

Exhibit B – Threshold Requirements

City of Tuscaloosa, Alabama

File Name – ExhibitBThresholdRequirements

Most Impacted and Distressed Characteristics

City of Tuscaloosa, Alabama(eligible applicant) in Tuscaloosa County, Alabama was previously determined by HUD to be a most impacted and distressed (MID) county and has received prior CDBG-DR allocations as noted in 2012 (FR-5628-N-01) and 2013 (FR-5696-N-03).

Additionally, the American Community Survey Low and Moderate Income Summary Data (HUD FY 15) indicate that 51.69% of the City of Tuscaloosa's population is at less than 80 percent of median income ([Attachment A](#)). The City certifies that a national objective of LMI will be met through all eligible activities in 24 CFR 570.201, or 570.203 for economic development activities, in any project carried out with CDBG-NDR funds and will tie-back to the qualified disaster in a MID URN area (Exhibit E – pg X). An overall benefit of at least 50% LMI will be achieved; specifically 100% of funding requested for activities (excluding planning and administration) will benefit LMI. For LMI determination outside of job creation for economic development activities and low income housing, census tracts and block groups were identified by using ArcGIS for Tuscaloosa County. HUD's eGIS portal as well as FY 2015 LMISD by grantee which summarizes block group data based on American Community Survey was used to determine whether activities based on census tract and block groups had 51% or greater benefit to LMI. For activities notated as having LMI area benefit in Exhibit E the census tracts and block groups were identified and included as a part of Attachment F. The project and its associated activities (Exhibit E – pg X) in this application will improve the resilience of the MID target area to current and future risks and threats. National objective, eligible activity, tie-back, and incorporation of resilience will be discussed at length in Exhibit E. Several long-term commitments to increase resilience in the target area named in the Phase I application have been implemented; however, baseline metrics and goals have been identified for each of the former

and current commitments (Exhibit G – pg X). Also, the City certifies that all thresholds in HUD’s General Section are satisfied. The benefit-cost analysis is summarized in Exhibit E and the full analysis is at Attachment F. A schedule response for public input and awareness and substantial amendment criteria follow NOFA requirements and other applicable federal requirements and can be viewed at the City of Tuscaloosa’s website. Additionally, a schedule for the proposed project and its activities are part of the Exhibit E – pg. X narrative. A waiver with substantial justifications for time extension has been requested and can be found at Attachment G. Required certifications can be found in Attachment C and SF-424.

Unmet Recovery Needs

Housing – In a housing needs assessment, conducted by HUD, released in October 2011, “Tuscaloosa concentrates 70.1% (1,171) of the rental units with unmet needs and 62.5% (\$55.2 million) of the amount of rental unmet needs in the state.” ([Attachment B](#)). However, HUD data used to allocate funding only identified 1281 rental units and 219 owner units (1500 total units) with severe damage without taking into account damage in severely impacted census tracts in the County ([Attachment C](#)). According to the calculations made using data from December 20, 2011, the total unmet need in Tuscaloosa County was \$12,381,035 million in comparison to the October 2011 report of \$56.3 million ([Attachment B](#)). Realizing a large discrepancy in allocation to meet its unmet housing needs, the City of Tuscaloosa used data from its damage assessment survey to demonstrate the true unmet housing needs in Tuscaloosa County. Building inspectors, architects, and engineers utilized a damage assessment scale and canvassed the affected areas ([Attachment D](#)). The information presented, 5,163 residential units were either destroyed, affected, or suffered major damage (a corresponding map found at [Attachment E](#) outlines the census tracts affected and designates whether the unit was destroyed, damaged, or affected).

The City of Tuscaloosa has funded the Tuscaloosa Housing Authority (THA) and Habitat for Humanity Tuscaloosa using 2012 and 2013 CDBG-DR funds; however, there is still a great need for housing among Tuscaloosa citizens. As of today THA has 1,539 families on their public housing waiting lists and 88 families on their Section 8 waiting list. THA has indicated that these numbers are significantly higher than they were before April 27, 2011 which equates to hundreds of additional families requesting housing assistance as a result of the disaster. Plans are currently underway to begin a phased development which will consist of approximately 224 units. Each phase will be developed using EarthCraft green building standards with the addition of green features including solar panels and rainwater cisterns. Storm shelters will also be constructed with each phase of the development to ensure residents have a place of refuge in the threat of a disaster. Any disaster resiliency funds will be leveraged with Alabama Housing Finance Authority tax credits. The estimated cost to resiliently construct the proposed phased development excluding land acquisition cost is estimated at \$50,288,000 ([Attachment F](#)).

Currently, Habitat for Humanity has 52 families on their waiting list ([Attachment G](#)); however, they have not held a Prospective Homeowner meeting since July 2014 and only a two-week application period in August 2015. In an average month, 275-300 people contact Habitat for Humanity regarding home ownership opportunities. Additionally, Habitat has 12 donated lots that have yet to be developed due to a lack of funding. The typical Habitat home is 3 bedroom and 2 bath and includes a small safe room. The estimated cost to build one of the homes to these standards and to include green building standards such as photovoltaic solar panels is \$134,023 ([Attachment H](#)). In some situations, lots would have to be acquired. Based on previous acquisitions the average cost per lot is \$20,000. An estimated \$7,769,196 dollars is needed to construct the homes on the waiting list and to purchase and construct on 12 vacant lots; however,

an even greater unmet housing need can be met based on the interest expressed to Habitat on a monthly basis ([Attachment H](#)). Although, the City has used previous allocations to fund the construction of 402 low-income units, the purchase of 24 lots for Habitat, construction of 13 Habitat homes as well as seven homebuyer assistance deferred loans, allocated funds ([Attachment I](#)) are not sufficient to fulfill the housing needs in Tuscaloosa.

Infrastructure – Located within one of the parks in the core of the MID target area was a Meeting Hall/Community Center which was completely destroyed as a result of the qualified disaster and has inadequate resources to rebuild. The damage is documented in the initial engineering report ([Attachment J](#)) and supported by a supplemental engineer's report ([Attachment K](#)). The City will receive insurance proceeds in the amount of \$317,479.20. ([Attachment L](#)). The cost of reconstruction as a hardened facility, based upon a signed architect estimate will be \$3,348,536 ([Attachment M](#)); a sources and uses statement showing the funding shortfall is supported at [Attachment N](#). Current disaster recovery funds are insufficient to address this need ([Attachment I](#)). Across the MID target area, many streets are in dire need of street reconstruction due to debris removal, heavy machinery, and the rebuilding that has taken place since the disaster. CDBG-DR funds in the amount of \$3.9 million and CDBG funds in the amount of \$2.1 million have already been allocated ([Attachment I](#)) for this purpose; however, based on the engineer's report and estimate for repair -\$14,722,885 ([Attachment O](#)) and the sources and uses statement ([Attachment P](#)) a funding shortfall of \$8,722,885 remains. For the purpose of this submission the City has merely demonstrated an unmet need exceeding \$11.7 million; the City will elaborate on the remaining unmet needs in regard to infrastructure in [Exhibit D- pg X](#).

Economic Revitalization – Businesses were destroyed and potential tax revenues plummeted in a matter of minutes as a result of the April 27, 2011 tornado pursuing its path across Tuscaloosa

and creating the MID area of the City. Rebuilding has been a slow but steady process for many businesses, but just as many were left without the resources to build back or even make repairs to a building that served as a livelihood. Situations like this are seen across the MID target area (Tuscaloosa), but the Alberta area, located within MID target area, businesses have significantly struggled to recover and for the purposes of meeting the threshold requirements for unmet economic revitalization need is the focus in this response. Once the thriving, family-friendly, business center of Tuscaloosa, over the years the prosperity of Alberta has waned and is now the central location of many low-moderate neighborhoods. Without resources, many businesses were unable to rebuild or make repairs after the disaster while others that were have seen a substantial decrease in revenues in relation to pre-storm revenues. Previous CDBG-DR funds were used to fund a revolving loan program; however, to date those funds have been obligated to eligible businesses for revitalization and a waiting list has been created, thus indicating that existing disaster recovery funds are inadequate to address the unmet needs ([Attachment I](#)). Additionally, many small businesses, especially in the Alberta area, were either uninsured or underinsured and the amount of funding offered through the revolving loan program alone was not sufficient to make repairs or rebuild. Using City of Tuscaloosa data, documented, analyzed and verified by the City's Revenue Director, 25 businesses in the Alberta area alone (listed by name and address) are reported as having decreased revenues ([Attachment Q](#)). Not only have the business owners and employees suffered a loss, but the City of Tuscaloosa has lost hundreds of thousands of tax revenue dollars. Kentucky Fried Chicken, owned by Jack Marshall Foods, Inc. (JMF), employed 11 individuals on the day of the qualifying disaster and is listed in [Attachment Q](#) as a business that shows more than a 10 percent loss in revenues. [Attachment R](#) provides a statement from JMF as verification of a modest sized employer suffering revenue losses of more than 10 percent.

Environmental Degradation – The City of Tuscaloosa suffered and continues to suffer a significant loss of trees as a result of the qualifying disaster. The attached map ([Attachment S](#)), prepared by Walker Associates engineering firm, shows a portion of the MID target area. Through the recent survey dated January 14, 2015 as noted on Attachment S it has been documented that the target area had a loss of almost 11,000 trees as a result of the disaster and that loss has not been replaced. The tree inventory had been an environmental asset to this community as it helps reduce air pollution, energy use and storm water runoff, as well as having a positive impact on the local economy. The trees increase ground water recharge and reduce the number of potentially harmful chemicals transported to our streams. Using prior CDBG-DR funds, an emphasis was placed on addressing housing, infrastructure, and economic development needs; therefore, allocated funds were not sufficient to replace the tree cover ([Attachment I](#)). No insurance proceeds or FEMA benefits were received to allocate toward replacement.

Based upon Purdue University Cooperative Extension Service “A 4” Red Oak, excellent health and form, specimen tree along a city street, a local nursery estimate for a 1.5” diameter replacement tree, installed is \$500.00.”. Using data from this study, if trees were only 4” diameter, replacement of 10,897 trees alone (with no consideration for the direct benefit cost in regard to the environment) would be \$31,029,207.50 ([Attachment T](#)). To put an estimate in perspective for the City based on the species of trees lost and to be replaced, an engineer’s opinion determined a minimum replacement cost of \$5,448,500, ([Attachment U](#)), which replaces trees but does not address environmental impacts creating even greater unmet needs.