

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2017**

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**SENATE BILL 338**  
**Second Edition Engrossed 4/25/17**  
**House Committee Substitute Favorable 6/28/17**  
**Fourth Edition Engrossed 6/28/17**

Short Title: Disaster Recovery Act of 2017.

(Public)

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Sponsors:

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Referred to:

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March 22, 2017

A BILL TO BE ENTITLED

AN ACT TO ENACT THE DISASTER RECOVERY ACT OF 2017.

The General Assembly of North Carolina enacts:

**SECTION 1.** If Senate Bill 257 of the 2017 Regular Session becomes law, one hundred million dollars (\$100,000,000) reserved as Supplemental Disaster Recovery Funds in that act shall be allocated as follows:

- (1) Housing. – Twenty-five million dollars (\$25,000,000) to be allocated to the following agencies and entities for housing-related matters:
  - a. Twenty million dollars (\$20,000,000) to the Department of Public Safety, Division of Emergency Management, for the following:
    1. For repair of owner-occupied low- to moderate-income housing not covered by Community Development Block Grant Disaster Recovery Program funding.
    2. For repair of low- to moderate-income rental housing not covered by Community Development Block Grant Disaster Recovery Program funding.
    3. To be used for housing elevation, acquisition, and mitigation reconstruction for homes not covered by Hazard Mitigation Grant Program.
    4. To provide State Acquisition Relocation funds, which enable low- to moderate-income homeowners to purchase homes.
    5. To provide flood insurance subsidies.
    6. To provide temporary housing for storm victims.
    7. To hire Community Development Specialists to administer programs authorized under this act and under S.L. 2016-124.
    8. To provide repairs to public housing in Princeville and Lumberton.
  - b. Five million dollars (\$5,000,000) to the Lumber River Council of Government to be used to develop and construct low-income multifamily housing units in the Town of Fair Bluff as provided in subdivision (7) of Section 3 of this act.
- (2) Infrastructure. – Thirty million dollars (\$30,000,000) to the Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, to provide grants to local governments and to 501(c)(3)



1 nonprofit corporations for assistance and relief from Hurricane Matthew, the  
2 western wildfires, and Tropical Storms Julia and Hermine. For purposes of  
3 this subdivision, infrastructure includes nonresidential buildings that serve  
4 the public, water, sewer, sidewalks, storm drainage, and other, similar  
5 projects. Funds shall be used for the following:

- 6 a. To repair or replace existing infrastructure and tangible personal  
7 property.
  - 8 b. To replace or improve existing infrastructure to support hazard  
9 mitigation.
  - 10 c. To construct infrastructure to support (i) hazard mitigation and (ii)  
11 the development of new residential structures in area outside the  
12 100-year floodplain.
- 13 (3) Agricultural. – Twenty million dollars (\$20,000,000) to the Department of  
14 Agriculture and Consumer Services, Division of Soil and Water  
15 Conservation, for stream debris removal and nonfield farm road repairs and  
16 for supplemental funding of the Agricultural Water Resources Assistance  
17 Program to support disaster-related farm pond and dam repairs. The  
18 Department may allocate up to one million dollars (\$1,000,000) to be used  
19 for drought relief in the counties identified in subsection (b) of Section 2 of  
20 this act.
- 21 (4) Community colleges. – Two million seven hundred thousand dollars  
22 (\$2,700,000) to the Community College System Office for the 2017-2018  
23 fiscal year. The Community College System Office shall transfer the entire  
24 sum into a budget stabilization reserve in Budget Code 16800 to be used to  
25 offset the impact of community college enrollment declines related to  
26 Hurricane Matthew. When calculating the enrollment growth budget request  
27 for the 2018-2019 fiscal year, the North Carolina Community College  
28 System Office shall adjust the full-time equivalent (FTE) enrollment to  
29 reflect the FTE lost due to Hurricane Matthew.
- 30 (5) Federal match. – Twenty-two million three hundred thousand dollars  
31 (\$22,300,000) to the State Emergency Response and Disaster Relief Fund to  
32 provide the State match for federal disaster assistance programs.

33 **SECTION 2.** Applicability. – (a) Except as provided in subsection (b) of this  
34 section, this act applies in the North Carolina counties that were any of the following:

- 35 (1) Declared a major disaster by the President of the United States under the  
36 Stafford Act (P.L. 93-288) as a result of Hurricane Matthew, wildfires in the  
37 western part of the State, Tropical Storm Julia, or Tropical Storm Hermine.
- 38 (2) Part of the emergency area set forth in any of the following gubernatorial  
39 executive orders: Executive Order No. 97 (September 1, 2016), Executive  
40 Order No. 103 (September 22, 2016), Executive Order No. 107 (October 3,  
41 2016), Executive Order No. 115 (November 16, 2016), or Executive Order  
42 No. 116.

43 **SECTION 2.(b)** The funds allocated for drought relief under subdivision (3) of  
44 Section 1 of this act apply to 20 counties in western North Carolina that have been declared a  
45 federal disaster by the Secretary of the United States Department of Agriculture due to the  
46 prolonged drought.

47 **SECTION 3.** Implementation. – The following actions and policy shall be taken to  
48 implement this section:

- 49 (1) The Governor may establish part-time and full-time personnel positions to  
50 implement this act. Positions established under this section are time limited  
51 and exempt from the State Human Resources Act.

- 1           (2)    The Governor shall establish advisory councils to advise relevant State  
2                    agencies on hurricane relief and recovery efforts and to ensure input from  
3                    representatives of affected communities and groups.
- 4           (3)    If a person's home is relocated or purchased with funds from the Hazard  
5                    Mitigation Grant Program or the State Acquisition and Relocation Fund, the  
6                    State Emergency Response and Disaster Relief Fund is subrogated to the  
7                    person's rights under any insurance coverage for the damage to the home and  
8                    any monies received from the insurance coverage shall be paid to the State  
9                    Emergency Response and Disaster Relief Fund. The Division of Emergency  
10                   Management shall ensure that those potentially affected by this section are  
11                   notified of, and adhere to, its requirements.
- 12          (4)    It is the intent of the General Assembly to continue to review the funds  
13                   appropriated by Congress and to consider actions needed to address any  
14                   remaining unmet needs. It is also the intent of the General Assembly to  
15                   review the adequacy of the measures funded in this act and S.L. 2016-124.
- 16          (5)    No State funds appropriated in this act may be expended for the construction  
17                   of any new residence within the 100-year floodplain unless the construction  
18                   is in an area regulated by a unit of local government pursuant to a floodplain  
19                   management ordinance and the construction complies with the ordinance. As  
20                   used in this section, "100-year floodplain" means any area subject to  
21                   inundation by a 100-year flood, as indicated on the most recent Flood  
22                   Insurance Rate Map prepared by the federal Emergency Management  
23                   Agency under the National Flood Insurance Program.
- 24          (6)    Homeowners in the 100-year floodplain who receive homeowner's housing  
25                   assistance pursuant to this act shall have in effect federal flood insurance, if  
26                   available, as a precondition to receipt of State homeowner's housing  
27                   assistance for losses resulting from future flooding.
- 28          (7)    All the following shall apply to the funds allocated to the Lumber River  
29                   Council of Government as provided in sub-subdivision (1)b. of Section 1 of  
30                   this act:
- 31            a.     The Housing Finance Agency (HFA) shall coordinate with the  
32                   Lumber River Council of Government (COG) to create a 30- to  
33                   35-unit multifamily affordable housing complex (housing complex)  
34                   within the Fair Bluff Town limits. All funds allocated to the COG  
35                   under this act shall be used solely for the development, management,  
36                   maintenance, and preservation of the housing complex. When filling  
37                   units in the affordable housing complex, priority shall be given to  
38                   low-income residents of Fair Bluff affected by the flooding and  
39                   damage caused by Hurricane Matthew.
- 40            b.     The COG shall create an entity that shall hold the ownership interest  
41                   in the housing complex (ownership entity) and the HFA shall advise  
42                   the COG on the creation of the ownership entity. The ownership  
43                   entity shall determine the exact number of units to be constructed for  
44                   the housing complex. The HFA shall advise the ownership entity  
45                   regarding the bidding process for the selection of a builder to  
46                   construct the housing complex.
- 47            c.     The ownership entity shall follow guidelines developed by the HFA  
48                   when establishing qualifications for residents that will achieve the  
49                   goals established by the ownership entity. The HFA shall assist the  
50                   ownership entity in the selection of a management company to  
51                   operate the housing complex and the HFA shall have approval

1 authority over the management agreement. Additionally, the HFA  
2 shall approval authority regarding any changes in the management  
3 agreement for the housing complex for a period of 15 years  
4 beginning after the initial date of occupancy.

5 d. All funds generated by the housing complex through fees and rents  
6 shall remain with the ownership entity for the maintenance, repair,  
7 upkeep, and continuation of the housing complex and the ownership  
8 entity shall provide the Town of Fair Bluff and the HFA biannual  
9 reports on the status of the housing complex.

10 e. On or before April 1 of each year, the HFA shall report to the Joint  
11 Legislative Oversight Committee on General Government and the  
12 Fiscal Research Division on the housing complex. The report shall  
13 include at least all of the following information:

- 14 1. The average number of tenants occupying the housing  
15 complex.
- 16 2. The amount of rent collected.
- 17 3. A summary of repairs and general maintenance conducted on  
18 units in the housing complex.
- 19 4. Any suggestions to improve the housing complex.

20 **SECTION 4.** Limitation. – The Governor may not use the funds described in this  
21 act to make budget adjustments under G.S. 143C-6-4 or to make reallocations under  
22 G.S. 166A-19.40(c). Nothing in this act shall be construed to prohibit the Governor from  
23 exercising the Governor's authority under these statutes with respect to funds other than those  
24 described in this act.

25 The Governor shall also ensure that funds allocated in this act are expended in a  
26 manner that does not adversely affect any person's or entity's eligibility for federal funds that  
27 are made available, or that are anticipated to be made available, as a result of Hurricane  
28 Matthew, the western North Carolina wildfires, or Tropical Storms Julia and Hermine. The  
29 Governor shall also, to the extent practicable, avoid using State funds to cover costs that will  
30 be, or likely will be, covered by federal funds.

31 **SECTION 5.** No Reversion of Funds. – Funds described in Section 1 of this act  
32 shall remain available to implement the provisions of this act until the General Assembly  
33 directs the reversion of any unexpended and unencumbered funds. G.S. 143C-6-23(f1)(1) shall  
34 not apply to funds described in Section 1 of this act.

35 **SECTION 6.** Reporting Requirements. – The Office of State Budget and  
36 Management shall report to the chairs of the House of Representatives and Senate  
37 Appropriations Committees and to the Fiscal Research Division of the General Assembly on  
38 the implementation of this section on a monthly basis and shall also provide any additional  
39 reports or information requested by the Fiscal Research Division. Each report required by this  
40 section shall include information about all funds expended or encumbered pursuant to this act  
41 as of the date of the report, regardless of which State agency or non-State entity administers the  
42 funds. Non-State entities that administer or receive any funds appropriated in this act shall  
43 assist and fully cooperate with the Office of State Budget and Management in meeting the  
44 Office's obligations under this section.

45 **SECTION 7.** This act is effective when it becomes law.