academy has a 95% certification rate with 400 students attaining certifications between 2014 - 2017. Similarly, the Northern Marianas Technical Institute (NMTI), established in 2008 and a public education institute, is accredited by the National Center for Construction Education.

Funding for these activities will strengthen collaboration between the workforce, educational institutions, and employers with a shared goal of providing solutions to promote growth and stability to the CNMI economy. Through the workforce development program, the CNMI will be able to assist an estimated 300 participants based on current tuition rates.

The current workforce needs related to the CNMI's recovery initiatives present both a challenge and an opportunity to benefit residents across the CNMI. These efforts are aimed at ensuring that low- and moderate-income residents have access to the training needed to take advantage of these opportunities and additional support to ensure long-term success.

With skills gained and certifications achieved, the LMI residents stand a greater chance at earning higher incomes than before the workforce development training and programs thereby, higher incomes mean their households will be able to afford home renovation, qualify for home loans, or move into more decent, safe, and sanitary rental units.

Note: The current Economic Revitalization program will not include small business loans.

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Economic Revitalization	$8,660,000
Performance Outcome	300 Workforce Development Participants Trained
	Hotel Occupancy Increase up to 60%

Subrecipient Activities	ESTIMATED COST	PERFORMANCE OUTCOME
Economic Revitalization – **Tourism Waiver**	$7,500,000	Hotel occupancy increase up to 60%
Economic Revitalization – **Workforce Development Training Scholarship Program**	$1,160,000	300 workforce development participants rained
TOTAL ALLOCATION	**$8,660,000**	

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 is based on project estimates. There will be no small business loans provided.

d. Eligible Activities

Tourism Industry Support Program

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

Through the requested Tourism waiver, the CNMI seeks to develop a global branding and marketing strategy initiative for the CNMI. NMHC will administer the program through an inter-agency partnership with the Marianas Visitors Authority (MVA). NMHC and MVA will solicit global marketing companies with outstanding credentials capable of demonstrating measurable success in the development of tourism destination branding and marketing that is geared toward tourism development. Focus on advertisement and media placement outside the CNMI will be done in an effort to attract potential tourists to generate economic return and promote the CNMI as an ideal place to do business. No elected officials or political candidates will be featured or included in promotional marketing funded through this program. Per CDBG regulation, CDBG-DR funds shall not be used to engage in partisan political activities, such as candidate forums.

NMHC and MVA will seek out and evaluate firms with the following credentials:

- Proficient relations specialists to deliver high quality service
- Well-organized global branding services through robust project management
- Quality control practices with proven methodology for achieving milestones
- Global pairing with local boutique services

In order to measure the success and provide a justifiable standard for the use of CDBG-DR funds towards promotional activities, NMHC and MVA will utilize the following metrics to gauge the program's success:

- Hotel Occupancy Figures (i.e. tax and rates)/Quarterly Reports

Workforce Development Program

This activity is eligible for funds as listed in HCDA section 105(a)(8), 105(a)(17).

This program will help unemployed and underemployed residents find employment by providing job training skill areas related to recovery efforts. The Workforce Development program will contract with local educational institutions, both public and private, to provide job and skills training for in-demand sectors.

Educational institutions will be invited to propose workforce training programs under program guidelines, as approved by NMHC. NMHC will evaluate proposed training programs based on the institution's ability to administer training, relationship of training material to job-readiness of participants and cost reasonableness.

The workforce development program will focus on recovery-related industries such as construction.

The Workforce Development program priorities include:

- Training and employment of CNMI citizens, especially those who earn low and moderate incomes, including youth 18 years or older, adult unemployed, dislocated workers or underemployed.
- Cultivate and supply local labor force to meet the CNMI's recovery, resilience and economic expansion needs and opportunities.

The workforce development program will also consider learning opportunities for other areas of immediate need to enable the current labor force to gain skills and participate outside of a formal apprenticeship structure. The Workforce development program will seek opportunities to partner with established entities providing meaningful skillset training that facilitate new job opportunities.

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 the original action plan subject to environmental review clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030 with the exception of the funds allocated under the Tourism Waiver, which were subject to a separate period of performance. The Tourism Waiver originally had a period of performance end date of December 31, 2023, which was subsequently extended twice, with a final period of performance end date of December 31, 2025.

4. Local and Regional Planning

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Planning	$3,843,347

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).

The eligible activity is planning, urban environmental design, and policy-planning-management-capacity building activities that include.

(a) Planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, including, but not limited to:

(1) Comprehensive plans;

(2) Community development plans;

(3) Functional plans, in areas such as:

Housing, including the development of a consolidated plan;

Energy use and conservation;

Utilities;

(4) Other plans and studies such as:

Plans or studies to demonstrate HUD's "Must Impacted and Distressed" (MID) Areas for Saipan and Tinian and for selection of activities that are appropriate for MID areas.

Small area and neighborhood plans;

Individual project plans (but excluding engineering and design costs related to a specific activity which are eligible as part of the cost of such activity under §§570.201-570.204);

The reasonable costs of general environmental, urban environmental design and historic preservation studies; and general environmental assessment- and remediation-oriented planning related to properties with known or suspected environmental contamination. However, costs necessary to comply with 24 CFR Part 58, including project-specific environmental assessments and clearances for activities eligible for assistance under this part, are eligible as part of the cost of such activities under §§ 570.201-570.204. Costs for such specific assessments and clearances may also be incurred under this paragraph but would then be considered planning costs for the purposes of § 570.200(g);

Strategies and action programs to implement plans, including the development of codes, ordinances, and regulations; Assessment of Fair Housing.

(b) **24CFR 570.489(b): Reimbursement of pre-agreement costs.** The State may permit, in accordance with such procedures as the State may establish, a unit of general local government to incur costs for CDBG activities before the establishment of a formal grant relationship between the State and the unit of general local government and to charge these pre-agreement costs to the grant, provided that the activities are eligible and undertaken in accordance with the requirements of this part and 24 CFR part 58. A State may incur costs prior to entering into a grant agreement with HUD and charge those pre-agreement costs to the grant, provided that the activities are eligible and are undertaken in accordance with the requirements of this part, part 58 of this title, and the citizen participation requirements of part 91 of this title.

[53 FR 34439, Sept. 6, 1988, as amended at 56 FR 56127, Oct. 31, 1991; 60 FR 1915, Jan. 5, 1995; 71 FR 30035, May 24, 2006; 80 FR 42366, July 16, 2015]

c. Timeline

The proposed program start date is immediately following HUD's approval of the original action plan subject to environmental review clearance. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030.

5. Administrative Funds

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Administrative Funds	$12,617,718

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. The activity pays for administration costs such as compliance, monitoring, and audit related functions and supports the overall administration of the projects, programs, and activities funded with the CDBG-DR dollars.

24CFR 570.489(b): Reimbursement of pre-agreement costs. The State may permit, in accordance with such procedures as the State may establish, a unit of general local government to incur costs for CDBG activities before the establishment of a formal grant relationship between the State and the unit of general local government and to charge these pre-agreement costs to the grant, provided that the activities are eligible and undertaken in accordance with the requirements of this part and 24 CFR part 58. A State may incur costs prior to entering into a grant agreement with HUD and charge those pre-agreement costs to the grant, provided that the activities are eligible and are undertaken in accordance with the requirements of this part, part 58 of this title, and the citizen participation requirements of part 91 of this title.

c. Timeline

The proposed program start date is immediately following HUD's approval of the original Action Plan. The period of performance and budget period deadline for the CDBG-DR grant has been extended through June 30, 2030, as approved by HUD. All grant funds must be expended by June 30, 2030.

F. National Objectives

All activities in the Action Plan with the exception of Administration and Planning meet one or more of the National Objectives for LMI, LMH, LMA, or LMJ.

SECTION 5 – CITIZEN PARTICIPATION

A. Citizen Participation Plan

NORTHERN MARIANAS HOUSING CORPORATION

COMMUNITY BLOCK DEVELOPMENT GRANT – DISASTER RECOVERY

CITIZEN PARTICIPATION PLAN

Introduction: The Northern Marianas Housing Corporation (NMHC) is committed to providing opportunities for its citizens to participate in an advisory role in the planning, implementation, and assessment of its Community Development Block Grant-Disaster Recovery (CDBG-DR) Program. NMHC recognizes that those persons or groups affected by, or involved with projects under this program can provide meaningful assistance to those responsible for program implementation. In order to encourage and support the participation of citizens, NMHC will provide adequate information and give citizens the opportunity to comment. The exchange of information among citizens, NMHC staff, and elected officials will allow for a stronger, more responsive housing and community development effort in the Commonwealth of the Northern Mariana Islands (CNMI). The Citizen Participation Plan outlined here is distinctly separate from Citizen Participation Plans used within NMHC for programs such as the Community Development Block Grant (CDBG) Program, HOME Partnerships (HOME) Program, and the Emergency Solutions Grant (HESG). The requirements of the CDBG-DR Program are further listed within the Federal Register.

According to the Federal Register Notice 83 FR 40314:

"To permit a more streamlined process and ensure disaster recovery grants are awarded in a timely manner, provisions of 42 U.S.C. 5304(a)(2) and (3), 42 U.S.C. 12707, 24 CFR 570.486, 24 CFR 1003.604, and 24 CFR 91.115(b) and (c), with respect to citizen participation requirements, are waived and replaced by the requirements below. The streamlined requirements do not mandate public hearings but do require the grantee to provide a reasonable opportunity (at least 30 days) for citizen comment and ongoing citizen access to information about the use of grant funds."

The goal of this citizen participation plan is to increase public involvement with respect to the recovery efforts associated with the CDBG-DR Program, which highlight the following aspects:

- The total amount of assistance to be provided
- Eligible Activities
- Quarterly Performance Reports
- Other Action Plan and program activities

Applicability

This Citizen Participation Plan details rules and procedures for public participation relating to any activity financed with CDBG-DR funding. The goal of this plan is to give all citizens the opportunity to participate in the distribution of CDBG-DR funds. It must encourage citizen participation in the development of an Action Plan, all substantial amendments to the Plan, and quarterly performance reports regarding the CNMI CDBG-DR Program. This plan conforms to the requirements of 83 FR 40314 and any special provision established by regulation in regards to CDBG-DR grants.

Action Plan

The CNMI CDBG-DR Action Plan details the comprehensive direction that the CNMI intends to pursue in response to the remaining unmet need within the CNMI. This plan gives the public a clear understanding of how the CDBG-DR funding is to be allocated. The Action Plan will be accessible to the public via the CNMI CDBG-DR website at www.cnmi-cdbgdr.com. All responses to this Action Plan will be addressed via (but not limited to) writing, via email, or in-person.

The most current and approved Action Plan along with substantial amendments will be posted on the CNMI CDBG-DR website. This version will give the public the opportunity to see the most recent version and avoid having to back-track through older versions.

Action Plan Amendments

Substantial Amendments are required when there is a change in program benefit/eligibility criteria, addition/deletion of an activity, or re-allocation of substantial amounts. A substantial amendment will also be required if any program changes exceed five million dollars ($5,000,000.00). Substantial amendments must provide a reasonable opportunity (at least 30 days) for citizen comment. All changes will be documented by NMHC's CDBG-DR Program to provide both necessary and reasonable justifications. All substantial amendments will include the following:

- The exact identification of which content is being added, deleted or changed
- A clear description of where funds are moved from/to
- The updated and revised budget after re-allocation of funding

NMHC will notify HUD of any non-substantial amendments within five business days before it becomes effective. These changes will be listed and available for the public via the CNMI CDBG-DR website at www.cnmi-cdbgdr.com.

Quarterly Performance Reports

Quarterly Performance Reports are a requirement of the CDBG-DR Program. These reports detail the updated timelines of the CDBG-DR Program as a whole. They serve as the main avenue for HUD's monitoring process of the CNMI CDBG-DR grant. As a requirement of the CDBG-DR grant, all QPRs will be posted on the CNMI CDBG-DR website at www.cnmi-cdbgdr.com. Citizens will have the ability to comment on each QPR for 15 days.

Technical Assistance

NMHC will work with organizations and individual representatives of very low-, low- and moderate- income people including the elderly, persons with disabilities, and persons with limited English proficiency who are interested in submitting a proposal to obtain funding assistance under the CDBG-DR Program. NMHC will make available to potential applicants, upon request, copies of regulations related to eligible activities included in the CDBG-DR Action Plan. Staff will also provide guidance in the interpretation of the federal regulations, the strategies and objectives of the CDBG-DR Action Plan, and will provide referrals to other agencies, including HUD, when necessary. Receiving staff assistance does not guarantee that an applicant will receive funding.

Access to Information

All CNMI CDBG-DR Program related information such as action plans, action plan amendments, policies, procedures, quarterly performance reports, citizen participation requirements, program information, procurement listings, and contracts will be available via the CNMI CDBG-DR website at www.cnmi-cdbgdr.com. For those who do not have access to internet service, NMHC will provide hard copies of program information upon request. NMHC will provide technical assistance to those who need accessing the information through multiple avenues.

Notifying the public is of paramount importance as these funds are largely dependent on public participation and the remaining unmet need to be assessed. NMHC will utilize the following avenues to advertise and notify the public of the CDBG-DR Program:

- Notices in the local newspaper
- Radio announcements
- Letters to government agencies
- Social Media outlets
- The CNMI CDBG-DR website
- The Office of the Governor's website
- Other applicable forms of communication

Citizens who have difficulty accessing the website can contact the CNMI CDBG-DR office via the following avenues:

- Telephone: (670) 233-9447
- Email: cnmi-cdbg-dr@nmhcgov.net
- Physical copies will be available at:
  - CDBG-DR Office – 3rd Floor of the Ladera Building, Chalan Laulau, Beach Road
  - NMHC Tinian Field Office – Tinian, MP
  - NMHC Rota Field Office – Rota, MP
- Physical copies can also be requested via mail:

  CDBG-DR Office

  P.O. Box 500514

  Saipan, MP 96950

B. 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's official website at the following address (https://www.nmhcgov.net/default.asp?secID=3). All future information will be included on the main CNMI CDBG-DR website at (https://www.cnmi-cdbgdr.com). 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 a 30-day comment period. The 30-day public notice expired on July 20, 2020.

The Northern Marianas Housing Corporation will take reasonable steps to ensure very low-, low-, and moderate-income persons, including persons with disabilities, the elderly, and persons with Limited English Proficiency (LEP) have meaningful access and an equal opportunity to participate in our CDBG-DR services, activities, programs and other benefits. The policy of NMHC is to ensure meaningful communication with interested clients. The policy also provides for communication of information contained in vital documents related but not limited to NMHC's CDBG-DR program, i.e., action plans, amendments to the action plan, citizen participation plans, etc. All interpreters, translators and other aids needed to comply with this policy shall be provided without cost to the person being served, and clients and their families will be informed of the availability of such assistance free of charge.

Language assistance will be provided through use of competent bilingual staff, staff interpreters, contracts or formal arrangements with local organizations providing interpretation or translation services, or technology and telephonic interpretation services. The CNMI CDBG-DR website will be compliant with assistive screen reader technology to ensure accessibility for disabled clients going forward. All staff will be provided notice of this policy and procedure, and staff that may have direct contact with LEP individuals will be trained in effective communication techniques, including the effective use of an interpreter.

The public will be informed through media outlets, paid advertisements, our CDBG-DR website, LEP notices, posters, and literature, as well as through outreach activities.

Procedures:

1. Identifying LEP Persons and Their Language

NMHC will promptly identify the language and communication needs of the LEP person. If necessary, staff will use a language identification card (or "I speak cards," available online at www.lep.gov) or posters to determine the language.

2. Obtaining a Qualified Interpreter

NMHC CDBG-DR Admin Staff will be responsible for:

a. Maintaining an accurate and current list showing the name, language, phone number and hours of availability of bilingual staff;
b. Contacting the appropriate bilingual staff member to interpret, in the event that an interpreter is needed, if an employee who speaks the needed language is available and is qualified to interpret;
c. Obtaining an outside interpreter if a bilingual staff or staff interpreter is not available or does not speak the needed language.

Some LEP persons may prefer or request to use a family member or friend as an interpreter. However, family members or friends of the LEP person will not be used as interpreters unless specifically requested by that individual and after the LEP person has understood that an offer of an interpreter at no charge to the person has been made by the facility. Such an offer and the response will be documented in the person's file. If the LEP person chooses to use a family member or friend as an interpreter, issues of competency of interpretation, confidentiality, privacy, and conflict of interest will be considered. If the family member or friend is not competent or appropriate for any of these reasons, competent interpreter services will be provided to the LEP person.

Children and other clients/residents will not be used to interpret, in order to ensure confidentiality of information and accurate communication.

3. Providing Written Translations

d. When translation of vital documents is needed, each unit in NMHC CDBG-DR program will submit documents for translation into frequently-encountered languages to CNMI Chamorro-Carolinian Language Commission. Original documents being submitted for translation will be in final, approved form with updated and accurate legal information.
e. Facilities will provide translation of other written materials, if needed, as well as written notice of the availability of translation, free of charge, for LEP individuals.
f. NMHC will set benchmarks for translation of vital documents into additional languages over time.

4. Providing Notice to LEP Persons

NMHC will inform LEP persons of the availability of language assistance, free of charge, by providing written notice in languages LEP persons will understand. At a minimum, notices and signs will be posted and provided in intake areas and other points of entry at all three designated NMHC CDBG-DR program buildings (including the Tinian and Rota Field Offices) as well as on bulletin boards of government agencies and business establishments. Notification will also be provided through one or more of the following: outreach documents, telephone voice mail menus, local newspapers, radio and television stations, and/or community-based organizations.

5. Monitoring Language Needs and Implementation

On an ongoing basis, NMHC will assess changes in demographics, types of services or other needs that may require reevaluation of this policy and its procedures. In addition, NMHC will regularly assess the efficacy of these procedures, including but not limited to mechanisms for securing interpreter services, equipment used for the delivery of language assistance, complaints filed by LEP persons, feedback from clients and community organizations, etc.

NMHC will conduct a regular review of the language access needs of the LEP population, as well as update and monitor the implementation of this policy and these procedures, as necessary.

To further provide meaningful client access to the CDBG-DR Program and its services, program staff will conduct home visits, upon request, to accommodate the elderly and persons with disabilities, who are unable to physically visit NMHC due to their disability or lack of reliable transportation.

C. Consideration of Public Comments

CNMI will consider all written comments regarding the Action Plan. A summary of the comments is provided as an attachment to this document (Section 6 - D) and provides the CNMI response to each citizen and/or entities that commented or reviewed the Draft Action Plan.

D. Substantial Amendment

A substantial amendment is defined as a change in program benefit or eligibility criteria; the addition or deletion of an activity; or the allocation or reallocation of a monetary threshold specified by the grantee in its action plan. The

CNMI monetary threshold for a substantial amendment is any changes in Action Plan amounts that exceed $5 million. Substantial amendments are changes to an Action Plan which require a 30-day public comment period. All amendments will be listed on the CDBG-DR website sequentially.

E. Non-substantial Amendment

Non-substantial amendments require notice to HUD at least 5 days prior to the amendment going into effect. They do not require notice to the Public on changes of $5 million or less. All amendments will be listed on the CDBG-DR website sequentially.

F. Public Website

All relevant data is posted on the NMHC web page including a link for the Action Plan itself. The CNMI CDBG-DR program will have a stand-alone website (http://www.cnmi-cdbgdr.com), which will include the following:

- Home tab: Summarizes the CDBG-DR program
- Program tab: Lists all programs funded by the CDBG-DR Program
- Procurement tab: Lists all procurement activities
- Contracts tab: Includes all contracts procured as well as a summary of each contract
- Citizen Participation tab: Lists the CDBG-DR Participation plan, as well as contact details and job opportunities
- Action Plan tab: All Action Plan related items
- Reporting tab: Lists DRGR Quarterly Performance Reports as well as approved DRGR Action Plan
- Policies tab: Includes all CDBG-DR related policies and procedures

G. Waivers

NMHC will seek any waivers needed and/or that may be available or issued by HUD. NMHC has requested, on behalf of the CNMI, a Tourism Waiver Request. The purpose of this waiver is to allow the CNMI to use CDBG-DR funding for tourism marketing and investments in an effort to help restore the tourism industry, the CNMI's main economic driver.

SECTION 6 – RESIDENTIAL ANTI DISPLACEMENT AND RELOCATION ASSISTANCE PLAN (RARAP)

NORTHERN MARIANAS HOUSING CORPORATION

Residential Anti-Displacement and Relocation Assistance Plan

VERSION 1.0
[October 18, 2022]

The contents in this manual are current as of October 18, 2022. This manual represents the current version of the Northern Marianas Housing Corporation's (NMHC) Residential Anti-Displacement and Relocation Assistance Plan (RARAP). All manuals will be reviewed periodically and will be updated. Therefore, you are strongly urged to visit our website: www.nmhcgov.net to ensure that you have the latest version. There may be times, however, when a policy will change before the manual is revised.

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Version 1.0 – Approval	Entire Document	10/18/2022

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BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) requires recipients of HUD funds to certify they have in effect and are following a residential anti-displacement and relocation assistance plan (RARAP) as required by 24 CFR Part 42, Displacement, Relocation Assistance, and Real Property Acquisition for HUD and HUD-Assisted Programs, as amended. The purpose of the plan is to ensure recipients that carry out HUD-assisted projects do the following:

- Identify the reasonable steps it will take to minimize the displacement of persons from their homes as a result of a HUD-assisted project.
- Provide relocation assistance to low/moderate-income (LMI) households, including families and individuals, displaced as a direct result of the conversion of a LMI dwelling or the demolition of any housing for a project.
- Replace all occupied and vacant occupiable LMI dwellings that are converted to a use other than LMI dwellings or LMI dwellings that are demolished for a project.

The Commonwealth of the Northern Mariana Islands' (CNMI) RARAP, prepared by the Northern Marianas Housing Corporation (NMHC), conforms with the Housing and Community Development Act of 1974, as amended; and HUD regulations at 24 CFR 42.325 and is applicable to NMHC's Community Development Block Grant (CDBG), Community Development Block Grant—Disaster Recovery (CDBG-DR), Community Development Block Grant – Mitigation (CDBG-MIT), Emergency Solutions Grant (ESG), Emergency Housing Voucher (EHV), Section 8 Housing Choice Voucher Program, Multifamily Program, and HOME programs.

RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN

This Residential Anti-Displacement and Relocation Assistance Plan (RARAP) is prepared by the Northern Marianas Housing Corporation's NMHC Mortgage and Credit Division, NMHC Program and Housing Division, and CDBG-DR Housing Program Division in accordance with the Housing and Community Development Act of 1974, as amended; and U.S. Department of Housing and Urban Development (HUD) regulations at 24 CFR§ 42.325 and is applicable to the NMHC CDBG, HOME, CDBG-DR and related federally-assisted projects.

Minimize Displacement
It is the intent of the NMHC to minimize direct and/or indirect displacement of individuals from their property to the greatest extent possible. Consistent with the goals and objectives of activities assisted under the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (URA) at 24 CFR part 49 and section 104(d) at 42 CFR part 42, the NMHC will require its subgrantees to take, or reasonably attempt to take, the following steps to minimize the direct and indirect displacement of persons from their homes:

- Adopt policies to identify and mitigate displacement resulting from public investment in neighborhoods.

- Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation by moving them to vacant, decent, safe and sanitary units within the building/complex first.

- Arrange for housing for to house persons who must be relocated temporarily during rehabilitation as necessary.

- Make available to homeowners and tenants, information on assistance available to help them remain continue to reside in their neighborhood in the face of revitalization pressures.

- Where feasible, give priority to rehabilitation of housing, as opposed to demolition, to avoid displacement.

- Target only those properties deemed essential to the need or success of the project.

Relocation Assistance to Displaced Persons

Through its subgrantees, the NMHC will offer relocation assistance for lower-income tenants who, in connection with an activity assisted under CDBG, Section 8, and/or HOME and/or CDBG-DR move permanently or move personal property from real property as a direct result of the acquisition, rehabilitation or demolition of any dwelling unit or the conversion of a lower-income dwelling unit in accordance with the requirements of 24 CFR §42.350.

A displaced person who is not a lower-income tenant will be offered relocation assistance in accordance with the URA.

Replacement housing assistance payments will be made in at least three installments except that lump sum payments may be made to cover (1) moving expenses, (2) a down payment on the purchase of replacement housing, or incidental expenses related to (1) or (2).

One-for-One Replacement of Lower-Income Dwelling Units

The NMHC will replace all occupied and vacant occupiable lower-income dwelling units demolished or converted to a use other than lower-income housing in connection with a project assisted with funds provided under the CDBG and/or HOME Programs in accordance with 24 CFR §42.375.

Before the NMHC enters into a written agreement committing the NMHC to provide funds for a project that will directly result in demolition or conversion of lower-income dwelling units,

subgrantees will publish project information in a newspaper of general circulation, or other acceptable means approved by the NMHC, receive public comment for a minimum of ten days, and submit all comments to the NMHC in addition to the following items:

1. A description of the proposed assisted project;
2. The address, number of bedrooms, and location on a map of lower-income dwelling units that will be demolished or converted to a use other than lower-income dwelling units as a result of an assisted project;

3. A time schedule for the commencement and completion of the demolition or conversion;

4. To the extent known, the address, number of lower-income dwelling units by size (number of bedrooms) and location on a map of the replacement lower-income housing that has been or will be provided. NOTE: See also 24 CFR §42.375(d). 1378 CHG-11 Appendix 34 App. 34-3 [09/11];

5. The source of funding and a time schedule for the provision of the replacement dwelling units;

6. The basis for concluding that each replacement dwelling unit is designated to remain a lower-income dwelling unit for at least 10 years from the date of initial occupancy; and

7. Information demonstrating that any proposed replacement of lower-income dwelling units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the HUD-approved Consolidated Plan and 24 CFR §42.375(b).

To the extent that the specific location of the replacement dwelling units and other data in items 4 through 7 are not available at the time of the general submission, the subgrantee will identify the general location of such dwelling units on a map and complete the disclosure and submission requirements as soon as the specific data is available.

Replacement not Required Based on Unit Availability
Under 24 CFR §42.375(d)(1), the subgrantee may submit to the NMHC for consideration a determination request that the one-for-one replacement requirement does not apply based on objective data that there is an adequate supply of vacant lower-income dwelling units in standard condition available on a non-discriminatory basis within the area. The NMHC will review the request and approve or deny it after completing the requirements at 24 CFR part 42.375(d)(2) and (3).

Contacts
The NMHC Mortgage and Credit Division, NMHC Program and Housing Division, and NMHC CDBG-DR Housing Program Division ensure compliance with the Act URA and section 104(d),

tracks replacement of lower-income dwelling units to ensure that they are provided within the required period, and tracks relocation payments and other relocation assistance to any lower-income displaced person. Administrative Division can be contacted at (670) 234-6866/233-9447/48/50.

PURPOSE

The purpose of this Residential Anti-displacement and Relocation Assistance Plan (RARAP) is to provide guidance on complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, Pub. L 91-645, 42 U.S.C. 4601 et seq and section 104 (d) of the HCD Act (42 U.S.C. 5304 (d)) (Section 104(d)). The implementing regulations for the URA are at 49 CFR part 24. The regulations for section 104 (d) are at 24 CFR part 42, subpart c.

This plan serves as a supplement to the acquisition and relocation requirements cited herein. This plan is not intended to limit the ability to conduct buyouts for destroyed and extensively damaged units or those in a floodplain or floodway.

SCOPE

This policy applies to any planned or intended program or project where federal funds, administered by the Northern Marianas Housing Corporation (NMHC), are used in whole or in part, at any phase, of an acquisition, demolition, conversion, and/or rehabilitation activity.

WAIVERS

For the purpose of promoting availability of decent, safe, and sanitary housing, HUD waived the following URA and section 104(d) requirements with respect to the use of CDBG-DR and CDBG-MIT funds, as applicable:

- Tenant-based Rental Assistance: The requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a))(6)(vii), 24.2(a)(6)(ix), and 24.402(b) are waived to the extent necessary to meet all or a portion of replacement housing payment obligations to a displaced tenant by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy, (e.g., Section 8 rental voucher or certificate), provided that comparable replacement dwellings are made available to the tenant in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months.
- One-for-one replacement: Requirements at section 104(d)(2)(A)(i) and (ii) and (d)(3) of the HCD Act and 24 CFR 42.375 regarding one-for-one replacement are waived in connection with funds allocated under this notice for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. This waiver exempts disaster-damaged units that are "not suitable for rehabilitation", defined by the CNMI as those units

for which the cost of rehabilitation, including clear consideration for resolving issues affecting health and safety, exceeds the cap allowed for the project type.

- FEMA & CDBG rental assistance disparity: For the purpose of uniform and equitable treatment between FEMA and CDBG funds, the relocation assistance requirements at section 104(d)(2)(A) of the HCDA are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified under the allocation notice for these funds. Housing incentive payments: 42 USC 5305(a) and associated regulations are waived to the extent necessary to allow the provision of housing incentives as appropriate for the purpose of relocation to a suitable housing development or an area promoted by the community's comprehensive recovery plan.
- Waiver of 414 Stafford Act Requirements: Homeowner occupants and tenants displaced from their homes as a result of the identified disasters and who would have otherwise been displaced as a direct result of any acquisition, rehabilitation, or demolition of real property for a federally funded program or project may become eligible for a replacement housing payment notwithstanding their inability to meet occupancy requirements prescribed in the URA. To the extent that it would apply to real property acquisition, rehabilitation or demolition of real property for a project commencing more than a year after the Presidentially declared disaster, Section 414 of the Stafford Act and implementing regulation at 49 CFR 24.403(d)(1) are waived, provided that the project was not planned, approved or otherwise underway prior to the disaster. See exception for persons meeting occupancy requirements and/or displaced due to other HUD-funded projects at 83 FR 5859.
- Optional relocation policies: The requirement that optional relocation policies be established at the grantee level for households which do not meet the URA definition of "displaced person" under 24 CFR 570.606(d). This waiver provides grantees with the flexibility to allow subrecipients to establish their own optional relocation policies rather than being limited for their development at the grantee level. Subrecipients may establish policies to provide relocation assistance to households, persons, or business that would otherwise be ineligible under the URA, or to provide additional relocation assistance not provided for under the URA. Grantees may establish optional relocation policies or permit their subrecipients to establish separate optional relocation policies to be better tailored to specific community needs.

REFERENCES

- Housing and Community Development Act of 1974, as amended.
- Cranston-Gonzalez National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992.
- 49 CFR Part 24, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs, as amended.
- 24 CFR Part 42, Displacement, Relocation Assistance, and Real Property Acquisition for HUD and HUD-Assisted Programs, as amended.

- 24 CFR Part 570.606, Community Development Block Grants (CDBG), as amended.
- 24 CFR Part 92.353, HOME Investment Partnerships (HOME) Program, as amended.
- HUD Handbook 1378, Tenant Assistance Relocation and Real Property Acquisition Handbook, as amended.

DEFINITIONS

Appeal: The right to apply to a higher level of authority for a reversal of a decision.

Commonwealth of the Northern Mariana Islands (CNMI): The CNMI government and U.S. Insular Area

Community Development Block Grant (CDBG): U.S Department of Housing and Urban Development (HUD) provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The use is governed by the Housing and Community Development Act of 1974.

Comparable replacement dwelling: a decent, safe, and sanitary dwelling that is functionally equivalent to the displacement dwelling. This means, that it the dwelling performs the same function and provides the same utility. The comparable dwelling does not need to possess every feature of the displacement dwelling, rather only the principal features must be present. Refer to URA 49 CFR 24.2(a)(6) for further guidance.

Demolition: The clearance and proper disposal of a structure.

Decent, Safe, and Sanitary Dwelling: a dwelling that meets local housing and occupancy codes. Refer to URA 49 CFR 24.2(a)(8) for further guidance.

Displacement or Displaced: Refers to persons or entities who are required to temporarily or permanently move, due to a federally funded program or project.

Entity: The term is a thing with distinct and independent existence, such as a business, nonprofit organization, or church.

Federal Register Notice: a publication of the U.S. federal government that issues proposed and final administrative regulation of federal agencies.

Northern Marianas Housing Corporation (NMHC): The NMHC is the lead state agency for managing the CNMI's Community Development Block Grant – Disaster Recovery funds through the U.S. Department of Housing and Urban Development.

Government Partners: A partnership is formed when multiple government entities collaborate outside of their reporting entity by virtue of an agreement, i.e., intergovernmental agreement, memorandum of understanding, etc., to work on a project or program.

CDBG-DR Division: The division within the NMHC that provides home repair assistance. The program is designed to address habitability repair needs to alleviate threats to health, life, and/or safety of the homeowner.

Homeowner or owner-occupant: an individual that holds legal possession of title for land and/or building where they permanently reside.

Housing Provider: a landlord, owner, lessor, sublessor, or any other person receiving or entitled to receive rents or benefits for the use or occupancy of any rental unit.

Non-displacement: Refers to persons or entities that are not permanently displaced. Eligibility for relocation services must be determined through temporary relocation provisions or optional relocation plan.

Occupant: a property owner, business owner, residential tenant, or a nonresidential tenant that owns, occupies, and/or rents a place, space, etc.

Program or Project: an activity or series of activities undertaken with federal financial assistance received or anticipated in any phase. When federal financial assistance is used for any activity or in any phase of a project, planned or intended, and the activities are determined to be interdependent, the statutory and regulatory requirements of the URA and the specific HUD funding source(s) are applicable. Interdependence is best determined by whether or not one activity would be carried out if not for another. As a result, any activity in connection with a federally funded project can be subject to all regulations of that funding source even though the activity may not be directly funded by that source. HUD projects are defined according to the program rules.

Temporary Relocation: a type of relocation that occurs when a tenants or homeowner is required to move out of their home for a period less than twelve (12) months.

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 as amended (Title 49 CFR Part 24) (42 U.S.C. 4601 et seq.) (URA): Applies to all acquisitions of real property or displacements of persons resulting from federal or federally assisted programs or projects. URA provides important protections and assistance for those affected by the acquisition, rehabilitation, or demolition of real property in connection with Federal or federally funded projects. The law was enacted by Congress to ensure that people whose real property is acquired, or who move as a direct result of projects receiving Federal funds, are treated fairly and equitably and receive assistance in moving from the property they occupy.

NOTE: Definitions of terms used in this Plan or associated with this topic are found in applicable CDBG and HOME program regulations at 24 CFR 570 and 24 CFR 92. 49 CFR Part 24, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally- Assisted Programs of 1970, as amended; 24 CFR Part 42, Requirements Under Section 104(d) of Housing and

Community Development Act of 1974; and HUD Handbook 1378, Tenant Assistance, Relocation and Real Property Acquisition. If definitions are found to be contradictory, the most stringent definition will apply.

POLICY

Section 1: General Policy

A. The CNMI's basic policy is that programs and projects assisted with HUD program funds will be undertaken in such a manner as to minimize the displacement of persons. In projects or activities that may be assisted by HUD program funds subject to 24 CFR Part 570, Community Development Block Grant (CDBG), and/or 24 CFR Part 92, HOME Investment Partnerships (HOME) Program, in which displacement is required, the CNMI and/or any CNMI, through NMHC-sponsored developer, contractor, or agency will comply with 24 CFR Part 42, Displacement, Relocation Assistance, and Real Property Acquisition for HUD and HUD-Assisted Programs, as amended, as well as 49 CFR Part 24, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs, as amended.

B. Relocation assistance will not be provided in the CNMI's CDBG and HOME programs' homeowner occupied housing rehabilitation activities conducted by the CNMI's Northern Marianas Housing Corporation. Procedures will be established to ensure that persons participating in CDBG and HOME owner occupied housing rehabilitation activities are informed they will not be provided relocation assistance. Applicants for assistance will be required to sign a Notice of Non-displacement for relocation payments as a prerequisite for participation in these voluntary programs for the benefit of the affected property owner.

C. Optional Relocation Policies. NMHC has developed the following policies related to programs funded by CDBG-DR. These policies apply for programs run by NMHC, and in regards to Subrecipients, NMHC will inform Subrecipients explicitly and in writing when the Subrecipient is authorized to establish a separate ORA Policy for the program or activity they are administering.

(1) Optional Relocation Assistance. Applicant households who must temporarily relocate from their typhoon-impacted property for construction activities associated with their acceptance of a CDBG-DR Program award are not considered "displaced persons."[7] As such, these households who are voluntarily participating in the displacing CDBG-DR Program are not entitled to relocation assistance benefits under URA. As determined necessary and appropriate by NMHC, ORA may be available to such households participating in select programs.

(2) ORA Eligibility. NMHC has chosen to implement this Optional Relocation Assistance Policy under which households may qualify for ORA during program-sponsored activities. Households who are not residing in the typhoon-impacted property for any

[7] For the full definition of displaced persons, see 49 C.F.R 24.2 (a) (9)(i), and for non-displaced persons, see 49 C.F.R 24.2 (a) (9)(ii).

reason other than program sponsored activities may not be eligible for ORA, however such situations may be evaluated on a case-by-case basis given the needs of the specific program utilizing ORA. In order to qualify for ORA, the Applicant must:

- Be determined to be eligible to receive the assistance that requires the Applicant to vacate the damaged property;
- Have a household income of less than eighty percent (80%) of Area Median Income (AMI), according to the CDBG-DR HUD Modified Income Limits for All Areas in the CNMI;
- Have no duplication of benefits issues that could prevent the Program from providing services.

(3) ORA Assistance Types

(a) Rental Assistance

The Program will compensate eligible Applicants up to an amount based on the Applicant's household income and the applicable HUD Metro or Non-Metro Area Fair Market Rent (FMR) rates for a home large enough to accommodate the household in or near the municipality where the assisted property is located, as established below:

- For Applicant Households below 30% AMI : 150% HUD Metropolitan Area Fair Market Rent Rate
- For Applicant Households 31% to 50% AMI: 130% HUD Metropolitan Area Fair Market Rent Rate
- For Applicant Households 51% to 80% AMI: 110% HUD Metropolitan Fair Market Rent Rate
- For Applicant Households above 80% AMI: not eligible for ORA Assistance

ORA will be provided for a period based on the duration of construction activities requiring the temporary relocation. Assistance will begin once documentation requirements have been met, and conclude once the Applicant is able to move back in, plus a reasonable allowance of time to complete their move back to the assisted property. An assisted property will be considered ready for move-in when the assisted property passes a final inspection, and it is confirmed that work was completed in accordance with the agreed scope of work and use is obtained, if applicable.

(b) Moving Expenses

Applicants may receive ORA to cover expenses related to moving of personal property in the program-assisted property while it is under construction. Moving expenses shall not exceed the Federal Highway Authority Fixed Residential Moving

Schedule. Moving expenses are based on the number of furnished rooms to be moved and may be paid only for a single move from the assisted property, and again for a single move to return the assisted property, a maximum of two (2) moves. The actual ORA moving assistance amount provided will be based on a written estimate or paid invoice, denoting the moving company's name, contact information and summary of rooms to be moved is required to receive this assistance.

Applicants who opt to self-move may be reimbursed for actual costs incurred in completing the move, such as transportation and equipment rental costs. In such cases, the Applicant must submit evidence to support the costs incurred. Under no circumstances will self-moving assistance exceed the FHWA Fixed Residential Moving Schedule.

(c) Storage Expenses

Applicants may also receive ORA to reimburse eligible storage expenses of personal property. Storage expenses must be reasonable based on the prevailing area market price for a storage space suitable for the amount of possessions to be stored. They may only be reimbursed upon production of a paid invoice or receipt for a storage facility business and for a period that aligns with the construction duration. Storage expenses will not be reimbursed:

- When they are incurred for the use of a private residence or other non-storage facility property as storage; or
- For any storage fees/invoices presented for a term beyond the construction duration plus one (1) month

Section 2: Applicability

A. This plan applies to the CNMI, hereafter referred to as "Government", and/or any developer, contractor, or agency on projects sponsored by the Government and/or NMHC that are funded in whole or in part by HUD funds subject to the regulations at 24 CFR Part 570 and/or 24 CFR Part 92. Henceforth, the acronym "NMHC" also includes any developer, contractor, or agency participating in HUD-funded projects or activities funded by the CNMI.

B. This plan applies to any project sponsored by the Government and/or NMHC, which is funded in whole or in part by HUD funds subject to the aforementioned regulations and requires displacement.

Section 3: Efforts to Minimize Displacement.

The Government's policy is to minimize displacement resulting from HUD-assisted activities as outlined below.

A. Prior to approving a proposal, the Government, through NMHC, will consider all practical alternatives to any proposed project that may result in residential displacement. Alternatives considered may include: a) other sites for the proposed project, b) changes to the unit designation of LMI vs. market rate to avoid displacing an existing tenant who would not be able to remain in the unit if the tenant is not qualifying for LMI, as well as c) further analysis of the costs and benefits, both financial and non-financial, of each alternative. In the case of competing proposals, priority will be given to those proposed projects, which minimize or eliminate the displacement of tenants when possible.

B. When displacement of persons, as previously defined, is necessary the NMHC will provide counseling and referral services to assist displaced persons find alternative housing in the community.

C. The Government, through NMHC, will work with real estate management companies, real estate brokers, landlords, and/or relocation advisors/counselors to locate decent, safe, and sanitary dwellings for households facing displacement. All replacement units will be inspected to determine they meet these standards.

D. In the case of rehabilitation of a HUD-assisted multi-family unit or housing complex funded by the Government, NMHC, and/or both, the NMHC will encourage and work with an owner/developer to stage rehabilitation of the units to allow tenants to remain in the building or complex during and after the rehabilitation to the extent possible, so long as work does not present unreasonable conditions for occupants. This will be accomplished by rehabilitating vacant units or buildings first, permitting tenants to move into the newly rehabilitated units, and then rehabilitating the remaining vacated units or buildings. No family will be required to move from a unit unless the NMHC determines the work cannot be done with the family in residence. After rehabilitation and to the extent possible, tenants who are temporarily displaced will be given an opportunity to return to comparable units in the apartment or complex as rehabilitation is completed.

Section 4: Notices and Qualifying Conditions.

A. Before obligating or expending HUD funds on projects or activities that will directly result in demolition or conversion of LMI dwelling units, NMHC will make public and submit to the HUD-assigned Field Office the information prescribed in 24CFR42.375(c). Analysis or the potential one-for-one replacement obligations will be conducted during a review of any proposed project to ensure adequate funding and other resources will be available.

B. All occupants will be given a written General Information Notice by Certified Mail, return receipt requested, when the proposed project includes federal funding. The GIN notice lets them know that a project has been proposed that may require them to move from the unit. The letter shall indicate the name, address, and telephone number of a relocation counselor/advisor who may be contacted to provide assistance with the relocation and to answer questions they may have. The notice will include a brief explanation of relocation benefits that are available. Tenants will be provided a copy of HUD's pamphlet, "Relocation Assistance to Tenants Displaced from Their Homes" (HUD-1042-CPD). Homeowners will be provided HUD's pamphlet, "Relocation

Assistance to Displaced Homeowner Occupants" (HUD-1044-CPD). Low-income persons displaced as a result of the demolition and/or conversion of their dwelling unit in a project funded in whole or in part by CDBG or HOME funds will also receive the publication, "Relocation Assistance to Tenants Displaced From Their Homes (Section 104(d)" (HUD-1365-CPD).

C. Tenants who move prior to meeting all eligibility requirements for payment but after receiving timely and adequate written notices and tenants who are evicted with good cause are not considered displaced and are ineligible for relocation benefits.

D. No occupant of a dwelling shall be required to move unless first given a reasonable opportunity to relocate to a safe and habitable replacement dwelling, as determined by NMHC or its authorized representative, except in the event of threats to health and safety.

Section 5: Relocation Assistance

NMHC shall provide assistance to displaced persons on a non-discriminatory basis. Involuntary displacement shall not result because of race, color, religion, national origin, age, sex, gender, or handicap status. Displaced persons may choose to receive assistance either through the Uniform Relocation Act (URA) and implementing regulations at 49 CFR Part 24 or assistance under section 104(d) of the Housing and Community Development Act of 1974, provided they meet applicable eligibility requirements. For purposes of this plan, relocation assistance under section 104(d) is prescribed in 24CFR42.350.

A. Advisory Services

(1) In an attempt to minimize hardships to displaced residential occupants, NMHC will make available the services of a relocation counselor/advisor that will provide counseling at the level of services described in 49 CFR Part 24, process relocation claim benefits, and assist in meeting the relocation needs of the displaced person. The relocation counselor/advisor will assist the occupant in securing comparable decent, safe and sanitary housing by providing comparable replacement dwelling locations and the maximum acceptable rent or purchase price that establishes the upper rent limit of affordability to obtain a replacement dwelling. A minimum of three (3) resources will be provided including rental management agencies, real estate brokers, and names of landlords, telephone numbers, and property addresses.

(2) For residential occupants relocating within the CNMI, NMHC or its representative will inspect each prospective and actual replacement dwelling unit in accordance with 3-7(a), HUD Handbook 1378, and determine that the dwelling is decent, safe and sanitary housing as defined at 49CFR24(a)(6) and (8). If the displaced person relocates to another community, NMHC or its representative may arrange for officials of that community to perform the inspection. A copy of the inspection form shall be included with the pertinent claim form. No replacement housing payment or referral to comparable housing may be made until such a determination is made.

(3) Occupants shall be advised of their rights under the Fair Housing Law and will be given HUD's pamphlet "Fair Housing: Equal Opportunity for All" (HUD-1686-1-FHEO).

B. Moving Expenses

(1) NMHC may use CDBG, HOME, CDBG-DR and/or other sources of funds to pay for actual, reasonable, and necessary out-of-pocket moving expenses for displaced persons who move within 50 miles of CNMI, including transportation, packing, moving and unpacking of household goods, disconnecting and reconnecting utilities, storage of household goods, insurance for the replacement value of goods that must be placed in storage, and replacement value of property lost, stolen or damaged during the move. While a displaced person is not required to relocate within the CNMI, expenses for mileage beyond 50 miles from the displacement location are to be covered by the displaced person. A displaced person will be assisted to complete a relocation claim form in order to be eligible to receive benefits.

(2) For temporary moves, where the tenant intends to return to the rehabilitated unit, the tenant shall be reimbursed for all reasonable out-of-pocket expenses incurred with the temporary relocation including the cost of moving to and from the temporarily occupied housing, increased monthly housing expenses, and any other increased expenses deemed necessary and reasonable by NMHC.

(3) A displaced residential person has a choice of three methods of calculating payment: payment for actual moving and related expenses or a fixed moving expense and dislocation allowance or a combination of both methods as follows:

a. Actual Reasonable Moving and Related Expenses

A displaced person is entitled to payment for actual moving expenses that NMHC determines to be reasonable, customary and necessary. The payment for moving services shall be made directly to the mover. The NMHC will secure at least two (2) bids from commercial movers. The bid will be awarded to the low bidder unless there are unusual circumstances that should be considered. Reimbursement for non-refundable incidental moving expenses, such as utility service connections fees and costs of short-term housing or meals during the time of the move, must be supported by actual receipts and may require pre-approval by NMHC.

b. Fixed Moving Expense and Dislocation Allowance

A fixed move is for residential occupants who prefer to take full responsibility for the move. The NMHC will make a one-time lump sum payment to cover all moving expenses based on the number of rooms in a unit or the number of rooms of furniture to be moved. The allowance shall be determined according to the applicable Fixed Residential Moving Cost Schedule published by the Federal Highway Administration in the Federal Register.

There is no requirement to document how the funds are used. Incidental costs related to the move are not reimbursable under this option.

C. Security Deposit

A displaced lower-income person may be eligible to receive payment to cover a security deposit that is required by the landlord. The maximum security deposit shall be equal to one month's rent or an amount determined as reasonable by NMHC. The amount shall be offset by any refund of security deposit received by the lower-income person in connection with their move from the displacement site. In order to receive payment for security deposits, and occupant must be eligible to receive and elect to receive all moving and relocation assistance under section 104(d) regulations.

D. Credit Checks

A displaced lower-income occupant may be eligible to receive assistance to cover the costs of a credit check if required to rent a replacement dwelling. In order to receive payment for security deposits, an occupant must be eligible to receive and elect to receive all moving and relocation assistance under section 104(d) regulations.

Section 6: Other Requirements

(a) *Fair Housing Law*. When a homeowner, residential tenant, or entities, is affected by a program or project where Fair Housing is triggered, NMHC will adhere to laws identified below to safeguard persons' rights:

1. *Statement of Non-Discrimination*. Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) prohibits discrimination in all relocation services offered by the CNMI based on race, color, national origin, religion, sex, familial status, including children under the age of 18, and handicap (disability).

2. *Assistance Animals Notice*. HUD, in press release number 20-013, has issued guidance on how housing providers can comply with the Fair Housing Act when assessing a person's request to have an animal in housing to provide assistance because of a disability. A common reasonable accommodation is an exception to a no pet policy. The notice provides a step-by-step set of best practices for complying with the Act.

(b) *Extension*. Replacement housing payments should be issued within a year to permanently displaced persons, unless it is determined that an extension is prudent for good cause. For example, good cause can be an event beyond the control of the displaced person such as a natural disaster, life threatening or reasonable delays in occupying a decent, safe, and sanitary replacement dwelling.

1. Notification. Displaced person must be informed that they have the right to request an extension. Everyone must be treated fairly, consistently, and equitably. NMHC must be able to prove all tenants have this benefit.

(c) *Hardship*. Relocation assistance cannot be provided to a person who has been determined as not lawfully present in the United States (49 CFR§24.208(g)).

1. Exception. Hardship can, however, be granted to issue relocation assistance in accordance with 49 CFR §24.208(h), if an exceptional and extremely unusual hardship will result in a significant adverse impact on health, safety, continued existence of the family unit, or other impact deemed as adverse to a member of the household.

Section 7: Appeals

(a) *Purpose*. In accordance with 49 CFR 24.10, a person or entity that disagrees with an eligibility determination and/or the amount of relocation assistance may file a written appeal with the NMHC Corporate Director or the department designee. NMHC requires staff to assist the displaced person with filling their appeal. The appeal will follow the minimum requirements according to 24.10 (a) – (h), Fair Housing Law, and any other complaint policy that is under any URA or program regulations.

(b) *Time allotted*. An appellant has up to 60-days to submit a written appeal from the date a notification of the adverse decision was received from NMHC.

(c) *Notification of Right to Appeal*. Any applicable notice (or a comparable form) will contain an appeal clause to ensure a person or entity is informed their right to seek an appeal.

(d) *Process*. There are three (3) levels to an appeal.

1. *First*. The initial appeal must be made to the project's Relocation Specialist (i.e., developer's staff or consultant).
2. *Second*. If the person or entity is not satisfied with the results, the second appeal will be made to NMHC's URA section. The appeal must be made in writing and a response will be issued within 30 calendar days of receiving the complaint, when possible.
3. *Third*. If the appellant disagrees with the URA section's decision, they can make a final appeal request to NMHC's Corporate Director. The appeal must be made in writing and a response is issued within 30 calendar days.

Section 8: Contacts

Mr. Melvin Sablan, CDBG-DR Housing Administrator, and Mr. Christopher Pangelinan, MCD Manager, or their designee(s) may be contacted at NMHC's main and CDBG-DR offices at Tel Nos. (670) 234-6866/233-9447/9448/9450. Named authorized NMHC employees are responsible

for tracking the replacement of lower income dwelling units and ensuring that they are provided within the required period.

Mr. Melvin Sablan, CDBG-DR Housing Administrator, and Mr. Christopher Pangelinan, MCD Manager, or their designee(s) may be contacted at NMHC's main and CDBG-DR offices at Tel Nos. (670) 234-6866/233-9447/9448/9450. Named authorized NMHC employees are responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any dwelling unit or the conversion of lower-income dwelling units to another use.

Section 9: Funding and Waivers

(a) CDBG

(b) HOME

(c) CDBG-DR and CDBG-MIT funding appropriated for 2018 disasters under Public Laws 115-254 and 116-20

(d) ESG, Section 8 Housing Choice Voucher Program, and EHV

(e) *Waivers*. The Federal Register Notice (FR) associated with each funding allocation has waivers applicable to relocation. Refer to the applicable FR for further details and the URA's standard operating procedures for implementation of the waivers.
EFFECTIVE DATE: This policy becomes effective on and after the _____ day of _____, 2022.

RESPONSIBLE DEPARTMENT: Northern Marianas Housing Corporation

_____
/s/ Jesse S. Palacios
Corporate Director, NMHC

RARAP ATTACHMENTS

Attachment A: Sample Informational Notice to Seller

Attachment B: Sample Uniform Relocation Act Addendum

Attachment C: Sample Move-In Notice

Attachment D: Sample Move-out Notice

Attachment E: Sample General Information Notice and Brochure: Relocation Assistance to Tenants Displaced from their Homes

Attachment F: Sample Fair Market Value Notification H. Sample Site Limiting Action Avoidance Addendum

Attachment-A

Organizational Letterhead

Date: _____

Dear _____:

(Name of Agency/Person), is interested in acquiring property you own at (Enter Address Here) for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD).

Please be advised that (Name of Agency/Person) does not have authority to acquire your property by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

We are prepared to offer you ($) _____ to purchase your property. We believe this amount represents the current market value of your property. Please contact us at your convenience if you are interested in selling your property.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. If you have any questions about this notice or the proposed project, please contact name of contact person, title, address, and phone number.

Sincerely,

_____
(Name and signature of Buyer)

Attachment-B

(Place on organizational letterhead)
Disclosures to Seller for Voluntary Acquisition Addendum to Option Agreement

This addendum confirms certain terms and conditions related to the contemplated purchase of the property you own located at address, city, state (the Subject Property). The parties to the contemplated sale are: organization name (Buyer) and organization name (Seller).

Buyer is prepared to pay dollar amount for clear title to the Subject Property except for items of record. Because Federal Funds are anticipated to be used for some or all of the purchase price, we are required to disclose to you as Seller certain terms and conditions established under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).

1. Seller acknowledges that the sale of the property is voluntary.

2. Seller acknowledges that Buyer does not have the power to acquire the site by condemnation (e.g., eminent domain).

3. Seller will be advised of the estimated fair market value of the Subject Property and the price will be agreed upon after negotiations between the Buyer and Seller in accordance with the procedures for voluntary acquisition.

4. Seller acknowledges that owner-occupants of the Subject Property are not eligible to receive relocation assistance under URA because the contemplated sale is voluntary.

If this letter accurately reflects your understanding of the terms relating to the sale of the Subject Property, please so acknowledge the fact by signing and dating a copy of this letter in the place provided below.

Seller: _____
Insert Org Name

By: _____
Insert Org Representative Name

Attachment-C

NOTICE OF INTENT TO OCCUPY – HOUSING
Move-In Notice

Unit Address:

Tenant who will occupy this rental unit: _____
(Print Name of Prospective Tenant)

On date, AGENCY submitted an application to the CNMI, through the Northern Marianas Housing Corporation, for financial assistance under a program funded by the Department of Housing and Urban Development (HUD) to acquire the property located at Address. Because Federal funds are to be used to acquire this property, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) may apply to persons in occupancy at the time the application was submitted for HUD funding.

However, if you choose to occupy this property subsequent to the application for federal financial assistance, as a new tenant, you will NOT be eligible for relocation payments or assistance under the URA.

This notice is to inform you of the following information before you enter into any lease agreement and/or occupy the property located at the above address:

- You may be displaced by the project.
- You may be required to relocate temporarily.
- You may be subject to a rent increase.
- You will not be entitled to any relocation payments or assistance provided under the URA. If you have to move or your rent is increased as a result of the above project, you will not be reimbursed for any such rent increase or for any costs or expenses you incur in connection with a move as a result of the project.

Please read this notification carefully prior to signing a lease/rental agreement and moving into the project. If you have any questions about this notice or the proposed project, please contact AGENCY CONTACT, Address, by email at Email Address, or by phone at Phone Number _____

Once you have read and have understood this notice, please sign the statement below if you still desire to lease the unit.

All signers on the lease/rental agreement must sign below:

_____ _____
Tenant Signature Date

Attachment-D

VOLUNTARY CESSATION OF TENANCY
This notice must be signed prior to moving out

Owner or Property Manager, please complete the following:

Date: _____

Property Address: _____

Management Company: _____

Manager's Name: _____

Tenant's Name: _____
(Please list all tenants)

Move-in Date _____
Move-out Date _____

Tenant, please complete the following:

Tenant Name: _____

New Address: _____

Phone Number: _____

Reason(s) for moving: _____
_____

On Date, I was issued a General Information Notice describing a federally funded project. By moving from this property of my own free will, I acknowledge that I have not been involuntarily displaced and may make no claim against the property owner or AGENCY as a displaced person (as defined by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended).

If you have any questions about this notice or the proposed project, please contact AGENCY CONTACT, by email at Email Address, or by phone at Phone Number. **All occupants and signers on the lease/rental agreement must sign below:**

_____
Tenant Signature

_____

Date

Attachment-E

GENERAL INFORMATION NOTICE
RESIDENTIAL TENANT MAY BE DISPLACED

Date

Name
Address

Dear _____:

(Agency)_____ is interested in (acquiring, rehabilitating, demolishing) the property you currently occupy at (address) for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under (name of program) program.

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). You may be eligible for relocation assistance and payments under the URA, if the proposed project receives HUD funding and if you are displaced as a result of the project.

- **This is not a notice to vacate the premises.**
- **This is not a notice of relocation eligibility.**

If you are determined to be eligible for relocation assistance in the future, you may be eligible for: 1) Relocation advisory services including help to you find another place to live; 2) At least 90 days advance written notice of the date you will be required to move; 3) Payment for your moving expenses; and 4) Replacement housing payments to enable you to rent, or if you prefer to purchase, a comparable replacement home. You will also have the right to appeal the agency's determination, if you feel that your application for assistance was not properly considered. The enclosed HUD brochure, **"Relocation Assistance To Tenants Displaced From Their Homes"** provides an explanation of this assistance and other helpful information.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. If you choose to move or if you are evicted prior to receiving a formal notice of relocation eligibility you will not be eligible to receive relocation assistance. It is important for you to contact us before making any moving plans.

Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time. If you are determined to be displaced and are required to vacate the premises in the future, you will be informed in writing. In the event the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

If you have any questions about this notice or the proposed project, please contact (name)_____, (title)_____, (address)_____, (phone)_____.

Sincerely,

_____
(Name and Title)

Enclosures: HUD Relocation Brochure

Attachment-F

(Place on organizational letterhead)
Disclosures to Seller of Estimated Fair Market Value and Final Purchase Offer After Negotiations

This disclosure provides you with certain information related to the contemplated purchase of the property you own located at address, city, state (the Subject Property). The parties to the contemplated sale are: organization name (Buyer) and organization name (Seller). Pursuant to the Disclosures to Seller for Voluntary Acquisition attached to the Option Agreement signed on date, the Buyer is required to inform you of the fair market value of the Subject Property.

The fair market value of the Subject Property, as determined by an appraisal report completed by appraiser name and dated date is amount. The final purchase offer is amount under the terms and conditions set forth within the Option Agreement. In accordance with federal procedures, you are hereby offered the opportunity to withdraw from any agreement or option for the sale of the property by notice to buyer.

As Seller of the Subject Property, we hereby acknowledge our receipt of understanding of the information presented above. We agree to proceed with the sale of the Subject Property in accordance with the terms and conditions of the Option Agreement signed on date between the Seller and Buyer.

Seller: _____
Insert Org Name

By: _____
Insert Org Representative Name

SECTION 7 – ATTACHMENTS

A. SF-424

View Burden Statement

OMB Number: 4040-0004
Expiration Date: 12/31/2019

Application for Federal Assistance SF-424

* 1. Type of Submission:	* 2. Type of Application:	* If Revision, select appropriate letter(s):
☐ Preapplication	☒ New	
☒ Application	☐ Continuation	* Other (Specify):
☐ Changed/Corrected Application	☐ Revision	

* 3. Date Received: 08/31/2020	4. Applicant Identifier: B-19-DV-37-0001 & 0002
5a. Federal Entity Identifier:	5b. Federal Award Identifier:
State Use Only:	
6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:	Commonwealth of the Northern Mariana Islands
* b. Employer/Taxpayer Identification Number (EIN/TIN):	98-019463
* c. Organizational DUNS:	8548562770000

d. Address:

* Street1:	Caller Box 10007
Street2:	
* City:	Saipan
County/Parish:	
* State:	MP: Northern Mariana Islands
Province:	
* Country:	USA: UNITED STATES
* Zip / Postal Code:	96950-0007

e. Organizational Unit:

Department Name:	Division Name:
Northern Marianas Housing Corp	

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:	Mr.	* First Name:	Jesse
Middle Name:	S.		
* Last Name:	Palacios		
Suffix:			

Title: Corporate Director

Organizational Affiliation:
n/a

* Telephone Number:	670-234-6866	Fax Number:	670-234-9021
* Email:	jspalacios@nmhcgov.net		

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

F: U.S. Territory or Possession

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.218

CFDA Title:

Community Development Block Grant Disaster Recovery (CDBG-DR)

*** 12. Funding Opportunity Number:**

n/a

* Title:

n/a

13. Competition Identification Number:

n/a

Title:

n/a

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Commonwealth of the Northern Mariana Islands - Community Development Block Grant - Disaster Recovery Action Plan

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: CNMI
* b. Program/Project:

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 11/01/2020
* b. End Date: 10/31/2026

18. Estimated Funding ($):

* a. Federal	243,946,000.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	243,946,000.00
* f. Program Income	
* g. TOTAL	

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on .

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mr. * First Name: Ralph

Middle Name: DLG.

* Last Name: Torres

Suffix:

* Title: Governor, CNMI

* Telephone Number: 670-237-2200 Fax Number:

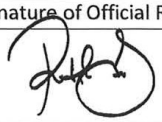
* Email: ralph.torres@gov.mp

* Signature of Authorized Representative:  * Date Signed: 08/31/2020

B. Certifications

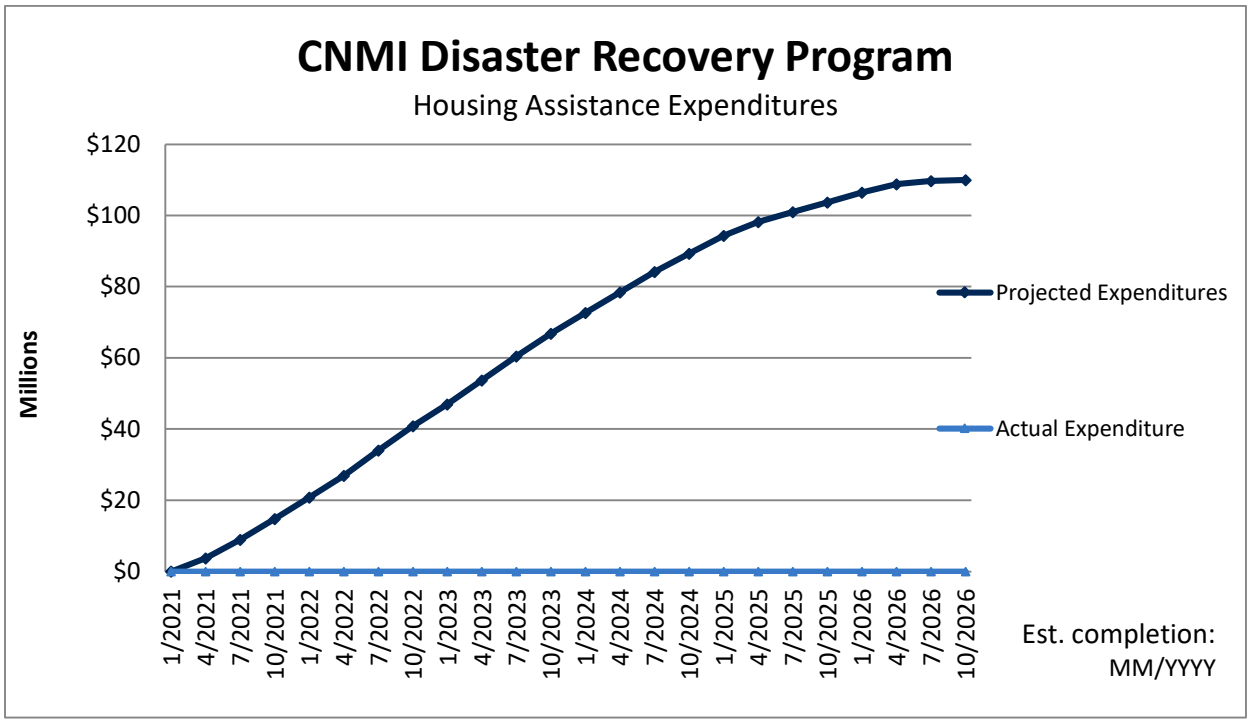
Certifications Checklist		
CDBG-DR Grants under Public Laws 115-254 and 116-20		
Each State or UGLG receiving a direct allocation in the Notice must make the following certifications (all information about the Action Plan certifications outlined in the February 9, 2018 notice at 83 FR 5867-5868): *(Note: A grantee that received a certification of its financial controls and procurement processes pursuant to a 2016 or 2017 disaster may request that HUD rely on that certification for purposes of this grant, provided however, that grantees shall be required to provide updates to reflect any material changes in the submission)*		
a.	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.	Yes
b.	The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.	Yes
c.	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. The grantee certifies that activities to be administered with funds under this Notice are consistent with its Action Plan.	Yes
d.	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.	Yes
e.	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.	Yes
f.	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 local government 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).	Yes
g.	Each State receiving a direct award under this Notice certifies that it has consulted with affected local governments 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.	Yes
h.	The grantee certifies that it is complying with each of the following criteria:	

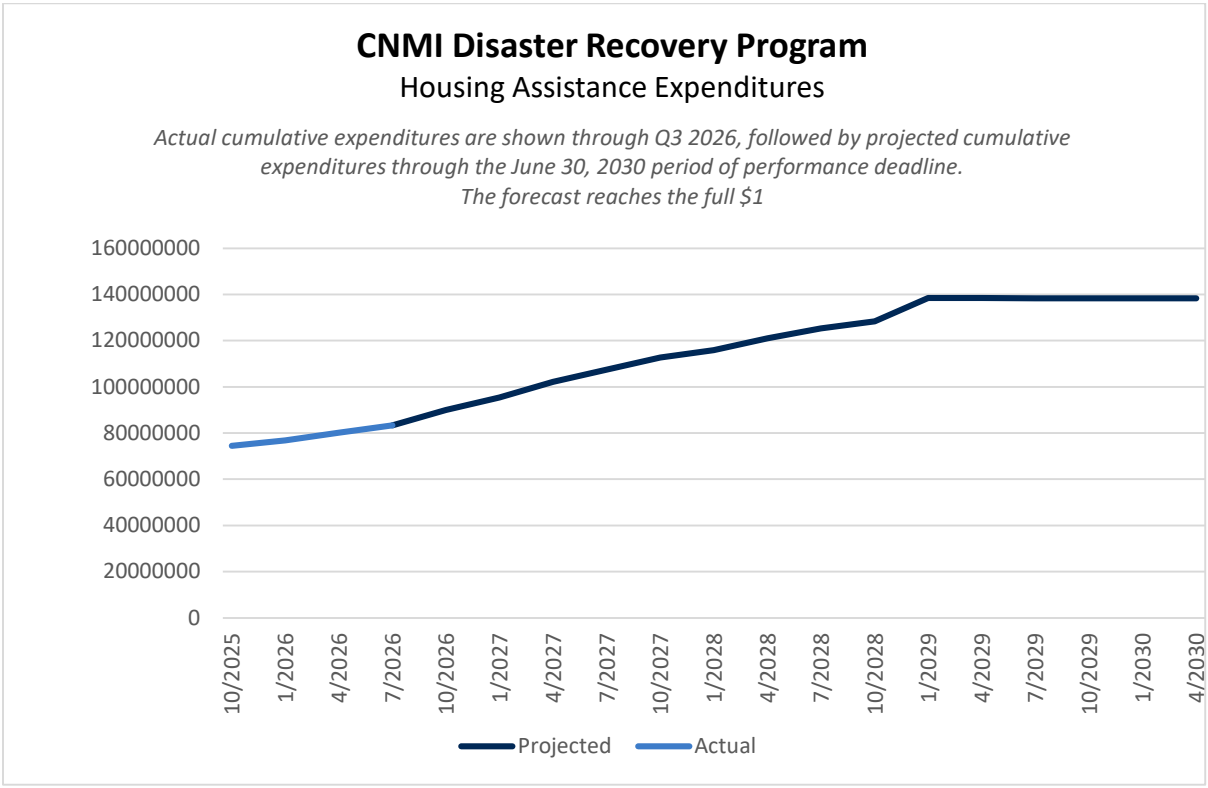
	(1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in 2018 and 2019 pursuant to the Robert T. Stafford Disaster Relief and emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.).	Yes
	(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.	Yes
	(3) The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent of the grant amount is expended for activities that benefit such persons.	Yes
	(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).	Yes
i.	The grantee certifies that it grant 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, and that it will affirmatively further fair housing.	Yes
j.	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	Yes
	(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.	Yes

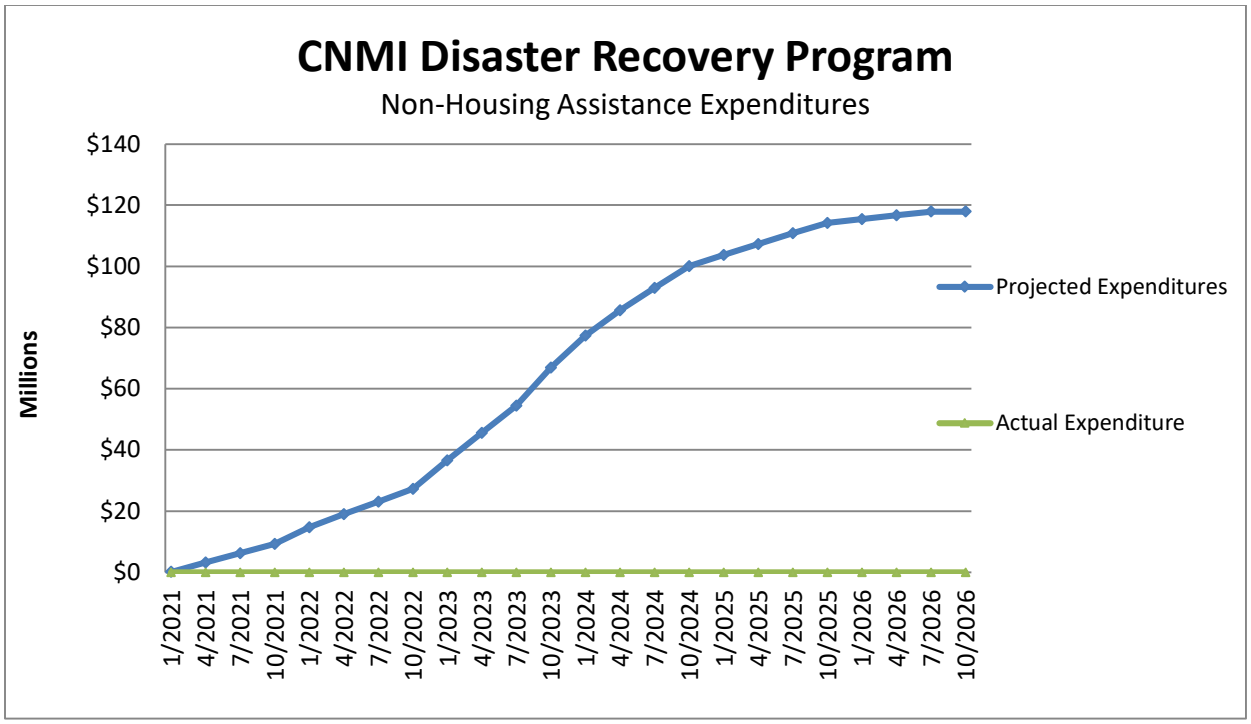
k.	Each State receiving a direct award under this Notice certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that the grantee has reviewed the requirements of this notice. The grantee certifies to the accuracy of its Public Law 115-56 Financial Management and Grant Compliance certification checklist, or other recent certification submission, if approved by HUD, and related supporting documentation referenced at A.1.a under Section VI and its Implementation Plan and Capacity Assessment and related submission to HUD referenced at A.1.b under Section VI.	Yes
l.	The grantee will not use grant funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or tribal government or delineated as a special flood hazard area (or 100-year floodplain) in FEMA's most recent flood advisory maps, 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 State, local and tribal government land use regulations and hazard mitigation plan and 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.	Yes
m.	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.	Yes
n.	The grantee certifies that it will comply with environmental requirements at 24 CFR Part 58.	Yes
o.	The grantee certifies that it will comply with applicable laws.	Yes
Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S. C. 287, 1001 and 31 U. S. C. 3729.		
This checklist is part of the administrative record of the Department's review of a disaster recovery Action Plan submitted pursuant to The Supplemental Appropriations for Disaster Relief Requirements, approved October 5, 2018 (Pub. L. 115–254) and Additional Supplemental Appropriations for Disaster Relief Requirements Act, approved June 6, 2019 (Pub. L. 116–20) and the "Prior Federal Register Notices" published February 9, 2018 (83 FR 5844), August 14, 2018 (83 FR 40314), February 19, 2019 (84 FR 4836), and June 20, 2019 (84 FR 28848). In using the checklist, reviewers are reminded that each of the criterion as stated on the checklist is necessarily an abbreviated and generalized summary of the more detailed requirements outlined in the Federal Register Notice for each criterion. Reviewer answers to each question on the checklist must be informed by applying the requirements of each criterion as outlined in the Federal Register Notice to each element of the Action Plan. Use of the checklist does not substitute comparison of the Action Plan submission against the requirements of the applicable Notices and making a determination based on the Standard of Review set forth in 24 CFR 91.500, as augmented by the applicable Notices.		
Signature of Official Responsible for CDBG-DR Recovery Implementation:		
		

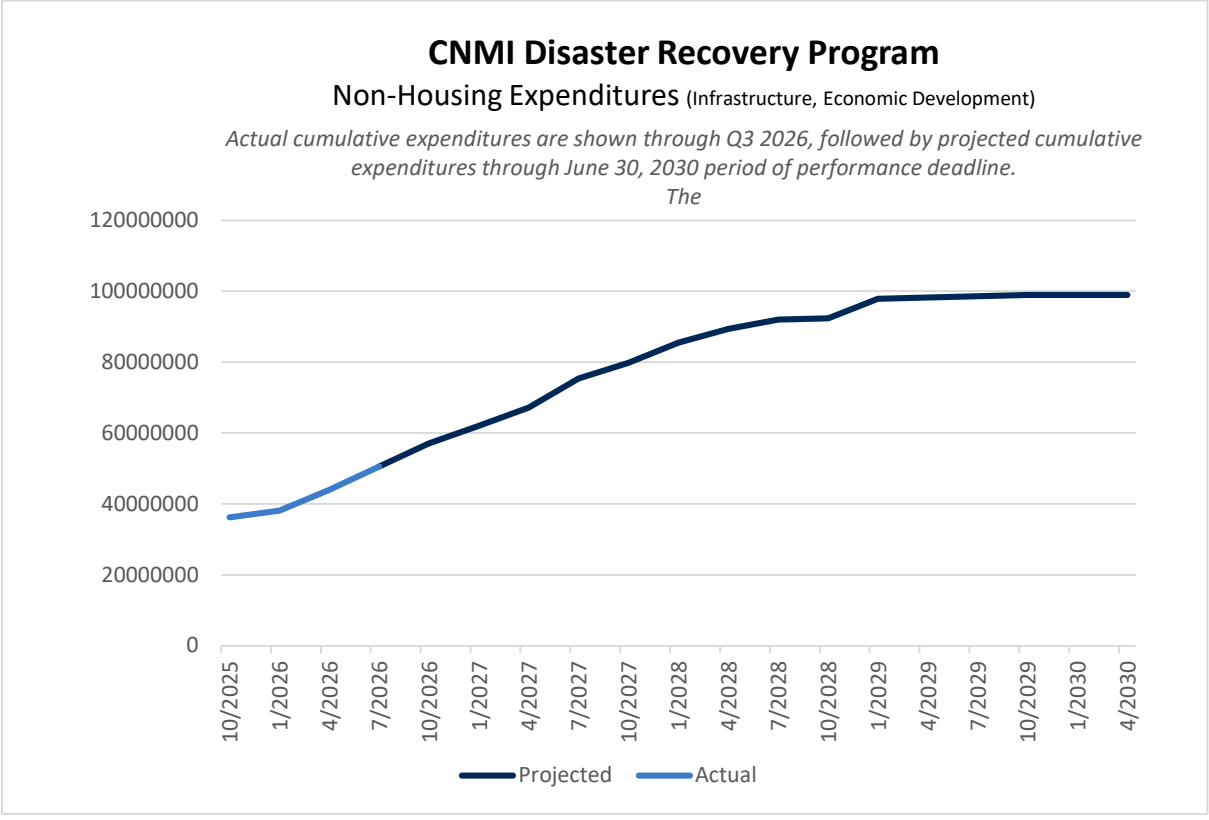
Printed Name of Official Responsible for CDBG-DR Recovery Implementation:
RALPH DLG. TORRES Governor Date: 08/31/2020

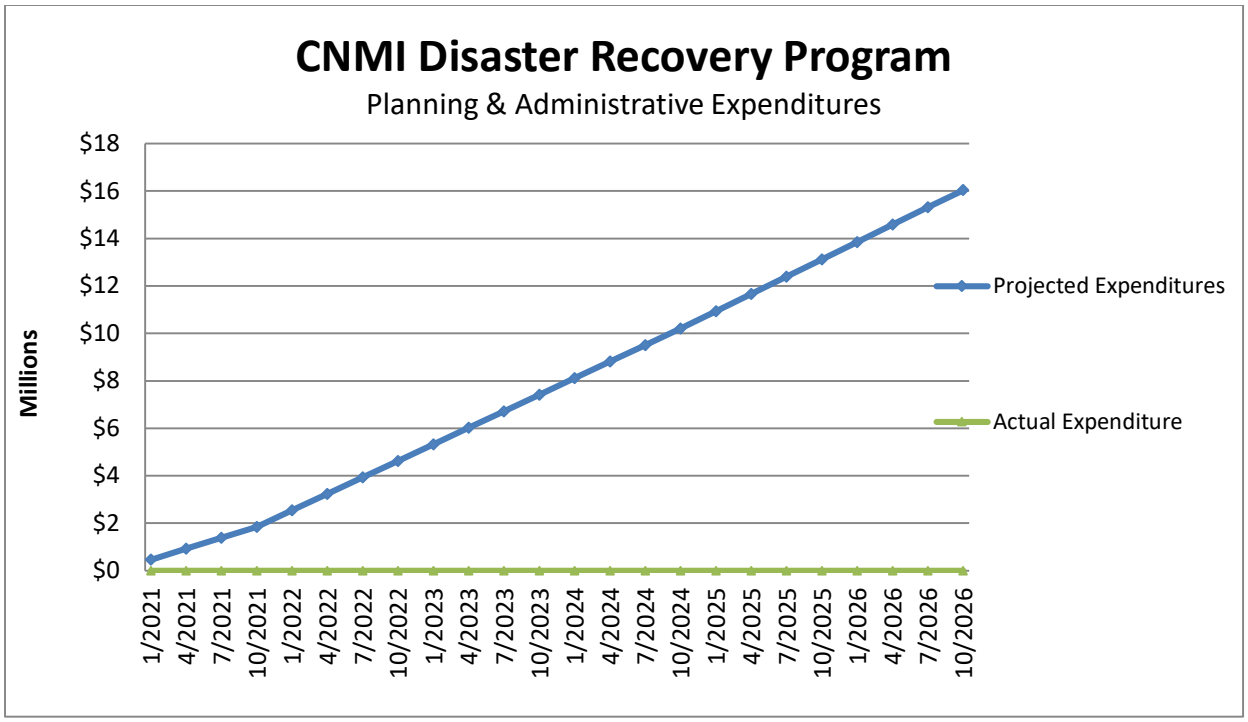
C. Projections for Expenditures and Performance Outcomes

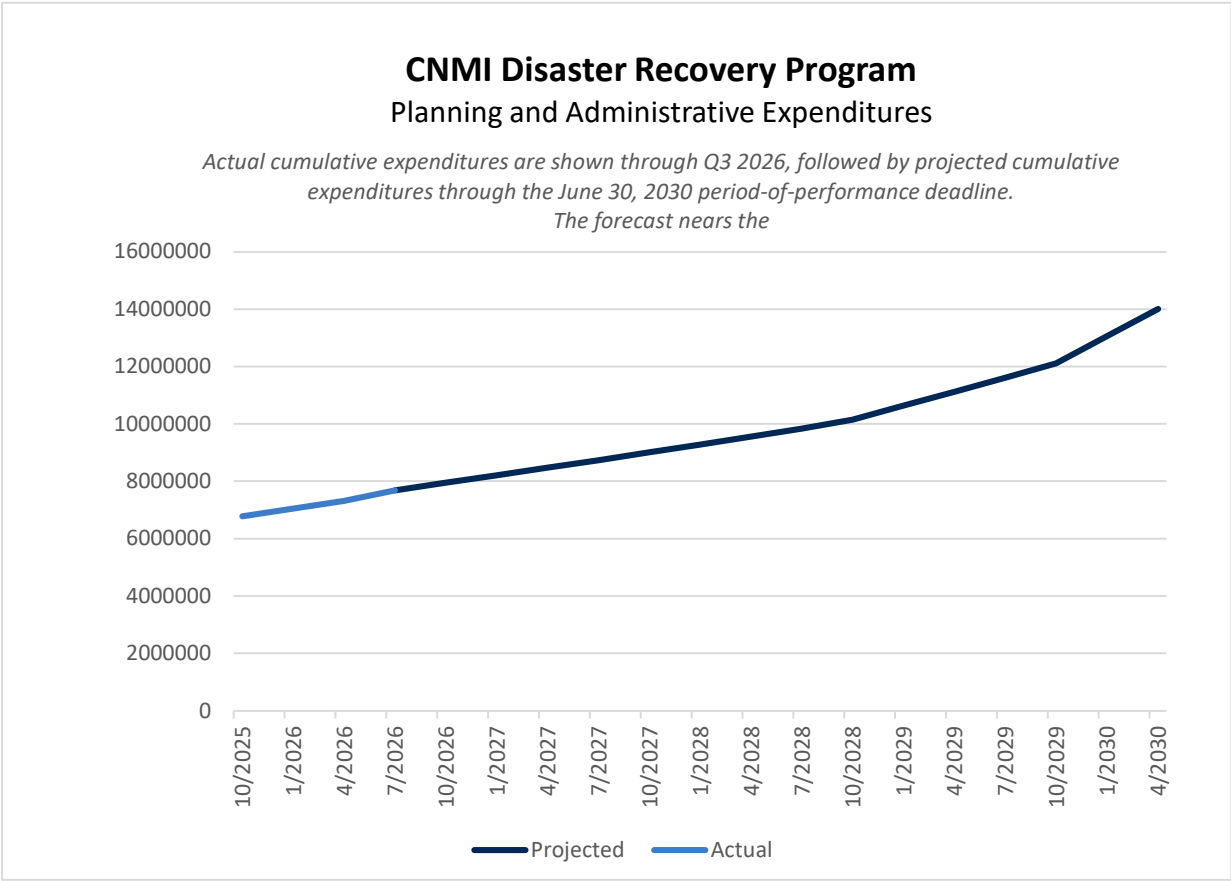


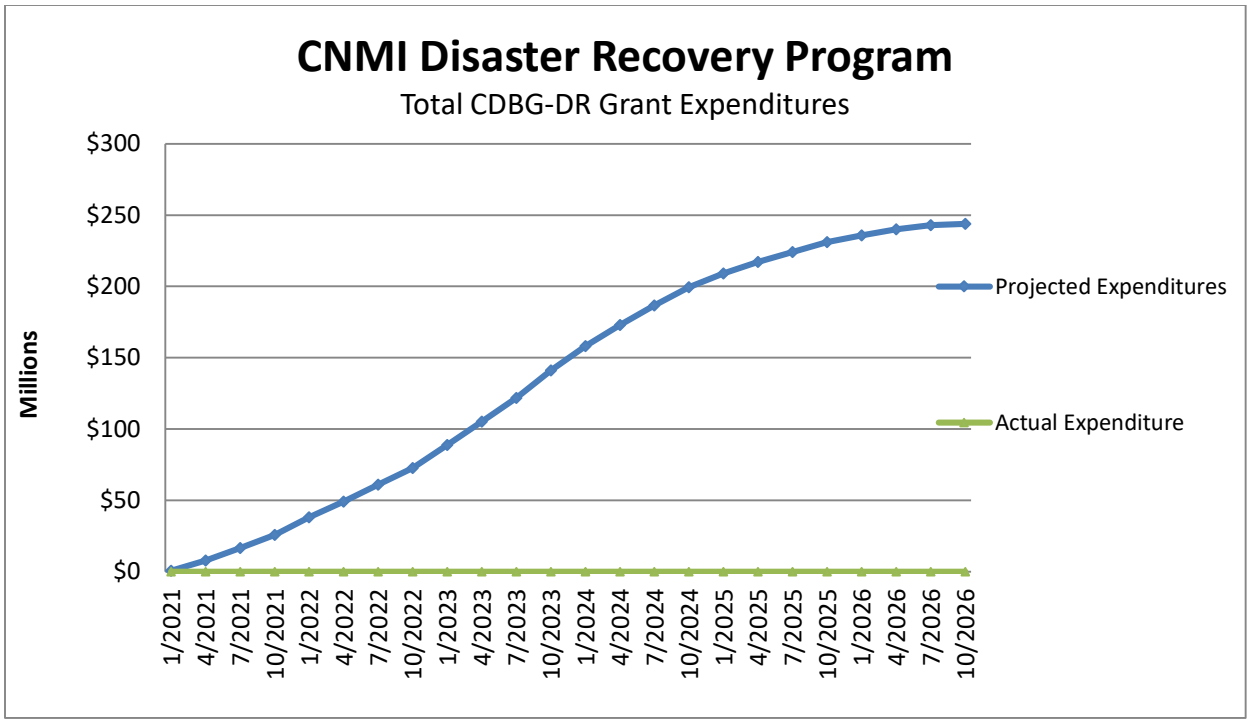


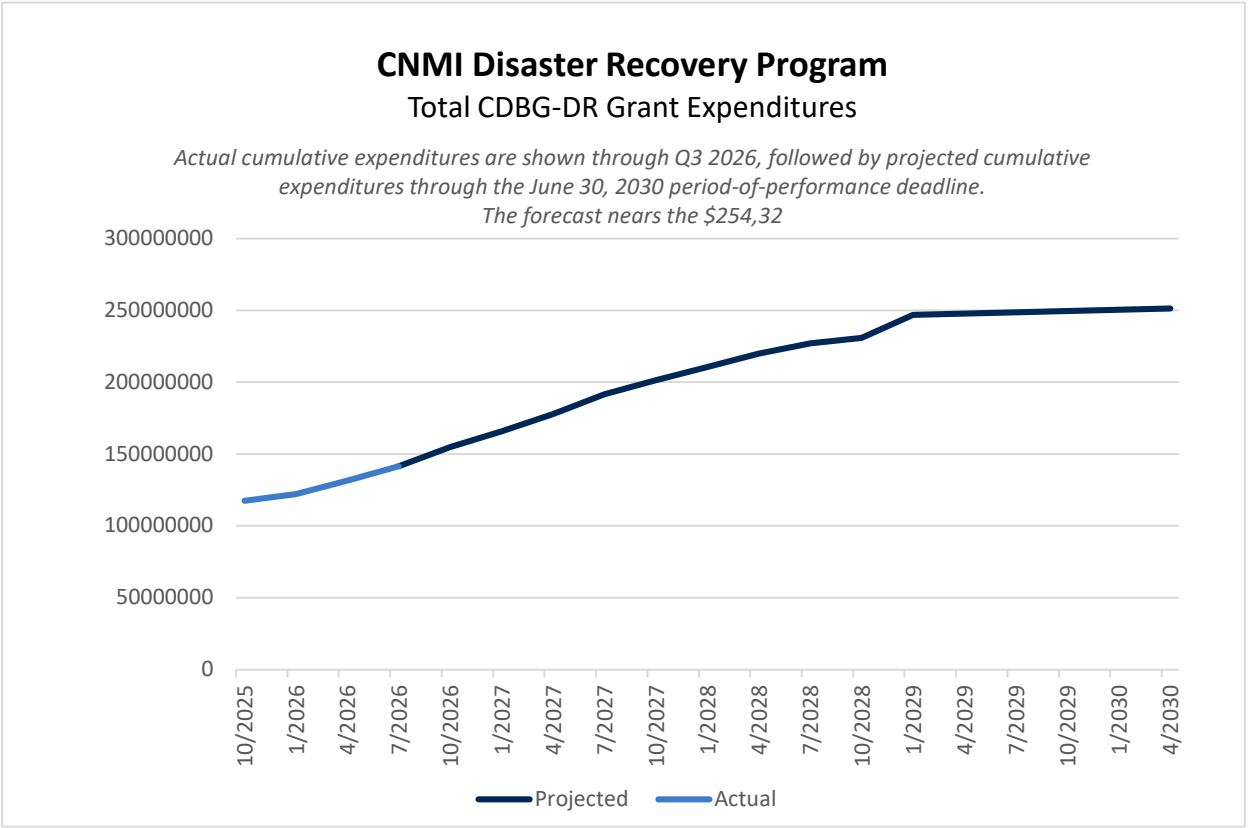

CNMI Disaster Recovery Program
Non-Housing Assistance Expenditures
Millions
$140
$120
$100
$80
$60
$40
$20
$0
1/2021
4/2021
7/2021
10/2021
1/2022
4/2022
7/2022
10/2022
1/2023
4/2023
7/2023
10/2023
1/2024
4/2024
7/2024
10/2024
1/2025
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1/2026
4/2026
7/2026
10/2026
Projected Expenditures
Actual Expenditure

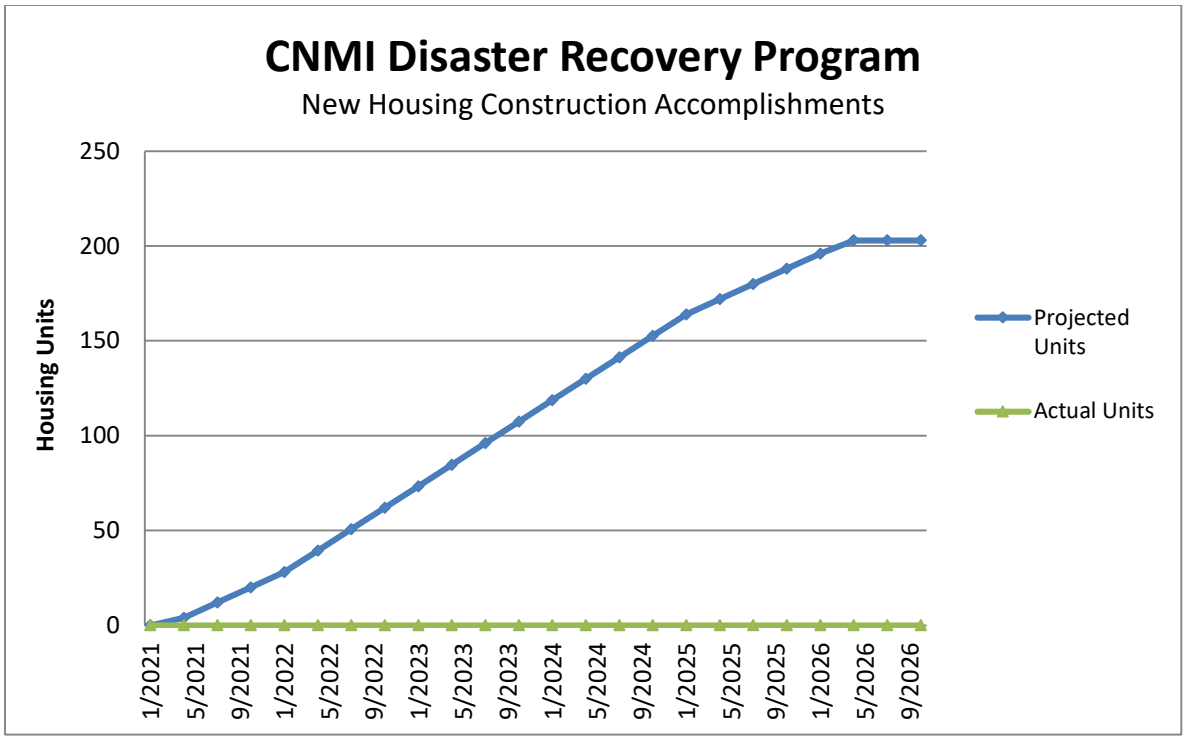

CNMI Disaster Recovery Program
Non-Housing Expenditures (Infrastructure, Economic Development)
Actual cumulative expenditures are shown through Q3 2026, followed by projected cumulative expenditures through June 30, 2030 period of performance deadline.
The
120000000
100000000
80000000
60000000
40000000
20000000
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Projected
Actual

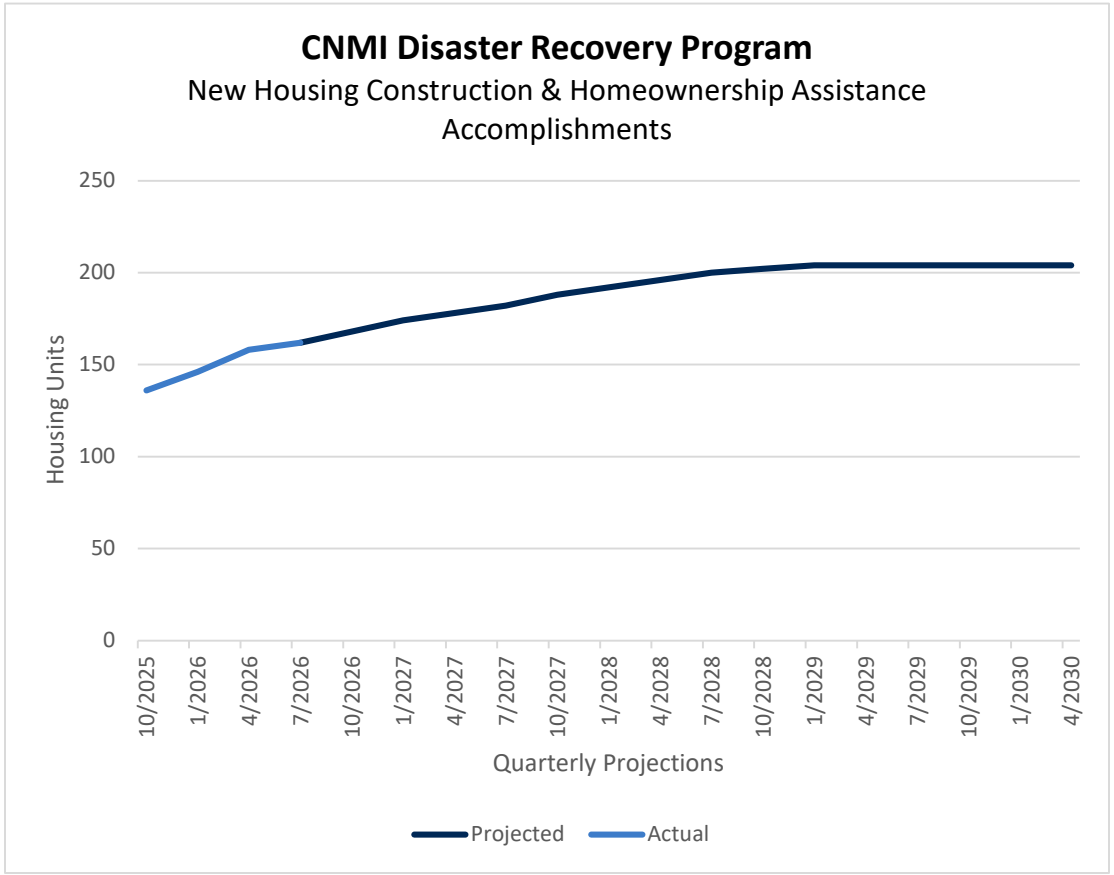

CNMI Disaster Recovery Program
Planning & Administrative Expenditures
Millions
$18
$16
$14
$12
$10
$8
$6
$4
$2
$0
1/2021
4/2021
7/2021
10/2021
1/2022
4/2022
7/2022
10/2022
1/2023
4/2023
7/2023
10/2023
1/2024
4/2024
7/2024
10/2024
1/2025
4/2025
7/2025
10/2025
1/2026
4/2026
7/2026
10/2026
Projected Expenditures
Actual Expenditure

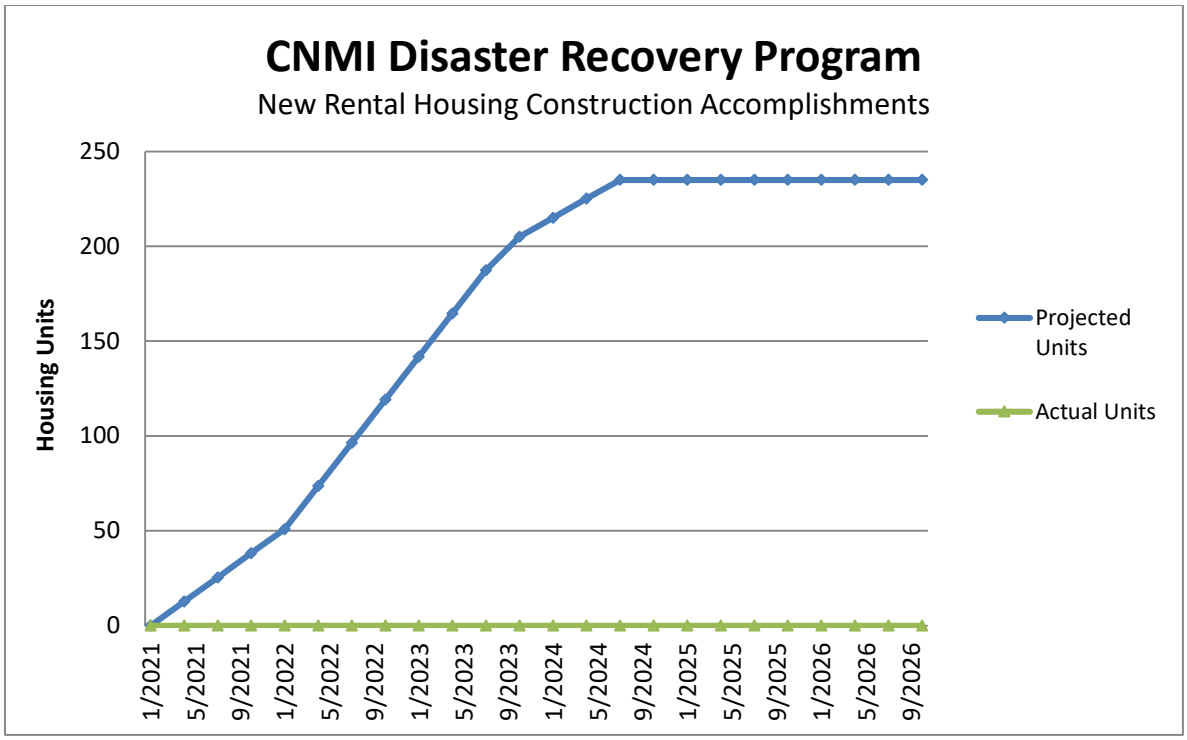

CNMI Disaster Recovery Program
Planning and Administrative Expenditures
Actual cumulative expenditures are shown through Q3 2026, followed by projected cumulative expenditures through the June 30, 2030 period-of-performance deadline.
The forecast nears the
16000000
14000000
12000000
10000000
8000000
6000000
4000000
2000000
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Projected
Actual

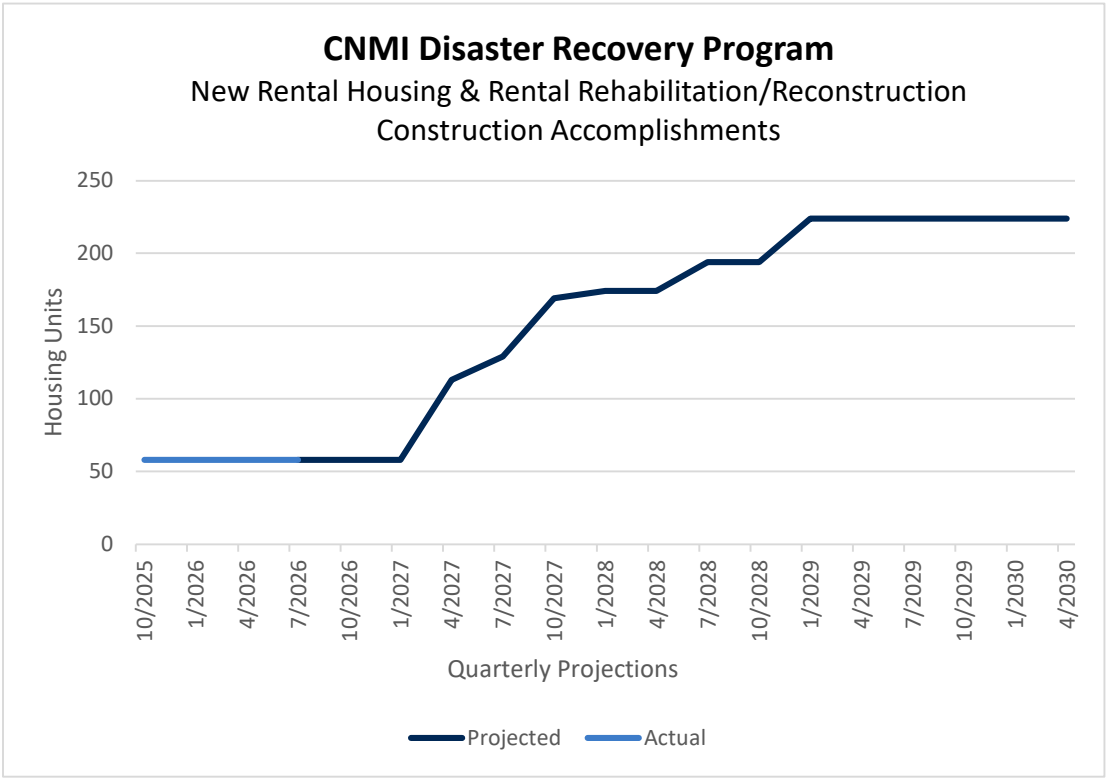

CNMI Disaster Recovery Program
Total CDBG-DR Grant Expenditures
Millions
$300
$250
$200
$150
$100
$50
$0
1/2021
4/2021
7/2021
10/2021
1/2022
4/2022
7/2022
10/2022
1/2023
4/2023
7/2023
10/2023
1/2024
4/2024
7/2024
10/2024
1/2025
4/2025
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1/2026
4/2026
7/2026
10/2026
Projected Expenditures
Actual Expenditure

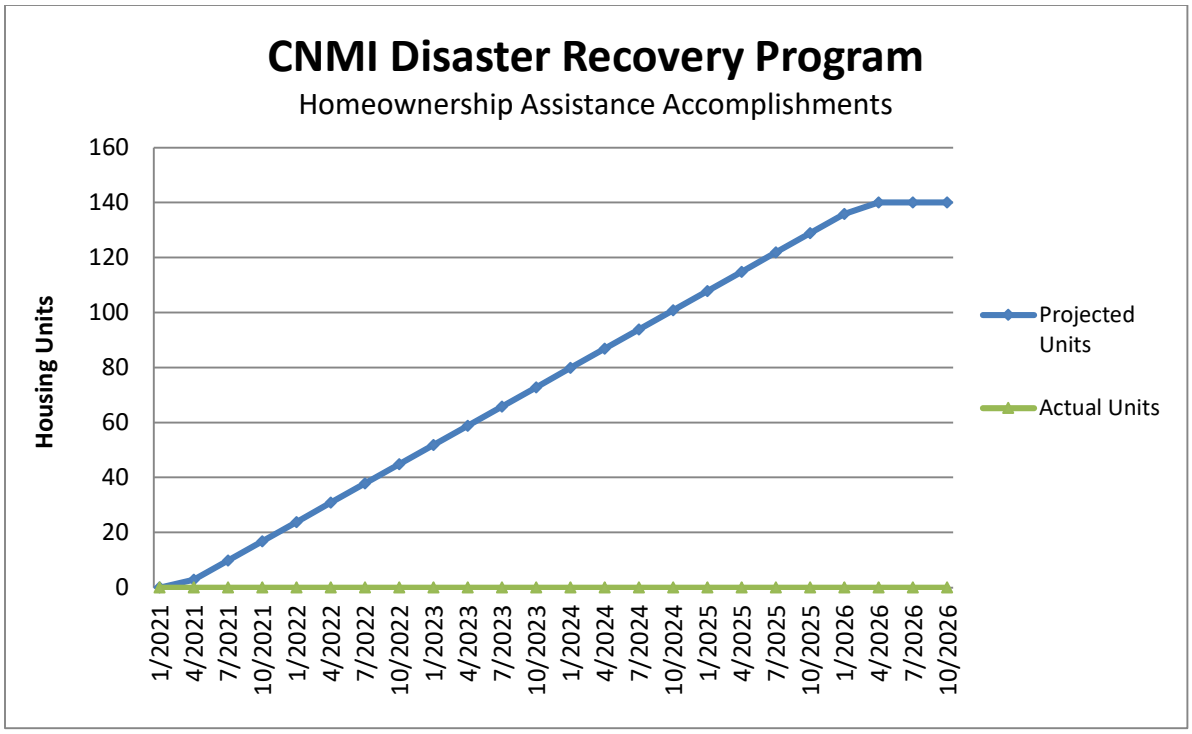

CNMI Disaster Recovery Program
Total CDBG-DR Grant Expenditures
Actual cumulative expenditures are shown through Q3 2026, followed by projected cumulative expenditures through the June 30, 2030 period-of-performance deadline.
The forecast nears the $254,32
300000000
250000000
200000000
150000000
100000000
50000000
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Projected
Actual


CNMI Disaster Recovery Program
New Housing Construction Accomplishments
Housing Units
250
200
150
100
50
0
1/2021
5/2021
9/2021
1/2022
5/2022
9/2022
1/2023
5/2023
9/2023
1/2024
5/2024
9/2024
1/2025
5/2025
9/2025
1/2026
5/2026
9/2026
Projected Units
Actual Units

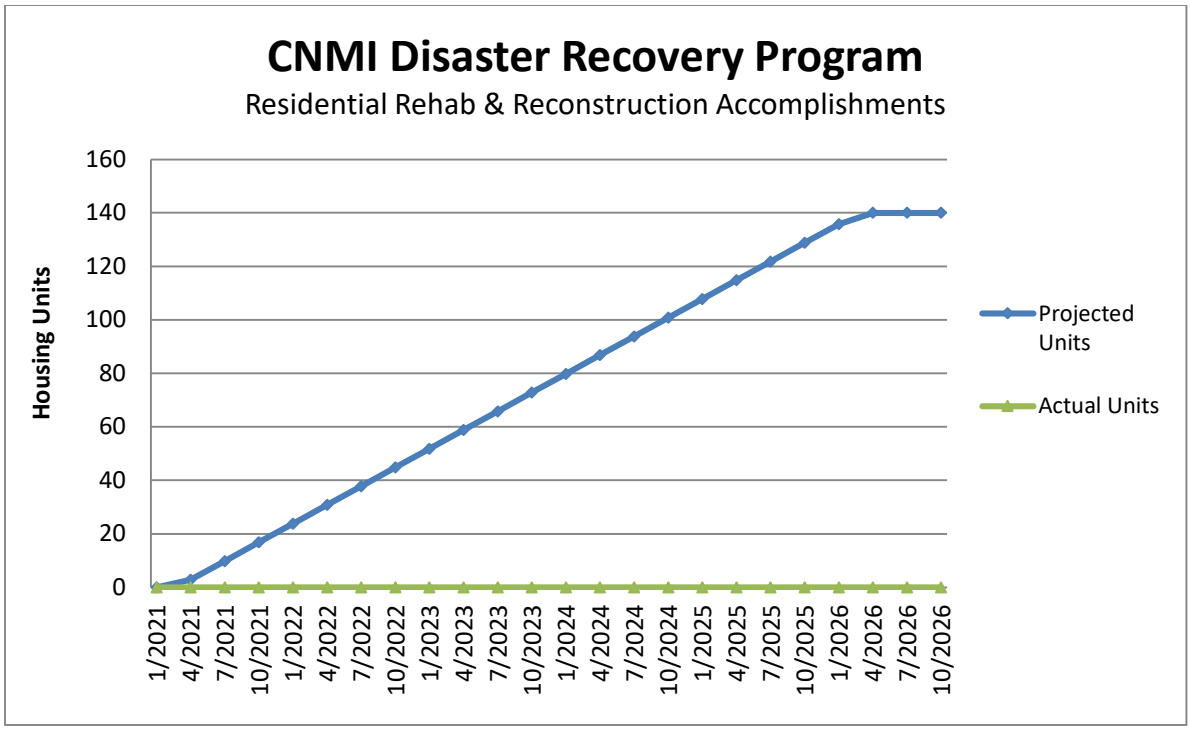

CNMI Disaster Recovery Program
New Housing Construction & Homeownership Assistance Accomplishments
Housing Units
250
200
150
100
50
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Quarterly Projections
Projected
Actual

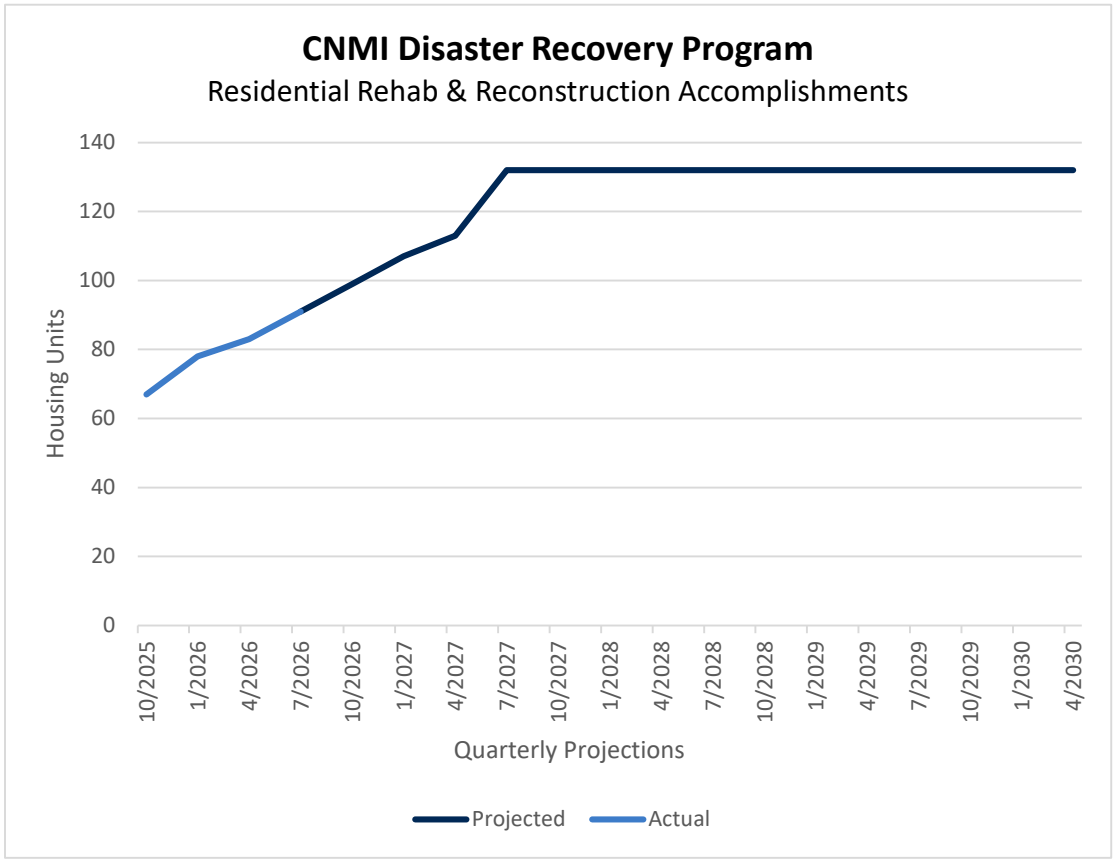

CNMI Disaster Recovery Program
New Rental Housing Construction Accomplishments
Housing Units
250
200
150
100
50
0
1/2021
5/2021
9/2021
1/2022
5/2022
9/2022
1/2023
5/2023
9/2023
1/2024
5/2024
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9/2026
Projected Units
Actual Units

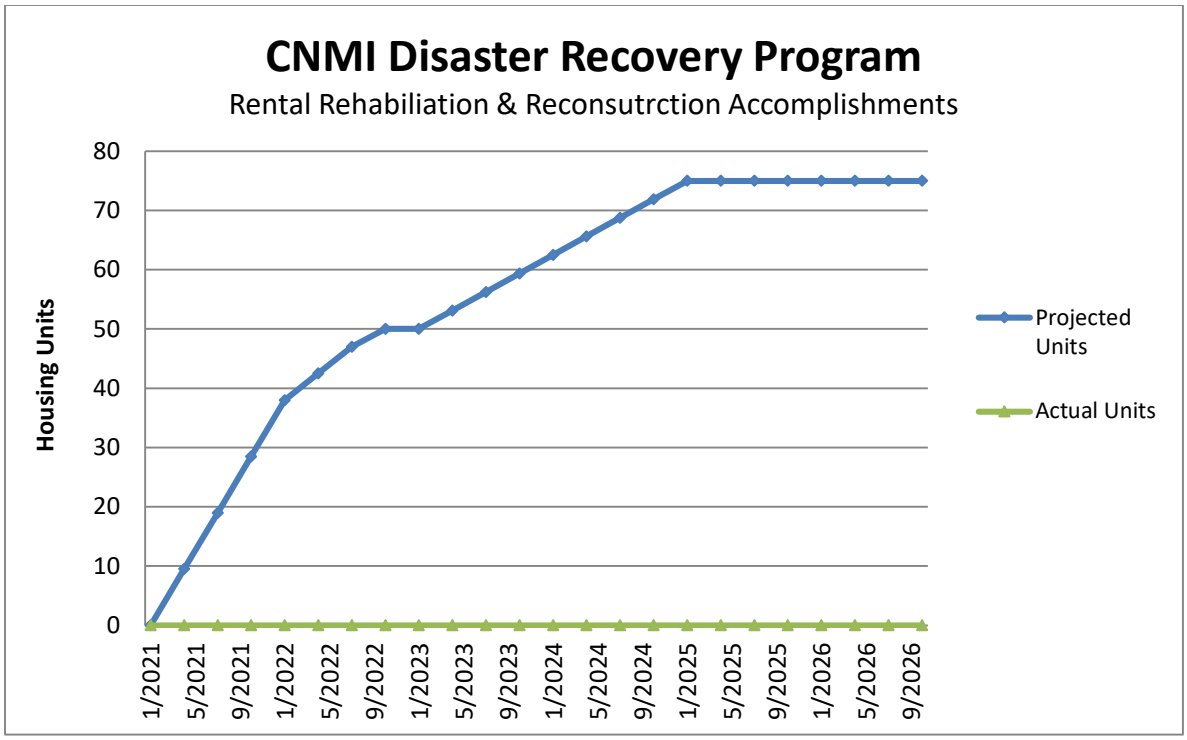

CNMI Disaster Recovery Program
New Rental Housing & Rental Rehabilitation/Reconstruction
Construction Accomplishments
Housing Units
250
200
150
100
50
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
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4/2030
Quarterly Projections
Projected
Actual



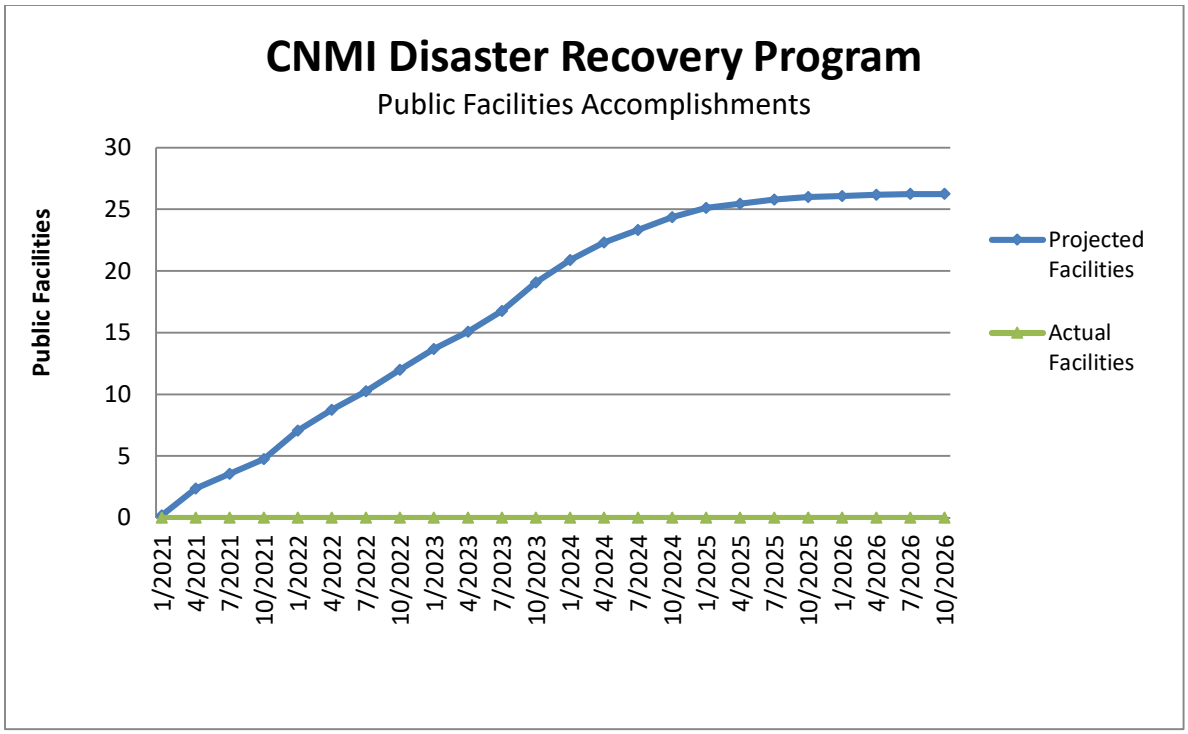
Updates to this chart have been combined with the chart entitled “New Housing Construction & Homeownership Assistance Accomplishments”.

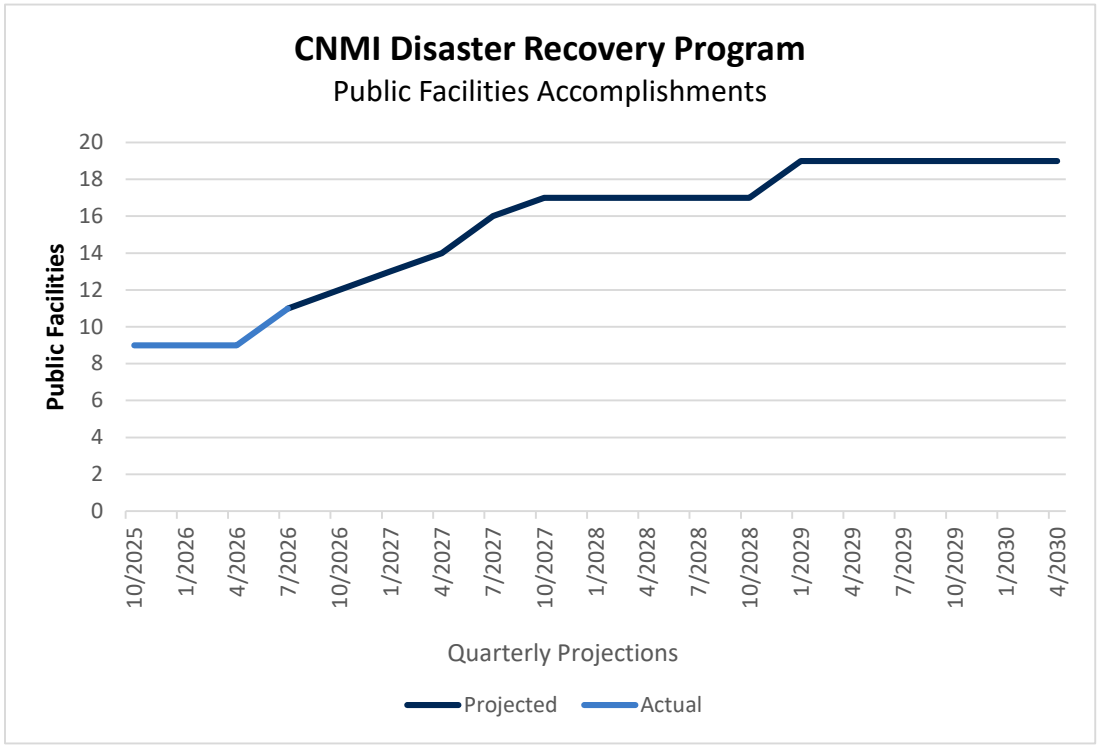

CNMI Disaster Recovery Program
Residential Rehab & Reconstruction Accomplishments
Housing Units
160
140
120
100
80
60
40
20
0
1/2021
4/2021
7/2021
10/2021
1/2022
4/2022
7/2022
10/2022
1/2023
4/2023
7/2023
10/2023
1/2024
4/2024
7/2024
10/2024
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10/2026
Projected Units
Actual Units

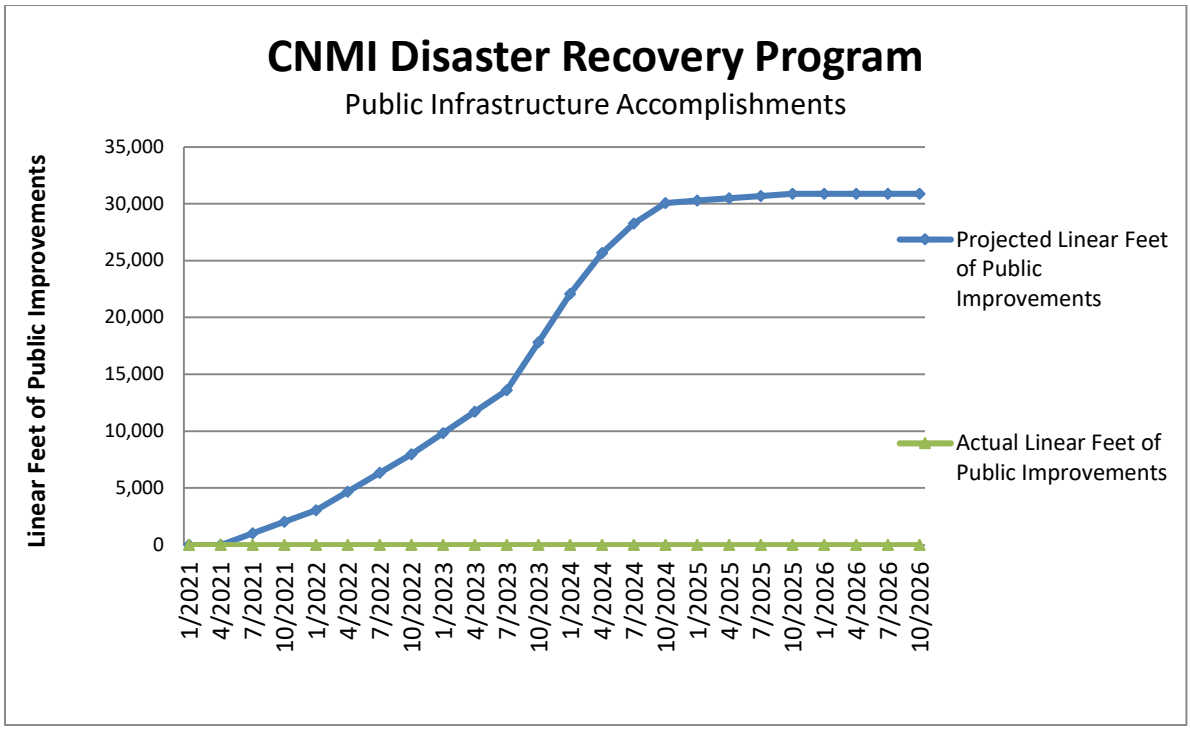

CNMI Disaster Recovery Program
Residential Rehab & Reconstruction Accomplishments
Housing Units
140
120
100
80
60
40
20
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
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Quarterly Projections
Projected
Actual

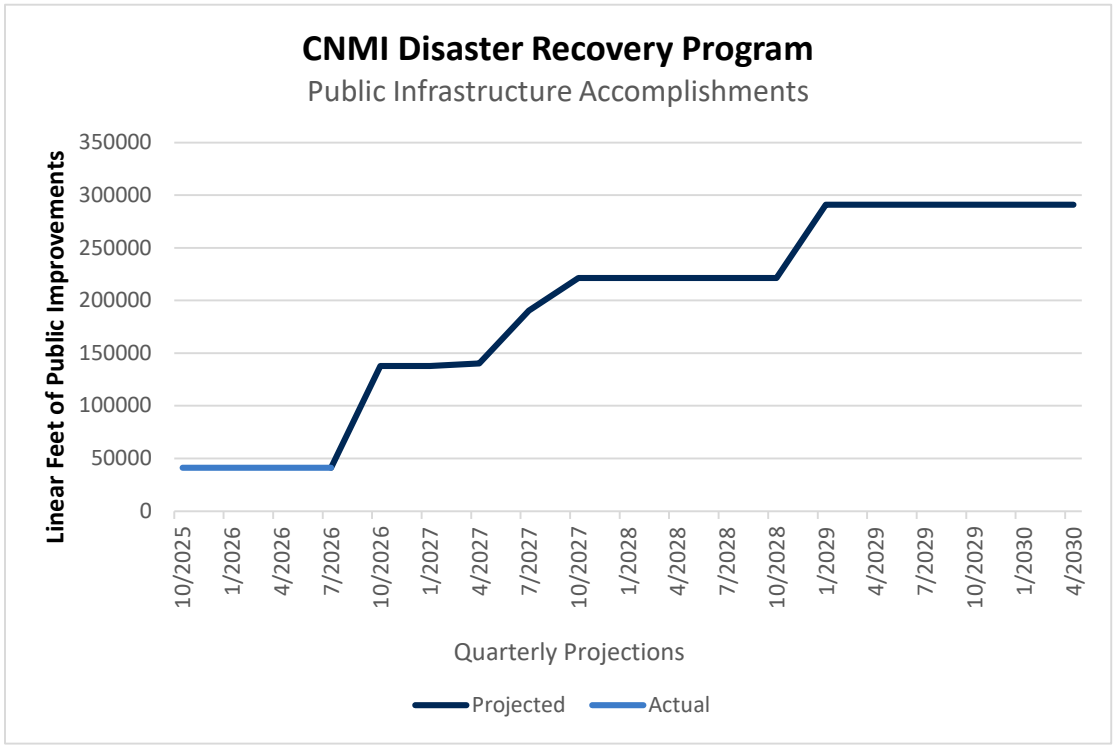


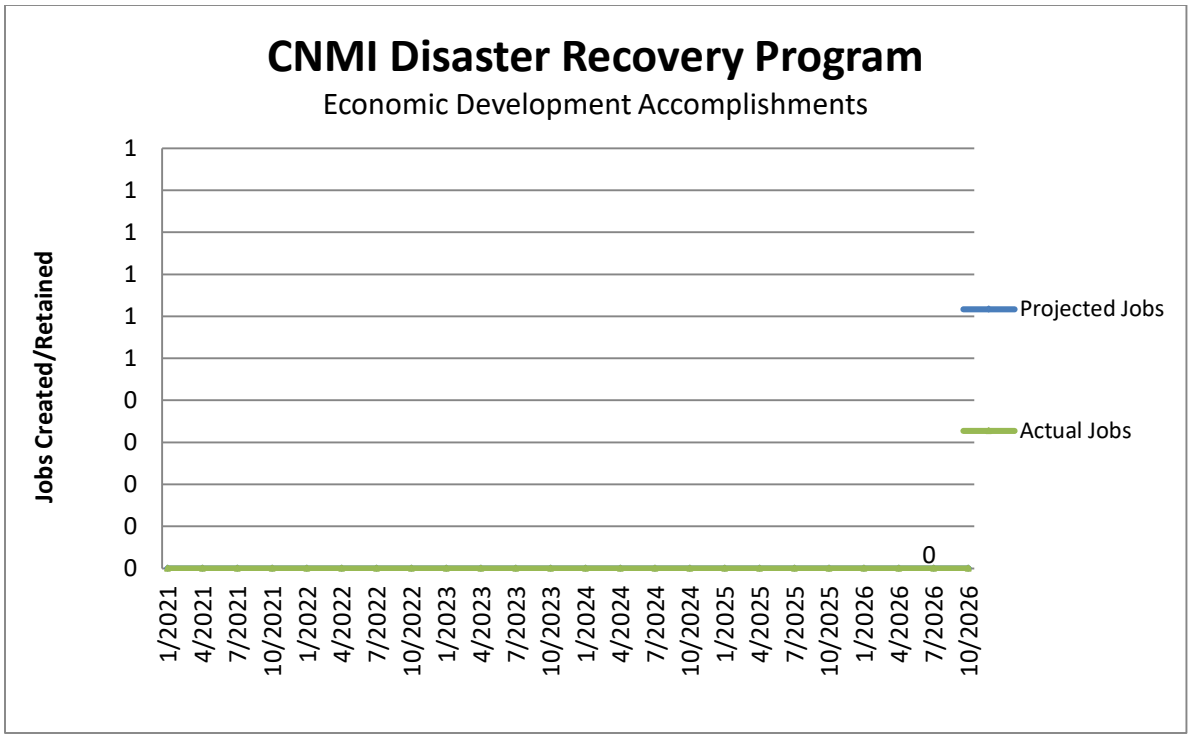
Updates to this chart have been combined with the chart entitled “New Rental Housing & Rental Rehabilitation/Reconstruction Accomplishments”

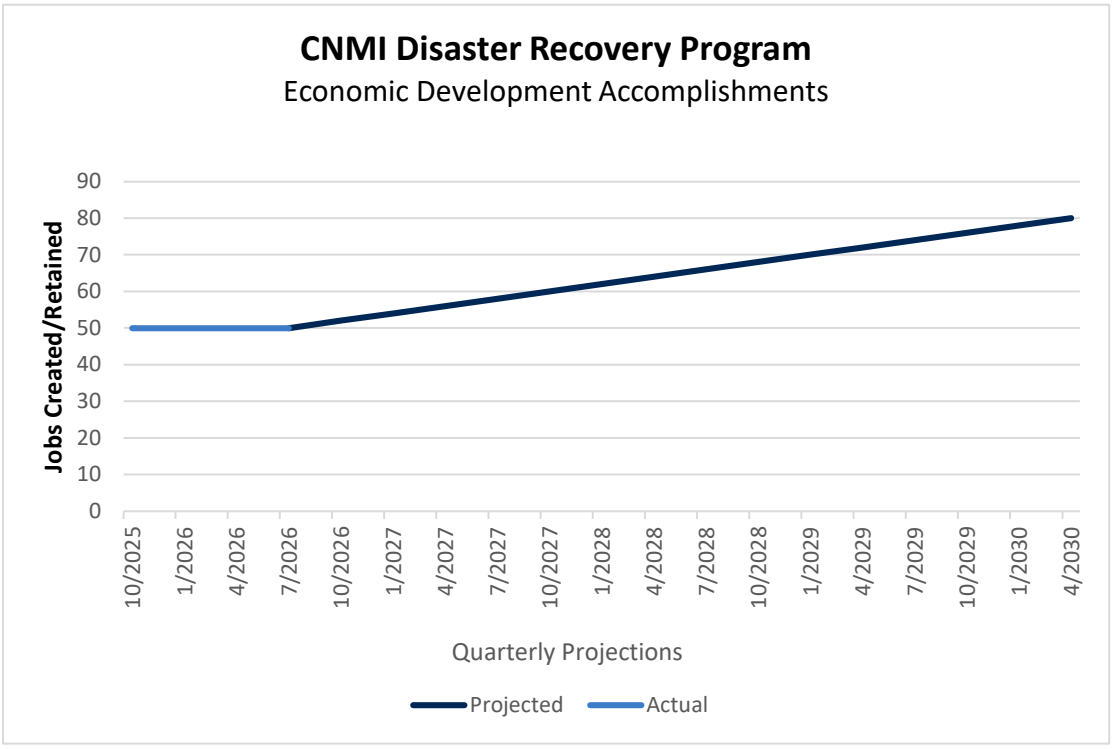

CNMI Disaster Recovery Program
Public Facilities Accomplishments
Public Facilities
30
25
20
15
10
5
0
1/2021
4/2021
7/2021
10/2021
1/2022
4/2022
7/2022
10/2022
1/2023
4/2023
7/2023
10/2023
1/2024
4/2024
7/2024
10/2024
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7/2025
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7/2026
10/2026
Projected Facilities
Actual Facilities

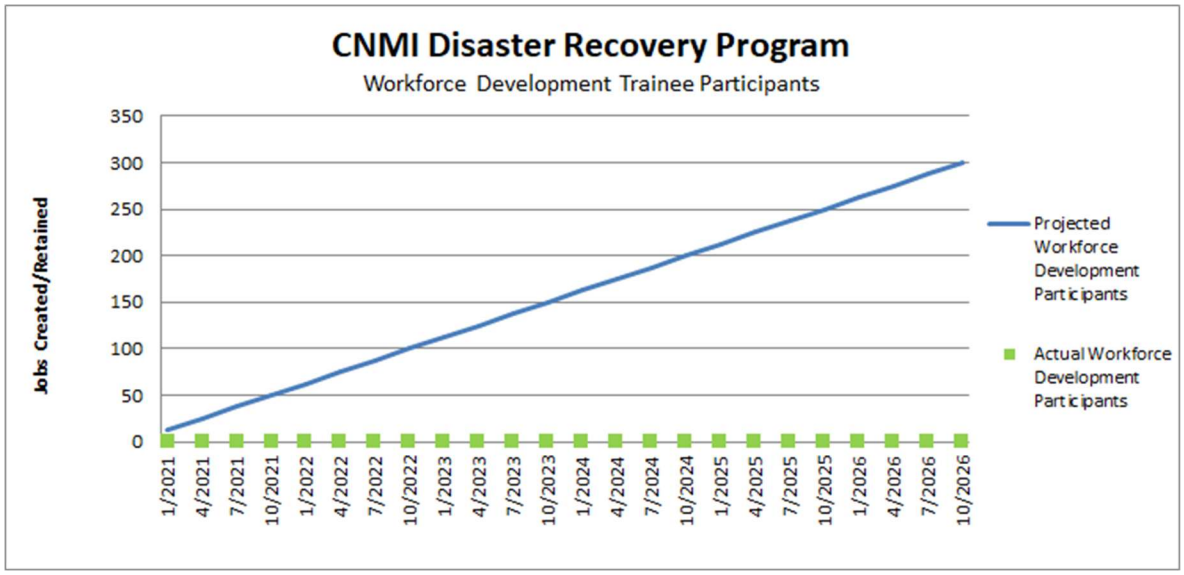

CNMI Disaster Recovery Program
Public Facilities Accomplishments
Public Facilities
20
18
16
14
12
10
8
6
4
2
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
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4/2030
Quarterly Projections
Projected
Actual

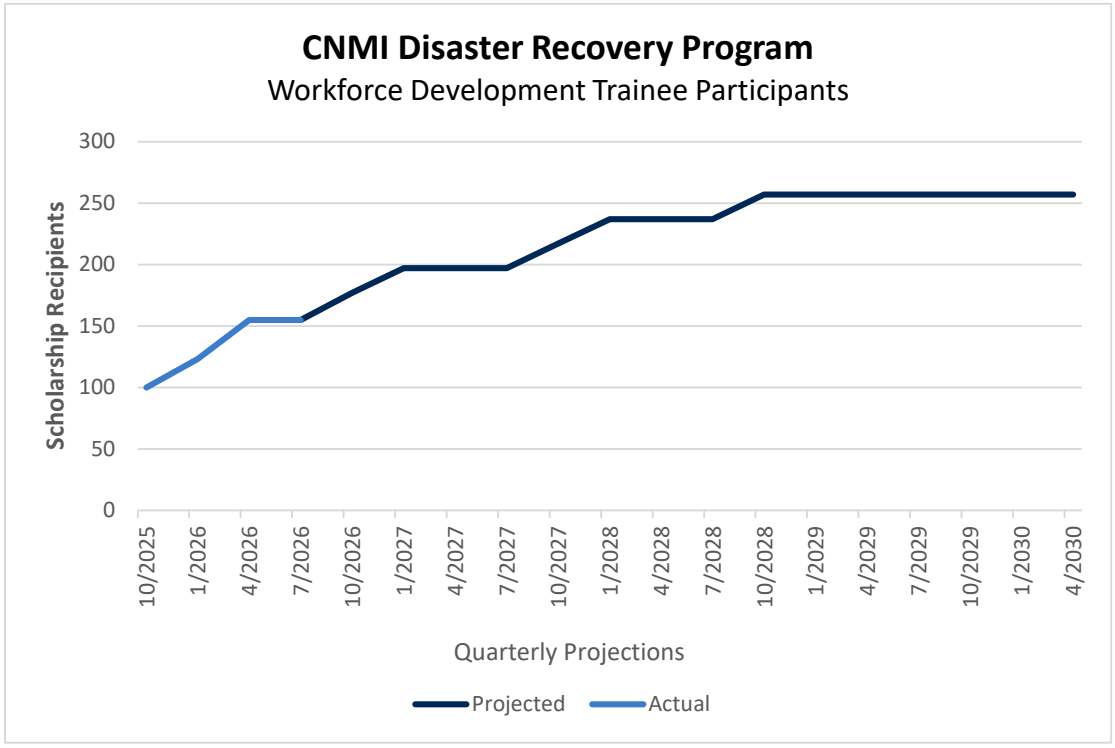

CNMI Disaster Recovery Program
Public Infrastructure Accomplishments
Linear Feet of Public Improvements
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
1/2021
4/2021
7/2021
10/2021
1/2022
4/2022
7/2022
10/2022
1/2023
4/2023
7/2023
10/2023
1/2024
4/2024
7/2024
10/2024
1/2025
4/2025
7/2025
10/2025
1/2026
4/2026
7/2026
10/2026
Projected Linear Feet of Public Improvements
Actual Linear Feet of Public Improvements


CNMI Disaster Recovery Program
Public Infrastructure Accomplishments
Linear Feet of Public Improvements
350000
300000
250000
200000
150000
100000
50000
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Quarterly Projections
Projected
Actual


CNMI Disaster Recovery Program
Economic Development Accomplishments
Jobs Created/Retained
1
1
1
1
1
1
0
0
0
0
0
0
1/2021
4/2021
7/2021
10/2021
1/2022
4/2022
7/2022
10/2022
1/2023
4/2023
7/2023
10/2023
1/2024
4/2024
7/2024
10/2024
1/2025
4/2025
7/2025
10/2025
1/2026
4/2026
7/2026
10/2026
Projected Jobs
Actual Jobs


CNMI Disaster Recovery Program
Economic Development Accomplishments
Jobs Created/Retained
90
80
70
60
50
40
30
20
10
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Quarterly Projections
Projected
Actual


CNMI Disaster Recovery Program
Workforce Development Trainee Participants
Jobs Created/Retained
350
300
250
200
150
100
50
0
1/2021
4/2021
7/2021
10/2021
1/2022
4/2022
7/2022
10/2022
1/2023
4/2023
7/2023
10/2023
1/2024
4/2024
7/2024
10/2024
1/2025
4/2025
7/2025
10/2025
1/2026
4/2026
7/2026
10/2026
Projected Workforce Development Participants
Actual Workforce Development Participants


CNMI Disaster Recovery Program
Workforce Development Trainee Participants
Scholarship Recipients
300
250
200
150
100
50
0
10/2025
1/2026
4/2026
7/2026
10/2026
1/2027
4/2027
7/2027
10/2027
1/2028
4/2028
7/2028
10/2028
1/2029
4/2029
7/2029
10/2029
1/2030
4/2030
Quarterly Projections
Projected
Actual

D. Summary and Responses to Public Comments

The 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. No citizen comments were received from the public directly. Additionally, comments were received from four reviews from various departments and local entities that included the Office of Planning and Development (OPD), EPA, Saipan Chamber of Commerce, and Nimbus Environmental Services. The following is a summary of those comments received:

OPD Reviewer Comment: Even though this is the "Needs Assessment", the document can be improved by strategically linking back to the Office of Planning and Development (OPD) efforts and project planning within the Smart, Safe Growth (SSG) framework. This will provide an early and consistent connection to establish the coordination/consistency between these planning efforts, which is a requirement of the CDBG-DR Action Plan.

CNMI Response: Based of this feedback, some additional information was added to Planning section.

OPD Reviewer comment: The figure FEMA-4404-DR, Northern Mariana Islands Disaster Declaration … is very difficult to read and difficult to apply the legend. Consider including only Saipan, Tinian, Rota, as these are only islands eligible for funding. Remove the island name labels superimposed on the islands so the reader can see the color and hash mark beneath. Consider making at least 2 maps for each island to improve scale.

CNMI Response: FEMA Maps were utilized and NMHC has no access to the data base that created these maps.

OPD Reviewer comment: This section seems under-developed. Overlapping recovery efforts negatively impact the socio-economic well-being of the CNMI (Guidance Manual for SSG, p. ii). CNMI has managed overlapping recovery efforts from super typhoons in each decade since the 1990s (see CNMI Typhoons sheet). Building back better per SSG is essential to break the development/redevelopment cycle following each severe typhoon (Guidance Manual for SSG, pp. 3, 9, 67). The CDBG- DR funds are essential to CNMI for adequately resourcing sustainable development to promote Smart, Safe Growth (Guidance Manual for SSG, p 36, p.74, Funding Tools). Consider adding more information about typhoon history and costly damages. For example, over the past 25 years CNMI has been affected by 11 typhoons with peak winds in excess of 100 mph. Most of these extreme storms caused millions of dollars in damages. Research indicates that multiple recovery efforts from natural disasters has negative impacts to local economies (Gerling 2017, Platt 2019) and these impacts disproportionately affect people of low socio-economic status (SAMHSA, 2017). At the end of the paragraph consider adding a sentence about the need to building back stronger using SSG principles to reduce the impacts of severe storm in the future.

CNMI Response: Data from over the past 25 years was added to Section B. Cumulative Impact of Prior Disasters

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Comment Received:

OPD Reviewer comments: Edits and comments received to Section D Mitigation and Resilience Needs that included that this section was great and excellent. Suggestive comments including cross cutting resiliency needs, Smart, Safe

Growth Guidance Policy referenced, resiliency planning, mitigation measures based on future storm severity, water conservation, and elevation requirement as required by the Department of public Works' Floodplain Management standards.

CNMI Response: Comments utilized and updated as applicable.

Comment Received: OPD Reviewer comment: The Plan lists several infrastructure resiliency mitigation projects / actions. These mitigation measures overlap with the Guidance Manual for SSG:1. Tool 7.1 Utilities; Design, Engineering and Construction - many of the tools in this section directly address similar hazard mitigation actions for infrastructure (pp. 51-60). 2. 7.2 Land Use Management Tools (pp. 61-66).3. 7.3 Post -Disaster Recovery Tools (pp. 67-70).

These mitigation measures should be based on projected future climate scenarios, especially projected cumulative sea level change (3.16 meters by 2067, Guidance Manual for SSG, p. 26). The plan should mention coordination with the Office of Planning and Development, adoption of the SSG framework to guide mitigation/resilience actions, and that the most recent hazards maps will be used for project planning and selecting appropriate mitigation actions.

CNMI Response: Comments utilized and updated as applicable.

Comment Received: OPD Reviewer comment: See HIES 2016 which reported an increase to 56%... consider updating? Recommend using information from the SAMHAS (2017) report to further justify the grant to service people of low socio-economic status.

CNMI Response: NMHC elected to use HUD median income information.

Comment Received: OPD Reviewer comments: (Section G – SoVI) This index is rather outdated – suggest inclusion of discussion on SSG to further expand assessment to reduce risks to people and the environment? Suggest including this list in document, maybe as Appendix, or table. Reviewer comment: In this section, discuss how SSG principles help to build back stronger. Implementing hazard mitigation measures that account for future climate conditions, like higher sea levels and increased storm intensity, will help increase community future resistance and resilience to extreme weather-related events. Specific actions might include mitigation measures identified in FEMA's "Wind Retrofit Guide for Residential Buildings" 2010 (FEMA P-804). Reviewer commented that It's a little confusing to list these indices twice (also on page 15) – but maybe just needs expanded discussion / context here?

CNMI Response: NMHC elected to use NOAA, CNMI Coastal Resources Management data. Link to data source was updated.

Comment Received: OPD Reviewer comments Section H Figure 16 table categories and Table 19 source date

CNMI Response: Data category used from source listed and FEMA source date was added.

Comment Received: OPD Reviewer comment: FEMA Public Assistance - the plan states that projects to repair damaged infrastructure must be prioritized due to a lack of funding. Evaluating projects within a SSG framework can help to prioritize projects and maintain a consistent approach to recovery/developments with ODP and across the CNMI government (Guidance Manual for SSG, pp 25-38).

The Plan can incorporate SSG by including the principles as criteria for prioritizing and selecting projects for CDBG-DR funds. Investing in public projects that promote SSG, or that are built to withstand future climate conditions, will save money and help minimize weather-related damages in the future. Minimizing weather-related damages to public infrastructure, such as the power grid and transportation networks, has cascading beneficial effects on social and economic systems by minimizing disruptions to these systems (EPA, Planning Framework for a Climate-resilient Economy, 2016).

CNMI Response: NMHC established priorities for projects prior to this review and as provided in Section 3.

Comment Received: OPD Reviewer comment: Small Business Administration (SBA) - It appears this was updated in the public released version so advise cross checking suggested edits / comments provided here with most current version. That being said, reviewer comment suggested additional detail here about if / how this is meeting unmet needs: Is this national data, or specific to CNMI? If specific to CNMI, this would seem to meet some of the unmet needs outlined in this report but is not mentioned as doing so. Possible to add a summary from the other recovery partners here (404, 406, NFWF grant etc.?)

CNMI Response: Data is specific to CNMI and appears to latest point in time data available at the time of the draft Action Plan. Action Plan will be updated with additional figures and information as they become available.

Comment Received: OPD Reviewer comment: Section D Elevation Standards - The Elevation Standard section addresses the specific requirements of the CDBG-DR program exactly. However, this section does not consider that projected future sea level change and sea level rise is a serious threat to coastal development and infrastructure in CNMI (Guidance Manual for SSG, pp. 25, 34, 61-66). This is an excellent opportunity to state that all new construction will meet the minimum requirements of 2 feet above the 1% annual floodplain, and where feasible will incorporate SSG and mitigation measures that account for projected changes in Saipan's flood plains (p. 26). By considering projected future conditions, the Plan authors are also satisfying another CDBG-DR requirement - to address the protection of people and property through construction methods to include sea level rise and flooding. Assuming this is masonry units, should be defined. Also, suggest clarifying that construction standards used will meet or exceed CNMI building codes/standards.

CNMI Response: Additional edits were made as applicable.

Comment Received: Section E Planning and Coordination - Reviewer comment: Plan describes coordination for recovery efforts. Coordinating projects within a SSG framework can help to maintain a consistent approach to recovery/developments with ODP and across the CNMI government (Guidance Manual for SSG, pp 25-38). Reviewer comment: Clarify what plan will be adopted...stakeholder engagement and coordination plan? Other? May also want to include additional engagement next steps / further interagency coordination?

CNMI Response: Information regarding the Office of the Governor was added. (Sherie: Section 3. L. has the information on the Office of the Governor, but there is no official statewide level plan regarding recovery efforts)

Comment Received: Section F Infrastructure Activities – OPD Reviewer comment: The Plan states that infrastructure projects are intended to benefit the island as a whole. By incorporating SSG principles into the evaluation/prioritization matrix on the following pages, CNMI can help ensure that funds are invested wisely and that infrastructure is built to resist and be resilient to future weather hazards. Consider giving bonus points to projects that incorporate SSG in scoring criteria # 1. Incorporate SSG principles into #2 of the scoring criteria for infrastructure projects. See Guidance Manual for SSG Tools 7.1 &7.2 (pp. 51-60) for ideas/projects to increase infrastructure resilience to future tropical cyclone events. It would be helpful to know the list of projects – will this be in an appendix? Scoring system seems to disincentivize meeting multiple priorities, both within a single project, and for all projects to be funded. For example, if you had two projects that support Priority 1, and one of those projects also supported Priorities 2 & 4, the scoring system (as it appears) would not capture this if a project can only have a total of 25 points for Criterion #1. Also, it is conceivable that all existing funds could be used to support Priority 1. If there is an interest in funding a diversity of priorities, you may want to somehow indicate a maximum threshold of support for each priority to ensure all can be supported. Opportunity for SSG check list, could be included as a required document with the proposals/applications for funding projects.

CNMI Response: Information to ensure that funds are invested wisely and that infrastructure is built to resist and be resilient to future weather hazards incorporated. A project listing of all projects considered will not be included in the appendix.

Comment Received: Section G Leveraging Funds Reviewer comment: The Plan states "NMHC may also add leveraging requirements to specific program policy and guidelines as needed." This is another opportunity for NMHC to tie back to HUD's strategic objectives (#4C) to promote climate Change resilience (see https://www.hud.gov/program_offices/economic_development/resilience/about). Consider incorporating the SSG framework into the CDBG-DR projects to help the CNMI achieve HUD's strategic objectives. Mentioning how CNMI actions align with overall HUD strategic objectives improve plan coordination with other federal programs to increase community resilience

CNMI Response: No additional edits made to this section. The incorporation of the SSG framework will be noted at this stage of the program. As the SSG program develops further, NMHC will re-evaluate use within the program.

Comment Received: Section L Disaster Recovery and Response Plan - OPD Review Comments: Can we add some updates here? Maybe specific to recovery priorities? … To support this effort Recovery Working Group meetings were held (dates)… These meetings resulting in the following planning priorities:

https://opd.gov.mp/about-us/current-projects/recovery-support/

CNMI Response: Suggested text added as applicable.

Comment Received: Section 4 A. Action Plan – OPD Reviewer comment: NMHC will consider the most cost effective and least time consuming options for the Action Plan. However, sometimes the cost of climate adaptation measures to ensure building are resistant to projected climate conditions may cost more than options to build to today's climate conditions (Guidance Manual for SSG, pp 10-11). FEMA states that for every dollar spent on climate mitigation today, there is a 6 dollar return in future storm-related damage costs averted (Multi-hazard Mitigation Council 2018). This should be factored into the decision/prioritization process. Consider adding in language that sustainable development BMPs and SSG principles will also help guide project prioritization funding. It would be helpful to include/define the variables (price, durability, accessibility, etc.) that determine cost effectiveness. If cost is the only variable, that would be good to convey.

CNMI Response: Applicable text added.

Comment Received: Section C Connection to Unmet Needs – OPD Reviewer comment: Suggest including that the development of a stakeholder engagement plan or strategy will occur. This is not clear in the planning/coordination section of this Action Plan.

CNMI Response: Applicable text added.

Comment Received: E. Use of Funds – OPD Reviewer comment: Opportunity for SSG checklists to be included as part of these programs? There is no mention of homeowners restoring their homes/property to existing building codes, specifically to comply with Earthquake and Typhoon Standards (155-10.2-615). Is it a program requirement that participants have a building permit and adhere to codes? Recommendation: Ensuring repairs and new construction meet building codes is one the surest ways to improve community resistance and resilience to weather-related damage (Multi-hazard Mitigation Council 2018). Additionally, all NMHC projects should align recommendations in the Permanent Housing Construction (PCH) report prepared for FEMA following Super Typhoon Yutu (2018). The Manual for SSG provides an evaluation of existing codes and how they conform with SSG principles (pp. 39-46). EMD – I believe code compliance is stated elsewhere but may be worth restating? Are there options within the CDBG-DR program to give homeowners incentives to construct their homes to meet sustainable development best management practices? Monetary incentives may help home owners to more readily comply with codes and other mitigation measures to increase the storm-resiliency of their property. Could applicants be required to consider SSG/sustainable building options for their project? Either way, there could be a great education/outreach opportunity to applicants, informing them of SSG/green building-rehab options. Reviewer comment: Seems there is an opportunity here to indicate that new projects need to be aligned with CNMI's SSG goals. Reviewer comment: Essentially the same questions about holding developers accountable to code through building permits, and can incentives be developed to encourage sustainable development BMPs? Monetary incentives may help home owners to more readily comply with codes and other mitigation measures to increase the storm-resiliency of their property. Suggest projects should/need to align with CNMI SSG goals. This aspect of the CDBG-DR Plan will provide support to businesses, including those engaged in housing construction and housing programs. Recommend providing training to businesses about SSG and why these principles and mitigation actions will lead to safer, stronger communities. Generate community support and buy-in for implementing SSG and hazard mitigation actions. Breakdown of proposed activities? General? Marketing/promotion, etc.

CNMI Response: Specific requirements are noted in the guidelines, policy and procedures for the individual programs.

Comment Received: EPA Reviewer Comment - Suggest that if any HUD funds are allocated to solid waste infrastructure, they support zero waste and, or waste diversion goals.

CNMI Response: Comments have been noted and will be included during the project development phase as applicable.

Comment Received: Section D Mitigation and Resilience Needs – EPA Reviewer Comments: This is a good requirement, but please share specific citations of the applicable Green Building standards. Housing design - (aerodynamic and other features). Due to the critical importance of conserving water, EPA WaterSense (or equivalent) for toilets, faucets, and showerheads. Design for passive survivability should also be prioritized based on lessons learned from prior disasters. Due to the critical importance of conserving water, EPA WaterSense (or equivalent) for toilets, faucets, and showerheads. Design for passive survivability -- the ability of a building to provide necessary shelter, thermal, and other life-support services during extended utility disruptions -- should be prioritized based on lessons learned from past disasters. I am not an expert on this but recommend review to ensure very high elevation requirements are required. Thinking from a recovery standpoint, any potential need for installing pumping stations to more quickly remove flood waters from roadways? Excellent addition. ADD. The CNMI also supports training, oversight and enforcement of building codes to ensure cost-effective compliance.

CNMI Response: Green Building standards are as required by HUD and local code. WaterSense language added to text. All eligible mitigation scope will be added upon project development. All other comments are normally addressed through guidelines, policy, procedures, specifications, project development and scope that are forthcoming once the Action Plan is approved.

Comment Received: Section G SoVI – EPA Reviewer Comments: Suggest including this list (22 variables) in document, maybe as Appendix, or table. Hyperlink did not work for me, password protected? It's a little confusing to list these indices twice (also on page 15). Are the indices on page 15 also based on the NOAA report?

CNMI Response: Relative variable provided in description and charts; Second hyperlink has been added.

Comment Received: Small Business Assistance Disaster Home Loans: EPA Reviewer Comment: Is this national data, or specific to CNMI? If specific to CNMI, this would seem to meet some of the unmet needs outlined in this report but is not mentioned as doing so.

CNMI Response: This data is specific to the CNMI.

Comment Received: CNMI Infrastructure: EPA Reviewer Comments: Would be helpful to know list of projects, especially ones related to solid waste infrastructure.

CNMI Response: Comment noted. Projects fall under port facilities, public facilities, roads, and utilities.

Comment Received: D. Elevation Standards – EPA Reviewer Comment: Assuming this is masonry units, should be defined. Also, suggest clarifying that construction standards used will meet or exceed CNMI building codes/standards.

CNMI Response: Construction standards will be developed as part of the individual program guidelines, policies, and procedures.

Comment Received: E. Planning and Coordination – EPA Reviewer Comment: Clarify what plan will be adopted...stakeholder engagement and coordination plan? Other?

CNMI Response:

Section 3. L. has the information on the Office of the Governor, however there is no official statewide level plan regarding recovery efforts)

Comment Received: F. Infrastructure Scoring Criteria – EPA Reviewer Comment: Scoring system seems to disincentivize meeting multiple priorities, both within a single project, and for all projects to be funded. For example, if you had two projects that support Priority 1, and one of those projects also supported Priorities 2 & 4, the scoring system (as it appears) would not capture this if a project can only have a total of 25 points for Criterion #1. Also, it is conceivable that all existing funds could be used to support Priority 1. If there is an interest in funding a diversity of priorities, you may want to somehow indicate a maximum threshold of support for each priority to ensure all can be supported. Any projects that could leverage EPA Solid Waste funds? And vice versa? Opportunity for SSG check list, could be included as a required document with the proposals/applications for funding projects. Including knowledge/compliance with CNMI SSG goals.

CNMI Response: Scoring criteria established prior to 30-day comment period. As projects are developed, NMHC will consider any leveraging opportunities.

Comment Received: Cost Effectiveness: EPA Reviewer Comment: It would be helpful to include/define the variables (price, durability, accessibility, etc.) that determine cost effectiveness. If cost is the only variable, that would be good to convey.

CNMI Response: Comment noted.

Comment Received: C. Connection to Unmet Needs: EPA Reviewer Comment: Suggest including that the development of a stakeholder engagement plan or strategy will occur. This is not clear in the planning/coordination section of this Action Plan.

CNMI Response: Text added to Planning Section.

Comment Received: E. Use of Funds: EPA Reviewer Comment: Opportunity for SSG checklists to be included as part of these programs. Could applicants be required to consider SSG/sustainable building options for their project? Either way, there could be a great education/outreach opportunity to applicants, informing them of SSG/green building-rehab options. New construction shall meet CNMI building code and green building standards and should incorporate mitigation and resilient design measures in Section 2.D. Would these projects get reviewed by OPD? Seems there is an opportunity here to indicate that new projects need to be aligned with CNMI's SSG goals. Suggest projects should/need to align with CNMI SSG goals.

CNMI Response: Comments noted.

Comment Received: Saipan Chamber of Commerce Reviewer Comments: Below is a summary of the projects that the Chamber supports.

Restoration of Infrastructure ($99,044,235) – The SCC agrees that infrastructure priorities should first be applied to our utilities, our ports, and our waste management infrastructure.

Economic Revitalization ($21,359,600) – The SCC has worked closely with partners in the Office of Planning and Development (OPD), the Commonwealth Development Authority (CDA), CNMI Department of Commerce, and the CNMI Small Business Development Center (SBDC) to evaluate the economic impact of Typhoon Yutu. Most specifically, this collaboration worked with the International Economic Development Council (IEDC) in identifying key projects that would help spur economic growth post Typhoon Yutu. Based on IEDC's recommendations as well as consulting with our SCC Board of Directors, we propose the following breakdown of projects for Economic Revitalization:

Repair and Enhancement of Public Tourist-Related Sites ($8M) – Many of our public tourist-related sites were greatly damaged by Typhoon Yutu, and to this day tourists negatively comment on the apparent damages when visiting the island. Additionally, deteriorating sites have become a safety hazard for both our local populace and our tourists. SCC suggests allocating approximately $8M to renovate and enhance Public Tourist-Related Sites, such as Bird Island Lookout, The Grotto, Suicide Cliff, Banzai Cliff, Pau Beach, Micro Beach, Mt. Tapachou Lookout, Tank Beach, Forbidden Beach Lookout, Beach Road Pathway, Sugar Dock Beach, Jeffery's Beach, Ladder Beach, and Obyan Beach.

Typhoon Yutu Economic Injury Disaster Loan Program ($10M) – Many of our businesses have not recovered from the loss of economic activity since before Typhoon Yutu in October 2018. This can be seen in our drastic decreases in our collective Business Gross Revenue Tax, where collections have not rebounded from Pre-Yutu levels. To alleviate the financial struggles businesses are still experiencing, SCC suggests a Typhoon Yutu Economic Injury Disaster Loan Program (TY EIDL), mirrored after the COVID-19 SBA Economic Injury Disaster Loan Program. Businesses who can prove economic injury from Typhoon Yutu, such as lower reported BGRT from Dec. 2017 vs. Dec. 2018 vs. Dec. 2019, should be to avail of $5M of a low-interest loan program, which could be administered by the

Commonwealth Development Authority. Additionally, $5M should be set aside for a grant advance of $1,000 per employee at the time of Typhoon Yutu for all applicants that successfully complete the TY EIDL Application, regardless if their loan is approved. This would help businesses with dire needed cash flow as they continue to recover from Typhoon Yutu.

Business Structure Mitigation Program ($1.3M) – During times of economic distress, it is difficult for businesses to invest in physical mitigation enhancements. SCC suggests a 1:1 match up to $10,000 for businesses who expend their resources on building mitigation measures, such as purchasing typhoon shutters, back-up generators, water-catchment systems, or other construction measures that make buildings stronger and more resilient. Businesses would invest in the mitigation, then could submit receipts to NMHC for 50% of the cost of the mitigation up to $10,000. This would encourage businesses to invest in safety measures that will keep their assets and the community safe for future typhoons.

Business Retention and Expansion Program ($1.2M) – The International Economic Development Council recognized that one of the reasons businesses struggle to retain and expand operations in the CNMI is due to the lack of a Business Retention and Expansion Program. This program would employ Business Advisors to work with businesses to help them identify resources, create business plans, and provide trainings to support businesses throughout their growth. We suggest granting $1.2 to the Northern Marianas College (NMC) to initiate a 3-year Business Retention and Expansion Program, which can work alongside the CNMI SBDC which will soon be housed at NMC. This program will help businesses as they recover from Typhoon Yutu as well as other economic distresses in the foreseeable future.

Workforce Development Program ($.8M) – Additionally, we all recognize the importance of continuing to train our workforce for industry needs. SCC suggests granting $800,000 to NMC to expand training for current workforce needs.

CNMI Response: Support of the above projects/programs is appreciated. Most of the projects/programs will be geared toward tourism-related activities as tourism is our main economic driver.

Comment Received: Nimbus Environmental Services Reviewer Comments: Below is a summary of the comments from Nimbus and how they related to SSG Principals.

Section	Sub-section	Page(s)	Comment	Relevant SSG Principle(s)	Recommendation
2		9	The figure FEMA-4404-DR, Northern Mariana Islands Disaster Declaration … is very difficult to read and difficult to apply the legend.	N/A	Include only Saipan, Tinian, Rota, as these are only islands eligible for funding. Remove the island name labels superimposed on the islands so the reader can see the color and hash mark beneath. Consider making at least 2 maps for each island to improve scale.
2			General Comment - Even though this is the "*Needs Assessment*", the document can be improved by strategically linking back to the Office of Planning and Development (OPD) efforts and project planning within the Smart, Safe Growth (SSG) framework. This will provide an early and consistent connection to establish the coordination/consistency between these planning efforts, which is a requirement of the CDBG-DR Action Plan.	N/A	Recommendations are included under Comment.

Section	Sub-section	Page(s)	Comment	Relevant SSG Principle(s)	Recommendation
2	B	10	Cumulative Impact of Prior Disasters - This section seems under-developed. Overlapping recovery efforts negatively impact the socio-economic well-being of the CNMI (Guidance Manual for SSG, p. ii). CNMI has managed overlapping recovery efforts from supertyphoons in each decade since the 1990s (see CNMI Typhoons sheet). Building back better per SSG is essential to break the *development / redevelopment* cycle following each severe typhoon (Guidance Manual for SSG, pp. 3, 9, 67). The CDBG- DR funds are essential to CNMI for adequately resourcing sustainable development to promote Smart, Safe Growth (Guidance Manual for SSG, p 36, p.74, Funding Tools).	P*1* Climate Change P*12* Adaptive Management	Consider adding more information about typhoon history and costly damages. For example, over the past 25 years CNMI has been affected by 11 typhoons with peak winds in excess of 100 mph. Most of these extreme storms caused millions of dollars in damages. Research indicates that multiple recovery efforts from natural disasters has negative impacts to local economies (Gerling 2017, Platt 2019) and these impacts disproportionately affect people of low socio-economic status (SAMHSA, 2017). At the end of the paragraph consider adding a sentence about the need to building back stronger using SSG principles to reduce the impacts of severe storm in the future.
2	D	11		P*3* Retrofit P*6* Sustainable Development P*10* - Early Collaboration	Integrate SSG into this section by making a statement that the Plan will adopt the SSG framework per OPD recommendations and will align with the pending Comprehensive Sustainable Development Plan.

Section	Sub-section	Page(s)	Comment	Relevant SSG Principle(s)	Recommendation
2	D	11	The Plan integrates with the CNMI 2018 SSMP, but neither of these Plans integrates SSG. 2018 SSMP Objectives 2,4,5,6, and 8, and their associated subtasks, all have significant overlap with SSG principles and tools in the Guidance Manual for SSG (page references provided below). 1. Building code updates (Section 6, pp. 39-48) 2. Revision of Land Use to accommodate SSG (Section 4.2, p. 28) 3. CNMI Planning Resources (Section 5, pp. 33-35) 4. Tool 7.1 Utilities; Design, Engineering and Construction - water resources (pp. 55-57). 5. Tool 7.3 Land Use tools, permitting resources (pp. 64-65) 6. Tool 7. 6 Capacity building tools for public outreach and education (p. 77). 7. Tool 7.7 Community Engagement tools (pp. 80-82) 8. Section 4.2 - GIS Users Group (pp. 30-31)	P*2* Retreat P*3* Retrofit P*5* Development Incentives P*6* Sustainable Development BMPs P*9* Development Decision Process P*11* SSG Knowledgeable Communities P*12* Adaptive Management	Integrate SSG into this section by making a statement that the Plan will adopt the SSG framework per OPD recommendations and will align with the pending Comprehensive Sustainable Development Plan.
2	D	11	Mitigation and resiliency projects should be planned under expected future climate conditions (e.g., greater storm winds, increased flooding, sea-level rise/inundation). Resilience planning implies building toward future climate conditions. See Guidance Manual for SSG for a discussion on expected Climate conditions (Section 3.0 pp. 13-18).	P*1* Climate Change P*2* Retrofit P*6* Sustainable Development BMPs	The Plan should mention coordination with the Office of Planning and Development, adoption of the SSG framework to guide mitigation/resilience actions and that the most recent hazard maps will be used for project planning and selecting appropriate mitigation actions.

Section	Sub-section	Page(s)	Comment	Relevant SSG Principle(s)	Recommendation
2	D	11	The Plan lists several housing mitigation projects / actions associated with storm winds. These mitigation measures overlap with the Guidance Manual for SSG: 1. Tool 7.2 Land Use Tools - Permitting tools (p. 65).	P*1* Climate Change P*6* Sustainable Development BMPs	These mitigation measures should be based on projected future storm wind severity (Guidance Manual for SSG, p. 17). The number of strong/severe storms to affect CNMI is expected to increase in the future. Building to expected future conditions will increase future resiliency through mitigation actions now. Also this Plan incorporates the Saipan Climate Change Vulnerability Index, but only seems to discuss the social vulnerability of the villages and does not use the climate science in those reports to justify mitigation/resiliency actions to build houses for future climate conditions and thereby increase resistance to severe storms and reduce the potential of future storm damage.
2	D	11	The Plan lists several housing mitigation projects / actions associated with flooding. These mitigation measures overlap with the Guidance Manual for SSG: 1. Tool 7.2 Land Use Tools - Permitting tools (pp. 64-66).	P*1* Climate Change P*6* Sustainable Development BMPs	These mitigation measures should be based on projected future coastal flooding scenarios and precipitation patterns (Guidance Manual for SSG, pp. 15-18 & 26). Changes projected for CNMI include less frequent, but heavier precipitation events leading to increased stormwater runoff, sea level change of 3.16 meters by 2067, stronger / more severe storms increasing flooding from the effects of wave inundation, higher sea level, and increased precipitation. The plan should mention coordination with the Office of Planning and Development to use the most recent hazard maps for project planning and selecting appropriate mitigation actions.

Section	Sub-section	Page(s)	Comment	Relevant SSG Principle(s)	Recommendation
2	D	11	The Plan lists several infrastructure resiliency mitigation projects / actions. These mitigation measures overlap with the Guidance Manual for SSG: 1. Tool 7.1 Utilities; Design, Engineering and Construction - many of the tools in this section directly address similar hazard mitigation actions for infrastructure (pp. 51-60). 2. 7.2 Land Use Management Tools (pp. 61-66). 3. 7.3 Post -Disaster Recovery Tools (pp. 67-70).	P2 Retreat P3 Retrofit P*4* Critical Facilities Location P*6* Sustainable Development P*8* Green Infrastructure P*10* Early Collaboration	These mitigation measures should be based on projected future climate scenarios, especially projected cumulative sea level change (3.16 meters by 2067, Guidance Manual for SSG, p. 26). The plan should mention coordination with the Office of Planning and Development, adoption of the SSG framework to guide mitigation/resilience actions, and that the most recent hazards maps will be used for project planning and selecting appropriate mitigation actions.
2	E	12	The Plan notes that 52% of the CNMI population is considered low economic status (i.e. below the poverty level).	P*11* Knowledgeable SSG Communities	Recommend using information from the SAMHAS (2017) report to further justify the grant to service people of low socio-economic status.
2	G	15	Last sentence on page "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." Incorporating SSG principles into community planning can help reduce community vulnerability to progressive changes in climate (Guidance Manual for SSG, pp 8-11).	P*1* Climate Change P*12* Adaptive Management	In this section, discuss how SSG principles help to build back stronger. Implementing hazard mitigation measures that account for future climate conditions, like higher sea levels and increased storm intensity, will help increase community future resistance and resilience to extreme weather-related events. Specific actions might include mitigation measures identified in FEMA's "*Wind Retrofit Guide for Residential Buildings*" 2010 (FEMA P-804).

Section	Sub-section	Page(s)	Comment	Relevant SSG Principle(s)	Recommendation
2	I.1	24	FEMA Public Assistance - the plan states that projects to repair damaged infrastructure must be prioritized due to a lack of funding. Evaluating projects within a SSG framework can help to prioritize projects and maintain a consistent approach to recovery/developments with ODP and across the CNMI government (Guidance Manual for SSG, pp 25-38).	P2 Retreat P3 Retrofit P4 Critical Facilities	The Plan can incorporate SSG by including the principles as criteria for prioritizing and selecting projects for CDBG-DR funds. Investing in public projects that promote SSG, or that are built to withstand future climate conditions, will save money and help minimize weather-related damages in the future. Minimizing weather-related damages to public infrastructure, such as the power grid and transportation networks, has cascading beneficial effects on social and economic systems by minimizing disruptions to these systems (EPA, *Planning Framework for a Climate-resilient Economy* , 2016).
3	D	29	The Elevation Standard section addresses the specific requirements of the CDBG-DR program exactly. However, this section does not consider that projected future sea level change and sea level rise is a serious threat to coastal development and infrastructure in CNMI (Guidance Manual for SSG, pp. 25, 34, 61-66).	P1 Climate Change P2 Retreat	This is an excellent opportunity to state that all new construction will meet the minimum requirements of 2 feet above the 1% annual floodplain, and where feasible will incorporate SSG and mitigation measures that account for projected changes in Saipan's flood plains (p. 26). By considering projected future conditions, the Plan authors are also satisfying another CDBG-DR requirement - to address the protection of people and property through construction methods to include sea level rise and flooding.
3	D	29	For buildings that cannot be elevated, flood proofing aligns with SSG recommendations (Guidance Manual for SSG, pp. 61-66)	P3 Retrofit P5 Development Incentives	The Guidance Manual for SSG provides several tools to help flood proof development that cannot be moved. Also see FEMA Technical Bulletin 2 for Flood Damage-Resistant Materials (2018) for ideas.
3	E	29	Plan describes coordination for recovery efforts. Coordinating projects within a SSG framework can help to maintain a consistent approach to recovery/developments with ODP and across the CNMI government (Guidance Manual for SSG, pp 25-38).	P9 Decision Process P10 Early Collaboration	The NMHC should coordinate with OPD and use SSG as a framework to guide recovery efforts/projects.

Section	Sub-section	Page(s)	Comment	Relevant SSG Principle(s)	Recommendation
3	F	29 - 31	The Plan states that infrastructure projects are intended to benefit the island as a whole. By incorporating SSG principles into the evaluation/prioritization matrix on the following pages, CNMI can help ensure that funds are invested wisely and that infrastructure is built to resist and be resilient to future weather hazards.	P*1* Climate Change	Consider giving bonus points to projects that incorporate SSG in scoring criteria # 1. Incorporate SSG principles into #2 of the scoring criteria for infrastructure projects. See Guidance Manual for SSG Tools 7.1 &7.2 (pp. 51-60) for ideas/projects to increase infrastructure resilience to future tropical cyclone events.
3	G	32	The Plan states "NMHC may also add leveraging requirements to specific program policy and guidelines as needed." This is another opportunity for NMHC to tie back to HUD's strategic objectives (#4C) to promote climate Change resilience (see https://www.hud.gov/program_offices/economic_development/resilience/about).	P*6* Sustainable Development	Incorporate the SSG framework into the CDBG-DR projects to helps the CNMI achieve HUD's strategic objectives. Mentioning how CNMI actions align with overall HUD strategic objectives improve plan coordination with other federal programs to increase community resilience.
4	A	35	Cost effectiveness - NMHC will consider the most cost effective and least time consuming options for the Action Plan. However, sometimes the cost of climate adaptation measures to ensure building are resistant to projected climate conditions may cost more than options to build to today's climate conditions (Guidance Manual for SSG, pp 10-11). FEMA states that for every dollar spent on climate mitigation today, there is a 6 dollar return in future storm-related damage costs averted (Multi-hazard Mitigation Council 2018). This should be factored into the decision/prioritization process.	P*6* Sustainable Development	Add in language that sustainable development BMPs and SSG principles will also help guide project prioritization funding.
4	A	35	NMHC has retained an Engineer to develop plans.	P*11* Knowledgeable SSG Communities	Ensure the Engineer receives comprehensive training regarding the Guidance Manual for SSG.

Section	Sub-section	Page(s)	Comment	Relevant SSG Principle(s)	Recommendation
4	E.1	37	Homeowner Rehabilitation and Reconstruction - there is no mention of homeowners restoring their homes/property to existing building codes, specifically to comply with Earthquake and Typhoon Standards (155-10.2-615). Is it a program requirement that participants have a building permit and adhere to codes?	P*6* Sustainable Development	Ensuring repairs and new construction meet building codes is one the surest ways to improve community resistance and resilience to weather-related damage (Multi-hazard Mitigation Council 2018). Additionally, all NMHC projects should align recommendations in the Permanent Housing Construction (PCH) report prepared for FEMA following Super Typhoon Yutu (2018). The Manual for SSG provides a evaluation of existing codes and how they conform with SSG principles (pp. 39-46).
4	E.1	37	Are there options within the CDBG-DR program to give homeowners incentives to repair their homes to meet sustainable development best management practices?	P*5* Development Incentives	Monetary incentives may help home owners to more readily comply with codes and other mitigation measures to increase storm-resilience of their property.
4	E.1	39	Single Family New Construction Development - The NMHC will develop land to include infrastructure construction activities. To ensure the long-term viability and to protect the public investment, the NMHC should incorporate SSG principles (Guidance Manual for SSG, Tools 7.1 & 7.2 pp 51-66).	P*6* Sustainable Development P*7* Ecosystem Services P*8* Green Infrastructure	The NMHC develops and evaluates projects within the SSG framework and utilizes SSG checklists to help identify specific mitigation actions (Guidance Manual for SSG, Appendix A).
4	E.1	39	Are there options within the CDBG-DR program to give homeowners incentives to construct their homes to meet sustainable development best management practices?	P*5* Development Incentives P*6* Sustainable Development	Monetary incentives may help home owners to more readily comply with codes and other mitigation measures to increase the storm-resiliency of their property.
4	E.1	42	Affordable Rental Housing Development - Essentially the same questions about holding developers accountable to code through building permits, and can incentives be developed to encourage sustainable development BMPs?	P*5* Development Incentives P*6* Sustainable Development	Monetary incentives may help home owners to more readily comply with codes and other mitigation measures to increase the storm-resiliency of their property.

Section	Sub-section	Page(s)	Comment	Relevant SSG Principle(s)	Recommendation
4	E.2	44	The Plan states "The CNMI will ensure that adaptable and reliable technologies are used to guard against premature obsolescence of infrastructure." In the Guidance Manual for SSG, Tool 7.1 was specifically designed to help integrate SSG into Utilities Infrastructure projects (pp. 51-60).	P2 Retreat P3 Retrofit P4 Critical Facilities Location P6 Sustainable Development BMPs P8 Green Infrastructure	Include a statement that the a SSG planning framework will be used for these projects.
4	E.3	45	Economic Revitalization Program - This aspect of the CDBG-DR Plan will provide support to businesses, including those engaged in housing construction and housing programs.	P11 Knowledgeable SSG Communities	Recommend providing training to businesses about SSG and why these principles and mitigation actions will lead to safer, stronger communities. Generate community support and buy-in for implementing SSG and hazard mitigation actions.

CNMI Response: NMHC will consider the comments regarding SSG principal and will incorporate where possible once the Action Plan is approved.

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 approval and a copy is available upon request.

E. Waivers

TOURISM WAIVER REQUEST

The Northern Marianas Housing Corporation hereby requests the US Department of Housing and Urban Development for a waiver to authorize the use of direly needed CDBG-DR grant funds towards tourism marketing and investments and industry support for the Commonwealth of the Northern Mariana Islands' ("CNMI") primary economic pillar as an island resort destination.

Super Typhoon Yutu's economic impact in the CNMI was profoundly felt within the tourism sector and the overall economy. The large scale, never seen before destruction of the CNMI's primary port of entry–Saipan International Airport, and the resulting dramatic reduction in passengers from the CNMI's tourism source countries irreparably halted economic activity in the wake and aftermath of the disaster and over a period of a couple months, and created lasting repercussions that continue to reverberate and are felt today in our recovery period.

The effect of Super Typhoon Yutu continues to be wide-ranging. This report details the effects of the disaster from the perspective of direct and indirect economic impacts, on tourism demand, and the effect on prime tourist destinations.

Background

On the night of October 24, 2018, the CNMI was struck with the strongest storm to make landfall in a U.S.-affiliated jurisdiction since 1935. Immediately following the terrifying storm's damaging winds, the

Commonwealth recognized that its largest and most consequential airport, the Saipan International Airport, was severely damaged and incapable of resuming normal operations. This crippled the tourism industry as tourism arrivals for November 2018 witnessed the lowest monthly arrivals to the CNMI since prior to 1989.

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 and the accommodations and amusement sector provided for an average of 21.5% of total employee compensation within the Commonwealth.[8]

Total arrivals on November 2018 were 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, the impacts were wide-ranging and pronounced. This report will attempt to cover in detail the impacts and the consequences of the disaster for the Marianas Visitors Authority and its mandates.

The Marianas Visitors Authority (MVA) is the state tourism office of the Commonwealth of the Northern Mariana Islands (CNMI) and is mandated to promote Saipan, Tinian, Rota and the Northern Islands as an ideal destination to travelers from countries in Asia, Oceania and throughout the world. Our three main source markets are Korea, China, and Japan.

Marketing is an essential but exceptionally costly investment, especially considering our industry competitors spend several times the amount we do in these countries.

The primary source of MVA's budget comes from the Hotel Occupancy Tax (HOT) as mandated by Public Law 18-1.

In addition to marketing, the MVA produces several signature events and sporting events throughout the year to attract visitors and for our local community; takes responsibility for the maintenance and rehabilitation of tourist sites on Saipan, Tinian, and Rota; and operates the Tour Guide Certification Program to train and certify tour guides and operators.

PRE-CORONAVIRUS

Marketing

Fiscal Year 2019 was a very difficult year in terms of visitor arrivals. The devastation caused by Super Typhoon Yutu in October 2018 led to the closure of the Saipan International Airport, to the many months following of recovery of flights and demand from our source markets. Total arrivals for the year were down 30 percent to just over 400,000 visitors.

Several hotels remained closed for weeks to undergo major renovations to the damaged facilities caused by Super Typhoon Yutu as some hotels were only partially opened limiting access to certain facilities, as of today, 1 hotel remains close. The damage done from Super

[8] U.S. Bureau of Economic Analysis. 2018. https://www.bea.gov/system/files/2018-10/cnmigdp_101718.pdf

Typhoon Yutu to the Ada Gymnasium sporting facilities disrupted professional teams from overseas to come and train for their off-season training.

Major source markets were hit by softening economies, trade wars with the United States, and a declining currency exchange rate. Tourism is a volatile industry, often influenced by national and international factors outside our local control.

Public land leases for two (2) of our largest hotels are expiring very soon, Fiesta Resort & Spa and the international brand Hyatt Regency Saipan.

Due to MVA not meeting its projected revenue for FY 2019, there was a reduction in the marketing budgets in our source markets and delayed payment to our off-shore marketing offices.

Despite the challenges due to the impact of Super Typhoon Yutu, the MVA has successfully secured an average of 80% and above load factor for all Korean airlines for fiscal year 2019 through various co-op projects/promotions with key travel agencies and airline partners. MVA gained substantial PR exposures during FY19 with 1,025 media exposures to an ad value of $8,674,430 and circulation of 384,484,698. MVA held meetings with various editors and advertising directors to build stronger relationships with media and consumer brands and to provide information about latest marketing and PR activities to promote The Marianas in Korea. MVA also discussed methods to raise destination awareness among readers in more effective ways through both print and digital channels and was able to successfully create the first ever Marianas Dive Map mobile app to establish The Marianas as a top-of-mind destination for scuba divers and leisure sports enthusiasts.

For the China Market, MVA has successfully maintained and strengthened the cooperation partnership with the airlines which are providing regular and charter flights to the CNMI by securing a stable flight capacity of 17 flights offering 4,393 seats per week with coverage of more than 30 Chinese cities by domestic and international air routes in fiscal year 2019. MVA has spared no effort to support 24 MICE groups, for a total 5,545 MICE tourists that visited the CNMI. This is increased by 70% compared to fiscal year 2018.

For the Japan market, MVA secured a partnership with Skymark Airlines immediately after Delta Air Lines announced its suspension of the Narita-Saipan route. In fiscal year 2019, MVA was able to secure 19 charter flights through Skymark Airlines in a span of 7 months. Skymark Airlines announced on September 19, 2019, that they would launch daily regular flights between Narita International Airport and Saipan by the end of 2019. This marks Skymark Airlines' first international route.

For the Taiwan market, MVA has successfully positioned The Marianas as a diving, watersports, and photography tourism destination by appointing Taiwanese underwater photographer Yorko Summer as the MVA Ocean Tourism Ambassador in 2018- 2019. Key agents and Vietnam Bamboo Airlines are planning on Taipei/Saipan charter flight service in 2020. MVA secured over $3 million in unpaid advertising value through its PR campaigns in FY 2019 with exposure secured in 483 publications/outlets.

Global Branding and Marketing Strategy Initiative
In 2018 and 2019, the MVA initiated efforts to create a global branding and marketing strategy establishing clear identity for the Commonwealth of the Northern Mariana Islands (CNMI), or "The Marianas" that resonates within the travel community as a desirable, alluring islands resort destination to visit. The initial idea for the MVA is to develop a comprehensive global branding strategy for *The Marianas* that incorporates

traditional print materials, digital marketing, uniformity amongst social media platforms, implementation training, and to create global uniform branding in all major source markets (Japan, Korea, China, Taiwan, Russia, and U.S. states and territories), and potential new markets. Also, to enhance existing marketing platforms locally and in our source, markets creating new opportunities, ideas, and guidelines to brand *The Marianas* to current and potential new markets.

MVA sought to hire a global marketing company with outstanding credentials capable of demonstrating measurable success in the development of tourism destination branding and marketing that is geared towards tourism development. Also, for that company to be proficient relations specialists to deliver high quality, on-target, and well-organized global branding services for *The Marianas* through robust project management, quality control practices with a proven methodology for achieving results, and pairing global reach with local boutique services. The RFP (Request for Proposals) process was initiated and proposals were received and evaluated.

Destination Enhancement

MVA is responsible for the maintenance and rehabilitation of all tourist sites in Saipan, Tinian, and Rota, which responsibility is very costly and challenging, especially with diminishing funding, limited resources, and shortage of manpower among construction companies with longstanding lack of laborers exacerbated by US immigration policy restricting foreign national workers from freely traveling to the CNMI to work.

To be sure, the damages of Super Typhoon Soudelor before followed by Super Typhoon Yutu have significantly adversely impacted the visitation statistics of our major tourist sites. The principal factor was the current state of extensive disrepair that remains to date from both disasters in addition to the CNMI's financial constraints due to a prolonged weak economy. Thus, all major tourist sites pose increasing safety risks to visitors against unnecessary injury not to mention they display a blight and present unappealing sights to visitors.

Finances

MVA's primary budget is sourced from the Hotel Occupancy Tax (HOT) as mandated by Public Law 18-1. There exists the likely possibility that MVA receives far less than its fair share of the attainable revenue from the HOT, owing to the sudden emergence of hundreds of guest houses, bed and breakfasts, short-stay apartments, and similar establishments for illegal modes of lodging, which business transactions are unreported and unpaid or uncollectible HOT. These represent a small portion of the vast unpaid HOT by unreported guests in both legal and illegal lodgings.

MVA did not meet its projected $14 million revenue for FY 2019. MVA's share in the actual collected HOT entitlement for FY 2019 is only $11.9 million, however, only 63% was remitted to MVA by the end of fiscal year 2019, or $7.5 million only.

In February 2019, the Marianas Visitors Authority began implementing its own austerity measures in direct response to the drastic loss of revenue due to the impact of Super Typhoon Yutu by suspending Within-Grade Increases and Merit awards for employees and any overtime pay. MVA instituted flex time (1-1), to avoid accruing compensatory time hours (time and a half), which is paid out by giving employees time off from work instead of an increase in their paychecks. Flex time allows the employee to take time off without an increase in the number of hours they work per week.

In May 2019, Governor Ralph DLG. Torres sent out Directive 2019-004, which implemented a 72-hour work schedule and other austerity measures. The MVA joined the central government and implemented a 72-hour work schedule for all employees. The suspension of Within-Grade Increases, Merit Awards, and overtime was still in place. In November 2019, the directive was lifted and we returned to a full 80-hour work schedule.

Fast forward to February 2020, and MVA is forced to deal with another setback to its finances and tourism marketing mission from the global Coronavirus crisis. Governor Torres issued another directive to implement deeper budget cuts, in addition to 64-hour work schedule to begin on March 15, 2020, as a result of budget shortfalls from immediate suspension of flights from our major tourism source markets of China and South Korea. MVA is gravely concerned that the continual lack of access to the HOT revenues crippled by back-to-back budgetary cuts with further reduction in work hours and operations will lead to terminating an already bare pool of staff, shelving of all marketing campaign initiatives, closure of MVA representative offices in source markets, and closing of MVA offices altogether.

It is unequivocally imperative that MVA takes wind of infusion of direly needed funding to reserve and strategically allocate in order to pick up and invest in retaining and expanding competent staffing, restore normal operational hours required to proactively promote tourism for the CNMI's single-based economy, to reinstate full and expanded operations of MVA representative offices abroad in the major tourism source markets as soon as possible, and to reevaluate and reconsider undertaking a wholly transformational and ground breaking strategic global branding marketing campaign in Asia, North America, Europe, and elsewhere with captive tourism market bases.

PRE CORONA VIRUS

			JAPAN	KOREA	CHINA	OTHERS	TOTAL
		VISITOR ARRIVALS	47,836	271,861	167,592	31,189	518,478
	DIRECT IMPACT	Hotel Revenue	$11,523,654.94	$85,050,960.14	$53,257,060.76	$7,518,435.60	$157,350,111.44
		On Island Expenditure	$36,269,255.20	$154,615,627.90	$114,197,188.80	$12,990,202.00	$318,072,273.90
		Total	$47,792,910.14	$239,666,588.03	$167,454,249.56	$20,508,637.60	$475,422,385.33
							$0.00
	INDIRECT IMPACT	Multiplier (1.62)	$77,290,826.10	$386,838,842.20	$270,624,503.44	$33,114,314.55	$767,868,486.29
							$0.00
	TOTAL IMPACT	Direct/Indirect	$125,083,736.24	$626,505,430.23	$438,078,753.01	$53,622,952.15	$1,243,290,871.62
							$0.00
	TAXES	Gross Revenue Tax	$6,254,186.81	$31,325,271.51	$21,903,937.65	$2,681,147.61	$62,164,543.58
		Hotel Occupancy Tax	$1,728,548.24	$12,757,644.02	$7,988,559.11	$1,127,765.34	$23,602,516.72
		Total	$7,982,735.05	$44,082,915.53	$29,892,496.76	$3,808,912.95	$85,767,060.30
							$0.00
TOTAL IMPACT INCLUDING TAXES		Economic Value	$133,066,471.29	$670,588,345.76	$467,971,249.77	$57,431,865.10	$1,329,057,931.92

IMPACT OF CORONAVIRUS THREAT

Marketing

The outbreak of the Novel Coronavirus adversely affects the single-based tourism industry in the Marianas. The General Office of Ministry Of Culture And Tourism Of The People's Republic Of China issued a document on January 26, 2020, which ordered all national travel agencies and online travel companies to temporarily suspend business group travel and "ticket + hotel" products until further notice. On January 29, the Honorable Governor Torres issued an Executive Order seeking to suspend travelers from mainland China from flying directly and indirectly into the CNMI due to the Coronavirus threat. Following the Executive

Order, President Trump issued a proclamation on suspension of entry as immigrants and nonimmigrants of persons who pose a risk of transmitting 2019 Novel Coronavirus. All flights from China, including Hong Kong, have been temporarily suspended until further notice.

From China, there are more than 18,500 cancelled bookings from January 22 – March 29; and from Korea, we have more than 16,000 cancelled flight bookings from January 28 to March 6. With the increasing number of confirmed cases in Korea and Japan, we are projecting that the number of cancellations will continue to increase.

Global Branding and Marketing Strategy Initiative

Unifying the CNMI brand is integral to building a strong brand position and identity. The purpose of global branding initiative is to share the unity and diversity of the 14 islands in the CNMI. The MVA plans to enhance existing marketing platforms locally and in our source markets, while also creating new opportunities, ideas, and guidelines to strategically brand *The Marianas* to current and potential new markets. Due to lack of funding caused by major crises starting with Super Typhoon Yutu and the ongoing COVID-19 outbreak, the MVA cannot proceed forward with sealing a Global Branding and Marketing Strategy contracted agreement. Our economy is taking constant negative impacts and this is causing a havoc for the MVA to remain administratively and operationally afloat and from further implementing the Global Branding and Marketing Strategy. With the new possible funding through CNMI CDBG-DR Grant, the MVA capitalize on the historic opportunity to resume global branding and marketing strategy objectives.

Programs and Events

Signature Events and Community Outreach Programs

Below are some of the losses the MVA anticipates to experience as a direct result of this virus:
PROMOTIONAL EVENTS FUNDING ANALYSIS:

Island	Approved Budget (FY2020)	Proposed Cut (20%)	Cuts Due to COVID-19
SAIPAN	$541,700	$391,000	$94,000
TINIAN	$76,500	$59,714	$0

CORONA VIRUS OUTBREAK IMPACT as of February 27, 2020

		JAPAN	KOREA	CHINA	OTHERS	TOTAL
	VISITOR ARRIVALS	47,836	213,329	49,217	31,189	341,571
DIRECT IMPACT	Hotel Revenue	$11,523,654.94	$66,565,562.54	$18,602,954.68	$7,518,435.60	$104,210,607.76
	On Island Expenditure	$36,269,255.20	$121,326,602.17	$33,536,463.80	$12,990,202.00	$204,122,523.17
	Total	$47,792,910.14	$187,892,164.71	$52,139,418.48	$20,508,637.60	$308,333,130.93
						$0.00

INDIRECT IMPACT	Multiplier (1.62)	$77,290,826.10	$302,964,276.41	$83,814,477.09	$33,114,314.55	$497,183,894.16
						$0.00
TOTAL IMPACT	Direct/Indirect	$125,083,736.24	$490,856,441.12	$135,953,895.57	$53,622,952.15	$805,517,025.08
						$0.00
TAXES	Gross Revenue Tax	$6,254,186.81	$24,542,822.06	$6,797,694.78	$2,681,147.61	$40,275,851.25
	Hotel Occupancy Tax	$1,728,548.24	$9,984,834.38	$2,790,443.20	$1,127,765.34	$15,631,591.16
	Total	$7,982,735.05	$34,527,656.44	$9,588,137.98	$3,808,912.95	$55,907,442.42
						$0.00
TOTAL IMPACT INCLUDING TAXES	Economic Value	$133,066,471.29	$525,384,097.56	$145,542,033.55	$57,431,865.10	$861,424,467.50

		JAPAN	KOREA	CHINA	OTHERS	TOTAL
	VISITOR ARRIVALS	47,184	139,051	49,039	31,634	266,908
DIRECT IMPACT	Hotel Revenue	$11,353,254.38	$44,121,964.30	$18,550,023.15	$7,620,026.60	$81,645,268.42
	On Island Expenditure	$35,774,908.80	$79,082,475.23	$33,415,174.60	$13,168,202.00	$161,440,760.63
	Total	$47,128,163.18	$123,204,439.53	$51,965,197.75	$20,788,228.60	$243,086,029.05
						$0.00

CORONAVIRUS – As of March 9, 2020

INDIRECT IMPACT	(1.62)	$76,213,936.02	$198,170,161.63	$83,532,239.49	$33,567,251.98	$391,483,589.12
						$0.00
TOTAL IMPACT	Direct/Indirect	$123,342,099.20	$321,374,601.16	$135,497,437.24	$54,355,480.58	$634,569,618.18
						$0.00
TAXES	Gross Revenue Tax	$6,167,104.96	$16,068,730.06	$6,774,871.86	$2,717,774.03	$31,728,480.91
	Hotel Occupancy Tax	$1,702,988.16	$6,618,294.65	$2,782,503.47	$1,143,003.99	$12,246,790.26
	Total	$7,870,093.12	$22,687,024.70	$9,557,375.33	$3,860,778.02	$43,975,271.17
						$0.00
TOTAL IMPACT INCLUDING TAXES	Economic Value	$131,212,192.32	$344,061,625.86	$145,054,812.57	$58,216,258.60	$678,544,889.35

MVA will be reducing all contract costs locally and offshore including their MVA representation offices in China, Taiwan, Korea and Japan. Procuring products and/or services will be restricted to essential and constructive marketing and operational purposes. In addition to that, all current Invitation for Bids or Request for Proposals will either be on hold or cancelled. To provide a safeguard and upkeep The Marianas image as a premier vacation destination the following contracts are necessary, but cuts will be made due to budget shortfalls as a result of the impact of the Coronavirus on the CNMI's tourism industry:

- Offshore Marketing in China, Taiwan, Korea & Japan. These contracts provide marketing, advertising, Internet and public relation services to the MVA and assist the MVA with its mandate to promote tourism to the Northern Mariana Islands.
- Lifeguard, security, maintenance and cleaning services. To ensure that tourism continues to thrive and grow in the CNMI, the MVA has taken steps to identify various projects focused on "Destination Enhancement". Among those projects is the provision of assisting MVA with its efforts to ensure safety and perform routine housekeeping, cleaning, and maintenance services at selected tourist sites in the island of Saipan from Monday through Sunday, including Holidays.
- Daily trash collection and disposal services along Garapan streets located on the island of Saipan. The purpose of this contract is to provide sanitary conditions for pedestrians and a clean environment for the general public.
- Services on production and airtime of road safety and environmental protection tips video. This contract is designed to keep our visitors and residents informed of driving and pedestrian rules, ocean and environmental safety tips, and advice of keeping one's belongings safe. The video is aired on all visitor's channels or cable television in different languages such as Japanese, Korean, Chinese, English and Russian. The video is also shown at the Saipan International Airport, Managaha Island and other areas deemed necessary by the MVA. Copies of all videos is also available for the use by car rental companies and tour companies or tour operators in the CNMI at minimal or no cost.
- MVA local public relation and media services. The purpose of this contracts allows the selected individual or company to provide and assist the MVA with local public relations and media services to develop and implement communications and public relations strategies that increase the public's awareness of its activities and initiatives. In addition, enhance its image among stakeholders and maximize media opportunities in local and regional media markets within the CNMI.
- Product and services for landscaping on selected tourist areas for destination enhancements and beautification.
- Financial and compliance Audit Services. This contract provides financial and compliance audit services for the MVA for the end of each fiscal year.

Tourism Multiplier – Discussion

Prior to the assessment of the impact of Super Typhoon Yutu on the economy, it is necessary to continue the conversation on the effect of tourism in the wider economy. Magnifiers measure the effect of an independent action in the aggregate production or accounting of the economy.

To calculate the expenditure multiplier for this study, we are using the formula

$$expenditure\ multiplier = \frac{1}{(1 - (MPC - MPM))}$$

Where MPC is the Marginal Propensity to Consume, or the proportion of a dollar that goes toward consumption instead of savings, and MPM is the Marginal Propensity to Import, or the fraction of the dollar that exits circulation throughout the economy through the purchase of imported goods.

In taking data from the U.S. Bureau of Economic Analysis, and the CNMI Department of Finance on the value of imported goods into the Commonwealth and the CNMI Central Statistic Division,[9] we have the following equation and resulting expenditure multiplier:

$$\frac{1}{(1 - (0.63 - 0.25)} = 1.62$$

In essence, taking into account the proportion of dollars spent that are either saved or expended in a direct off-island purchase, a dollar will multiply 1.62 times through the CNMI economy per dollar spent.

On-island Expenditure

This report uses MVA data on the on-island expenditure of tourists separated by country of origin. The following figures were used:

	JAPAN	KOREA	CHINA	RUSSIA	OTHERS
ON-ISLAND EXPENDITURE	$758.20	$568.73	$681.40	$4,129.00	$400.00

Base-Line Estimates

Estimates for the impact of Super Typhoon on Tourism arrival numbers is based on a component form exponential smoothing forecast model built from arrival statistics between October 2005 to September 2018.

The form of this model took the following equation:

$$\hat{y}_{t+h} = A_t + (\phi + \phi^2 + \phi^3 + \phi^h)T_t$$

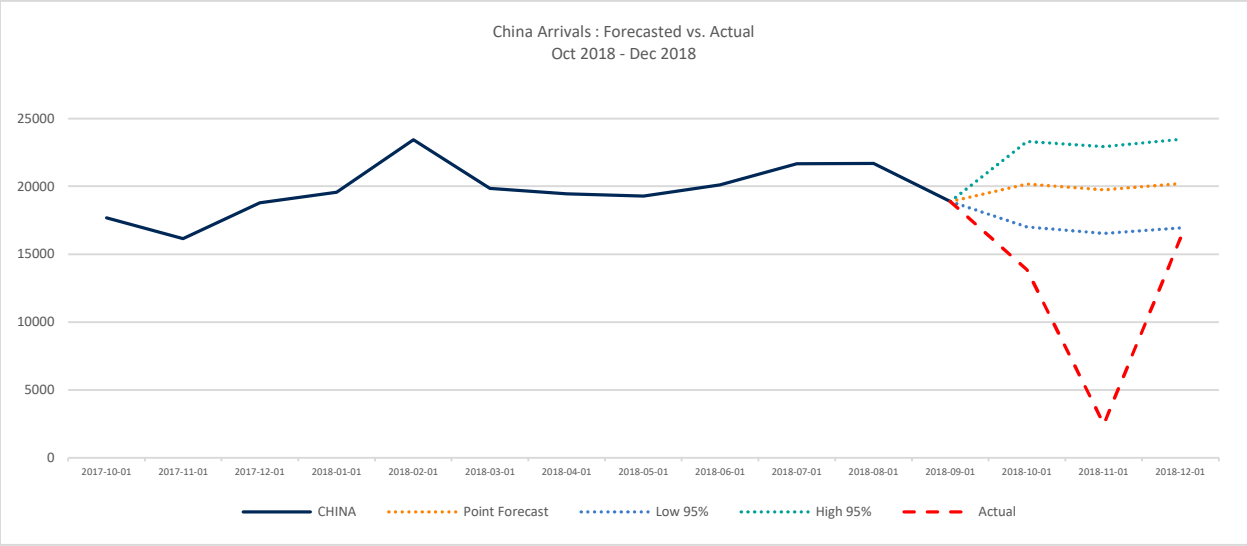
[9] Consumption totals were derived from the 2018 Gross Domestic Product Report, the Import value came from the CNMI Department of Finance - Division of Customs, and the Savings data came from the CNMI Department of Commerce's Economic Indicators published by the Central Statistics Division. Calculations of the MPC and MPM were performed by Hive Analytics

With $A_t = \alpha y_t + (1-\alpha)(A_{t-1} + \phi T_{t-1})$, and $T_t = \beta(A_t - A_{t-1}) + (1-\beta)\phi T_{t-1}$), where ϕ is the dampening parameter.

This method was replicated for each major source country and provides a range of the potential tourist arrivals that would have been possible were it not for Super Typhoon Yutu.

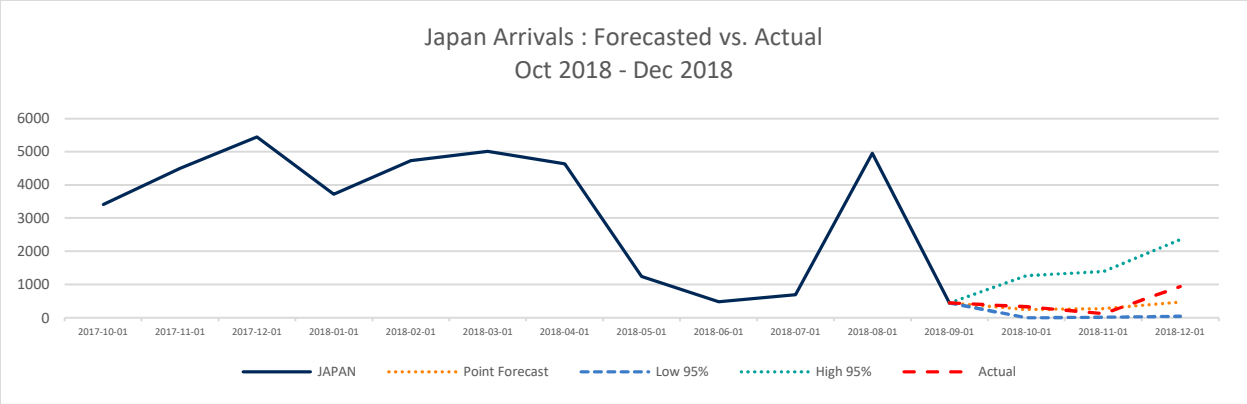
China – Base Line

CHINA	POINT FORECAST	LOW 95%	HIGH 95%	ACTUAL
OCT	20164.71	17016.3	23313.12	13857
NOV	19741.57	16540.14	22943	2488
DEC	20210.09	16948.83	23471	16199



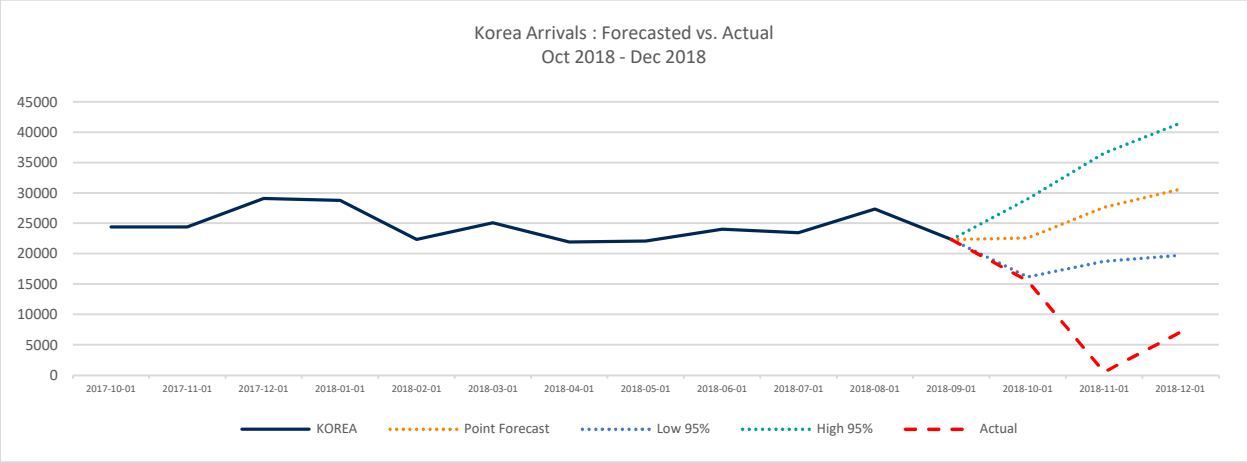
Japan – Baseline

JAPAN	POINT FORECAST	LOW 95%	HIGH 95%	ACTUAL
OCT	249	0	1265	334
NOV	278	15	1393	126
DEC	475	45	2358	942



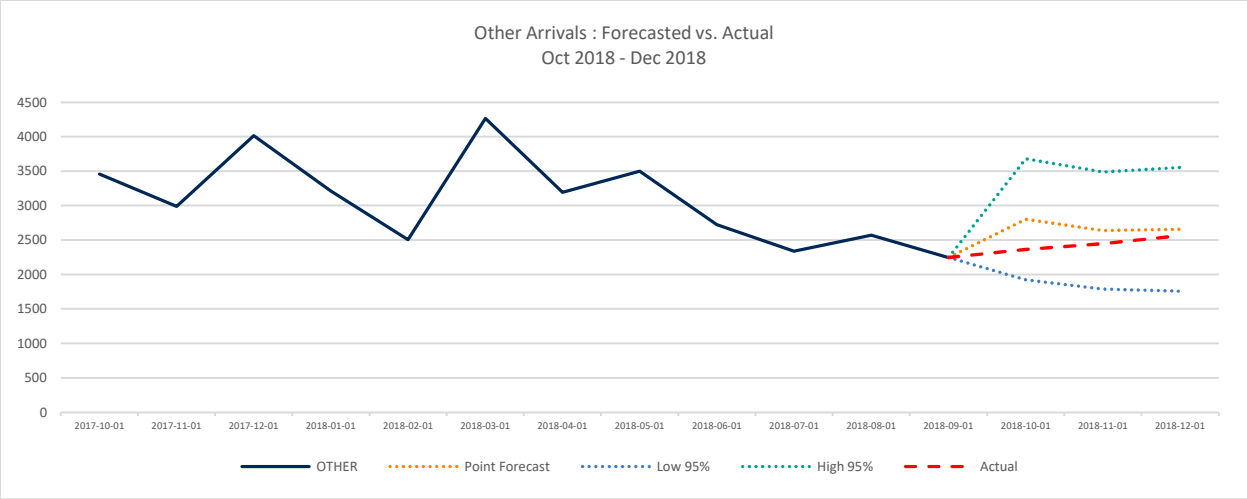
Korea – Baseline

KOREA	POINT FORECAST	LOW 95%	HIGH 95%	ACTUAL
OCT	22597.95	16192.69	29003.21	15552
NOV	27659.3	18778	36540.6	531
DEC	30646.76	19768.35	41525.16	7125



Other – Baseline

OTHER	POINT FORECAST	LOW 95%	HIGH 95%	ACTUAL
OCT	2803.301	1925.658	3680.944	2365
NOV	2640.823	1791.902	3489.744	2450
DEC	2657.106	1759.962	3554.251	2565



Direct and Indirect Economic Impact

When measuring the actual economic gain from the tourist arrivals during the first quarter of Fiscal Year 2019, the expenditure multiplier and on-island expenditure estimates provide the following:

		DIRECT ECONOMIC IMPACT	INDIRECT ECONOMIC IMPACT
CHINA	October	$ 9,442,159.80	$ 15,296,298.88
	November	$ 1,695,323.20	$ 2,746,423.58
	December	$ 11,037,998.60	$ 17,881,557.73
JAPAN	October	$ 253,238.80	$ 410,246.86
	November	$ 95,533.20	$ 154,763.78
	December	$ 714,224.40	$ 1,157,043.53
KOREA	October	$ 8,844,888.96	$ 14,328,720.12
	November	$ 301,995.63	$ 489,232.92
	December	$ 4,052,201.25	$ 6,564,566.03
OTHER	October	$ 946,000.00	$ 1,532,520.00
	November	$ 980,000.00	$ 1,587,600.00
	December	$ 1,026,000.00	$ 1,662,120.00

When placing the expenditure estimates and the expenditure multiplier against the mean forecasted arrivals for the months of October through December 2018, the estimated lost economic activity, both direct and indirect, can be calculated and totaled.

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 was $51,586,476.69. The estimated total loss in indirect economic activity was $83,570,092.23.

		DIRECT ECONOMIC IMPACT	INDIRECT ECONOMIC IMPACT	PROJECTED DIRECT IMPACT	PROJECTED INDIRECT IMPACT	LOST DIRECT IMPACT	LOST INDIRECT IMPACT
CHINA	Oct	$9,442,159	$15,296,298	$13,740,233	$22,259,178	$4,298,073	$6,962,879
	Nov	$1,695,323	$2,746,423	$13,451,905	$21,792,087	$11,756,582	$19,045,663
	Dec	$11,037,998	$17,881,557	$13,771,155	$22,309,271	$2,733,156	$4,427,713
JAPAN	Oct	$253,238	$410,246	$188,791	$305,842	($64,447)	($104,404)
	Nov	$95,533	$154,763	$210,779	$341,462	$115,246	$186,699
	Dec	$714,224	$1,157,043	$3,601,450	$583,434	($354,079)	($573,608)
KOREA	Oct	$8,844,888	$14,328,720	$12,852,132	$20,820,454	$4,007,243	$6,491,733
	Nov	$301,995	$489,232	$15,730,673	$25,483,691	$15,428,678	$24,994,458
	Dec	$4,052,201	$6,564,566	$17,429,731	$28,236,165	$13,377,530	$21,671,599
OTHER	Oct	$946,000	$1,532,520	$1,121,320	$1,816,539	$175,320	$284,019
	Nov	$980,000	$1,587,600	$1,056,329	$1,711,253	$76,329	$123,653
	Dec	$1,026,000	$1,662,120	$1,062,842	$1,721,804	$36,842	$59,684
					Total	**$51,586,476**	**$83,570,092**

Tourism Site Impact

The damage of Super Typhoon Yutu appears to have made a significant impact to the visitation statistics of the CNMI's top tourist sites.



Figure 1: Visitor Arrivals to Laulau Beach, Grotto, Banzai Cliff, Bird Island and Suicide Cliff. Source: Marianas Visitors Authority

Visits by tourists to the CNMI tourist sites of Laulau Beach, Grotto, Banzai Cliff, Bird Island, and Suicide Cliff witnessed a 90% reduction following Super Typhoon Yutu. As seen in **Figure 1** above, the sizable reduction in visits was followed by the current slump in visits to these 5 sites. **Figure 2** below shows that the largest immediate impact to site visits was in the Korean market.

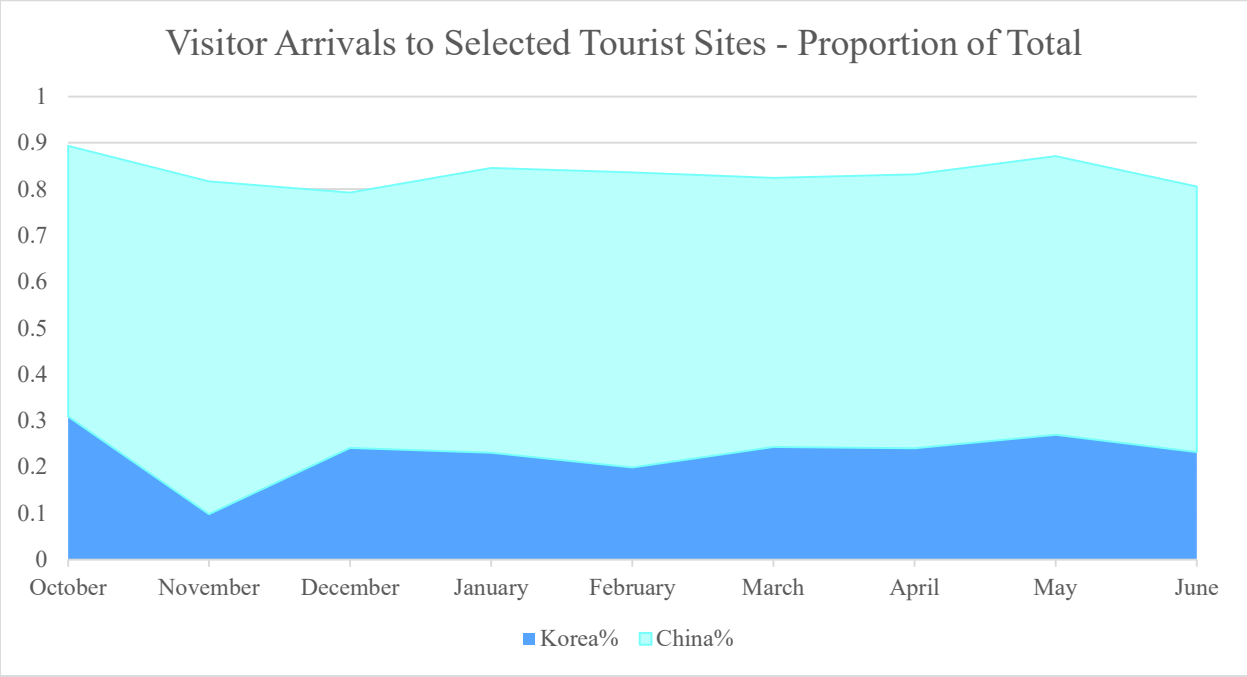


Figure 2: Proportional Share of Korean and Chinese Visitor Arrivals to Laulau Beach, Grotto, Banzai Cliff, Bird Island and Suicide Cliff. Source: Marianas Visitors Authority

In looking toward the proportion of tourists from Korea and China that visit these 5 sites, there appears to be a significant downward trend in the appeal for these destinations. Of the total number of both Korean and Chinese tourists that arrive to the CNMI, fewer are visiting these 5 sites during the duration of their stay, with Korean tourists registering the greater decline in visitors. This trend is seen in **Figure 3** below.



Figure 3: Proportion of Tourist Arriving in the CNMI from Korea and China who visit Laulau Beach, Grotto, Banzai Cliff, Bird Island and Suicide Cliff. Source: Marianas Visitors Authority

Hotel Occupancy and Average Room Rates

According to the Hotel Association of the Northern Mariana Islands, in the months following Super Typhoon Yutu, hotel room stock declined significantly, with 89% of hotel rooms remaining open more than 7 months after the disaster.

Figure 4 showcases the relationship between total room stock and the average daily rate, with rates and rooms creating opposing forces, with the reduction in room stock raising average hotel rates to the highest rate in nominal terms in two years.

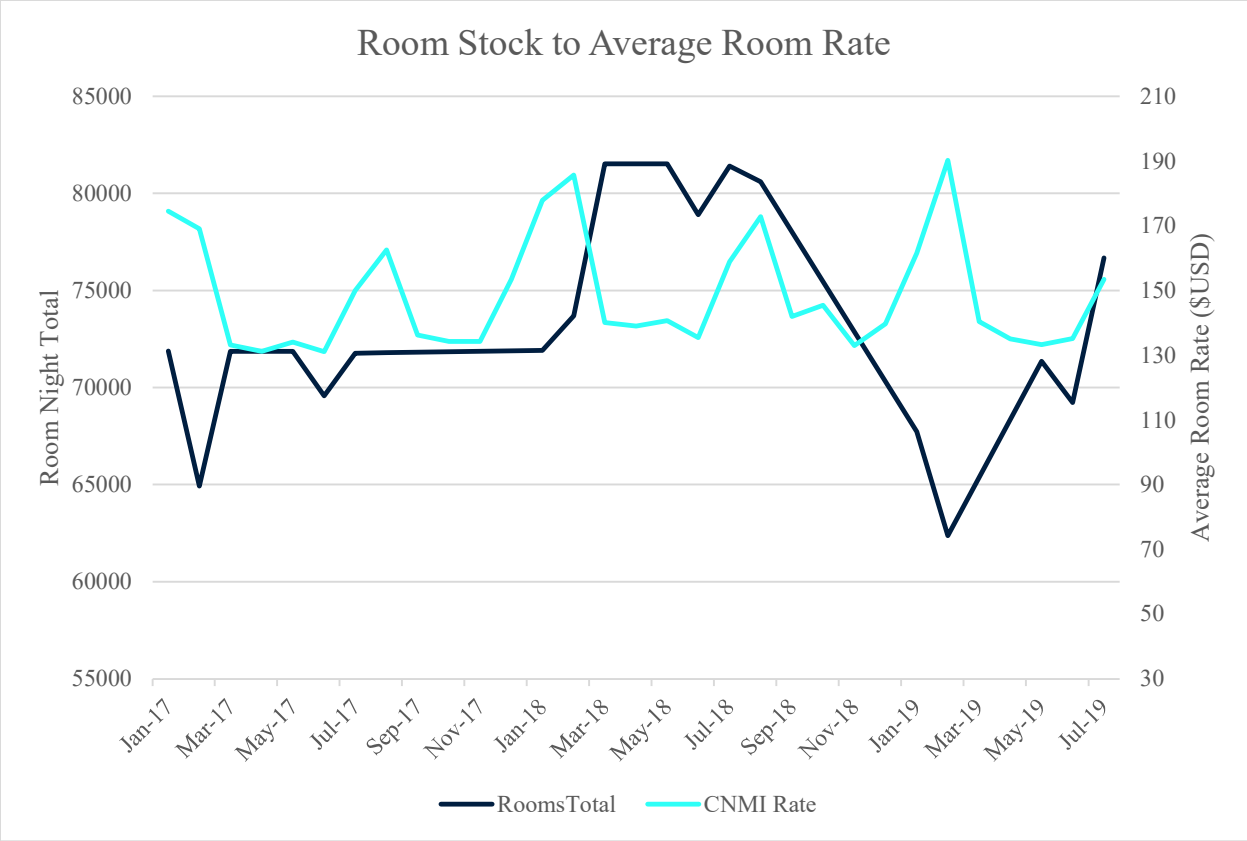


Figure 4: The effect of Total Room Stock on Average Room Rates with a remarkable surge in price following room reductions after Yutu

CONCLUSION

There is not an ounce of doubt that Super Typhoon Yutu irreparably ravaged the already extremely volatile nature economy of the CNMI that led to a screeching choke-hold of barely any economic activity in the wake and aftermath of the region's strongest storm throughout the next twelve (12) months. Beyond the controls of anyone, critical seat load capacity was halted as airplanes from major tourism source markets were embargoed from flying and bringing tourists and passengers into the CNMI, a couple of major large hotels closed from direct damages by the disaster, critical jobs were lost and reduced to a bare minimum in all hotels, restaurants, shops, and all related tourism businesses. Thus, the CNMI's fragile economy and small economy of scale was dealt an irreparable blow, resulting in a massive adverse multiplier effect and impact that continues to today.

With tourism being the CNMI's primary source of economic activity, there is no question that the widespread effects of the COVID-19 will be detrimental to our small and fragile economy. The CNMI is already at a disadvantage to handle the impact of the Coronavirus as we are still recovering from the devastating effects of Super Typhoons Soudelor (2015) and Yutu (2018). The MVA, being at the forefront of the tourism industry and relying on the Hotel Occupancy Tax as its only source of funding, stands to take a huge blow with irreparable losses. With the loss of its only source of funding due to a standstill of visitor arrivals, its promotional and marketing budgets will be slashed, which will greatly impair its ability to promote the Marianas destination to our source markets in South Korea, China, and Japan. Without dire

funding, its signature sporting events, cultural festivals and community events will be halted. MVA's ability to regulate tour operators and the safety of our visitors will be hindered and efforts to maintain, repair and construct our local cultural and historic sites will cease. Any loss to the MVA is a reflection of the greater loss to the CNMI as a whole. Thus, there is a heightened dire need to obtain an additional source of funding through the CNMI CDBG-DR Grant to temper the severe budget cuts and wither the veil of COVID-19 threat. MVA wishes to be back at the helm of strategic efforts to position *The Marianas* as the preferred destination of choice for would-be travelers from major source markets and around the world, restore our single based, lucrative tourism-economy, and jumpstart our economy for the benefit of all who call the CNMI home.

F. Construction Standards

NMHC's CDBG-DR Written Rehabilitation Standards shall detail the methods, materials, and requirements that the housing must meet upon completion of rehab, including all of the following:

(1) **Exigent Health and Safety (EHS).** Identifying all life-threatening deficiencies[10] that present a direct threat to life or well-being, e.g., that are likely to cause severe injury or reduction in physical or mental ability. These EHS life-threatening deficiencies include: locked emergency/fire exit egress, missing/broken electrical cover plates/switches/outlets, inoperable smoke detectors, and exposed wires/missing covers.

(2) **Major Systems.** Requiring that, upon project completion, each major system, as defined by federal regulation, had a remaining useful life of 5 years, or for a longer period as specified by NMHC, or the major system was rehabilitated or replaced as part of the rehabilitation. Major systems are: structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning. For rental housing, the participating jurisdiction's standards must require the participating jurisdiction to estimate (based on age and condition) the remaining useful life of these systems, upon project completion of each major systems. For multifamily housing projects of 26 units or more, the participating jurisdiction's standards must require the participating jurisdiction to determine the useful life of major systems through a capital needs assessment of the project. For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, the participating jurisdiction's standards must require the participating jurisdiction to ensure that a replacement reserve is established and monthly payments are made to the reserve that are adequate to repair or replace the systems as needed. For homeownership housing, the participating jurisdiction's standards must require, upon project completion, each of the major systems to have a remaining useful life for a minimum of 5 years or for such longer period specified by

[10] **24 CFR 92.251(b)(1)(i)**

the participating jurisdiction, or the major systems must be rehabilitated or replaced as part of the rehabilitation work[11].

(3) **Lead-based Paint.** NMHC's standards must conform with HUD's lead-based paint requirements at 24 CFR part 35[12].

(4) **Disaster Mitigation (if applicable).** Require the property to meet the disaster mitigation requirements, e.g., housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements[13].

(5) **State and Local Codes, Ordinances, and Zoning Requirements.** NMHC's standards must require the housing to meet all applicable State and local codes, ordinances, and requirements or, in the absence of a State or local building code, the International Existing Building Code of the International Code Council[14].

(6) **Uniform Physical Conditions Standards.** NMHC's standards must reflect upon completion, the HOME-assisted project and units will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. HUD will establish non-life threatening and minimum deficiencies that must be corrected under NMHC's standards based on inspectable items and inspected areas from HUD-prescribed physical inspection procedures (Uniform Physical Conditions Standards) pursuant to 24 CFR 5.705[15].

GENERAL NOTES:

1. **Scope Verification.** The contractor shall field verify locations, sizes, and quantities of work required for the project. Any quantities provided by NMHC need to be field verified for accuracy and exact installation requirements.

   The contractor is responsible for coordinating with an in-house or third-party Architectural and Engineering (A&E) firm for their project design, proposal, and scope of work for review and certification as required.

2. **Tools, Material, and Equipment.** The contractor will supply all tools, materials, and equipment required to perform the Scope of Work unless otherwise specified.

[11] **24 CFR 92.251(b)(1)(ii)**
[12] **24 CFR 92.251.(b)(1)(iii)**
[13] **24 CFR 982.251(b)(1)(vi)**
[14] **24 CFR 92.251(b)(1)(vii)**
[15] **24 CFR 92.251(b)(1)(viii)**

3. **Permits, Inspections, and Testing.** Contractors and Subcontractors shall be responsible for all permits including but not limited to, the Saipan Zoning Board, the Bureau of Environmental and Coastal Quality (BECQ), and the Department of Public Works (DPW), inspections, testing, fees and licensing as pertaining to the law, ordinances, and regulations and as required to complete their respective Scopes of Work in this Agreement. The contractor shall pay for the entire cost of any remedial work resulting from a failed inspection.

4. **Taxes.** The contractor shall be responsible for all federal, state, and local taxes imposed directly or indirectly for its Services required to fill this Agreement.

5. **Insurance.** The contractor shall provide and maintain General Liability and Worker's Compensation insurance throughout the Term of this Agreement and Project duration. The contractor shall provide certificates of insurance or other acceptable evidence of insurance (i.e., payment and performance bond) in the amount of 100 percent of the rehabilitation contract sum upon execution of this Agreement.

6. **Clean-Up.** The contractor is responsible for daily cleanup of all areas where work is performed and disposal of debris.

NMHC PROJECT PROPOSAL STANDARD REQUIREMENTS:

a) Contractors and/or A&E firms are to conduct assessments of the client's existing home and property condition, existing home structural condition, existing plumbing and drainage system conditions, and existing electrical condition. The contractor and/or A&E firm will also need to verify the home's existing power pole drop line and water meter locations for planning purposes and reference in the scope of work development.

Also, the contractor will identify any potentially life-threatening conditions to include but not limited to:

- Lead-Based Paint
- Asbestos
- Mold
- Structural issues/failures

b) The contractor and/or A&E firm is responsible for securing as-built measurements of the home and project site for conversion to AutoCAD format for planning, layout renovation, and development of the rehabilitation scope of work.

c) Only contractors on NMHC's approved contractor listing are eligible to work on home loan clients' new or rehab home projects.

Note: Interested contractors not currently listed on NMHC's contractor listing must first submit all documents as listed on the request for qualifications notice to be added to the contractor listing and become eligible to work on home projects.

d) The contractor is responsible for applying for all permits necessary for a new house construction proposal or renovation, extension, rehab project for a regular home or disability home project for the record.

e) The contractor is responsible for having all project design drawings reviewed and certified by a licensed A&E firm. The contractor will utilize the certified drawings to apply for the DPW Building Permit as required.

f) The contractor is responsible for complying with all DPW Building Safety Code requirements including but not limited to: inspections, report documentation, and testing reports throughout the construction process for new, rehab, renovation home projects for regular home or disability home construction, extensions, or house conversions to disability home compliance projects.

g) The Contractor is responsible for gathering and maintaining all project records and documentation required by DPW for the issuance of the Certificate of Occupancy upon project completion. Copies of all reports are also to be submitted to NMHC.

h) The contractor is required to conduct a pre-final inspection of the project with the homeowner and NMHC officials, before final inspection with DPW Building Safety inspectors, to test all the building systems and finishing work.

i) Any major systems, as defined below, installed by the contractor shall have a warranty of no less than 5 years. Such warranty shall be stipulated on the rehabilitation contract between the contractor and the homeowner. Should it be determined at any time during the 5-year warranty period that a major system failure was a result of the work completed by the contractor then the contractor will be obligated to repair the failure.

j) All other rehabilitation work performed by the contractor shall have a warranty period of no less than 1 year, beginning on the date of the Certificate of Occupancy issued by the Department of Public Works. Such warranty shall be stipulated on the rehabilitation contract between the contractor and the homeowner.

Major systems as defined by 24 CFR 92.251(b)(1)(ii)] – Structural support; roofing; cladding and weatherproofing (e.g., windows, doors, gutters); plumbing; electrical; and heating, ventilation, and air conditioning.

ZONING REFERENCES AND REQUIREMENTS:

a) Contractors are required to apply for all zoning permit(s)/clearance(s) required for a home renovation or rehabbing project, including any new home extension projects. Contractors will need to ensure full compliance with all zoning setback requirements.

Example: For any extension in the front of the house, the extension should be 15' feet away from the front property line to the new front wall extension. For the left or right-side, the zoning setback requirements are 10' feet away from the boundary line to a new building wall extension. And for the rear setback, zoning requires 20' feet clearance away from the rear property line. Any failure to meet these requirements may result in the home client having to pay for zoning variance fees.

b) Zoning fencing setback requirements - For any proposed fencing for the front side of the house facing the road entry, the fence line should be two feet inward of the property line. For the left, right, and rear side setbacks, the requirement is one foot inward the property line.

c) Should a new septic tank and leaching field be required, the Zoning office setback requirements are a minimum of ten feet at any angle from the property line for both the septic tank and leaching field.

Note: New septic tanks should be constructed fifteen feet from the house. DEQ also has regulations on Septic tanks and leaching fields that need to be adhered to**.**

SITE WORK:

a) All debris including abandoned vehicles, scrap material, metal objects, trash, vegetation, and other objects that pose a safety and/or health threat, as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property before the start of construction.

b) Any identified lead-based paint hazards must be abated by the contractor per the guidelines outlined in 24 CFR 92.251(b)(1)(iii).

c) Any ground-level hazards i.e. potholes around the home must be backfilled to finish grade elevation to prevent tripping hazards.

d) If required, any existing boundary fencing around the house/project site that can be repaired must be restored to a safe condition. If the fencing poses safety and/or health hazard then it must be immediately removed from the project site.

Note: Repairing of an existing boundary fence does not alleviate the contractor from installing the required protective hoarding around the house/project site.

PEST CONTROL:

a) Termite control shall be applied by a reliable and licensed termite control company familiar with local soils and termite control conditions and licensed by the Division of Environmental Quality.

    a. The contractor shall apply for all permits necessary for pest treatment.

b) The contractor shall attain a certification of 2-year warranty and retreatment should ground nesting of termite occurs within the 2 years at no cost to the homeowner.

c) The contractor shall apply termite treatment for any new construction, renovation, rehab, and extension project as required.

FOUNDATIONS:

a) Footings will be designed for an assumed allowable soil bearing capacity of 3,000 PSI

b) All structural fill beneath footings and slab-on-grade shall be placed 12 inches thick on 8-inch maximum layers. Foundation Backfill will be compacted to 95% compaction maximum dry density.

c) Any soft spots encountered during excavation operations for foundations shall be over excavated till hard dirt limits, then backfilled with suitable material and properly compacted to 95%.

d) Compaction tests for the foundation shall be required and paid for by the homeowner if not included in the contract after receiving the compaction test result for the record. The tests must be performed by a licensed soil testing firm.

CONCRETE AND REINFORCEMENT:

1. All concrete shall develop a minimum compressive strength at the end of 28 days as follows:

• Foundation	3,000 PSI	Max slump	@4 inches
• Beams, Walls & Columns	3,000 PSI	Max Slump	@4 inches
• Suspended Roof Slab	3,000 PSI	Max Slump	@4 inches
• Slab on Grade	2,500 PSI	Max Slump	@5 inches
• Sidewalk / Pathway	2,000 PSI	Max Slump	@5 inches
• Driveway & Car Parking	3,000 PSI	Max Slump	@4 inches

Note: For a concrete flat rooftop on the middle portion, pour 7½" thick concrete slab, sloping to all corners of the house's downspouts or drainage passageways at 5" finish. A 2½" slope to be applied in the middle of the rooftop to prevent water ponding on the rooftop.

TESTING:

1. Compression Tests: All concrete placed for foundations, structural slabs, beams, and columns shall have a minimum of three cylinders taken for every 50 cubic yards of concrete placed or for any one concrete placement. Concrete cylinders shall be tested for compressive strength at a testing laboratory. Two compression tests shall be performed at 14 days and one compression test at 28 days for each set of three cylinders taken.
2. Slump tests @ 3"- 4": A slump test shall be taken in the presence of the architect or engineer for each batch of concrete delivered to the job site and shall be taken before placing any concrete. In the event a slump test fails, the entire batch of concrete shall be rejected, including removal of concrete already placed, without cost to the homeowner for the record.
3. Additional water to concrete mixture batch at the job site shall not be permitted.
4. All materials and workmanship shall conform with the latest 2018 Building Code Requirements for residential projects. All contractors must comply with the code for receiving the finished project's Certificate of Occupancy.

MAINTAIN MINIMUM CONCRETE COVERAGE FOR REINFORCING STEEL AS FOLLOWS:

1. For concrete cast against and permanently exposed to earth @ 3”
2. Concrete exposed to earth or weather no. 5 rebar or smaller @ 1 ½”
3. Concrete not exposed to earth or in contact with ground slabs & walls @ ¾”
4. Concrete not exposed to earth or in contact with beams & columns @ 1 ½”
5. Reinforcement of new walls and columns shall be dowelled to supporting footings, beams, columns and walls with bars of the same size and spacing as vertical and horizontal bars

STRIPPING OF FORMS AND SHORES:

1. For foundation forms, it can be removed after 24 hours after pouring curing time. For Walls and Columns forms, they should be removed after 48 hours minimum. For concrete roof beams and roof slabs, forms should be removed after 14 days minimum. All forms can be removed after 28 days of the date.
2. All concrete shall be kept moist for a minimum of 7 days immediately after placing by the use of wet burlap, fog spraying, curing compounds, and other approved methods an architect or engineer.
3. No heavy construction load is permitted more than 50% of the specified design load within the 28 days of concrete placement. In cases, do not overload more than the specified design load after the 28 days of placement. No concentrated load is permitted except over supporting columns and walls.

CONCRETE BLOCK WALL:

1. Masonry units shall have a factory’s minimum compressive strength of 1,000 PSI.
2. Masonry units shall be sound, dry, clean, and free from cracks when placed in the structure.
3. Where masonry unit cutting is necessary, all work should be neat and true.
4. The maximum aggregate size shall be 3/8” for pouring CMU block cells.
5. Concrete block units shall be laid in the common bond pattern unless otherwise shown.
6. For wall thickness 4”, 6” and 8”, use No. 4 vertical rebars @ 16” on center typical.
7. Horizontal bars are placed at every two layers of blocks all around w/No.3 rebars typical.
8. For all corner walls, vertical bars install three No.5 vertical rebars on each side from the corner out @2’ feet typical.

9. For all intersection walls, vertical bars install four No.5 vertical rebars one in center of T and one on each side out @2' feet typical.
10. For all end walls install two No.4 vertical bars w/No.3 bars C-ties @ 12" O.C. typical.

Note: Any new door or window to be opened up on an existing concrete house wall, construct a new lintel beam at 12" out from each side on top by 8" height by wall thickness typical and new 4" thick concrete sidings on both sides of window edging typically for door openings.

11. "Dur-O-Wal" reinforcement shall be continuous around all walls, corners, and intersections and shall lap @ 12" minimum splicing for all vertical rebar extension for all walls to roof beam level as required.
12. All CMU block cells shall be solidly filled with cement grout. Grout all cells below slab on grade. Typical unless noted otherwise.
13. When plastering roof beams and columns. Apply concrete bonding into your cement mixture and paintbrush the portions before plastering.
14. Any hollow sound on existing and newly plastered walls found on walls to be chipped removed out and re-plaster all hollow walls detected to its solid sound plaster condition.

Note: To be inspected and verified for approval for the record.

15. For painted finish. Apply muriatic acid on newly plastered walls. Wash down, dry up before applying two primer coats on newly plastered walls, and then apply two coated final painting finish. For existing concrete wall paint scrape and water blast all bubbling peeling out paint on walls, ceilings, etc. Apply one primer coat on existing dirty/stained washed walls before applying its new final paint color.
16. Any hollow sound on the existing floor, wall and counter ceramics, chip out and remove. Install new floor, wall, and counter ceramic with no hollow sound on the ceramic finishing work.

Note: To be inspected and verified for approval for the record.

CONCRETE WALL AND CONCRETE ROOF STRUCTURE EXTENSION:

a) For rehabbing an existing semi-concrete house to construct a new concrete roof structure on top, the contractor will construct new 8"x12" concrete columns with a 10" thick foundation concrete pouring by 30" square column footings. If the existing house is longer than 20', the contractor will construct another new column in between or in the middle

for more structural support. The specifications are only for a house renovation with concrete roof ceiling height at 8' to 9' flooring finish to roof ceiling finish. For a 10' roof ceiling or over, the contractor will construct a 12"x12" size concrete columns for all with a 10" thick concrete pouring by 36" square column footings. Rebar sizes are standard sizes approved from its building permit plans as specified. See construction drawings for rebar sizes and dimensions.

Note: To refurbish/renovate a damaged roof on an existing semi-concrete house, replacing or repairing a tin roof will not be accepted as a rehab project. All eligible applicants must have their rooftop converted solid concrete mitigate any future disasters as outlined in 24 CFR 92.251(b)(1)(vi) and to comply with the rehab program requirement for homeowner insurance.

Note: The existing CMU walls to be used as existing concrete wall partitions. Do Not depend on the existing wall as wall bearing walls for the record. It will only serve as a non-bearing wall. The new concrete columns are designed to carry the new 5" thick concrete roof slab with new 17"x8" or 10" concrete roof beams that are specified in the structural construction drawings for the record.

PLUMBING STANDARD NOTES:

1. Install a new ¾" ball valve at the existing CUC water meter box facing the house. Secure with cover level to the existing grade. (For emergency shut off valve).
2. Run a new ¾" PVC cold water line into the house project. (Following the Plumbing Floor Plans and Specifications).
3. For cold water lines, use PVC water pipes and for hot water lines, use CPVC water pipes.
4. For the waste line, use ABS pipes for all drainage waste line.
5. Make sure that the electric water heater has a Pressure Relief valve down at 12" above ground level. This is to ensure that should the water heater tank be over-pressured; the valve opens to relieve the pressure in the tank and prevent tank explosion.
6. Check slopes of waste/soil lines. Pipping below 3" diameter shall be sloped at ¼" per foot. Piping over 3" shall be sloped at 1/8" per foot for the proper sloping waste line to the septic tank as required in the plumbing code.
7. Lay new water lines higher than sewer/waste lines to prevent contamination. Provide sand cushion around any plumbing piping. Keep water lines away from soil/sewer lines if in the same trench by at least 24".
8. Install new air chambers for all fixture supply piping. Use 18" air chamber, one size larger than branch piping.

9. Testing of water lines pressures for 100 PSI for one hour without any drop in water pressure. Retest all leaky joints. Submit all test results together with the rest of the closing reports.
10. Static testing of waste lines and vent lines to 10' static head for at least one hour. Retest all leaky joints when detected until it has no more leak for the record. Submit all test results together with the rest of the closing reports.
11. Always check that the flow of the waste/soil lines is correct. The vent line is directed to the rooftop at 18" above the roofline. For sewer line, use long sweep elbow or tee.
12. Whenever a water closet is installed, make sure there is a minimum 2" vent thru roof at 18" above the rooftop.
13. Provide floor drains on 2nd or higher floors for housekeeping.
14. Clearwater lines and waste lines away from foundation footings, columns, and beams.
15. Do not install/embed water lines in concrete. Provide piping chase or sleeves.
16. Provide shut off valves at strategic points in the water lines.
17. For propane gas lines, use galvanized piping for LPG gas lines. Encased LPG piping in PVC piping, if piping is installed underground. Use a One bigger size PVC pipe to sleeve the galvanized pipe inside before pouring under the slab.
18. Always provide strap around water heaters, gas tanks to prevent it from moving during an earthquake.
19. Provide cushion sleeves around any piping penetrating through concrete walls and floors.
20. Provide 36" standpipe for washer and P-trap shall be above ground readily accessible. Do not install P-trap under the ground.
21. Provide P-traps for floor drains, shower drains, kitchen sinks, and lavatories.
22. Provide ground or floor cleanouts at every 50'. Provide cleanouts to every angle as required in the plumbing code for preventive maintenance.
23. Do not install sewer lines in the same trench as water lines. Where there is crossing, concrete encase the sewer line 10' at 10" around the line to the end of crossing. Sewer lines should be always located deeper than the water lines in a trench.
24. For a long stretch of hot water piping lines, provide a loop comprising of elbows to offset expansion for safety purposes.
25. Provide 2" high overflow piping above a flat rooftop in addition to roof drains.

26. Provide supports for piping under slabs.
27. Provide vent piping 10’ away horizontally from any window or door. Preferably, install a vent to terminate above the roof at 18” above finish rooftop.
28. The contractor shall be responsible for chipping existing concrete floors and walls to install new plumbing piping. The contractor is responsible also to restore floor slabs and walls to the original condition. These are part of the rehab and renovation work process. All extra work shall not be an additional cost to the homeowner. Everything should be included in the contract.
29. Standard sizes for water, soil/waste, and vent lines for each fixture are as follows:

Fixture:	Cold Water:	Hot Water:	Soil/Waste:	Vent:
Floor Drain			2” ABS	2” ABS
Water Closet	½” PVC		3” or 4” ABS	2” ABS
Urinal	¾” PVC		2” ABS	2” ABS
Kitchen Sink	½” PVC	½” CPVC	2” ABS	2” ABS
Lavatory	½” PVC	½” CPVC	2” ABS	2” ABS
Shower	½” PVC	½” CPVC	2” ABS	2” ABS
Dirty Kitchen Sink	½” PVC	½” CPVC	2” ABS	2” ABS

Note: Always tighten, secure, brace, and clamp all wall-mounted fixtures properly. Provide concrete splash boxes for drainage downspouts.

ELECTRICAL STANDARD NOTES:

1. The contractor is responsible for obtaining permits for temporary power hook up including applying and paying hookup and monthly use fees for their use for the project without cost to homeowners for the record.
2. GFCI outlets to be installed in any kitchen counter at 4’ min. away from the sink.
3. Use the GFCI outlet for the restroom wall outlet. Do not use a regular outlet.
4. Use the GFCI outlet for the outside wall outlet with a weatherproof cover typical.
5. Design for outlets should be limited to 8 outlets for a 20-amp single pole breaker.
6. Design for lights should be limited to 8 lights for a 20-amp single pole breaker.
7. Provide at least one outlet in the hallway for housekeeping use.
8. Installing new electrical boxes shall include an adapter, lock nut, and bushing. Bushing shall be insulated.

9. The service entrance conduit shall be galvanized steel per CUC requirements.
10. Conduits underground shall be PVC.
11. For any exposed conduits it shall be a rigid aluminum or galvanized steel.
12. Conduits inside building in-ceiling or exposed may be electrical metallic tubing-EMT.
13. Minimum size for homerun shall be ¾" conduit for easy pulling.
14. For computer circuits, make sure the ground wire is isolated.
15. All power circuit conduit shall have ground wire.
16. Follow electrical wires standard color-coding per National Electrical Code. For residential rehab, projects shall be a 120/240 Volt system, 1 phase:

Phase A-color Black Phase B-color Red Neutral color: White Ground color: Green

Note: The neutral and grounding colors shall be the correct color wire throughout without any exception. Avoid color coding with electrical tape. Electrical hazard.

17. Splicing shall be the plastic pressure type connectors. For larger wires, splicing shall be terminal lugs type.
18. Any conduit crossing roadways or in traffic areas shall be embedded in concrete, or located per NEC. The minimum conduit depth is 18" to top of the conduit.
19. Separate communications conduits from power conduits by at least 12" laterally. The minimum conduit size shall be ¾" conduit. Provide pull wire in every empty communications conduit extending 12" at both ends for computer and TV. line connections.
20. Contractor to coordinate with telephone/internet company to seek the advice of where hand holes or access panels may be located for ease of pulling and service.
21. Be sure to apply rust spray paint to all electrical boxes before embedding them in concrete.
22. Position outlets on a horizontal orientation.
23. Where to put new light switches, place them right after opening a door on the closest wall at 4' height typical.
24. Light switches to be set on a vertical position at 4' height center of electrical boxes.
25. Conduits underground outside the house building shall have warning tape at 12" below grade.

26. Maximum bends in conduits shall be limited to three (3).
27. Standard Breaker amp size and its proper wire size use to prevent power shortage and fire for health and safety measures.
28. For reference, a 20-amp circuit breaker has a total of 1,920 Watts.
29. For a single-pole 20-amp circuit breaker, use No. 12 solid wires. Separate outlets and lights circuit breaker switch.
30. Use No. 12 solid wires for receptacle outlets. A limit of 8-outlets per 20-amp single pole circuit breaker switch.
31. Use No. 12 solid wires for light fixtures. A limit of 8-lights per 20amp single pole circuit breaker switch.
32. Use a 20-amp single pole circuit breaker with a No. 12 solid wire. For 110 volts air conditioning separately, use a ½" electrical conduit from the panel box to outlet location.
33. Use a 30-amp double pole circuit breaker with a No. 10 solid wire. For 220 volts air conditioning separately, use a ¾" electrical conduit from the panel box to the outlet location
34. Use a 50-amp double pole circuit breaker with No. 6 stranded wires in a 1" electrical conduit for electrical range.
35. Use a 20-amp single pole circuit breaker with a No. 12 solid wire. For a refrigerator separately, use a ½" electrical conduit from the panel box to outlet location.
36. Use a 20-amp single pole circuit breaker with a No. 12 solid wire, for computer station separately, use a ½" electrical conduit from the panel box to outlet location.
37. Use a 30-amp double pole circuit breaker with a No. 10 solid wire. For 220 volts Electric Water Heater separately, use a ¾" electrical conduit from the panel box to outlet location.
38. For reference information, using a 100amp double pole circuit breaker use a # 2 wire.
39. A 125-amp double pole circuit breaker uses a # 1 wire.
40. A 150-amp double pole circuit breaker uses a # 1/0 wire.
41. A 175-amp double pole circuit breaker uses a # 2/0 wire.
42. A 200-amp double pole circuit breaker uses a # 3/0 wire.
43. Make sure any electrical splicing to be connected uses an electrical connector, not electrical tape.

44. Make sure to tighten all loose connections properly.
45. Provide 4" high concrete pad for mounting an electrical water heater equipment. Allow for 4" extra distance on the width and length of the water heater.
46. Exposed conduits in exposed areas shall be painted to match the adjacent wall finish.
47. All equipment and disconnect switch in weather shall be sealed waterproof.
48. All testing work shall be performed by the contractor and the contractor shall pay for all water, fuel, electricity, instrument, and personal.
49. The contractor shall submit a written guarantee certificate warranting all materials and workmanship free of defects for one year from the date of acceptance.
50. The contractor must submit As-Built drawings of the electrical system after project along with Certificate of Occupancy

ELECTRICAL MOUNTING HEIGHT REQUIREMENTS FOR ELECTRICAL:

1.	Meter Box Height	5'-6" from finish grade to center of the meter box
2.	Panel Box Height	5'-0" from finish floor to top of the panel box
3.	Light Switches Height	48" from finish floor to center of the elect. Box
4.	Outlet Height	12" from fin. floor, for ADA outlet height 15" to 48"
5.	Fire Alarm Height	5'-6" from finish floor to center of the pull box
6.	Fire Alarm Horn/Bell Height	7'-6" from finish floor to center of the box
7.	Disconnect Switch	5'-6" from finish floor to the center of the box

ELECTRICAL GENERAL NOTES:

1. All electrical work shall be per the applicable sections of the National Electrical Code (NEC) latest edition, and the rules and regulations of the Dept. of Public Works and the Commonwealth Utilities Corporation.
2. All equipment and materials shall be UL listed where the listing is available for that type of equipment or conform to ANSI or NEMA standards.
3. Workmanship shall conform to the construction practices recommended by the American Electricians, Handbook by Croft, and shall be subject to the approval of the agency who has jurisdiction and the electrical engineer.

4. Conduit shall be EMT (indoor dry) locations concealed above ground, rigid aluminum (exposed installations, PVC (underfloor slab or grade, and inside concrete). Flexible conduit shall be jacketed type and per NEC 350.
5. Wiring shall be typed THWN, THW, XHHN, 600 volts. The conductor shall be copper.
6. Minimum size conduit shall be ½" inch diameter unless otherwise noted; minimum wire size shall be #12 AWG. Do Not Use #14 wires.
7. Electrical work shall be under the full supervision of a master electrician or a professional electrical engineer licensed to practice in the CNMI.
8. Panelboard shall be complete with bus bars, enclosure trim, molded case circuit breakers, bolt-on type branch circuit breakers, grounding, and neutral terminal lugs, panel board director, and keys. The laminated nameplate shall be provided on the front cover of the panel board or transformer.
9. All electrical devices and equipment exposed to weather shall be weatherproof.
10. Any device may be relocated within 10' of the location shown in the plans subject to the direction by the electrical engineer. Any such relocation shall be performed without additional cost to the homeowner.
11. The electrical contractor shall coordinate with a mechanical contractor for exact locations of water lines and waste lines before rough-in work.
12. Grounding:

    a. Metallic enclosures, raceways, and electrical shall be grounded per NEC 250. Provide green ground wire in every raceway per NEC Table 250-95.
    b. Grounding connection of the grounded circuit conductor (Neutral) shall be made only at the service disconnection means per NEC 250-23(a). Grounding on the neutral shall not be made on the load side of the service disconnect. The neutral shall not be made on the load side of the service disconnect. The neutral conductor shall be insulated from all equipment enclosures or any grounded parts. Bonding of the neutral bus to the ground bus in sub-panels shall be removed.

13. The electrical panel board and main switchboard, power meter box shall be furnished completely assembled from the factory.
14. Contractor to provide all labor, materials, equipment, tools, and all necessary materials including wire connectors, tapes, markers, etc. to accomplish the work shown in the plans. The cost of permits shall be the contractor's responsibility.

15. Minimum service clearance in front of the main switchboard shall be 4'.

16. Testing: Operation, Insulation Resistance, Grounding Tests.

FINISH MATERIAL STANDARDS:

Flooring Standards:

a) For the living room, dining room, kitchen room, hallways, and bedrooms floor, the finish is to be plastered level with a vinyl tile or ceramic tile finish (depending on cost and durability).

b) For the standard restroom floor finishing, to be a ceramic finish with white cement grouted finish. The restroom floor ceramic must be approved nonslip type of ceramic finish.

Note: Ceramic color should be the client's choice of ceramic color on the contractor's approved standard min. ceramic size.

c). For all concrete stoops, landings and sidewalks floor finish, to be plastered sweep finish and for the carport, floor finish to be plastered fine finish.

Note: Plaster the sides of the concrete sidewalks, landings, ramps, and garage floorings.

Door Standards:

a) For the exterior front entry door, use a 1¾" thick x 36"x 6'-8" solid core decorative door with heavy-duty door hinges, regular doorknob, deadbolt with keys, painted varnish finish, and door bottom with threshold and a door stopper on the back.

Note: Use a lever-type doorknob for a disability or elderly rehab home project.

b) For any exterior exit door, use a 1¾" thick x 32"x 6'-8" min. regular solid core door with heavy-duty door hinges, regular doorknob with a deadbolt, painted varnish finish, and door bottom with threshold and a door stopper on the back.

Note: For disability or elderly rehab home project, use a lever type door knob with keys and a 36" size regular solid core door.

c) For bedroom doors, use a 1½" thick x 36", 34", 32", or 30"x 6'-8" min. regular hollow-core door with light-duty door hinges and regular doorknob w/no key type and door painted with a varnish finish and a door stopper installed on the back.

d) Aluminum Typhoon Shutters. Homeowners may include if the rehabilitation budget is sufficient, the installation of aluminum typhoon shutters on the exterior main entrance and rear exit doors of the housing unit.

- Typhoon shutters must be accordion-type with lock and key.
- Use 3”x1/4” screws to bolt the typhoon shutters to the concrete wall. The minimum number of screws is 3 per side.

Note: For a disability rehab home project, use a lever type door knob with keys only on 36” door size.

Window Standards:

a) Living room window min. size 4’x4’ sliding glass window with a ¼” thick safety tempered glass with aluminum frame. 4 screws on each side.
b) Kitchen window min. size 3’x3’ sliding glass window with a ¼” thick safety tempered glass window with aluminum frame. 3 screws on each side.
c) Dining room window min. size 3’x4’ Height with a ¼” thick safety tempered sliding glass window with aluminum frame. 3 screws on each side and 4 screws each on top and bottom.
d) Bedroom window must have at least one set 4’x4’ sliding glass window (For egress, in case of fire) with a ¼” thick safety tempered glass window with aluminum frame. 4 screws on each side.
e) Restroom window min. standard size. 2’x2’ sliding glass window with a ¼” thick safety tempered glass window with aluminum frame. 2 screws on each side.
f) Seal all window edgings inside and outside
g) All windows shall also include window screens
h) Frame Color to be Clients choice of color
i) Install new typhoon metal brackets at the outside walls for all windows w/painted finish
j) Use 3”x1/4” screws to bolt the sliding windows to the concrete wall. The minimum number of screws per window is mentioned above.
k) Aluminum Typhoon Shutters. Homeowners may include if the rehabilitation budget is sufficient, the installation of aluminum typhoon shutters on all housing unit windows.

- Typhoon shutters must be accordion-type with lock and key.
- Use 3”x1/4” screws to bolt the typhoon shutters to the concrete wall. The minimum number of screws is 3 per side.

Note: All aluminum typhoon shutters shall meet or exceed the wind rating outlined in the 2018 International Building Code (IBC) and the Tropical Energy Code.

Faucet Standards:

a) Kitchen Sink Faucet to be a regular faucet type.

Note: For disability or elderly Rehab Home Project to be a lever faucet set type.

b) Restroom Lavatory Sink Faucet to be a regular faucet type.

Note: For disability or elderly Rehab Home Project to be a lever faucet set type.

Regular and Disability Rehab Home Projects Standard Finishes:

a) For disability, concrete sidewalk & landing size requirements. Concrete sidewalk width 36" min. and for landing size 5' sq. no less.

Note: Sidewalks and landings that are higher than 7" above existing grade during rehab work, requires all sides to be backfilled at 4" finish grade at 1' level and slope out at 4' on both sides to existing grade elevation, otherwise install new aluminum hand railings within 33" to 36" height along the hazard sidewalk, ramps and landings pathway.

Note: For regular rehab home projects sidewalks, same at 36" and for landing 36" sq. is allowable.

b) For the front entry and exit doors outside, construct a 5' sq. concrete stoop floor landing at ½" lower from the finished house floor elevation.
c) The restroom floor elevation should be ½" lower from the inside house flooring. Also, for the shower room flooring is ½" lower than the restroom flooring as required.
d) Install hand railings along any sidewalks or pathways and landings that are higher than 7" above finish grade.
e) Construct a new concrete ramp at a ratio of 1" drop = 1' slope.
f) Install smoke alarms in bedrooms and hallways as required by Building Safety Code. Smoke alarms must be hard-wired smoke alarms and that the smoke alarms are interconnected.
g) Install water sprinklers with warning fire light signals for impairment of client individuals only.
h) In designing a new rehab disability home layout extension or for reconstructed disability house floor plan design, consider a 3' clear passage for a wheelchair to maneuver from the entry of the house to the inside of the house. Ensure that in your design layout, take into consideration the furniture space in planning for wheelchair accessibility, through bedrooms, restroom(s), living room, kitchen, dining, and for exiting the exit door to the outside of the house with no hazards along for emergency purposes as required.
i) Disability lavatory height should be set at 34" maximum.
j) disability water closet height from the finished floor to the toilet seat is within 17" to 19". Note: For regular standard toilet height is 15" from the finished floor to the toilet seat.
k) Install a new 2' ADA grab bars on the back of ADA toilet centered, 2' length on shower faucet wall and 42" on the side shower wall at height within 33" to 36".
l) Install ADA medicine cabinet at 40" from the finished floor to the bottom of the medicine cabinet.

Note: For regular standard medicine cabinet height is 64" from the finished floor to center of the medicine cabinet.

m) Install a towel hanging bar within 36" to 48" for disability or regular restroom.
n) Install a toilet paper holder to the nearest wall at 19" above the finished floor and a maximum of 36" from the rear wall.
o) Rehab finishing projects paint colors to be the home client's choice of paint color for all paint finishing work.

All technical reference information applies to all building systems standard needs for new house construction, rehabilitation project, renovation project and house conversion to disability home compliance project that meet all current CNMI local building code regulations and meet Housing Quality Standards (HQS) and Uniform Physical Condition Standards (UPCS) requirements.

The HUD CPD Green Building Retrofit Checklist will also be included in the rehabilitation standards (Attachment A). "CPD recognizes that not all elements of the checklist will be applicable in all climates and geographies. Because of this, CPD will consider exceptions to these standards based on climate or geography, if a grantee identifies the specific standards that aren't applicable, including offering alternatives if available, and CPD's Office of Environment and Energy accepts the grantee's request."

Other building systems may be accepted provided that they meet or exceed the standards mentioned above. Third-party certifications or specific standard testing methods are required to substantiate or validate the claims.

Attachment A:

HUD CPD Green Building Retrofit Checklist

The CPD Green Retrofit Checklist promotes energy efficiency and green building practices for residential retrofit projects. Grantees must follow the checklist in its entirety and apply all measures within the Checklist to the extent applicable to the particular building type being retrofitted. The phrase "when replacing" in the Checklist refers to the mandatory replacement with specified green improvements, products, and fixtures only when replacing those systems during the normal course of the retrofit.

Note: CPD recognizes that not all elements of the checklist will be applicable in all climates and geographies. Because of this, CPD will consider exceptions to these standards based on climate or geography, if a grantee identifies the specific standards that aren't applicable, including offering alternatives if available, and CPD's Office of Environment and Energy accepts the grantee's request.

WATER AND ENERGY CONSERVATION MEASURES

☐ **Water-Conserving Fixtures**

Install or retrofit water conserving fixtures in any unit and common facility, use the following specifications: Toilets-- 1.28 gpf; Urinals-- 0.5 gpf; Showerheads-- 2.0 gpm; Kitchen faucets-- 2.0 gpm; and Bathroom faucets-- 1.5gpm. [gpf = gallons per flush; gpm = gallons per minute]

☐ **ENERGY STAR Appliances**

Install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators, if these appliance categories are provided in units or common areas.

☐ **Air Sealing: Building Envelope**

Seal all accessible gaps and penetrations in the building envelope. If applicable, use low VOC caulk or foam.

☐ **Insulation: Attic** (if applicable to building type)

For attics with closed floor cavities directly above the conditioned space, blow in insulation per manufacturer's specifications to a minimum density of 3.5 Lbs. per cubic foot (CF). For attics with open floor cavities directly above the conditioned space, install insulation to meet or exceed IECC levels.

☐ **Insulation: Flooring** (if applicable to building type)

Install ≥ R-19 insulation in contact with the subfloor in buildings with floor systems over vented crawl spaces. Install a 6-mil vapor barrier in contact with 100% of the floor of the crawl space (the ground), overlapping seams and piers at least 6 inches.

☐ **Duct Sealing** (if applicable to building type)

In buildings with ducted forced-air heating and cooling systems, seal all penetrations of the air distribution system to reduce leakage in order to meet or exceed ENERGY STAR for Homes' duct leakage standard.

☐ **Air Barrier System**

Ensure continuous unbroken air barrier surrounding all conditioned space and dwelling units. Align insulation completely and continuously with the air barrier.

☐ **Radiant Barriers: Roofing**

When replacing or making a substantial repair to the roof, use radiant barrier sheathing or other radiant barrier material; if economically feasible, also use cool roofing materials.

☐ **Windows**

When replacing windows, install geographically appropriate ENERGY STAR rated windows.

☐ **Sizing of Heating and Cooling Equipment**

When replacing, size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or 2012 ASHRAE Handbook--HVAC Systems and Equipment or most recent edition.

☐ **Domestic Hot Water Systems**

When replacing domestic water heating system(s), ensure the system(s) meet or exceed the efficiency requirements of ENERGY STAR for Homes' Reference Design. Insulate pipes by at least R-4.

☐ **Efficient Lighting: Interior Units**

Follow the guidance appropriate for the project type: install the ENERGY STAR Advanced Lighting Package (ALP); ***OR*** follow the ENERGY STAR MFHR program guidelines, which require that 80% of installed lighting fixtures within units must be ENERGY STAR-qualified or have ENERGY STAR-qualified lamps installed; ***OR*** when replacing, new fixtures and ceiling fans must meet or exceed ENERGY STAR efficiency levels.

☐ **Efficient Lighting: Common Areas and Emergency Lighting** (if applicable to building type)

Follow the guidance appropriate for the project type: use ENERGY STAR-labeled fixtures or any equivalent high-performance lighting fixtures and bulbs in all common areas; ***OR*** when replacing, new common space and emergency lighting fixtures must meet or exceed ENERGY STAR efficiency levels. For emergency lighting, if installing new or replacing, all exist signs shall meet or exceed LED efficiency levels and conform to local building codes.

☐ **Efficient Lighting: Exterior**

Follow the guidance appropriate for the project type: install ENERGY STAR-qualified fixtures or LEDs with a minimum efficacy of 45 lumens/watt; ***OR*** follow the ENERGY STAR MFHR program guidelines, which require that 80% of outdoor lighting fixtures must be ENERGY STAR-qualified or have ENERGY STAR-qualified lamps installed; ***OR*** when replacing, install ENERGY STAR compact fluorescents or LEDs with a minimum efficacy of 45 lumens/watt.

INDOOR AIR QUALITY

☐ **Air Ventilation: Single Family and Multifamily** (three stories or fewer)

Install an in-unit ventilation system capable of providing adequate fresh air per ASHRAE 62.2 requirements.

☐ **Air Ventilation: Multifamily** (four stories or more)

Install apartment ventilation systems that satisfy ASHRAE 62.2 for all dwelling units and common area ventilation systems that satisfy ASHRAE 62.1 requirements. If economically feasible, consider heat/energy recovery for 100% of corridor air supply.

☐ **Composite Wood Products that Emit Low/No Formaldehyde**

Composite wood products must be certified compliant with California 93120. If using a composite wood product that does not comply with California 93120, all exposed edges and sides must be sealed with low-VOC sealants.

☐ **Environmentally Preferable Flooring**

When replacing flooring, use environmentally preferable flooring, including the FloorScore certification. Any carpet products used must meet the Carpet and Rug Institute's Green Label or Green Label Plus certification for carpet, pad, and carpet adhesives.

☐ **Low/No VOC Paints and Primers**

All interior paints and primers must be less than or equal to the following VOC levels: Flats--50 g/L; Non-flats--50 g/L; Floor--100 g/L. [g/L = grams per liter; levels are based on a combination of the Master Painters Institute (MPI) and GreenSeal standards.]

☐ **Low/No VOC Adhesives and Sealants**

All adhesives must comply with Rule 1168 of the South Coast Air Quality Management District. All caulks and sealants must comply with regulation 8, rule 51, of the Bay Area Air Quality Management District.

☐ **Clothes Dryer Exhaust**

Vent clothes dryers directly to the outdoors using rigid-type duct work.

☐ **Mold Inspection and Remediation**

Inspect the interior and exterior of the building for evidence of moisture problems. Document the extent and location of the problems, and implement the proposed repairs according to the Moisture section of the EPA Healthy Indoor Environment Protocols for Home Energy Upgrades.

☐ **Combustion Equipment**

When installing new space and water-heating equipment, specify power-vented or direct vent combustion equipment.

☐ **Mold Prevention: Water Heaters**

Provide adequate drainage for water heaters that includes drains or catch pans with drains piped to the exterior of the dwelling.

☐ **Mold Prevention: Surfaces**

When replacing or repairing bathrooms, kitchens, and laundry rooms, use materials that have durable, cleanable surfaces.

☐ **Mold Prevention: Tub and Shower Enclosures**

When replacing or repairing tub and/or shower enclosures, use non-paper-faced backing materials such as cement board, fiber cement board, or equivalent in bathrooms.

☐ **Integrated Pest Management**

Seal all wall, floor, and joint penetrations with low-VOC caulking or other appropriate sealing methods to prevent pest entry. [If applicable, provide training to multifamily buildings staff.]

☐ **Lead-Safe Work Practices**

For properties built before 1978, if the project will involve disturbing painted surfaces or cleaning up lead contaminated dust or soil, use certified renovation or lead abatement contractors and workers using lead-safe work practices and clearance examinations consistent with the more stringent of EPA's Renovation, Repair, and Painting Rule and HUD's Lead Safe Housing Rule.

☐ **Radon Testing and Mitigation** (if applicable based on building location)

For buildings in EPA Radon Zone 1 or 2, test for radon using the current edition of American Association of Radon Scientists and Technologists (AARST)'s Protocols for Radon Measurement in Homes Standard for Single-Family Housing or Duplexes, or AARST's Protocol for Conducting Radon and Radon Decay Product Measurements in Multifamily Buildings. To install radon mitigation systems in buildings with radon level of 4 pCi/L or more, use ASTM E 2121 for single-family housing or duplexes, or AARST's Radon Mitigation Standards for Multifamily Buildings. For new construction, use AARST's Reducing Radon in New Construction of 1 & 2 Family Dwellings and Townhouses, or ASTM E 1465.