

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

**SESSION LAW 2017-119**  
**SENATE BILL 338**

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) nonprofit corporations for assistance and relief from Hurricane Matthew, the western wildfires, and Tropical Storms Julia and Hermine. For purposes of this subdivision, infrastructure includes nonresidential buildings that serve the public, water, sewer, sidewalks, storm drainage, and other, similar projects. Funds shall be used for the following:
  - a. To repair or replace existing infrastructure and tangible personal property.



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

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

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

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

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

- (1) The Governor may establish part-time and full-time personnel positions to implement this act. Positions established under this section are time limited and exempt from the State Human Resources Act.
- (2) The Governor shall establish advisory councils to advise relevant State agencies on hurricane relief and recovery efforts and to ensure input from representatives of affected communities and groups.
- (3) If a person's home is relocated or purchased with funds from the Hazard Mitigation Grant Program or the State Acquisition and Relocation Fund, the State Emergency Response and Disaster Relief Fund is subrogated to the person's rights under any insurance coverage for the damage to the home and

any monies received from the insurance coverage shall be paid to the State Emergency Response and Disaster Relief Fund. The Division of Emergency Management shall ensure that those potentially affected by this section are notified of, and adhere to, its requirements.

- (4) It is the intent of the General Assembly to continue to review the funds appropriated by Congress and to consider actions needed to address any remaining unmet needs. It is also the intent of the General Assembly to review the adequacy of the measures funded in this act and S.L. 2016-124.
- (5) No State funds appropriated in this act may be expended for the construction of any new residence within the 100-year floodplain unless the construction is in an area regulated by a unit of local government pursuant to a floodplain management ordinance and the construction complies with the ordinance. As used in this section, "100-year floodplain" means any area subject to inundation by a 100-year flood, as indicated on the most recent Flood Insurance Rate Map prepared by the federal Emergency Management Agency under the National Flood Insurance Program.
- (6) Homeowners in the 100-year floodplain who receive homeowner's housing assistance pursuant to this act shall have in effect federal flood insurance, if available, as a precondition to receipt of State homeowner's housing assistance for losses resulting from future flooding.
- (7) All the following shall apply to the funds allocated to the Lumber River Council of Government as provided in sub-subdivision (1)b. of Section 1 of this act:
  - a. The Housing Finance Agency (HFA) shall coordinate with the Lumber River Council of Government (COG) to create a 30- to 35-unit multifamily affordable housing complex (housing complex) within the Fair Bluff Town limits. All funds allocated to the COG under this act shall be used solely for the development, management, maintenance, and preservation of the housing complex. When filling units in the affordable housing complex, priority shall be given to low-income residents of Fair Bluff affected by the flooding and damage caused by Hurricane Matthew.
  - b. The COG shall create an entity that shall hold the ownership interest in the housing complex (ownership entity) and the HFA shall advise the COG on the creation of the ownership entity. The ownership entity shall determine the exact number of units to be constructed for the housing complex. The HFA shall advise the ownership entity regarding the bidding process for the selection of a builder to construct the housing complex.
  - c. The ownership entity shall follow guidelines developed by the HFA when establishing qualifications for residents that will achieve the goals established by the ownership entity. The HFA shall assist the ownership entity in the selection of a management company to operate the housing complex and the HFA shall have approval authority over the management agreement. Additionally, the HFA shall approval authority regarding any changes in the management agreement for the housing complex for a period of 15 years beginning after the initial date of occupancy.
  - d. All funds generated by the housing complex through fees and rents shall remain with the ownership entity for the maintenance, repair, upkeep, and continuation of the housing complex and the ownership

entity shall provide the Town of Fair Bluff and the HFA biannual reports on the status of the housing complex.

- e. On or before April 1 of each year, the HFA shall report to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division on the housing complex. The report shall include at least all of the following information:
  - 1. The average number of tenants occupying the housing complex.
  - 2. The amount of rent collected.
  - 3. A summary of repairs and general maintenance conducted on units in the housing complex.
  - 4. Any suggestions to improve the housing complex.

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

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

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

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

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

In the General Assembly read three times and ratified this the 29<sup>th</sup> day of June,  
2017.

s/ Daniel J. Forest  
President of the Senate

s/ Tim Moore  
Speaker of the House of Representatives

s/ Roy Cooper  
Governor

Approved 9:10 a.m. this 18<sup>th</sup> day of July, 2017