



NORTHERN MARIANAS HOUSING CORPORATION

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ARONGORONGOL TOULAP

Sáangi Táilil 5 A. reel Northern Marianas Housing Corporation (“NMHC”) Community Development Block Grant Disaster Recovery (“CDBG-DR”) “Program’s Action Plan (“AP”), bwulul mille nge ebwe arongaar toulap reel pommwol liiwel ikka e lo bwe “substantial” me “non-substantial” ngáli CBDG-DR me ayoorai ngáli aramas ikka re túutá me ebwe mmwel rebwe isiisilong kkapas wóól pommwol liiwel kkal. Rebwe ngaleer toulap eliigh ráál sáangi ráálil igha e akkatéewow Arongorongol Toulap yeel ebwe isiisilong kkapas wóól pommwol liiwel kkal ngáli CBDG-DR AP. Liiwel ikka e lo bwe “substantial” ebwe yoor ngáre eyoor liiwel loll progróoma reel “benefit/eligibility criteria”, aschuulongol me siiwel sáangi mwóghutughut, ngáre “reallocation of substantial amounts”. Ebwe bwal yoor “substantial amendment” ngáre eyoor progróoma iye e ayoorai siiwel iye e aluulói “five million dollars” (\$5,000,000). “Substantial amendments” ebwe ayoorá “reasonable opportunity” loll eliigh ráál ngáliir aar toulap fóós. Ebwe yoor ammwelil alongal liiwel sáangi NMHC aar CBDG-DR Program me ebwe yoor “necessary and reasonable justifications”. Alongal “substantial amendments” ebwe bwal aschuulong milikka e amwirimwiritiw”

1. Ebwe ffat ifa me óutol iye ebwe aschuulong, siiwel, ngáre liiweli;
2. Ebwe ffat e mweteló iya fundo ngáre e tooto me iya; me
3. “Updated and revised budget” mwiril “re-allocation of funding”.

Siiweli mwáliili we e ghoomw, “non-substantial amendments” ngáli “Action Plan” ese ffil bwe toulap rebwe tuutá nge ngáre NMHC e disidiy bwe rebwe aschuulong “non-substantial amendments” ngáli Plóno iye re apasa llól Arongorongol Toulap bwulul arongorong schagh.

E bwal schuulong, alongal liiwelil “action plan” eyoor me CNMI CDBG_DR website me www.cnmi-cdbg-dr.com me emmwel ubwe bweibwogh pappid reel bwulasiyo kkemwu e lo Seipél, Tchiliyól, me Luuta reel schóó kkemwu esóór yaar “access” ngáli “Internet”. E ówtcheya rebwe arongaar toulap reel fundo ikka e lo ngáliir toulap rebwe tuutá llól ammwelil me lemelemil reel ikka e bwal lo bwe “unmet need”. NMHC rebwe aghatchú le aronga toulap reel Progróomal CDBG-DR sáangi mwóghutughut ikka e amwirimwiritiw:

- Arongorong me llól simbwung
- Arongorong sáangi reedio
- Social media
- CNMI CDBG-DR website

Ottimwo, NMHC ebwe ayoorai afal ngáli igha rebwe ayoorai sóssól-, sóssól-, me e “moderate-income persons”, e schuulong aramas ikka eyoor aar “disabilities”, tuufey me aramas ikka re lo bwe “Limited English Proficiency (LEP) rebwe bwal tuutá me yááyá llól mwóghutughutúl CDBG-DR me llól lemelemil “policies” me mwóghutughut llól “CDBG-DR Program’s Citizen Participation Plan”. Emmwel ubwe schuungi mille re ghommwal óólegghi me óutol “Citizen Participation Plan” reel aar CNMI CDBG-DR website me: www.cnmi-cdbg-dr.com ngáre bwal wóól Táilil 5 wóól CDBG-DR Action Plan (peigh 78 – 83). Pappidil “Action Plan”, igha re liiweli sáangi pommwol liiwel, emmwelil ubwe bweibwogh me CNMI-



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CDBG-DR website me: www.cnmi-cdbg-dr.com ngáre inamwo ifa reel bwulasiyol NMHC ikka e lo Seipél, Tchiliyól, me Luuta.

PROPOSED AMENDMENTS

Proposed changes are **highlighted in yellow**. The corresponding page numbers reflect the actual page numbers of the current action plan as published on the CDBG-DR website at <https://www.cnmi-cdbgdr.com/wp-content/uploads/2020/10/CNMI-Action-Plan-1.pdf>.

Section 1 – Executive Summary

Page 7

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	\$3,286,366	\$39,407,033
Single-Family New Const Dev	\$41,120,667	\$3,286,366	\$44,407,033
Affordable Rental Housing Dev	\$36,120,667	\$3,286,366	\$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

Section 1 – Executive Summary
Page 7

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



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Section 1 – Executive Summary

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%



B. 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.



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Section 2 – Needs Assessment
Page 11

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%

Section 2 – Needs Assessment
G. Low- and Moderate-Income Analysis
Page 23

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

HUD INCOME LIMITS NORTHERN MARIANA ISLANDS								
Family Size	1	2	3	4	5	6	7	8
30% of AMI	\$10,150	\$11,600	\$13,050	\$14,450	\$15,650	\$16,800	\$17,950	\$19,100
50% of AMI	\$16,850	\$19,250	\$21,650	\$24,050	\$26,000	\$27,900	\$29,850	\$31,750
60% of AMI	\$20,220	\$23,100	\$25,980	\$28,860	\$31,200	\$33,480	\$35,820	\$38,100
80% of AMI	\$26,950	\$30,800	\$34,650	\$38,500	\$41,600	\$44,700	\$47,750	\$50,850
120% of AMI	\$40,400	\$46,200	\$51,950	\$57,700	\$62,350	\$66,950	\$71,550	\$76,200

*For most current HOME program or Section 8, or CDBG-DR 120% income limits published by U.S. Department of Housing and Urban Development, please go to <https://www.huduser.gov/portal/datasets/il.html> and <https://www.hudexchange.info/incomecalculator/>.

Previous 120% of AMI:

120% of AMI	\$40,440	\$46,200	\$51,960	\$57,720	\$62,400	\$66,960	\$71,640	\$76,200
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Section 4 – Disaster Recovery Program

E. Use of Funds

1. Housing Programs

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)	\$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	\$123,221,000	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%



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Section 4 – Disaster Recovery Program

E. Use of Funds

1. Housing Programs

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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	\$39,407,033
Performance Outcome	Approximately 233 - 302 units will be assisted

Section 4 – Disaster Recovery Program

E. Use of Funds

1. Housing Programs

Page 63

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 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



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recapture. Recapture is capped at what is available out of net proceeds. Net proceeds are defined as the sales price less superior non-CDBG-DR debt (if any) less closing costs.

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Single Family New Construction Development	\$44,407,033
Performance Outcome	Approximately 176 to 215 units will be assisted

Section 4 – Disaster Recovery Program

E. Use of Funds

1. Housing Programs

Page 65

c. Level and Terms of Assistance

Option I: Turn-Key Solution: \$22,203,516.50 (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: \$22,203,516.50

Section 4 – Disaster Recovery Program

E. Use of Funds

1. Housing Programs

Page 66

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



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Section 4 – Disaster Recovery Program

E. Use of Funds

1. Housing Programs

Page 68

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	\$39,407,033
Performance Outcome	Approximately 270-310 units will be assisted

a. National Objective

LMI, LMH

Section 4 – Disaster Recovery Program

E. Use of Funds

1. Housing Programs

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b. 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.

Section 4 – Disaster Recovery Program

E. Use of Funds

2. Local Infrastructure Program

Page 73

a. Allocation Amount

PROPOSED PROJECT	ESTIMATED COST
Port Facilities	\$0
Public Facilities	\$58,881,508
Roads	\$10,650,000
Utilities	\$36,350,327
TOTAL FOR INFRASTRUCTURE	\$105,881,835
Performance Outcome	About 20-30 public facilities will be assisted

