

Amendment Number 3

to the State of Tennessee Action Plan for CDBG Supplemental Disaster Recovery Funds

The State of Tennessee proposes to amend its approved Action Plan for the disaster recovery funds from the storms that affected the state in 2011 and 2012.

1. Changes to the “Description of MOD” to allow for spending of \$4,828,422.85 in disaster funds (\$4,610,000 uncommitted plus \$218,422.85 recovered funds).

This amendment reflects a substantial amendment to the Action Plan as described in the “Description of MOD” section of the Action Plan, and this Amendment is an addition to the Action Plan. The full amount of the additional funds will be expended in Shelby County. Applications that were received in the first round, but were not awarded to maintain the LMI benefit test, were revisited and awarded, unless an open project was not closed or substantially complete. Then, other eligible applicants were contacted to determine recovery needs. The proposals were discussed and TNECD determined that each can move forward in developing a full application. This amendment will be posted on the TNECD CDBG website for seven days for public comment.

TNECD requests the full applications from the following projects of which Millington and Collierville meet the LMI national objective with Germantown and Bartlett qualifying under Imminent Threat:

	<u>Grantee</u>	<u>Project</u>	<u>Amount</u>	<u>County</u>
1	Germantown	Drainage Improvements	\$ 1,064,989.85	Shelby
2	Bartlett	Drainage Improvements	\$ 515,690.00	Shelby
3	Millington	Wastewater Treatment System Improvements	\$ 1,032,000.00	Shelby
4	Collierville	Drainage System Improvements	\$ 2,215,743.00	Shelby
		Total Amount Recommended	\$ 4,828,422.85	

No additional funding is requested for admin.

With the acceptance of this amendment and the receipt of full applications, projects will begin and will be completed within 2 years of the approval of the action plan.

2. Updates to the projected use of funds to reflect needs for Amendment 3. The following charts are part of the “Program Activities” section of the Action Plan. The charts are updated to reflect the needs related to Amendment 3.

Total Allocation	\$13,810,000
Total Eligible Recovery Activities	\$13,119,500
Administration by the State	\$690,500

Shelby County Allocation (including administration funds of up to \$477,760)	\$9,555,200
Remainder Allocation Available for other Declared Communities (including administration funds of up to \$212,740)	\$4,254,800

First Allocation to be focused on projects in Shelby County, acceptance and review of pre-applications for funds outside of Shelby County and administration expenses	\$5,000,000
Second allocation based on projects outside of Shelby County and administration expenses	\$4,200,000
Final allocation of funds for use in Shelby County (Request for allocation in this substantial amendment)	\$4,610,000

3. Projected Expenditures and Outcomes. The “Expenditures Projections April 2017” document on the TNECD CDBG website (<http://tn.gov/ecd/CDBG/>) reflects an update based on the allocation of funds in this substantial amendment and the progress of the current projects.

4. Expenditure of Funds. Some of the Round 1 Shelby County activities were unable to meet the expenditure timeline set forth in the grant, leading to the recapturing of \$1,183,537 of funds. The \$9,555,200 originally allocated for Shelby County was determined to still be expended in Shelby County. TNECD proposes to use CDBG program income funds under the “CDBG Funds as Match” waiver to cover the recaptured amount. The final round of funding will use \$4,555,200 of the \$4,610,000 uncommitted balance in Shelby County to meet the overall requirement of \$9,555,200 to be expended in Shelby County. The \$218,422.85 of recovered

funds are from the first round of Shelby County funding, which is why the funds are being reused in Shelby County.