

## Introduction

Deputy Secretary of the United States Department of Housing and Urban Development Adrienne Todman visited Fort Myers Beach on a warm spring Wednesday morning in March 2023 to announce the Community Development Block Grant-Disaster Recovery allocation Lee County would soon receive to aid its recovery from Hurricane Ian. She chose Fort Myers Beach as the location for the announcement because it is the “Ground Zero” – the epicenter of destruction – for Hurricane Ian’s most devastating impacts. Deputy Secretary Todman told those assembled amongst the devastation in Fort Myers Beach that she was here to “provide some hope”.

Local leaders said they welcomed the hope, and the help, telling the Deputy Secretary the CDBG allocation she was announcing that day was badly needed to help the hardest-hit communities recover. There was much discussion that day about the devastation in the town. In fact, local leaders noted to Todman that every single one of the approximately 4,000 structures in Fort Myers Beach received some form of damage from Hurricane Ian. Many of those, the majority perhaps, will have to be demolished and rebuilt.

Fort Myers Beach Mayor Dan Allers told Deputy Secretary Todman that day that bringing back Fort Myers Beach’s workforce is a top priority for the town. “Every person that comes back has one more shovel, one more pair of gloves that helps that next neighbor and helps the next neighbor, and the more of them you get back in, the quicker we'll be able to recover,” Allers told local station WGCU during the event.

Deputy Secretary Todman announced that day that the United States Department of Housing and Urban Development was allocating \$1,107,881,000 in CDBG-DR funds to Lee County in response to Hurricane Ian. She said those CDBG-DR grants could be used to address local disaster recovery needs that are not met by other sources of Federal disaster assistance.

Fort Myers Beach understands that:

- CDBG-DR appropriations generally make funds available 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.
- CDBG-DR makes funds available for all activities that are eligible under Title I of the Housing and Community Development Act of 1974. Generally, all CDBG-DR activities must:
  - Be CDBG-eligible (or eligible under a waiver or alternative requirement);
  - Meet a national objective; and,
  - Meet an unmet recovery need that addresses a direct or indirect impact from an eligible disaster.

## DRAFT

- To meet disaster recovery needs, the statutes controlling CDBG-DR funds authorize HUD to modify the rules that apply to the annual CDBG program. To provide this flexibility, CDBG-DR appropriation statutes grant the Secretary the authority to waive statutes or regulations administered by the Secretary, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment.
- Before receiving CDBG-DR funds, grantees are required to develop and submit to HUD Action Plans for Disaster Recovery. The CDBG-DR Action Plan must describe how the grantee will use the CDBG-DR funds. Lee County publicly released its Draft Action Plan on August 1, 2023, and will accept public comments on the draft plan until August 31, 2023.
- Lee County's Draft Action Plan primarily contemplates using the CDBG-DR funds on housing-related assistance programs and infrastructure (including cost share on FEMA Hazard Mitigation Grant Program projects).

With these considerations in mind, Fort Myers Beach offers the following response to the Draft Action Plan.

### Analysis of Lee County Draft Action Plan for CDBG-DR Funds

The Lee County Draft Action Plan provides the following information related to Hurricane Ian impacts suffered by Fort Myers Beach, clearly demonstrating that it was Ground Zero for the storm's greatest impacts:

- Data included in the Draft Action Plan demonstrates that the Town of Fort Myers Beach is one of the most impacted areas of Lee County. Fort Myers Beach suffered catastrophic flooding and storm surge, resulting in widespread destruction of vertical construction and infrastructure. While many areas of Lee County were able to reopen and begin rebuilding in the days and weeks following Ian, Fort Myers Beach is still devastated in many critical respects, including the continued closure of multiple beachfront resorts, both large parks and trails, and the large strip mall to the east side of the island.
- The Draft Action Plan correctly notes that peak storm surge inundation levels of 10 to 15 feet above ground level (AGL) occurred in Fort Myers Beach and Estero Island (Page 11).
- The Draft Action Plan notes that a United States Geological Survey (USGS) water level sensor measured a wave-filtered water level of 12.70 ft above the mean higher high water (MHHW) level at Fort Myers Beach Pier, which was the highest water level measurement from this network (Page 11).
- The only photographs of actual impacts from Hurricane Ian are found on Page 13 of the Draft Action Plan, showcasing the storm surge inundation in Fort Myers Beach.

## DRAFT

- An assessment of total damage indicates that Sanibel Island, much of Fort Myers Beach, as well as North Fort Myers absorbed the brunt of Hurricane Ian's impact. Four zip codes in Lee County each sustained greater than \$50,000,000 in Real Property FEMA Verified Losses (RPFVL), which constitutes the highest Verified Loss bracket (Page 61).
- In addition to RPFVL, two additional perspectives were considered to geographically define the measure of intensity and magnitude of Ian's impacts across Lee County - Average Loss and Counts of FEMA Applicants with Real Property Damages. (Pages 61–65).
- Fort Myers Beach fell in the highest possible bracket for each damage perspective considered:
  - Fort Myers Beach had greater than \$50,000,000 in RPFVL;
  - Fort Myers Beach had greater than \$8,000 in average RPFVL; and,
  - Fort Myers Beach had more than 800 FEMA Applicants with Real Property Damages.
- In conjunction with actual losses, the Draft Action Plan also considers Social Vulnerability. Figure 18 in the Draft Action Plan indicates that Fort Myers Beach ranks High/Medium or High/High in both RPFVL and Social Impact Considerations, respectively (Page 66 – Figure Below).

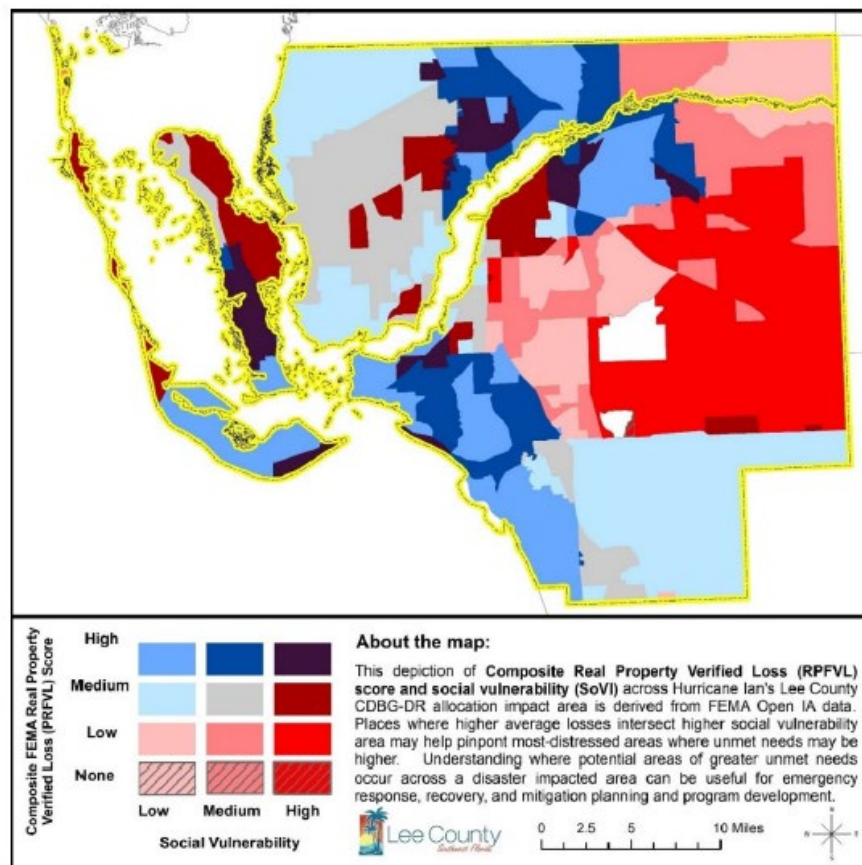


Figure 18 - The bivariate map displaying average real property loss and social vulnerability.<sup>68</sup>

## Analysis of National Objectives

Fort Myers Beach offers the following comments specific to the National Objectives addressed by the Draft Action Plan:

- The Draft Action Plan states that “The recovery activities described herein will make use of the HUD national objectives under 24 CFR 570.483 which include benefitting low- and moderate-income persons, preventing or eliminating slums or blight, and meeting urgent needs.” (Page 207)
- A review of the Draft Action Plan reflects that the Programs included for funding allocations only contemplate the “Benefitting Low- and Moderate-Income Persons” and “Meeting Urgent Needs” national objectives. The “Prevention or Elimination of Slums or Blight”, which is an important consideration in the aftermath of natural disasters, is not included in the Lee County Draft Action Plan.
- The “Benefitting Low- and Moderate-Income Persons” national objective is satisfied when 51% of the residents in a project area are considered low- to moderate-income. **Only one of the seven entities eligible for funding meets the 51% threshold** - see table below. Should this be the sole consideration in the distribution of recovery funds throughout Lee County, only select pockets throughout Lee County (identified by census tracts/block groups or survey data) will receive critical aid. This excludes most of the Ground Zero area with the most devastating impacts from Hurricane Ian.

Entity	% of LMI Persons
Lee County	41.77%
City of Cape Coral	41.77%
City of Bonita Springs	41.60%
City of Fort Myers	51.99%
City of Sanibel	19.97%
Town of Fort Myers Beach	30.81%
Village of Estero	25.57%

- Fort Myers Beach fully supports the prioritization of socially vulnerable citizens with regard to recovery efforts, such as those classified as low- and moderate-income, as those citizens are more likely to experience significant and lengthier impacts from disasters such as Hurricane Ian.
- Given the high degree of devastation and destruction that still exists in Lee County’s Ground Zero region, the Town of Fort Myers Beach encourages Lee County to also incorporate the “Prevention or Elimination of Slums or Blight” national objective in program considerations.

## DRAFT

- By excluding the “Prevention or Elimination of Slums or Blight” national objective, the unmet needs of the County’s most impacted and distressed areas are not fully represented and are precluded from consideration.

### Analysis of Housing Unmet Needs

Fort Myers Beach offers the following comments specific to Housing Unmet Needs that are addressed in the Draft Action Plan:

- Fort Myers Beach wholly agrees that unmet housing needs are a critical aspect of Lee County’s recovery from Hurricane Ian, as housing needs constitute more than half of the County’s identified unmet needs. Furthermore, Fort Myers Beach supports Lee County’s prioritization of Low- and Moderate-Income persons in the County’s housing recovery projects to help to mitigate the disproportionate effects that a natural disaster can have on socially vulnerable populations.
- That said, the Lee County Draft Action Plan should be designed to aid in the effective and efficient deployment of funds to support a comprehensive disaster recovery framework. Annually, Lee County has opportunities to leverage other funding streams, including CDBG funds, state funds, and other federal funds, to deploy toward housing goals. However, CDBG-disaster recovery funds are a one-time allocation that can also be used to address the other unmet needs created by Hurricane Ian, in addition to housing. The Draft Action Plan, as currently written, does not give Fort Myers Beach confidence that the other unmet needs, outside of housing, will be adequately addressed.
- According to the Draft Action Plan, **56.92%** of Lee County’s unmet needs are related to housing, but **59.57%** of CDBG-DR funding has been allocated to housing programs. The percentage of funding allocated to housing exceeds the relative percentage of unmet housing needs by 2.65% or approximately **\$29.4 million** of the total program allocation.

Table 1 – Lee County’s Unmet Needs and Proposed Allocation

Category	Remaining Unmet Need	% of Unmet Need
Housing	\$4,598,352,445	56.92%
Infrastructure	\$3,040,625,610	37.63%
Economic Revitalization	\$440,320,907	5.45%
Total Unmet Needs	\$8,079,298,962	100%

Category	Program Allocation Amount	% of Program Allocation
Housing	\$660,000,000	59.57%
Economic Revitalization	\$0	0%
Infrastructure	\$207,980,950	18.77%
Mitigation	\$144,506,000	13.04%
Planning	\$25,000,000	2.26%
Public Services	\$15,000,000	1.35%
Admin	\$55,394,050	5.00%
Total Allocation	\$1,107,881,000	100%

## DRAFT

- Fort Myers Beach requests that this allocation ratio be reconsidered to include Economic Revitalization, which is of critical importance to Lee County's Ground Zero area. As currently written, these opportunities have been excluded from funding allocations in the Draft Action Plan.

### Analysis of Economic Revitalization Unmet Needs

Fort Myers Beach offers the following comments specific to Economic Revitalization Unmet Needs that are addressed in the Draft Action Plan:

- The Draft Action Plan specifically addresses Economic Revitalization Unmet Needs considerations, indicating that Economic Revitalization has a remaining unmet need of \$440M, or 5.45% of total unmet needs in Lee County (Page 6, Page 8).
- Fort Myers Beach disagrees with the Draft Action Plan's assertion that "the most impactful means by which to support economic revitalization are included in housing and infrastructure programs" (Page 6). This assertion contradicts other data and information presented throughout the Draft Action Plan, as further described below, and is inconsistent with the urgent unmet economic revitalization needs in Fort Myers Beach – one of the most impacted areas in Lee County.
- Fort Myers Beach is a vital center of tourism and economic activity in Lee County. LMI residents who don't live in Fort Myers Beach travel to the town daily to work in the local businesses, many of them small businesses, that support the region's tourism economy. The continued closure of beachfront hotels alone has resulted in devastating tax revenue losses. Economic Revitalization is critical to the town's long-term recovery, as the town is heavily dependent upon a tourism-based economy.
- Despite the highest levels of damage and destruction occurring in Fort Myers Beach, the Draft Action Plan indicates that no CDBG-DR funds will be allocated for economic revitalization, contending that housing programs alone will be sufficient to support workforce needs (via development and preservation of affordable housing units) and infrastructure projects will ensure that businesses have access to essential services (Page 6).
- **Fort Myers Beach believes that the exclusion of Economic Revitalization funding is misaligned with both identified unmet needs and the purpose and intent of CDBG-DR funding in the most impacted areas.** The following comments specific to Economic Revitalization Unmet Needs should be considered:
  - Recovery Task Force Town Hall Meetings (Pages 157-158) identified Economic Revitalization as a top priority, along with Infrastructure, Housing, and Planning/Capacity. Both Fort Myers Beach and Sanibel specifically identified the need for Economic Revitalization. Despite this, Economic Revitalization is the only identified priority that was not funded in the Draft Action Plan.

## DRAFT

Consistent with the public's identification of Economic Revitalization as a top recovery priority, the Draft Action Plan states that the "vast majority of hotels along the tourist-driven beaches remain closed [such as those in Fort Myers Beach]. These rooms command the highest room rate and generate the most Tourist Development Tax (TDT) revenue." Data is provided to show the loss in TDT revenues and the loss of visitor streams. The Draft Action Plan continues by stating "As displayed in the data above, Lee County tourism suffered at minimum a 31 percent reduction in the number of visitors, expenditures by visitors, and the number of room nights sold during the first two calendar quarters following Hurricane Ian's landfall, leading to a reduction in TDT collections of at least 42 percent." (Pages 106 – 107). This is due in large part to the devastation and destruction that still exists at Ground Zero, as Fort Myers Beach generates a large share of Lee County's TDT revenue.

- Despite these findings, the Draft Action Plan draws the following conclusion:

*"Through the unmet needs assessment and consultation with stakeholders, Lee County has determined that the most impactful programs to support economic revitalization are included in housing and infrastructure programs. Housing programs will support the development and preservation of affordable housing units to support the workforce in the County. Infrastructure projects will provide required improvements to ensure businesses have access to essential services." (Page 110)*

Fort Myers Beach agrees that housing and infrastructure allocations are vital to the long-term recovery of Lee County; however, the town emphatically disagrees with the exclusion of economic revitalization allocations from the Draft Action Plan. Allocation of funding to each of the three identified unmet need categories (i.e., Housing, Infrastructure, and Economic Revitalization) is essential for a comprehensive long-term recovery strategy. The determination made by Lee County to exclude specific economic revitalization funding from the Draft Action Plan dismisses the unmet needs of Fort Myers Beach – one of the County's most impacted and distressed areas.

- **To justify the exclusion of Economic Revitalization allocations, Section II.D. of the Draft Action Plan relies heavily on temporary employment opportunities, such as large single-project construction jobs, rather than jobs with long-term sustainability, to conclude that job growth in Lee County is now better than it was before Hurricane Ian.**
- The Draft Action Plan cites the following: "in the six months after Hurricane Ian, the County has seen 18,000 jobs added, which reflects a positive trend compared to an average of 10,000 to 15,000 new jobs a year from 2010 to 2020."



## DRAFT

The cited source for this data is a news interview

(<https://news.wgcu.org/section/business/2023-04-24/lee-county-economic-development-director-john-talmage-talks-about-recovery-after-hurricane-ian-moore-about-business>), which implies that the jobs created are largely related to a major road construction project. Construction jobs such as this are not typically consistent with long-term, sustained job creation and retention. Fort Myers Beach contends that, with limited access to a much-needed Economic Revitalization allocation, the town's opportunities for growth and prosperity are severely restricted.

- It is the position of Fort Myers Beach that the employment statistics cited in this section and the related conclusions were drawn from a news interview providing a positive take on economic resiliency since Ian. While focusing on a positive perspective is certainly appropriate at times, **Fort Myers Beach contends that a critical analysis of the County's unmet needs related to economic revitalization is more relevant to this Draft Action Plan, which will deploy more than \$1B in funds to promote long-term recovery in the aftermath of Hurricane Ian.**
- It should also be noted that, according to the Draft Action Plan, the consulted stakeholders are limited to Lee County's internal departments (Page 105). Fort Myers Beach questions if other entities were consulted, aside from internal Lee County departments?
- Other references related to the exclusion of Economic Revitalization allocations could not be fully reviewed for accuracy, due to an inaccurate footnote. The Draft Action Plan also references the "County's Economic Developments Post Ian Economic Health Analysis", cited as Footnote #84 (Page 105); however, Footnote #84 provides a link to ACS 2021 Census tables for White Alone Households (Page 70). Fort Myers Beach respectfully requests that the Draft Action Plan incorporate a correct link to the referenced document, such that its contents can be reviewed and considered by the public.
- Fort Myers Beach contends that Economic Revitalization is a critical component of a comprehensive, long-term, sustained disaster recovery strategy. By incorporating an Economic Revitalization allocation, Lee County can facilitate a broader scope of recovery and restore and improve employment opportunities for LMI individuals throughout Lee County. As such, Fort Myers Beach respectfully requests a revision of the Draft Action Plan to include:
  - The allocation of CDBG-DR funding for Economic Revitalization projects to support recovery in the Ground Zero region of the most impacted areas of Lee County, consistent with the public's identification of Economic Revitalization as a top recovery priority.



## DRAFT

- The equal prioritization of both the “Benefitting Low- and Moderate-Income Persons” and the “Prevention or Elimination of Slums or Blight” national objectives for Economic Revitalization projects.

### Analysis of the Critical Infrastructure Program

Fort Myers Beach offers the following comments specific to the Critical Infrastructure Program included in the Draft Action Plan:

- The Critical Infrastructure Program will provide CDBG-DR funds to carry out improvements or repairs to publicly owned physical assets designed to provide or support services to the public (Page 211).
- Fort Myers Beach fully supports the purpose of the Critical Infrastructure Program, as infrastructure repairs are foundational to recovery efforts in the most heavily impacted areas of Lee County.
- Critical Infrastructure grants will be awarded via a competitive application process, to the extent that funds are available (Page 211). In an effort to prioritize infrastructure projects, Lee County has established three phases of the Critical Infrastructure Program as depicted below (Page 212):

Award Phases		Phase I	Phase II	Phase III
Low Income Benefit**	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	No			<input checked="" type="checkbox"/>
Hurricane Ian Tie-Back	Yes	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
	No		<input checked="" type="checkbox"/>	
	No			

- As currently written, projects with no tie-back to Hurricane Ian will be considered in Phase II, with some Ian-impacted projects not considered until Phase III.
- **Fort Myers Beach contends that the absence of a “Prevention or Elimination of Slums or Blight” national objective consideration will result in significant delays to critical infrastructure repairs in Lee County’s most impacted areas, during which time urgent needs will remain unaddressed and blighted areas will continue to deteriorate.**
- Fort Myers Beach requests the following modification to Phase III of the Critical Infrastructure Repair Program:
  - Current Phases:
    - Phase I: Requires LMI Benefit and Hurricane Ian Tie-Back
    - Phase II: Requires LMI Benefit, but does not require Ian Tie-Back
    - Phase III: Does not require LMI Benefit, but does require Ian Tie-Back

## DRAFT

- Recommended Phases:
  - Phase I: Requires LMI Benefit and Hurricane Ian Tie-Back (No Change)
  - Phase II: Requires LMI Benefit, but no Ian Tie-Back (No Change)
  - Phase III: Does not require LMI Benefit but **does allow for either Slum / Blight or Urgent Need objectives**; also requires tie-back to Hurricane Ian.

### Analysis of Planning Projects

Fort Myers Beach offers the following comments specific to the Planning Projects included in the Draft Action Plan:

- Unlike the Critical Infrastructure and Housing Programs, the Draft Action Plan does not provide the framework to consider a community's need for planning funds when selecting projects.
- Planning projects will be awarded through a competitive process, with funds awarded to the extent they are available (Page 238).
- The Technical Evaluation Criteria used to select projects for funding include:

Technical Evaluation Criteria	Criteria Description
<b>Project Design/Approach</b>	The extent to which the proposed activity design/approach is reasonable, efficient, durable, and addresses an unmet need or mitigation need.
<b>Sustainability and Resilience Measures</b>	The extent to which the proposed activity integrates mitigation measures and strategies to reduce natural hazard risks, including climate-related risks.
<b>Timeliness and Urgency</b>	The proposed activity will be completed within the grant performance period and indicates a reasonable timeline for completion and drawdown of funds.
<b>Cost-Effectiveness and Controls</b>	The proposed activity is cost reasonable. The applicant has conducted a cost benefit analysis.
<b>Proposal Presentation</b>	The proposal is complete, has required attachments, and provides a clear demonstration of organizational capacity, activity details, and budget requirements.

- Planning activities are a critical component of a comprehensive, long-term recovery strategy. As such, Fort Myers Beach proposes two considerations for the Technical Evaluation Criteria Framework that may allow more targeted distribution of these limited funds to the communities most in need:
  - Given that some areas of Lee County were more severely impacted by Hurricane Ian than others, Lee County should consider “Phasing” the planning allocation to allow priority funding for the most heavily impacted areas of Lee County.

## DRAFT

- It is conceivable that governmental entities within Lee County have varying degrees of planning efforts already completed; for example, one entity may have completed comprehensive planning within the last five years, while another may have comprehensive planning completed more than a decade ago. Lee County may consider the addition of Technical Evaluation Criteria that prioritize planning efforts for entities demonstrating greater need (i.e., lack of existing planning or obsolete planning).
- Planning activities will be critical for Fort Myers Beach's long-term recovery and will be used to directly support the development of projects eligible for CDBG-DR funding. Fort Myers Beach requests improvements to the Draft Action Plan to ensure necessary planning funds will be made available to the Ground Zero area of the most impacted County, in sufficient amounts to facilitate the speedy launch of these critical planning processes.

### HUD Checklist Criteria for Acceptance of CDBG-DR Public Action Plans

HUD has made publicly available its checklist for review and acceptance of CDBG-DR Public Action Plans under the Department of Housing and Urban Development Appropriations Act, 2023 (Pub. L. 117-328). (<https://www.hud.gov/sites/dfiles/CPD/documents/CDBG-DR/CDBG-DR-Public-Action-Plan-HUD-Review-Checklist-117-180-117-328.pdf>)

As currently written, Fort Myers Beach does not believe the Draft Action Plan satisfies the checklist criteria identified below; however, we respectfully submit recommended modifications and requests for Lee County's consideration in the section immediately following.

- *Q4. "ACTION PLAN - Does the grantee's action plan identify the use of all funds – including criteria for eligibility and how the uses address long-term recovery needs, restoration of infrastructure and housing, economic revitalization, and the incorporation of mitigation measures in the MID areas?"*

Fort Myers Beach agrees that the Draft Action Plan adequately identifies the uses of funding allocations to address Housing and Infrastructure unmet needs; however, the Draft Action Plan, as currently written, dismisses the need for funding for the long-term Economic Revitalization recovery needs of the Ground Zero area in Lee County, including Fort Myers Beach.

- *Q7. "IMPACT AND UNMET NEEDS ASSESSMENT – Does the assessment evaluate all aspects of recovery including housing (interim and permanent, owner and rental, single-family and multifamily, affordable and market rate, and housing to meet the needs of persons who were experiencing homelessness pre-disaster), infrastructure, and economic revitalization needs, while also incorporating mitigation needs into activities that support recovery."*

## DRAFT

Fort Myers Beach agrees that the Unmet Needs Assessment adequately evaluates housing and infrastructure needs, while also incorporating mitigation needs into the Draft Action Plan; however, the Unmet Needs Assessment fails to accurately evaluate the long-term Economic Revitalization recovery needs of the Ground Zero area in Lee County, including Fort Myers Beach.

- *Q10. "IMPACT AND UNMET NEEDS ASSESSMENT – Does the grantee describe the extent to which expenditures for planning activities will benefit the HUD-identified MID areas, as described in section II.A.3 of the Consolidated Notice?"*

Fort Myers Beach contends that the extent to which expenditures for planning activities will benefit the HUD-identified MID areas could more effectively target areas of Lee County with the most demonstrable need by (a) incorporating criteria to prioritize Lee County's Ground Zero area, and/or (b) including technical evaluation criteria the promotes areas with obsolete or insufficient planning currently in place.

- *Q13. "CONNECTION OF PROGRAMS AND PROJECTS TO UNMET NEEDS – Does the plan provide a clear connection between a grantee's impact and unmet needs assessment and its proposed programs and projects in the MID areas (or outside in connection to the MID areas as described in section II.A.3 of the Consolidated Notice)?"*

Fort Myers Beach contends that the Draft Action Plan, as written, does not provide a clear connection between the Unmet Needs Assessment for Economic Revitalization and its proposed programs and projects, as the Draft Action Plan indicates that unmet economic revitalization needs will be met through funding of housing and infrastructure projects to the exclusion of economic revitalization projects.

- *Q14. "CONNECTION OF PROGRAMS AND PROJECTS TO UNMET NEEDS – Does the plan demonstrate a reasonably proportionate allocation of resources relative to areas and categories (i.e., housing, economic revitalization, infrastructure) of greatest needs identified in the grantee's impact and unmet needs assessment or provide an acceptable justification for a disproportional allocation, while also incorporating hazard mitigation measures to reduce the impacts of recurring natural disasters and the long-term impacts of climate change?"*

Fort Myers Beach contends that the plan does not demonstrate a proportionate allocation of resources for economic revitalization relative to areas and categories of greatest needs identified in the unmet needs assessment, given that economic revitalization unmet needs constitute 5.45% of identified unmet needs and this category has been expressly excluded from a funding allocation.

- *Q92. "CONSIDERATION OF PUBLIC COMMENTS – If the grantee received comments, did the grantee demonstrate that it considered all oral and written comments on the Action Plan, and did the grantee identify updates or changes made to the Action Plan in*

## DRAFT

*response to public comments? NOTE: Grantee responses shall address the substance of the comment rather than merely acknowledge that the comment was received.”*

Fort Myers Beach respectfully requests that the contents of this comment document be submitted to HUD in full, rather than in summary form.

### Summary of Requests for Modification of the Lee County Draft Action Plan

Fort Myers Beach respectfully submits the following modification requests for the Lee County Draft Action Plan.

#### General Draft Action Plan Modification Requests:

- For competitive grant projects and programs, Fort Myers Beach requests that, when possible and appropriate, Lee County gives priority to applications from the most impacted and destroyed areas in its selection criteria and technical evaluation factors.
- Fort Myers Beach respectfully requests that Lee County consider dedicated funding to address the unique recovery needs of the Ground Zero area, such as geographically designated funding for areas with the highest Real Property FEMA Verified Losses with prioritization of the “Prevention or Elimination of Slums or Blight” national objective.
- Fort Myers Beach respectfully requests that Lee County consider a Waiver Request to reduce the “Benefitting Low- and Moderate-Income Persons” national objective threshold from 70% (which is a requirement of normal CDBG programs) to 50% (which has been previously approved by HUD for comparable CDBG-DR programs). This will not reduce or restrict the amount of aid that can be provided to low- and moderate-income residents, but it will allow the flexibility to more fully address recovery needs that may not have other available funding opportunities.
- Fort Myers Beach respectfully requests that Lee County consider a waiver to remove the Prohibition on the General Conduct of Government Clause for the following reasons:
  - To ensure that HMGP match funding can be awarded to the highest priority projects, without being hindered by the General Conduct of Government Clause, which has been identified by other governmental entities as an issue in the delivery of previous HUD-funded programs.
  - This will allow funding eligibility for buildings in which the general conduct of government occurs, which often double as town halls, emergency shelters, or distribution centers.

## DRAFT

- *Related to National Objectives:* The Town of Fort Myers Beach respectfully requests that Lee County incorporate and prioritize the “Prevention or Elimination of Slums or Blight” national objective in program considerations, given the high degree of devastation and destruction that still exists in Lee County’s most impacted areas. By excluding the “Prevention or Elimination of Slums or Blight” national objective, the unmet needs of the County’s Ground Zero area is not fully represented and are not as efficiently addressed.
- *Related to Housing Unmet Needs:* According to the Draft Action Plan, while 56.92% of Lee County’s unmet needs are related to housing, 59.57% of CDBG-DR funding has been allocated to housing programs. The percentage of funding allocated to housing exceeds the percentage of unmet housing needs by 2.65%, or approximately \$29.4 million of the total program allocation. Fort Myers Beach respectfully requests that funds be allocated within the Draft Action Plan to Economic Revitalization, which is of critical importance to Lee County’s Ground Zero area and is excluded from funding allocations in the Draft Action Plan
- *Related to Economic Revitalization Unmet Needs:* Fort Myers Beach contends that Economic Revitalization is a critical component of a comprehensive, long-term, sustained disaster recovery strategy. As such, Fort Myers Beach respectfully requests that the Draft Action Plan be revised to include:
  - The allocation of CDBG-DR funding for Economic Revitalization projects to support recovery in the Ground Zero area of Lee County, consistent with the public’s identification of Economic Revitalization as a top recovery priority.
  - Equal prioritization of the “Benefitting Low- and Moderate-Income Persons” and “Prevention or Elimination of Slums or Blight” national objective for Economic Revitalization projects.

Economic Revitalization will be an especially important consideration for Fort Myers Beach and other heavily impacted areas in Lee County, because eligible activities can include any economic revitalization activity that demonstrably restores and improves the local economy (such as addressing job losses and providing employment opportunities to LMI individuals). This can include making improvements to commercial/retail districts and financing other efforts that attract/retain workers in disaster-impacted communities. By incorporating an Economic Revitalization allocation, Lee County can improve the scope of recovery and restoration, while also improving employment opportunities for LMI individuals throughout Lee County.

- *Related to the Critical Infrastructure Program – Item #1:* As currently written, Fort Myers Beach contends that the absence of a “Prevention or Elimination of Slums or Blight” national objective consideration will result in significant delays to critical infrastructure repairs in Lee County’s Ground Zero area, during which time urgent needs will remain unaddressed and blighted areas will continue to deteriorate. Fort Myers Beach proposes

## DRAFT

the inclusion of “Prevention or Elimination of Slums or Blight” as a national objective as follows:

- Current Phases:
  - Phase I: Requires LMI Benefit and Hurricane Ian Tie-Back
  - Phase II: Requires LMI Benefit, but does not require Ian Tie-Back
  - Phase III: Does not require LMI Benefit, but does require Ian Tie-Back
- Recommended Phases:
  - Phase I: Requires LMI Benefit and Hurricane Ian Tie-Back (No Change)
  - Phase II: Requires LMI Benefit, but no Ian Tie-Back (No Change)
  - Phase III: Does not require LMI Benefit but does allow for either Slum / Blight or Urgent Need objectives; also requires tie-back to Hurricane Ian.
- *Related to the Critical Infrastructure Program – Item #2:* As currently written, the Draft Action Plan indicates that LMI Benefit is required for an eligible entity to qualify for Phase I Critical Infrastructure Funding. The Draft Action Plan defines LMI Benefit to mean that at least 51% of the service area of the proposed project must have an income at or below 80% of AMI. Fort Myers Beach respectfully requests that the definition of LMI Benefit be expanded to include other low- to moderate-income considerations. An example of this might include satisfaction of the Phase I LMI Benefit criteria by proposing critical infrastructure improvements with a service area that primarily employs a LMI workforce, in furtherance of the goal of LMI workforce retention.
- *Related to Planning Projects:* Planning activities are a critical component of a comprehensive, long-term recovery strategy. As such, Fort Myers Beach respectfully proposes two considerations for the Technical Evaluation Criteria Framework that may allow more targeted distribution of these limited funds to the communities most in need:
  - Given that some areas of Lee County were more severely impacted by Hurricane Ian than others, Lee County may consider “Phasing” or Technical Evaluation Criteria that prioritizes planning efforts for eligible applicants in the Ground Zero area of Lee County.
  - It is conceivable that governmental entities within Lee County have varying degrees of planning efforts already completed; for example, one entity may have completed comprehensive planning within the last five years, while another may have comprehensive planning completed more than a decade ago. Lee County may consider the addition of “Phasing” or Technical Evaluation Criteria that prioritizes planning efforts for entities demonstrating greater need (i.e., lack of existing planning or obsolete planning).