State of New Mexico Fire and Flood Recovery

Community Development Block Grant – Disaster Recovery Action Plan

New Mexico Department of Homeland Security and Emergency Management

Updated as of April 30, 2024
1.0 Executive Summary

1.1 Background

In November 2023, the US. Department of Housing and Urban Development (HUD) announced that the State of New Mexico would receive $4,131,000 in Community Development Block Grant Disaster Recovery (CDBG-DR) funding to support long-term disaster recovery in communities impacted by DR-4652-NM: New Mexico Wildfires, Flooding, Mudflow, and Straight-line Winds.

As the primary agency responsible for management of statewide fire and flood recovery, the New Mexico Department of Homeland Security and Emergency Management (DHSEM) is the responsible entity for management of the CDBG-DR funding. Efforts facilitated through CDBG-DR are implemented in partnership and coordination with the New Mexico Department of Finance and Administration, which is responsible for all standing annual Community Development Block Grant allocations.

The CDBG-DR allocation was made available through the Second Allocation Public Law 117-328 and will be managed pursuant to the regulations set forth in 88 FR 82982.

1.2 Disaster Overview

The 2022 Wildfire Season in New Mexico was unprecedented. Persistent drought conditions fueled by straight-line winds and limited resources ignited the State with an abundance of large-scale concurrent incidents. These incidents displaced the greatest number of residents in the State’s disaster history and resulted in the deaths of four (4) people. The event produced the two (2) largest wildfires in the State’s history, the HPCC (HPCC) Fire and the Black Fire, which were fought simultaneously.

Subsequent Monsoon-related impacts in 2022 resulted in historic flooding statewide, and ongoing cascading effects of debris flow and mudslides within the burn scar areas make this incident highly complex. The State of New Mexico is preparing for similar cascading effects over the next 10-15 years.

1.2.1 New Mexico 2022 Fires

Beginning in April 2022, a series of fires, including the McBride and Nogal Fires, the Cerro Pelado Fire, the Cook’s Peak Fire, the Black Fire, and the HPCC Fire – the latter of which started as two prescribed U.S. Forest Service burns – spread across the state in a
devastating wildfire season that quickly became the worst in New Mexico’s history (see Figure 1).

Figure 1: Areas Impacted by 2022 Wildfires

The Hermit’s Peak Fire occurred as a result of the Las Dispensas prescribed fire in April 2022, approximately 12 miles northwest of Las Vegas, New Mexico, at the base of Hermit’s Peak in the Pecos Wilderness, and damaged or destroyed over 900 structures; and the Calf Canyon Fire was caused by a pile burn holdover from January 2022 that remained dormant under the surface through three winter snow events before reemerging on April 9, 2022. The Calf Canyon Fire merged with the Hermit’s Peak Fire on April 20, 2022. The U.S. Forest Service assumed responsibility for both prescribed burns and the subsequent combined HPCC Fire.
More than 450,000 acres burned in total, including 340,980 acres burned in the federally caused HPCC Fire. The fires drastically transformed the landscape of many primarily agrarian and rural areas, resulting in widespread devastation to communities with little to no safety net.

On May 4, 2022, President Biden issued a Major Disaster Declaration (DR-4652-NM) for the counties of Colfax, Mora, and San Miguel in response to the wildfires. Lincoln, Los Alamos, Sandoval, and Valencia counties were added to the Major Disaster Declaration. FEMA Region 6 established a Joint Field Office to administer Stafford Act assistance. The declaration was later expanded to include flooding and mudflows, as communities were subsequently subjected to extensive flash flooding in the burn scar during Monsoon Season.

The State of New Mexico quickly mobilized an integrated state, federal, and local response effort to identify critical needs and coordinate resource distribution to impacted areas (for further information, see Section 4.0). The response effort coordinated...
emergency funding through a range of federal and state programs and is characterized by regular engagement and activities under Lines of Effort for recovery.

In acknowledgement of the federal government’s culpability part of the disaster, Congress authorized $3.95 billion total under the HPCC Fire Assistance Act – through both an initial legislative package passed September 30, 2022, and through an additional omnibus passed in December 2022 – to pay claims associated with the fire caused by the federal burn.

1.2.2 Cascading Impacts from Flooding, Mudflow, and Debris Flow

The full scale of impact felt by the wildfires is underscored by the severe climatological conditions occurring immediately before and after the wildfires took place. Early summer drought conditions amplified New Mexico’s vulnerability to wildfires and drought-enhanced flash flooding. Immediately before the Monsoon season, the percentage of the State under D3 “Extreme Drought” to D4 “Exceptional Drought” conditions was at its highest level (90.6%) in 22 years.

Severe drought conditions at the beginning of the wildfire season were further characterized by factors including total precipitation, temperature trends, evaporative demand, etc., which are influenced by long-term trends and climate cycles such as the ENSO El Niño/La Niña cycles. The ENSO cycle can profoundly impact snowpack—one of New Mexico’s critical sources of precipitation—with La Niña years typically resulting in less winter precipitation and aggravated drought conditions. New Mexico is now experiencing an extremely rare “triple-dip” La Niña event, in which three La Niña cycles have occurred in a row.

The 2022 Monsoon Season—spanning from June 15 to September 30—was reported by NWS Albuquerque as easily setting the record for the highest number of flash flood warnings in over two decades (see Figure 3). Continuous flash flooding perpetuated a constant need for response activities, inhibiting community recovery from the wildfires. Flood water carried debris from the burn scars, magnifying the damage caused by flooding.
It is essential to assess the impact of floods in the context of not only the burn scar – which loosened soil and resulted in an ashy sludge flowing down to communities, impacting water sources – but also the vulnerability of hydrophobic soils resulting from the multi-year drought. This “fire/flood dynamic” saw flash floods become not only a consequence of heavy precipitation but also be exacerbated by hydrophobic soils produced by a prolonged drought. These impacts can be described as akin to placing concrete mix on a plastic sheet on a downhill slope.

The aggregate product of drought, wildfire, and Monsoon Season is continuous damage extending for months past the fires as communities contend with regular and devastating levels of flash flooding. Extreme damage to primary dwellings was widespread in the state and had cross-cutting impacts on the economic livelihoods of most residents who rely on forest lands for hunting and historical, often centuries-old, acequias for irrigation.

1.3 Funding and Method of Distribution Summary

To understand the most critical and unmet needs, the State of New Mexico regularly convenes integrated local, state, and federal meetings on no less than a monthly frequency to discuss and coordinate recovery efforts (for more information, see Section 4.3). These discussions are structured in alignment with Lines of Effort, focusing on Housing Recovery, Watershed Restoration, and Economic Recovery.
Through these regular engagements, it became clear that the HPCC Fire Assistance Act created a unique post-disaster environment, where the most persistent needs which lack a clear resource to address them are related to:

- Serving communities which are not covered under the Act, and
- Providing the system-building and capacity needed to facilitate recovery through compensation-based funding in communities that are served by the Act.

Based on the initial determination by HUD assigning the Most Impacted and Distressed designation to San Miguel County – which must receive 80% of all program funding – the State is currently positioned to address the latter of these needs.

A critical difference in the Act’s compensation-based funding compared to typical disaster-related programming is that it provides cash directly to claimants (i.e., residents, businesses, governments), but does not provide any of the support or infrastructure to help those claimants rebuild or recover. There is also no requirement that claimants use their funds to stay in the impacted area, and without support in place, many individuals may be incentivized to simply move somewhere else.

These gaps occur at the nexus of significant ongoing disaster-related risks, for which there are limited resources to support residents. Further, as specified in the Federal Register Notice, $2,544,000 must be spent for mitigation activities which increase community resilience to disasters and reduce or eliminate long-term risk to life and property.

Based on the CDBG-DR program’s requirements and the needs it is positioned to address, the New Mexico Fire and Flood Recovery CDBG-DR Action Plan will be focused on funding a Building Resiliency Center in San Miguel County, to coordinate resilient housing resources for residents – both renters and homeowners – in State-identified most-impacted and distressed (MID) burn scar areas. A summary of the program’s budget is provided in Table 1 below.

Table 1: New Mexico CDBG-DR Budget Summary

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent of Allocation</th>
<th>Program Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>5%</td>
<td>$206,550.00</td>
</tr>
<tr>
<td>Planning</td>
<td>2%</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>Housing / Mitigation</td>
<td>93%</td>
<td>$3,824,450.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$4,131,000.00</strong></td>
</tr>
</tbody>
</table>
2.0 Unmet Needs Assessment

2.1 Assessment Purpose and Overview

The following Unmet Needs Assessment (UNA) is designed to identify and prioritize critical unmet needs resulting from the 2022 fires and subsequent/ongoing floods. This UNA analyzes short- and long-term impacts associated with the fires and floods, with a focus on the gaps in the cultural and economic context of the vulnerable communities experiencing them. Needs are articulated in four sections: planning/capacity, housing, infrastructure, and economic revitalization.

The UNA presents findings based on the best available data at the time of publication. These findings represent a point-in-time snapshot of disaster impacts and are subject to change as new data is collected or identified.

2.1.1 Calculating Unmet Needs

Through the review of best available data, the New Mexico Department of Homeland Security and Emergency Management identified a minimum of $249 million in unmet recovery needs which require support through the Community Development Block Grant – Disaster Recovery (CDBG-DR) program.

There is a higher degree of uncertainty in New Mexico’s total assessed needs, based on the presence of the HPCC Claims Office (“Claims Office”), which is responsible for administering funding authorized under the Fire Assistance Act. At the time of the Public Action Plan’s publishing, the Claims Office paid approximately $500 million of its $3.95 billion appropriation.

Claims Office funding will address direct losses experienced as a result of the HPCC fire and floods; however, it is designed to facilitate loss-based assistance only and does not provide general recovery or mitigation programming. There are still many unmet recovery needs remaining that will not be eligible for payment by the Claims Office, including for forward-facing recovery programming (e.g., new infrastructure systems that enhance community resilience, affordable housing developments, community capacity building to implement recovery). A full breakdown of the functions covered (and not covered) by the Claims Office is provided in Appendix 7.3.

The Claims Office funding is also an exhaustible resource, and once its resources are expended, any outstanding needs will not be addressed. For example, a per capita analysis where each individual in the impacted area receives a claim amount, reflects that approximately $220,000 would be paid out per person to expend the full $3.95 billion, with no allowances for Claims Office administrative costs or any assistance for local...
government or infrastructure needs. At present, just over $500 million has been paid to claimants for both individual household losses as well as for those in the public sector for infrastructure.

Furthermore, there are also State-identified MID areas declared under DR-4652-NM not in the area impacted by HPCC, and thus not eligible for the $3.95 billion that also have significant losses requiring additional funding support.

Holistic analysis of these gaps yields an estimated $249 million in outstanding and critical recovery needs that CDBG-DR is specifically needed to address. A summary of the identified unmet needs requiring support which are not covered by the Claims Office for areas declared under DR-4652-NM is provided in Table 2 below.

### Table 2: Summary of Total Identified Unmet Needs

<table>
<thead>
<tr>
<th>Recovery Category</th>
<th>Assessed Unmet Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>$64,305,733.00</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$118,000,412.00</td>
</tr>
<tr>
<td>Economic Revitalization</td>
<td>$27,410,431.00</td>
</tr>
<tr>
<td>Planning and Capacity Building</td>
<td>$39,312,805</td>
</tr>
<tr>
<td><strong>Total Estimated Unmet Needs</strong></td>
<td><strong>$249,029,381.00</strong></td>
</tr>
</tbody>
</table>

**2.1.2 Most-Impacted and Distressed Areas**

Multiple counties were included under the disaster declaration for DR-4652-NM, including Colfax, Lincoln, Los Alamos, Mora, San Miguel, and Valencia. Disaster declarations were made based on each county’s scale and type of needs and federal response funding through FEMA. Programs included the FEMA Public Assistance (PA) program for Categories A and B, addressing emergency protective measures, and C-G supporting permanent work.

Areas with significant impacts on individual households were also declared for the FEMA Individual Assistance (IA program), providing direct financial and temporary housing assistance. Across these areas, those communities with the highest levels of impact—both as characterized by infrastructure damage and housing damage reported by FEMA—were Mora, San Miguel, and Lincoln counties (see Table 3).
Table 3: Disaster Impacts Summarized by County¹

<table>
<thead>
<tr>
<th>County</th>
<th>FEMA Declaration</th>
<th>FEMA-PA Reported Infrastructure Damage</th>
<th>Total FEMA Verified Loss for Individual Assistance</th>
<th>Total FEMA Reported Damage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colfax</td>
<td>Individual Assistance and Public Assistance (A-G)</td>
<td>$698,383.15</td>
<td>$370.90</td>
<td>$698,754.05</td>
</tr>
<tr>
<td>Lincoln</td>
<td>Individual Assistance and Public Assistance (A-G)</td>
<td>$2,617,177</td>
<td>$4,608,905.26</td>
<td>$7,226,082.26</td>
</tr>
<tr>
<td>Los Alamos</td>
<td>Public Assistance (A-G)</td>
<td>$115,600.00</td>
<td>$0.00</td>
<td>$115,600.00</td>
</tr>
<tr>
<td>Mora</td>
<td>Individual Assistance and Public Assistance (A-G)</td>
<td>$111,876,960.79</td>
<td>$6,765,764.26</td>
<td>$118,642,725.05</td>
</tr>
<tr>
<td>San Miguel</td>
<td>Individual Assistance and Public Assistance (A-G)</td>
<td>$46,321,123.48</td>
<td>$13,136,149.94</td>
<td>$59,457,273.42</td>
</tr>
<tr>
<td>Santa Fe</td>
<td>Individual Assistance and Public Assistance (A-G)</td>
<td>$28,936,253.46</td>
<td>$0.00</td>
<td>$28,936,253.46</td>
</tr>
<tr>
<td>Sandoval</td>
<td>Individual Assistance and Public Assistance (A-G)</td>
<td>$17,664.75</td>
<td>$0.00</td>
<td>$17,664.75</td>
</tr>
</tbody>
</table>

¹ FEMA Grants Portal data; accessed 4/16/2024 and County-Wide Work To Be Completed Excel Spreadsheet (DHSEM and FEMA-maintained).
<table>
<thead>
<tr>
<th>County</th>
<th>FEMA Declaration</th>
<th>FEMA-PA Reported Infrastructure Damage</th>
<th>Total FEMA Verified Loss for Individual Assistance</th>
<th>Total FEMA Reported Damage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valencia</td>
<td>Individual Assistance and Public Assistance (B)</td>
<td>$0.00*</td>
<td>$10,373.84</td>
<td>$10,373.84</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$53,835,214.30</strong></td>
<td><strong>$24,284,742.85</strong></td>
<td><strong>$186,052,873.37</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Valencia experienced significant infrastructure damage but is recorded at $0 due to having retracted their Request for Public Assistance.

There is a clear trend in Individual Assistance data and total infrastructure damage towards three of the counties as having the highest impact (excluding Santa Fe, which was not directly impacted but is where state departments operate).

Based on this analysis, the State of New Mexico has identified Mora, San Miguel, and Lincoln counties as its State-identified MID areas. Throughout the remainder of this Unmet Needs Assessment, these areas are characterized under the label “State-identified MID Areas.”

2.1.3 Demographic Profile of Impacted Counties

The demographic breakdown in the impacted counties demonstrates high poverty rates, low median income rates, and a high percentage of minority demographics, particularly regarding limited English-speaking populations (see Table 4\(^2\)). These data are consistent with statewide demographics, which also lean towards highly vulnerable populations (see also Vulnerable and Special Needs Populations below). However, it is key to note that even given these high rates of vulnerability statewide, the State-identified MID areas have even higher rates of vulnerability.

\(^2\) 2022: ACS 1-Year Estimates Data Profiles. Retrieved at DP03: Selected ... - Census Bureau Table
It is important to assess the damage resulting from DR-4652-NM based on both statewide and area-specific vulnerability data. The wildfires and subsequent floods took their most significant toll on vulnerable populations in rural areas, impacting landowners who are closely economically tied to the health of their farm and forest lands. Incidentally, these areas have the highest levels of generational poverty and social and economic vulnerabilities in the State of New Mexico. It is therefore not sufficient to compensate families that have been struggling with losses for months with zero safety net; investments...
in non-claims-based programs are also critical to reversing the extreme poverty exacerbated by the fires.

Figure 4: SVI County Comparison in New Mexico (2020)

New Mexico generally exhibits high vulnerability rankings for all categories under the Social Vulnerability Index (SVI), with high rates of poverty, persons experiencing disability, language barriers, and lack of access to affordable housing and transportation. The State’s overall social vulnerability mapping is provided below in Figure 4 and clearly exhibits a “Highest Vulnerability” ranking in most of the State.\(^5\) This is consistent with analyses of poverty rates by other metrics, including recent income analysis by the Bureau of Economic Analysis, by which New Mexico was ranked 48\(^{th}\) in per capita income in 2022.\(^6\)

\(^{5}\) Agency for Toxic Substances and Disease Registry. Figure 4 retrieved at https://svi.cdc.gov/map.html
\(^{6}\) Bureau of Economic Analysis. Retrieved at https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&acrddn=2
New Mexico further exhibits significant diversity and is ranked 11 out of 51 by the U.S. Census Bureau according to the Diversity Index\(^7\) (with a total index of 63%).\(^8\) This is consistent with New Mexico’s ranking under the Social Vulnerability Index’s Minority/Language Theme, which tracks minority status and populations speaking English “less than well.” In this area, New Mexico exhibits some of the highest and most consistent rates of vulnerability nationwide (see **Figure 5**).

**Figure 5: Social Vulnerability (Minority/Language Theme) by County**\(^9\)

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\(^7\) The Diversity Index measures the probability that two people chosen at random will be from different race and ethnicity groups. See citation from US Census Bureau below.


2.1.5 Low- and Moderate-Income Analysis

According to the Department of Housing and Urban Development (HUD), families whose combined income does not exceed 80 percent of the area median family income (adjusted for family size) for an area, are considered Low-Income. HUD-funded programs must prioritize activities that principally benefit low- to moderate-income (LMI) persons. The 2024 HUD income limits inform eligibility requirements for applicants to HUD’s assisted housing programs. HUD’s definition of Moderate-Income covers households whose incomes are between 81 percent and 95 percent of the median income for an area, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 95 percent of the median for the area based on HUD’s findings that such variations are necessary because of prevailing levels of construction costs, fair market rents, or unusually high or low family incomes\(^{10}\). The 2024 HUD Income Limits for Mora, San Miguel, and Lincoln Counties are shown in Table 5.\(^\text{11}\) In Mora County, for example, the Median Family Income (MFI) for a family of 4, at $31,200, would be considered between Extremely Low Income and $56,500 would be considered Low Income.

\textbf{Table 5}\(^\text{12}\): Lincoln, Mora, and San Miguel Counties 2024 Income Limits

<table>
<thead>
<tr>
<th>Median Family Income</th>
<th>FY 2024 Income Limit Category</th>
<th>Persons in Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mora County</td>
<td>Extremely Low-Income Limits</td>
<td>1</td>
</tr>
<tr>
<td>$54,100</td>
<td></td>
<td>15,060</td>
</tr>
</tbody>
</table>

\(^{10}\) U.S. Department of Housing and Urban Development. Retrieved at https://archives.huduser.gov/portal/glossary/glossary

\(^{11}\) https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn

\(^{12}\) Department of Housing and Urban Development. Retrieved at: https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn

https://www.huduser.gov/portal/datasets/il/il2024/select_Geography.odn
### Median Family Income

<table>
<thead>
<tr>
<th>FY 2024 Income Limit Category</th>
<th>Persons in Family</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Very Low (50%) Income Limits</td>
<td>24,750</td>
</tr>
<tr>
<td>Low (80%) Income Limits</td>
<td>39,550</td>
</tr>
</tbody>
</table>

#### San Miguel County
- Median Family Income: $56,500
- **Very Low (50%) Income Limits**
  - 1: 24,750
  - 2: 28,250
  - 3: 31,800
  - 4: 35,300
  - 5: 38,150
  - 6: 40,950
  - 7: 43,800
  - 8: 46,600

#### Lincoln County
- Median Family Income: $63,600
- **Very Low (50%) Income Limits**
  - 1: 24,750
  - 2: 28,250
  - 3: 31,800
  - 4: 35,300
  - 5: 38,150
  - 6: 40,950
  - 7: 43,800
  - 8: 46,600

### 2.2 Housing Unmet Need

The already limited housing stock in the counties impacted by DR-4652-NM was devastated by the wildfires, as homes within the wildfire perimeter were destroyed and those both within and outside of the perimeter were further damaged by the subsequent floods that occurred during Monsoon Season.
The housing stock – particularly in the State-identified MID areas of Mora, San Miguel, and Lincoln Counties – is intricately connected to the culture of small-scale agriculture and ranching, where many families live off the land and have built their own homes and ranches, a way of life that has been passed down for generations. The operational implication for recovery is that there was very little affordable housing to begin with, and recovery for households that did not have fully permitted or titled properties will be a challenge under available federal programs.

To fully address the needs that will inform recovery, this section considers the context for the wildfires, as well as the implications for extensive damage to the housing stock. Total unmet needs calculations for housing are an aggregate of analysis regarding what it will take to replace damaged homes – which is expected to be largely covered through the HPCC Fire Assistance Act – as well as to facilitate affordable housing developments that serve vulnerable populations, and especially renters that were impacted.

### 2.2.1 Post-Disaster Housing Affordability

Across the State of New Mexico, there is a significant shortage in access to affordable housing. The National Low-Income Housing Coalition currently reports a shortage of 41,090 housing units that are affordable and available for extremely low income renters for extremely low-income renters, who make up 28% of the population statewide. In its monthly report on housing statistics statewide, the New Mexico Association of Realtors demonstrated a comparatively low number of year-to-date sales and active listings in the MID areas, particularly in Mora and San Miguel Counties. The following table presents a comparative analysis of this data in March 2022 versus February 2024 which is the most currently available data from the Association. It also includes the comparative average for other counties (see Table 7).

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Table 6: New Mexico Association of Realtors Housing Statistics

<table>
<thead>
<tr>
<th></th>
<th>Active Listings in March 2022</th>
<th>Median Sold Price in March 2022</th>
<th>Active Listings in February 2024</th>
<th>Median Sold Price in February 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lincoln County</td>
<td>109</td>
<td>$368,500</td>
<td>158</td>
<td>$389,000</td>
</tr>
<tr>
<td>Mora County</td>
<td>4</td>
<td>$150,000</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>San Miguel County</td>
<td>86</td>
<td>$309,000</td>
<td>40</td>
<td>$180,000</td>
</tr>
<tr>
<td>New Mexico Statewide</td>
<td>6,595</td>
<td>$298,500</td>
<td>13,194</td>
<td>$329,000</td>
</tr>
</tbody>
</table>

The trend in these home listing rates shows little availability of housing options for individuals who lost their homes in the fire. A concern across local governments, consistent with the increased rate of active listings, is that many families relocated after the wildfires to stay with family or to access resources in urban centers such as Albuquerque, and without a financial pathway (i.e., affordable housing) or incentive, they will not return to the region.

As is the case for the homes for purchase market, low vacancy rates and prices for the rental market continue to grow. Consequently, rental units affordable to low-income households are often occupied by households with higher incomes. The challenge low-income households face in finding affordable housing is likely to become more acute as approximately half of the supply of income-restricted rental units could become market-rate units by 2030.15

### 2.2.2 Impacts on Homelessness

Data collected by the New Mexico Coalition to End Homelessness (NMCEH) in the “2023 Joint Albuquerque and Balance of State Report” indicated that the total number of

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15 “2023 New Mexico Affordable Housing Needs Assessment”. Retrieved at: [2023_NM_Affordable_Housing_Needs_Assessment.pdf](https://housingnm.org)
individuals experiencing homelessness statewide was 1,075.\textsuperscript{16} The status of these individuals is summarized below in Table 8.

<table>
<thead>
<tr>
<th></th>
<th>Emergency Shelters</th>
<th>Transitional Housing</th>
<th>Unsheltered</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households with At Least One Child</td>
<td>96</td>
<td>41</td>
<td>11</td>
<td>148</td>
</tr>
<tr>
<td>Households Without Children</td>
<td>342</td>
<td>15</td>
<td>554</td>
<td>911</td>
</tr>
<tr>
<td>Households with Only Children</td>
<td>14</td>
<td>2</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>452</td>
<td>58</td>
<td>565</td>
<td>1075</td>
</tr>
</tbody>
</table>

There are limitations to the data captured relating to homelessness; in the impacted area, anecdotal reports indicate that those who have lost homes would not have entered the homeless service system but for the homelessness caused by the HPCC disaster. Additionally, some individuals and families may have planned to stay with family or friends, or do not have a permanent housing solution, even though they would not show up in the NMCEH system.

Efforts by groups including the National Coalition to End Homelessness and the New Mexico Mortgage Finance Authority are providing continuous support to these issues; however, the threat of increased rates of homelessness has reportedly increased in communities impacted by DR-4652-NM, with multiple households reporting a current housing situation as living in a camper van or building without weatherization. There is concern across state agencies regarding the nature of these situations and a coordinated, high-priority effort is ongoing to address them. However, it is difficult to facilitate a long-term solution without increased affordable housing stock.

\textsuperscript{16} New Mexico Coalition to End Homelessness. "2023 Point-In-Time Count Albuquerque and Balance of State Report." Retrieved at 2023 PIT Report Final.docx (nmceh.org)

\textsuperscript{17} Ibid.
### 2.2.3 Unmet Housing Needs

*Table 9* below summarizes both impacts on the housing stock – which are expected to be covered under the HPCC Fire Assistance Act – as well as outstanding housing needs which require funding.

*Table 8: Summary of Housing Unmet Needs*

<table>
<thead>
<tr>
<th>Category</th>
<th>Data Source/Type</th>
<th>Number of Homes</th>
<th>Total Cost</th>
</tr>
</thead>
</table>
| Locally Reported Remaining Unmet Housing Needs | Mora and San Miguel Counties  
Rough estimate provided by the Long-Term Recovery Group.  
Note: Total cost not included in the total calculation of unmet need, as it is expected to be covered by the Claims Office. | 625 homes       | $107,386,250.00   |
| Locally Reported Remaining Unmet Housing Needs | Lincoln County  
Rough estimate based on DHSEM GIS mapping of total structures damaged. | 70 homes         | $12,027,260.00    |
| Affordable Housing Needs                     | Estimate of Affordable Housing Development Needs in Mora and San Miguel Counties  
Note that this will not be eligible for funding under the HPCC Fire Assistance Act claims. |                | $77,256,720.00    |
<table>
<thead>
<tr>
<th>Category</th>
<th>Data Source/Type</th>
<th>Number of Homes</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEMA-IA Reported Unmet Housing Needs*</td>
<td>Total Housing Awards Provided as of April 16, 2024¹⁸</td>
<td>4,245</td>
<td>- $18,611,747</td>
</tr>
<tr>
<td>SBA Reported Unmet Needs</td>
<td>Total Awards Provided</td>
<td>70</td>
<td>- $6,366,500.00</td>
</tr>
<tr>
<td><strong>Total Assessed Unmet Needs (Minimum):</strong></td>
<td></td>
<td></td>
<td><strong>$64,305,733.00</strong></td>
</tr>
</tbody>
</table>

*FEMA-IA has reported unmet needs amounting to $18,611,747. This figure is provided here for context but is considered as not holistic due to lower-than-expected participation rates in the program.

As summarized above, local officials and the long-term recovery group estimate approximately 625 households requiring additional housing assistance in Mora and San Miguel Counties (impacted by the HPCC Fire). Based on GIS data, an additional 70 households are estimated as requiring further assistance in Lincoln County. Acknowledging that these immediate unmet housing needs will be covered through the HPCC Fire Assistance Act, the total value of additional affordable housing investments requiring additional appropriations stands at a minimum of $64 million.

2.2.4 Affordable Housing Needs and Cost-Burdened Households

Within the communities affected by DR-4652, a total of seven (7) counties had an aggregate pre-disaster need or gap of affordable housing rental units totaling 53,317 as of May 2020¹⁹. These estimates do not include any units lost during or after the disaster. It is important to note that two of the seven disaster-affected counties, Sandoval, and Valencia, are rolled into this number because they are counted within the Albuquerque MSA (Metropolitan Statistical Area) data, and their respective affordable housing rental needs, as expressed in units, could not be extrapolated.

¹⁸ [¹] https://www.fema.gov/disaster/4652  Funding Obligations

Reviewing the most adversely impacted Counties of Mora and San Miguel specifically, a total of 2,115 needed affordable rental units will cost over $77 million in total at a per-household cost of $36,528. The estimated number of rental units is the aggregate of 1,477 pre-disaster affordable rental units needed and the 638 additional unit gap post-disaster.

A critical consideration relating to housing affordability is the percentage of cost-burdened households, defined as a household paying more than 30 percent of its income on housing costs. A severely cost-burdened household is defined as paying more than 50 percent of its income on housing costs.

Affordable housing is commonly characterized as housing costs that do not exceed 30% of the household’s income. This standard is dependent on income level and housing expenses (e.g., if a wealthy household chooses to spend more than 30% of income on housing costs, this is not considered burdensome). However, households with low incomes may not be able to even find housing priced at 30% or even 50% of their income.

A significant percentage of the population in impacted counties falls into the definition of living in cost-burdensome housing. Table 10 shows a comparison in percentages of cost burden percentages for the disaster-affected counties.

<table>
<thead>
<tr>
<th>County</th>
<th>Households Paying Over 30% of Income on Rent</th>
<th>Households Paying over 50% of Income on Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colfax</td>
<td>316</td>
<td>328</td>
</tr>
<tr>
<td>Lincoln</td>
<td>318</td>
<td>201</td>
</tr>
<tr>
<td>Los Alamos</td>
<td>266</td>
<td>186</td>
</tr>
<tr>
<td>Mora</td>
<td>41</td>
<td>72</td>
</tr>
<tr>
<td>San Miguel</td>
<td>650</td>
<td>745</td>
</tr>
</tbody>
</table>

---

22 2023 New Mexico Affordable Housing Needs Assessment. Retrieved at 2023_NM_Affordable_Housing_Needs_Assessment.pdf (housingnm.org)
This data reflects county averages of cost burden across housing tenure (rental units and homeowner-occupied units) at the 30 and 50 percent categories. It is important to add that renters typically have lower incomes than homeowners and a total of 43.8% of New Mexico renters are cost-burdened, including 22% that are extremely cost-burdened.

### 2.2.5 Available Disaster Housing Resources

Housing recovery efforts focus on supporting residents returning to their previous homes by developing and facilitating both immediate and long-term housing stabilization. Outreach that increases participation will be a key component of housing recovery, especially for many rural residents experiencing housing instability. Mitigation will also be critically important to ensure homes are “built back better” and more resilient to the increased weather events due to climate change. The opportunity to provide long-term, fortified, affordable housing to the area would ensure housing stability in the most vulnerable areas of the community. The following agencies are providing support for unhoused residents because of the fire, as well as identifying households still requiring assistance. They will play an important role in facilitating future affordable housing initiatives.

#### 2.2.5.1 State of New Mexico Disaster Case Management Program

DHSEM is also the administering authority for a FEMA grant for Disaster Case Management. Through the grant, DHSEM is actively serving residents in all State-identified MID areas by coordinating available resources to help those residents accomplish their Disaster Recovery Plans. This structure alleviates the burden on residents trying to navigate the disaster bureaucracy, and also supports funding agencies in reaching their target end users, particularly vulnerable populations.

#### 2.2.5.2 Mortgage Finance Authority

The New Mexico Mortgage Finance Authority (MFA) is providing funding as administered by the North Central New Mexico Economic Development Department (NCNMEDD) to fund renter households with relocation, rental assistance, and utility bills. For homeowners, the NCNMEDD has helped those that lost their homes via Federal Home Loan Bank System (FHLB) funding and includes mortgage payments and home repairs due to flooding.

<table>
<thead>
<tr>
<th></th>
<th>Sandoval</th>
<th>Valencia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,552</td>
<td>2,339</td>
</tr>
<tr>
<td></td>
<td>980</td>
<td>1,014</td>
</tr>
</tbody>
</table>
2.2.5.3 New Mexico Coalition to End Homelessness

The New Mexico Coalition to End Homelessness (NMCEH) acts as a policy and reporting agency to inform where household or individual aid is prioritized to go to, including administration of Continuum of Care (CoC). A CoC is a "regional or local planning body that coordinates housing and services funding for homeless families."23 This includes building a comprehensive funding strategy to align service providers with housing opportunities, where aid often takes the form of housing vouchers. These groups hold an important role in facilitating long-term investments in affordable housing.

2.2.5.4 Section 8 Voucher Program

With the affordable housing crisis steadily increasing over the past decade, jurisdictional housing authorities that administer federal Section 8 requests for assistance throughout the state have become inundated. Waitlists that periodically open and close when they reach a certain applicant threshold are common in the state. Thus, assistance is sporadic and minimal, particularly for residents with urgent needs in low-income areas of the state. Individuals can apply for assistance on an open waitlist where available. However, Section 8 should be utilized as a last resort for longer-term housing solutions.

Section 8 funding via HUD falls into two categories: project-based or housing choice voucher (HCV)-based. The status of vouchers for emergency rental assistance via a HUD-approved administration agency or the NMCEH as a direct result of homelessness due to the DR-4652 is yet to be determined. Section 8 in Mora County is administered by the Northern Regional Housing Authority with a project-based or physical housing wait list currently open. There is no status posted on the HCV waitlist. Section 8 in Lincoln County is administered by the Eastern Regional Housing Authority and is currently accepting Public Housing waiting list pre-applications for families and senior/disabled households only.

2.2.5.5  **FEMA Individual Assistance**

Lack of local engagement and buy-in to the Individual and Households Programs (IHP) deployed by FEMA preclude the registration rates that typically occur after a disaster. This context underscores the need for broad-based outreach and resources to address post-disaster unmet housing needs based on local estimates, which are a more accurate calculation of local needs than traditional calculations used by FEMA and HUD.

The wildfires resulted in widespread devastation to housing across the impacted areas, with homes either destroyed in the fires or damaged in the burn scar flooding that occurred afterward. High levels of distrust throughout the impacted communities are found in the federal government’s culpability for starting the fires. This distrust has only grown through multiple cycles of rumors and misinformation.

Taking that into consideration, using FEMA’s data for Individual Assistance and taking insurance and other available funding sources into account, the initial estimate of remaining unmet needs was calculated at $18 million. This projection includes an estimated 4,196 individuals registered with FEMA in the IA-declared counties, and accounts for a total of $7.03 million that has been provided through FEMA’s financial assistance for home repair, replacement, and other needs. However, given the lack of public trust in the federal government, this estimate is considered low and does not fully account for all unmet housing needs. The total summary of FEMA Individual Assistance data, including a breakdown by renters and owners, is provided below in **Table 11**.

**Table 10: FEMA Individual Assistance Breakdowns**

<table>
<thead>
<tr>
<th>County</th>
<th>Total FEMA Verified Loss</th>
<th>Number of Owners</th>
<th>Number of Renters</th>
<th>Total Applicants</th>
<th>Total Award from FEMA</th>
<th>Total FEMA-Calculated Unmet Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mora County</td>
<td>$6,765,764</td>
<td>1,302</td>
<td>266</td>
<td>1,568</td>
<td>$2,740,411</td>
<td>$4,025,354</td>
</tr>
<tr>
<td>San Miguel County</td>
<td>$13,136,150</td>
<td>1,435</td>
<td>639</td>
<td>2,074</td>
<td>$3,848,361</td>
<td>$9,287,789</td>
</tr>
<tr>
<td>Lincoln County</td>
<td>$4,608,905</td>
<td>148</td>
<td>81</td>
<td>229</td>
<td>$857,849</td>
<td>$3,751,056</td>
</tr>
<tr>
<td>Valencia County</td>
<td>$10,374</td>
<td>155</td>
<td>166</td>
<td>321</td>
<td>$10,374</td>
<td>$7,082</td>
</tr>
<tr>
<td>Sum for All FEMA-IA Declared Counties</td>
<td>Total FEMA Veriﬁed Loss</td>
<td>Number of Owners</td>
<td>Number of Renters</td>
<td>Total Applicants</td>
<td>Total Award from FEMA</td>
<td>Total FEMA-Calculated Unmet Needs</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------------------------</td>
<td>------------------</td>
<td>------------------</td>
<td>------------------</td>
<td>----------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>$24,521,193</td>
<td>3,040</td>
<td>1,152</td>
<td>4,192</td>
<td></td>
<td>$7,449,913</td>
<td>$17,071,281</td>
</tr>
</tbody>
</table>

### 2.2.5.6 Insurance

Based on reported data for individuals who applied for the FEMA Individual Assistance program, of those individuals who applied for FEMA assistance, less than 20% (a total of 18.48%) had sufficient insurance to meet their needs, which FEMA defines as equal to or above the $37,900 threshold used to determine applicant eligibility. The remaining 71% of applicants were either uninsured or underinsured (excluding 1% who did not provide insurance documentation).

The New Mexico Office of the Superintendent of Insurance (OSI) issued a Wildfire Emergency Order to help residents and business owners in the disaster-affected counties to access vital healthcare services and to maintain their insurance coverage during displacement. They also provided resources such as an emergency Roadmap to Recovery via a national non-proﬁt organization. The level of insurance offered by most companies regarding DR-4652 covers smoke, soot and ash claims and associated inspections, and safety testing. Individual claims filed in the disaster-affected counties are treated as a single-ﬁre loss with one deductible, even if the same policyholder makes multiple claims, for ease in both processing the claims and for support of the numerous policyholders experiencing loss.

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2.2.5.7  Small Business Administration Disaster Home Loans

Across all impacted counties, SBA Disaster Home Loans to eligible applicants totaled $6,366,500 as of October 2022. The average loan disbursed by the SBA was $71,361 and tended to be awarded to those with gross incomes higher than the area median.

2.2.5.8  HPCC Claims Office

The HPCC Act provides compensation to individuals and businesses who experienced personal injury, property losses, business losses, and financial losses resulting from the Hermit’s Peak/Calf Canyon Fires in New Mexico. Applicants for the program can include “individuals, Indian Tribes, corporations, a Tribal corporation, partnership, company, association, county, township, city, State, school district, or other non-Federal entity (including a legal representative) that suffered injury resulting from the Hermit’s Peak Fire.” As described above, these funds are expected to cover the majority of individual claims relating to property losses. However, it does not include funding for the investments in affordable housing that are not based on losses (e.g., affordable housing, resilient building resources).

2.3  Infrastructure Unmet Need

Infrastructure impacted by the prolonged disaster includes damage to roadways, bridges, culverts, drinking water treatment systems/facilities, wastewater treatment systems, acequias, and other public facilities. The lack of preparedness – such as resilient infrastructure and buildings – for the significant flooding that occurred in the burn scar resulted in especially devastating impacts across the State-identified MID areas of Mora, San Miguel, and Lincoln Counties.

To mitigate against these types of damage long-term, the State of New Mexico is seeking to make transformative investments in mitigation statewide that support those projects that both restore the watershed and position infrastructure to withstand future disasters.

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2.3.1 Infrastructure Needs Analysis (FEMA Public Assistance Data)

FEMA Public Assistance allows local governments to rebuild to pre-disaster status. Counties, municipalities, Private-Non-Profits, electrical cooperatives, and water and sewer associations are eligible to receive reimbursement costs for emergency work (Categories A & B) to address immediate threats. This includes debris removal and emergency protective measures. In some instances, these entities may also be able to receive funding for permanent work (Categories C-G) for the restoration of roads and bridges, water control facilities, buildings and equipment, utilities, and parks, recreational, and other facilities (see Table 12).

Table 11: FEMA-PA Category Breakdown

<table>
<thead>
<tr>
<th>Emergency Work</th>
<th>Permanent Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address an immediate threat:</td>
<td>Restoration of:</td>
</tr>
<tr>
<td>A: Debris Removal</td>
<td>C: Roads/Bridges</td>
</tr>
<tr>
<td>B: Emergency Protective Measures</td>
<td>D: Water Control Facilities</td>
</tr>
<tr>
<td></td>
<td>E: Buildings/Equipment</td>
</tr>
<tr>
<td></td>
<td>F: Utilities</td>
</tr>
<tr>
<td></td>
<td>G: Parks, Recreational, and Other Facilities</td>
</tr>
</tbody>
</table>

The data reflected in the table below provides best available total costs representing work to be completed (not yet obligated by FEMA) for each PA category that has been identified as an area of need resulting from the catastrophic fires and subsequent monsoon flooding. As of April 2024, most of the data updates in this table reflect 15 months of work on PA project worksheet development by the local jurisdictions and under review by FEMA and the State.

Table 12: Total FEMA-PA Costs by Category

<table>
<thead>
<tr>
<th>PA Category</th>
<th>Approx. Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - Debris Removal</td>
<td>$37,128,882</td>
</tr>
<tr>
<td>B - Emergency Protective Measures</td>
<td>$50,124,424</td>
</tr>
<tr>
<td>C - Roads and Bridges</td>
<td>$61,072,761</td>
</tr>
<tr>
<td>D - Water Control Facilities</td>
<td>$6,932,643</td>
</tr>
<tr>
<td>E - Buildings and Equipment</td>
<td>$621,168</td>
</tr>
<tr>
<td>F - Utilities</td>
<td>$19,130,853</td>
</tr>
<tr>
<td>G - Parks, Recreational Facilities, and Other Items</td>
<td>$117,916</td>
</tr>
<tr>
<td>Z - Direct Administrative Costs</td>
<td>$22,539</td>
</tr>
<tr>
<td>Total</td>
<td>$165,033,270</td>
</tr>
</tbody>
</table>
2.3.2 Impacts to Water Treatment Facilities

Of special mention in terms of unmet infrastructure needs is the Las Vegas based water treatment plant, which provides water for all of San Miguel County. During the initial assessment process, a U.S. Army Corps of Engineers wastewater infrastructure site visit report\(^{27}\) indicated that floodwater-borne and other debris left behind in the burn scar area caused such high turbidity levels that the current treatment systems in place are ill-equipped to process the water through the normal machinery.

The presence of these conditions now requires “pretreatment” so as not to permanently damage or render the current treatment systems inoperable. The City of Las Vegas has engaged a vendor to provide and operate a “package” water treatment plant, utilizing water from the Storrie Reservoir to a level within the current water treatment plant’s capabilities. These processes are required to match pre-disaster water quality and conditions conducive to the existing treatment systems’ continuing functionality.

This report preceded a significant payment from the Claims Office to the City to address the raw water sources feeding into the water treatment system for which the pre-treatment package plant can address, including long-term fixes to the main plant, along with sediment sampling and dredging of the reservoirs.\(^ {28}\)

The City of Las Vegas uses the Gallinas River as its primary source of drinking water. The HPCC fires resulted in the destruction of the watershed and contamination of the Gallinas River, resulting in significant amounts of fire-related debris and ash being washed into the river from recent flooding following the wildfires. As a result, the City has consistently faced the possibility of not being able to provide drinking water to its residents and instead having to supply them with bottled water, which is resource intensive and costly.


\(^{28}\) See above.
2.3.3 Impacts to Acequias

New Mexico acequias are irrigation channels with a rich history and agricultural tradition operating continuously for centuries. Acequias have become a symbol of water management in New Mexico. Flood waters carrying sediment, debris, and ash from the burn scar have rendered dozens of acequias across the affected areas inoperable. It is imperative and urgent that these acequias be cleared and repaired in time to receive the snowmelt runoff in the spring, as oftentimes this is the only water source for local crops. Water is a critical resource that requires equitable distribution. These webs of canals provide nutrient-rich water necessary for miles of farmland.

These efforts are facilitated by the State-led Acequia Task Force, which is managed in collaboration with the New Mexico Acequia Association. The Task Force coordinates activities through FEMA-PA and the Natural Resources Conservation Service’s Emergency Watershed Protection program, which are the two primary resources available to serve acequia needs.

2.3.4 Impacts to the Watershed and Forests

After a wildfire, reforestation is necessary to ensure soil stabilization to control erosion and flood events. Reforestation is the process of establishing a new generation of trees on a previously forested site following a disturbance, such as a wildfire. Artificial regeneration—through planting seedlings—allows for species selection, stocking levels, and spacing that natural regeneration would not. Successful reforestation requires a considerable amount of planning and preparation. Several factors are considered in this planning and preparation, including management objectives, site characteristics and capacity, weather conditions, and animal depredation levels. Forest Regulations and Best Management Practices\[^{29}\] reforestation standards must also be considered. Empty space that was once forested will begin rebuilding naturally—sometimes decades later. Planned forestry regeneration is the best practice to recover these areas more quickly.

2.3.5 Resilient Rebuilding and Watershed Restoration Plan

To accomplish a holistic, resilient restoration effort, DHSEM is coordinating development of a Watershed Restoration Plan. The Plan will take a multi-jurisdictional-assessment approach that incorporates existing studies, identifies data gaps, details key sediment source areas, and refines sediment assessment needs to develop mitigation strategies for sediment reduction and energy dissipation options in both the short and the long-term post-fire periods.

The goal of this work is to assess areas within the 33 HUC-12 watersheds affected within the burned area. Analysis will 1) refine sediment analyses to locate possible sediment reduction options, 2) propose and determine the feasibility of structural measures that lessen the threat of flood damage from increased runoff and sediment discharge, 3) emphasize the use of native materials that reduce sediment sourcing and transport from destabilized channels and alluvial fan areas, and 4) provide guidance in concert with the State and the Watershed Line of Effort out of the Joint Field Office (JFO) restore watershed hydraulic processes in a coordinated effort with Federal stakeholders and across jurisdictional boundaries.

This plan follows DHSEM’s broader strategy, to consider the additional costs of safeguarding housing and community infrastructure investments from future disasters. Natural hazard mitigation saves six dollars ($6) on average for every one dollar ($1) spent on federal mitigation grants.30

Mitigate repetitive loss and severe repetitive loss structures in the state to reduce impacts of flooding. Based on the outcome of FEMA-funded planning activities, project dollars will be invested in efforts that promise to mitigate damage from a wide range of future disaster types. Infrastructure resiliency solutions, tools, and infrastructure improvements may include:31

30 According to a 2018 analysis performed by the National Institute of Building Sciences which updated a previous study from 2005 that found a benefit cost ratio of 4:1. More information about this study can be found in the Natural Hazard Mitigation Saves: 2018 Interim Report at https://www.nibs.org/news/national-institute-building-sciences-issues-interim-report-value-mitigation.

31 Includes solutions highlighted under the New Mexico Hazard Mitigation Plan.
• Stormwater management (e.g., retention basins, acequias, larger culverts, debris guards, erosion control solutions);
• Permanent, concrete roadways built to withstand future flooding;
• Water treatment systems built to handle debris-filled water;
• Back-up communications systems;
• Power generators for critical systems (water, sewer, electrical, etc.);
• Reforestation to prevent erosion and restore natural wildlife and habitats;
• Centralized repository of hazard mapping and enhanced GIS capabilities;
• Grey water systems and new useable water sources;
• Vulnerability assessments and susceptibility maps;
• Retrofits for hazard-prone facilities;
• Use of and training for damage estimation software;
• Region-specific building codes and zoning to reflect actual risk;
• Snow fences;
• Additional storm shelters; and
• Reduced combustible fuels around critical facilities.

Based on preliminary estimates from mitigation officials in the State of New Mexico, it is estimated that the cost of these specific projects which will not be covered through existing mitigation funds totals $76,800,412.00. This estimate does not include funding needed for full watershed restoration.

2.3.6 Unmet Infrastructure Needs

*Table 14* below provides a summary of impacts to infrastructure and needed investments for long term resiliency. As noted previously, some of the fire and flood damage claims may be covered under the HPCC Fire Assistance Act. These *projects* require investments in transformative mitigation initiatives, which are critical to long-term recovery and the ability of impacted areas to mitigate against future flooding (e.g., snowmelt, Monsoon Season) and other types of damage.
Table 13: Summary of Infrastructure Needs

<table>
<thead>
<tr>
<th>Data Source/Type</th>
<th>Details</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEMA-PA Cost Share</td>
<td>Reflects FEMA-PA State/local cost share not covered under the 100% share provided to areas with fires which were a result of federally prescribed burns.</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td>Mitigation Projects</td>
<td>Incorporates currently identified mitigation projects identified as part of the in-progress Watershed Restoration Plan which are not covered through available funding.</td>
<td>$76,800,412.00</td>
</tr>
<tr>
<td>Resiliency Program</td>
<td>Coordinated through Highlands University, this program is being positioned to facilitate long-term coordination, training, and civic engagement for local mitigation across New Mexico.</td>
<td>$40,200,000.00</td>
</tr>
<tr>
<td><strong>Total Assessed Unmet Needs:</strong></td>
<td></td>
<td><strong>$118,000,412.00</strong></td>
</tr>
</tbody>
</table>

2.3.7 Available Infrastructure and Restoration Resources

Funding available for infrastructure is coordinated through the Watershed Line of Effort (for further details, see Section 4.3.3). Partner agencies contributing funding are described in the subsections below.

2.3.7.1 HPCC Claims Office

The HPCC Fire Assistance Act provides compensation for personal injury, property losses, business losses, and financial losses resulting from the wildfires. The expanded applicant definition to include “an Indian Tribe, corporation, Tribal corporation, partnership, company, association, county, township, city, State, school district, or other non-Federal entity (including a legal representative) that suffered injury resulting from the Hermit’s Peak Fire” means that government entities can seek claims assistance for those
infrastructure repairs required due to the disaster. However, it is unclear the extent to which it will cover mitigation efforts under DHSEM’s Watershed Restoration plan.

HPCC does not allow reimbursement for any additional mitigation efforts beyond what existed before the fire. With disasters increasing in frequency and intensity in a climate-changed world, the need arises for increased mitigation efforts to better prepare against future disasters and protect the investment of recovery dollars.

### 2.3.7.2 FEMA Hazard Mitigation Assistance

There are multiple funding sources that may be able to address mitigation needs. In coordination with active FEMA-PA efforts, Applicants can pursue Section 406 Hazard Mitigation Grant Program (HMGP) funds, which can support hardening and mitigation investments in infrastructure damaged by the disaster. This program is limited to providing up to 15% of the total estimate for the project in additional funding for mitigation assistance (see pg. 156 of the PAPPGv4) without a Benefit Cost Analysis (BCA). Additionally, there are mitigation measures specified under Appendix J of the PAPPGv4 that can be covered up to 100 percent of the eligible repair cost.

Funds are also available through the Section 404 Hazard Mitigation Grant Program (HMGP), managed by the DHSEM Mitigation Unit, for projects to fund mitigation for facilities not impacted by the declared disaster. Projects are selected for 404 based on priorities articulated in the State’s Hazard Mitigation Administration Plan. Finally, FEMA makes annual grant funds available through Building Resilient Infrastructure and Communities (BRIC) and Flood Mitigation Assistance (FMA) programs, which typically fund major investments in hazard/flood mitigation projects.

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2.3.7.3 Natural Resources Conservation Services

NRCS is contributing resources through its Emergency Watershed Protection program, which primarily serves private landowners to address urgent mitigation needs which protect life and property. Through a partnership between NRCS and the Claims Office, landowners can also conduct their own restoration activities through funded Conservation Restoration Plans.

2.4 Economic Revitalization Unmet Need

2.4.1 Impacts to Local Businesses

After the fires began, the State mobilized resources to provide assistance to impacted local businesses, so that they could have sufficient cash flow to be sustained throughout the response. More than 160 businesses requested assistance through the State’s Wildfire Business Assistance grant program (which made $1 million available), with requests for the program totaling more than $2.5 million. This means that the grant funding was $1.5 million short in its ability to reach businesses in need. Additional data received from the Economic Development Department’s preliminary survey of business losses reflect multiple businesses experiencing a 76-100% reduction in revenue.

These impacts cascaded into unemployment throughout the impacted area. According to the New Mexico Department of Workforce Solutions, 276 cases were validated for unemployment payments, with losses by these individuals alone (as estimated based on median salary for the State of New Mexico) at $8.9 million. Actual unemployment losses are expected to exceed these values, as many displaced individuals and households are physically separated from private properties and businesses or no longer have their standing customer base to continue pre-disaster operations. Additional impacts to tourist areas (e.g., hunting, skiing) are yet to be determined as the State enters seasons that typically see increased recreational activity.

2.4.2 Impacts to the Agricultural Sector

The wildfire burn-scarred areas across the State of New Mexico, and particularly in Mora and San Miguel Counties – which cover the bulk of this declaration – are populated by generations-old family landowners who are closely economically tied to the health of their farm and forest lands. They are also particularly dependent on centuries-old, hand-made acequias for irrigation. The threat of losing this way of life forever is particularly acute when considering the state of disrepair, the acequias are currently in due to the ash, burnt vegetation, and debris clogging these vital waterways used for irrigating crops and watering livestock. Additional burdens lie in categorizing the cleaned out solid waste and
navigating the haul away and disposal standards in coordination with the New Mexico Energy, Minerals, and Natural Resources Department standards that prohibit staging solid waste in riparian habitats.

When the government fails to invest in these areas during anomalous and simultaneous drought and flood seasons, these economic activities are lost, and it requires generations to restore forest and grassland health. Many of these communities are also both geographically isolated and limited in educational opportunities. The Social Vulnerability Index for New Mexico demonstrates the highest vulnerability ranking for both San Miguel and Mora Counties. The high social vulnerability coupled with the devastating, compounding impacts of disaster after disaster and the cascade of after-effects rippling through the community and its economy demand corrective action that exceeds claims assistance and generates programs to fully revitalize areas in need.

Alongside the economic impacts of these losses are the subsistence-based ones, as much of the small-scale farming and agricultural operations that supported generations-old ranch lands and homesteads was used for subsistence and was a sizable portion of the local economy. The individuals left now without those agricultural operations are stuck in an already difficult industry further compounded by challenges obtaining support to restore fallowed land, build healthy soil, and preserve acequias.

There currently exists a severe lack of statutory and programmatic support for young and/or start-up farmers; the result of these gaps is that younger populations are migrating to urban-based jobs, leaving an aging population.³⁴ Many start-up farmers growing on agricultural acreage that is less than one acre face insurance hurdles because their acreage is below the threshold to qualify for agricultural (appraisal) valuations. Start-up farming operation success is critical for next generation growth,³⁵ and providing a chance at preserving a generations-old way of life and cultural heritage.

³⁵ Retrieved at https://api.bber.unm.edu/“New Mexico Property Tax Study: Agricultural, Working, & Natural Lands”
2.4.3 Impacts to the Local Tourism Sector

The terrain of both San Miguel and Mora Counties is well suited to year-round activities, principally, camping, fishing, and hunting. Both are home to portions of the Santa Fe National Forest, the Pecos Wilderness, the Gallinas River (a major fishing destination), and five State Parks including Storrie Lake, a popular summer destination for windsurfing and boating.\(^36\) There were cross-cutting effects to all of these areas, as recreational areas across the National Forest and Wilderness Areas were destroyed, inherently resulting in the loss of those tourist activities and funds. Storrie Lake was filled with sludge from ashy mudflow, and the Gallinas River sustained high damage from wildfire debris.

The impacts to these areas are also now resulting in seasonal impacts to tourism, as from September to present, flows in the Gallinas have produced enhanced runoff during heavy monsoonal summer rains falling on burned soil. Furthermore, the National Weather Service has forecasted that due to the La Nina weather pattern that New Mexico is experiencing, the fall and winter are expected to be drier than normal, producing a below average snowpack and subsequent below long-term average spring flows\(^37\), thus, adversely impacting fishing and other recreation.

2.4.4 Unmet Economic Revitalization Needs

A summary is provided below in Table 15 that documents those efforts that are already underway to provide this support.

<table>
<thead>
<tr>
<th>Category</th>
<th>Data Source/Type</th>
<th>Type of Loss</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wildfire Business Grant</td>
<td>Reported Losses</td>
<td>160 businesses</td>
<td>$2,500,000.00</td>
</tr>
</tbody>
</table>

---

\(^36\) Retrieved at www.newmexico.org/placestovisit

\(^37\) Memorandum from the National Weather Service Albuquerque “Near and Mid-term Outlook for Gallinas Creek,” A. Mangham, September 9, 2022
<table>
<thead>
<tr>
<th>Category</th>
<th>Data Source/Type</th>
<th>Type of Loss</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce Solutions Reporting</td>
<td>Estimated Loss based on Total Unemployment Claims Validated</td>
<td>276 persons</td>
<td>$8,943,090.00</td>
</tr>
<tr>
<td>Estimated Agricultural Losses Based on USDA Application Data</td>
<td>---</td>
<td></td>
<td>$16,245,753.00</td>
</tr>
<tr>
<td>Estimated Business Losses Based on SBA Reported Unmet Needs</td>
<td>Estimated Need Based on SBA Applications</td>
<td>116 applications</td>
<td>$2,355,288.00</td>
</tr>
<tr>
<td>Wildfire Business Assistance Grant</td>
<td>Total Awards</td>
<td>---</td>
<td>- $1,000,000.00</td>
</tr>
<tr>
<td>Workforce Solutions Reporting</td>
<td>Total Unemployment Provided</td>
<td>276 persons</td>
<td>- $250,000.00</td>
</tr>
<tr>
<td>SBA Reporting</td>
<td>Total SBA Business Awards</td>
<td>12 applications</td>
<td>- $1,383,700.00</td>
</tr>
</tbody>
</table>

**Total Assessed Unmet Need:** $27,410,431.00

### 2.4.5 Available Economic Revitalization Resources

#### 2.4.5.1 HPCC Claims Office

Claims for loss of business are expected to be largely covered under the HPCC Act; however, particularly for those businesses that may fall through the cracks of the claims process, as well as for those who have to wait for regrowth to establish their businesses. Similar to the housing needs, there is also no safety net or support system in place to train businesses and producers who will not be able to return to their previous work in other types of occupations.

#### 2.4.5.2 Small Business Administration

The SBA provided a total of nine (9) loans to the most impacted counties in Northern New Mexico, as shown in **Table 16** below. These loans help distressed communities leverage economic recovery post-disaster and, in the Counties shown, have assisted with critical landscaping, forestry, timber, real-estate and textile businesses.
### Table 15: SBA Loans Approved

<table>
<thead>
<tr>
<th>MID County</th>
<th>Number of Applications Funded</th>
<th>Total Loans Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mora</td>
<td>3</td>
<td>$55,600</td>
</tr>
<tr>
<td>San Miguel</td>
<td>5</td>
<td>$521,00</td>
</tr>
<tr>
<td>Lincoln</td>
<td>1</td>
<td>$441,500</td>
</tr>
<tr>
<td>Total for All Impacted Counties</td>
<td>9</td>
<td>$1,018,100</td>
</tr>
</tbody>
</table>

Economic recovery efforts focus on distributing federal funds to impacted business sectors, as well as other activities that restabilize the local tax base. Through the Economic Recovery Line of Effort (see also *Recovery Operational Structure* below), strategic planning and coordination are being conducted with broad input from stakeholders to consider economic recovery, market conditions, and resiliency.

Increased access to capital and resources—and increased capacity to receive and implement these funds—will allow both the private and public sectors to recover more fully. These efforts need to include workforce development and entrepreneurial and business development initiatives to ensure jobs are created and retained. The ultimate purpose is to restore economic and business activities to a healthy state and stimulate new opportunities for future generations.

### 2.5 Planning and Capacity Unmet Need

#### 2.5.1 Pre-Disaster Conditions

Statewide capacity across city, county, and state government agencies collectively shifted to address the immediate and critical needs that emerged from DR-4652-NM. However, the movement in state resources left gaps in standard functions, which have either sat empty during the response or are being filled through deactivation of response and recovery staffing. Throughout the course of this response effort, New Mexico’s lack of experience in regular disaster response exposed the significant missing administrative infrastructure needed to respond to disaster-related needs, including response, recovery, and mitigation.

Multiple state and local entities require grant-funded positions, technical assistance, and planning efforts to facilitate and solidify the trajectory of recovery. These positions are
especially critical as the state faces what will be multiple years of continued floods after every snowmelt and Monsoon Season and climate change-related impacts that are projected to continue, such as the anomalous drought and wildfire activity that preceded the 2022 season.

2.5.2 Post Disaster Unmet Capacity and Planning Needs

The State of New Mexico requires personnel to apply for, navigate, administer, and manage the many and varied grant programs available as well as to provide the Technical Assistance that local governments require. Additional funding will be needed to support this increased administrative burden.

While increasing capacity entails a cost burden, it pays for itself through the maximized access to federal recovery funding resources and optimization of those resources as they are deployed. To fully optimize the millions of possible funding dollars from these and other programs, and to hold federal agencies accountable, additional program managers and grant writers are necessary across these units and other departments. There are similar critical support needs that are also necessary at the local City and County level.

With the right funding mechanisms, the State can make proactive investments in staffing who can manage and realize opportunities for recovery funding sources to ensure no dollars are left on the table. Funding is recommended to be structured to cover the following positions, which the Department of Homeland Security and Emergency Management has assessed as necessary to fully optimize recovery (see Table 6).

<table>
<thead>
<tr>
<th>Type of Technical Assistance</th>
<th>Description</th>
<th>Estimated Annual Cost</th>
<th>Total Cost: 3-year Period</th>
<th>Total Cost: 5-year Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Assistance</td>
<td>One PA Manager each for Mora and San Miguel Counties, One Technical Advisor, One Manager</td>
<td>$300,000</td>
<td>$900,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Public Assistance</td>
<td>One State PA Manager for Lincoln County</td>
<td>$442,000</td>
<td>$1,326,000</td>
<td>$2,210,000</td>
</tr>
<tr>
<td>Case Management and the Housing Recovery Task Force</td>
<td>Four Case Managers and One Manager for Mora and San Miguel Counties</td>
<td>$375,000</td>
<td>$1,125,000</td>
<td>$1,875,000</td>
</tr>
<tr>
<td>Case Management and the Housing Recovery Task Force</td>
<td>Two Case Managers for Lincoln County</td>
<td>$492,857</td>
<td>$1,478,571</td>
<td>$2,464,285</td>
</tr>
<tr>
<td>Type of Technical Assistance</td>
<td>Description</td>
<td>Estimated Annual Cost</td>
<td>Total Cost: 3-year Period</td>
<td>Total Cost: 5-year Period</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------</td>
<td>-----------------------</td>
<td>--------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Hazard Mitigation Assistance</td>
<td>5-7 Salaried Mitigation Unit positions</td>
<td>$553,000</td>
<td>$1,659,000</td>
<td>$2,765,000</td>
</tr>
<tr>
<td>Hazard Mitigation Assistance</td>
<td>1-2 Salaried Mitigation Unit positions</td>
<td>$632,000</td>
<td>$1,896,000</td>
<td>$3,160,000</td>
</tr>
<tr>
<td>Other Grant Management (e.g., Community Disaster Loans)</td>
<td>4-5 Grant Managers for 3-5 years</td>
<td>$310,320</td>
<td>$930,960</td>
<td>$1,551,600</td>
</tr>
<tr>
<td>Other Grant Management (e.g., Community Disaster Loans, USDA)</td>
<td>1 Grant Manager for 3-5 years.</td>
<td>$372,384</td>
<td>$1,117,152</td>
<td>$1,861,920</td>
</tr>
<tr>
<td>Local Grant Management Positions and Support</td>
<td>2 Grant Writers and 2 Grant Managers for Mora and San Miguel Counties</td>
<td>$200,000</td>
<td>$600,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Local Grant Management Positions and Support</td>
<td>2 Grant Writers and 2 Grant Managers for Lincoln County and 1 Grant Writer and 1 Grant Manager each for Los Alamos, Sandoval County, Colfax, and Valencia County</td>
<td>$2,400,000</td>
<td>$7,200,000</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>MID County Emergency Managers</td>
<td>1 Emergency Manager each for Mora and San Miguel Counties</td>
<td>$180,000</td>
<td>$540,000</td>
<td>$900,000</td>
</tr>
<tr>
<td>MID County Emergency Managers</td>
<td>1 Emergency Manager for Lincoln County.</td>
<td>$180,000</td>
<td>$540,000</td>
<td>$900,000</td>
</tr>
<tr>
<td>MID County Planning and Zoning Office Staff</td>
<td>4 Planning and Zoning Staff for Mora and San Miguel Counties each</td>
<td>$600,000</td>
<td>$1,800,000</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>MID County Planning and Zoning Office Staff</td>
<td>3 Planning and Zoning Staff for Lincoln County.</td>
<td>$825,000</td>
<td>$2,475,000</td>
<td>$4,125,000</td>
</tr>
<tr>
<td>Resilience Plans</td>
<td>3-4 Plans at $800,000 - $1,000,000 each</td>
<td>N/A</td>
<td>$3,600,000</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total Assessed Unmet Needs</strong></td>
<td></td>
<td><strong>$7,862,561</strong></td>
<td><strong>$27,187,683</strong></td>
<td><strong>$39,312,805</strong></td>
</tr>
</tbody>
</table>
The crux of critical post-disaster recovery planning needs is having staff that can implement key administrative and planning functions for recovery activities. Communities in the State-identified MID areas have extensive staffing needs for building inspections and code enforcement, emergency management, and planning professionals across both State and local agencies to implement best practices in building resilient communities.

### 2.5.3 Unmet Planning Needs

The State of New Mexico’s response and recovery effort has been driven by individuals who wear multiple hats in the disaster. For example, at the county level, there is one Planning and Zoning Director for two of the State-identified MID areas: Mora and San Miguel counties. These individuals are the single pass-through for all permitting requests, including the more than 600 households that had their homes burned down. Response and recovery gaps extend to the standing emergency management staff support available to each impacted county, where in some areas (e.g., Mora County), there is no available Emergency Manager, and many of the financial and administrative functions are served by local non-profit organizations.

This staffing structure is not positioned to absorb the expansive administrative, planning, zoning, permitting, and coordination functions needed to manage funding that is coming into the State of New Mexico. Government entities can apply for funding for “damages” due to the HPCC Fire; however, this too does not cover the proactive systems-building and investment approach that will be needed to manage the multiple billions of dollars that must flow to community members. To inform targeted allocation of funds, capacity assessments may be performed in local county departments with consideration to and alignment with the funding allocated by the FEMA office managing HPCC Fire Claims.

### 2.5.4 Available Planning Resources

Federal partners including the Economic Development Administration and the U.S. Department of Agriculture have each contributed funding to support positions from the above-described table, including Disaster Recovery Coordinators and Technical Assistant Grant Writers, respectively. These positions are funded for a range of 1-3 years to support recovery operations. However, positions related to planning, zoning, and long-term recovery management remain unfilled.
3.0 Method of Distribution

3.1 Overview

DHSEM is the lead agency and responsible entity for administering the $4,131,000 in CDBG-DR funds allocated for disaster recovery tied to the DR-4652-NM fires and floods. HUD identified San Miguel as the MID county, where DHSEM is required to expend 80% of funding. There are two other counties – Mora and Lincoln – which will be served as part of the State-identified MID.

DHSEM prioritized one program allocation so that the maximum possible funding can be directed to direct activity costs. Given the selection of the HUD-identified MID and the spending requirements associated with that MID area, DHSEM sought a programmatic investment that would not duplicate current funding available through the Hermit’s Peak / Calf Canyon Claims Office, while still addressing identified needs in housing and resilience. Based on this analysis, DHSEM has determined to invest the CDBG-DR funding in a Building Resiliency Center.

3.2 Program Purpose

Building Resiliency Centers can fulfill multiple purposes, serving as a one-stop-shop for residents who are rebuilding from a federally declared disaster that has destroyed structures on their land. The concept, modeled in Paradise, CA after the 2018 Camp Fire, coordinates resources for home financing, housing counseling, permitting, site issues and insurance. The State of New Mexico is applying this model for areas with high impacts to the housing stock during the 2022 wildfires and floods – namely, Mora, San Miguel, and Lincoln Counties – to include the following services:

- Increase funding and staffing for local Planning & Zoning Offices, so that local permitting authorities can receive support in developing pre-approved home building plans, as well as implementing permitting authority in what are now areas with high risk of flooding.
- Provide access to resources for resilient rebuilding across the impacted area, so that homeowners and builders can proactively reduce flood risk and place their homes with sufficient defensible space to mitigate future fire impacts.
- Streamline services through available resources (e.g., Disaster Case Managers), who are providing housing counseling services and comprehensive case management, so that the expertise and resources available through multiple agencies is centralized in a common coordination space.
Each of these three components are described in further detail under the subsections below.

3.2.1 Planning and Zoning

A Building Resiliency Center employs the expertise and associated regulatory codes of the participating jurisdictions. The idea is not to replace staff of local jurisdictions that perform planning, zoning, permitting, code compliance, and other essential functions, but to augment the work of their already highly involved and often overburdened staff.

For a Building Resiliency Center to be successful, it may need to take the form and concept that is integrated into an existing Planning, Zoning, Building or Community Development Department. To facilitate meaningful value-add to these jurisdictions, it is important that the process of formulating what a BRC or BRC-concept can become via regular engagement with local government officials so that the resultant Center will actively meets their needs. In addition to incorporating existing staff, it is essential that the department’s leadership have the autonomy to hire the needed staff on a local level and receive technical assistance and training to help support that that staff where requested.

Communities in the proposed jurisdictions have extensive staffing needs for building inspections and code enforcement, emergency management, case management, and planning/permitting within the core recovery efforts. The State of New Mexico’s response and recovery effort has been driven by individuals who wear multiple hats in disaster response and recovery. For example, at the county level, there is one Planning and Zoning Director for each of the two of the state-recommended MID areas: Mora and San Miguel counties. These individuals are the single pass-through for all permitting requests, including the hundreds of households that had their homes damaged.

If staffing is to be commensurate with the number of households and plans needed to transform investment via significant recent investments such as the Hermit’s Peak Calf Canyon (HPCC) Fire Assistance Act and other federal funding sources, staffing needs to increase across recovery operations, including general management, planning, zoning, and planning.

3.2.2 Resilient Building and Mitigation

The already limited housing stock in the counties impacted by DR-4652-NM was devastated by the wildfires, as homes within the wildfire perimeter were destroyed and those both within and outside of the perimeter were further damaged by the subsequent floods that occurred during Monsoon Season. These floods are likely to continue with elevated impacts for years, if not decades, as communities wait for the watershed to be restored.
The essential purpose of a Building Resiliency Center is to introduce resiliency standards and best practices for building back to a superior standard beyond pre-disaster conditions, detailed in the following sections of this document. The DHSEM Mitigation Unit is actively working with the U.S. Army Corps of Engineers (USACE) Silver Jackets and the FEMA Mitigation Branch to conduct updates to flood maps. They are also coordinating access to significant mitigation funds that are available to support impacted communities.

The Building Resiliency Center is a conduit to share these resources with community members as they grapple with where and how to rebuild their homes safely. Guidance may include:

- Updated property mapping to inform where it is safe to rebuild.
- Strategies for mitigating flood risk through use of, for example, foundations with flood vents.
- Resources on resilient building materials and sources.
- Guidance on meeting building codes and standards designed for areas with high fire/flood risk.
- Current information and guidance on available mitigation funds and best practices emerging from the DHSEM Mitigation Unit.

Approximately 60,000 communities in the United States are at risk for fires that are in the Wildland Urban Interface (WUI), defined as the zone of transition between unoccupied land and human development. It is the line, area, or zone where structures and other human development meet or intermingle with undeveloped wildland or vegetative fuels. This can include homes situated in certain parts of Mora, San Miguel, and Lincoln Counties. Within these communities, the homes most vulnerable to wildfire disasters include generations old housing stock that was built to neither an International Building Code (IBC) standard, nor to a wildfire or other disaster resiliency standard, further necessitating the need to build better with defensible spaces. Building compliance within the WUI should include, but not necessarily be limited to, formal delineation of these areas via ArcGIS mapping within the counties, and the inclusion of WUI-compliant, fire-resistant building materials and other best practices.

For example, different building materials and housing types can be coupled with sound site planning practices including borrowing resiliency standards from leading industry sources. These can include many of the best practices within Firewise Community Standards, landscaping measures to ensure parcel-level defensible space, and the utilization of proper materials.
Similarly, at a regional level, local governments can consider adopting resolutions beyond the parcel level to include urban growth boundaries with delineated and mapped boundaries which should be incorporated into the governments ArcGIS system along with layers for zoning districts, parcels, and current FEMA Special Flood Hazard Areas (SFHAs). Through the interaction of the Mitigation Unit to the Building Resiliency Centers, and the Centers to local partners, these types of solutions can be informed and workshopped to enhance regional community resiliency.

Based on the latest wildfire research from the Insurance Institute for Business & Home Safety (IBHS) and input from the broader fire protection community, Paradise, CA implemented a Wildfire Prepared Home Program making it the first municipality in the nation to do so, a model that can be studied and modified to fit Northern New Mexico’s Most Disaster-Affected (MID) community. Its goal and design is to “meaningfully reduce wildfire risk by reducing the chance a home ignites during a wildfire.” The system of actions required for a designation addresses the resilience of three vulnerable areas of a home – the roof, specific building features and defensible space, including the 0-5-foot home ignition zone. The Town utilized FEMA Hazard Mitigation Grant Program (HMGP) funding to implement this project that helps homeowners retrofit their homes to achieve IBHS’s Wildfire Prepared Home designation.

The IBHS also emphasizes that the system of actions required by Wildfire Prepared Home can limit the catastrophic reach of wildfire as it approaches neighborhoods by mitigating the most vulnerable components on and around a home. The voluntary program includes built-in homeowner education, a system of required mitigation actions, an initial verification process and an annual check-in to ensure ongoing landscape maintenance. New Mexico can borrow from this best practice though both the continuation of defensible space and landscape mitigation as well as instituting its own architectural building context-sensitive materials and methods, such as adobe construction with fire-resistant metal roofing, but done within the context of certified builders and local regulatory permitting processes.

While materials and standards typically came with their own fire-resistant features within the history of building over centuries in Mora and San Miguel Counties, today, those practices can continue but within the context of legal requirements of obtaining building permits.

**3.2.3 One-Stop Shop for Available Resources**

Building Resiliency Centers are proven one-stop shops for a variety of resources under one roof and well positioned with expert staff to deliver expedited housing consultations for both rental and single-family rebuilding needs, which are also intended to be staffed with the DHESM’s established bilingual Disaster Case Managers providing on-site
support along with client intake. These managers have access to a database containing a comprehensive list of resources to support individual rebuild efforts or rental housing support, including Section 8 Housing Choice Vouchers, USDA programs, HPCC assistance through coordination with FEMA’s Case Navigators, and other state and federal resources. Types of advice and services towards rebuilding are intended to include:

- A pre-application screening to help homeowners towards a complete submittal package and streamline the issuance of a permit;
- Identification of local building contractors who are approved by the local jurisdictions and licensed through the State’s Regulation and Licensing Division, North Central New Mexico Economic Development Department’s Contractor Database and the DHSEM’s Disaster Case Management Program Contractor Database;
- Navigating insurance, FEMA, SBA, HPCC;
- Providing general planning assistance throughout the entire rebuild process referencing local jurisdictional zoning codes, setbacks, separation from structures, floodplain/FIRM maps, and ArcGIS;
- Support in evaluating rebuilding construction proposals. These bid reviews help determine whether the scope and pricing of construction bids are appropriate for rebuilding projects.

3.3 Program Budget

DHSEM has an available budget of $3,824,450 for the purpose of establishing a Building Resiliency Center. A summary of the overall CDBG-DR budget is provided in Table 17 below. Funding will be administered directly by DHSEM.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent of Allocation</th>
<th>Program Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>5%</td>
<td>$206,550.00</td>
</tr>
<tr>
<td>Planning</td>
<td>2%</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>Housing / Mitigation</td>
<td>93%</td>
<td>$3,824,450.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$4,131,000.00</td>
</tr>
</tbody>
</table>
3.4 Connection to Unmet Needs

Mora, San Miguel, and Lincoln Counties experienced devastating losses primarily to their housing stock but also public infrastructure. Local Community Development Departments that house typical building permitting, planning, zoning and code compliance services to their constituents are already under capacity and overwhelmed with expedient debris removal needs expressed by those residents.

A Building Resiliency Center is well suited to support the recovery of these losses, and site preparation for new residential construction along with building this type of service capacity, as it can provide much-needed structure for an area which is experiencing an inject of funding without structures to focus those funds on rebuilding.

The primary consideration of potential need in New Mexico underscores that the most socially and economically vulnerable communities partially devastated by the Hermit’s Peak/Calf Canyon Fire under DR-4652, could greatly benefit from a BRC to be situated in location equidistant from the most affected communities, assuming there was a need determined by the jurisdictions for a one-stop physical local for obtaining resources.

A BRC employs the expertise and associated regulatory codes of the participating jurisdictions. The idea is not to replace staff of local jurisdictions that perform routing planning, zoning, permitting, code compliance and other essential functions, but to augment the work of their already overburdened staff of the participating jurisdictions. An additional essential purpose of a BRC is to introduce resiliency standards and best practices for building back to a superior standard beyond pre-disaster conditions, detailed in the following sections of this document.

Assessing the purpose and need for a BRC and formulating this concept requires continuous interviews with local government officials and will be essential to ultimately obtaining political support and buy-in from participating jurisdictions.

3.5 Operational Structure

As noted in the State DHSEM’s unmet needs research, the crux of critical post-disaster recovery planning needs is having staff that can implement key administrative and planning functions for recovery activities. Communities in the Most Impacted and Distressed (MID) areas have extensive staffing needs for building inspections and code enforcement, emergency management, case management and planning/permitting within the core recovery efforts. A summary of current staffing and planning needs for the BRC is summarized in Table 18 below.
### Table 18: Staffing Structure

<table>
<thead>
<tr>
<th>Funding Need</th>
<th>Description</th>
<th>Total Annual Cost</th>
<th>Total 6-Year Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning and Zoning Compliance</td>
<td>Two individuals providing additional capacity to the Planning and Zoning department to ensure that disaster recovery initiatives are executed in line with local health and safety requirements. In addition, they would manage, track, and report on the interagency response to hazardous materials, damaged structure removal, debris removal, watershed mitigation, and water and air quality testing.</td>
<td>$150,000.00</td>
<td>$900,000.00</td>
</tr>
<tr>
<td>Grants Manager</td>
<td>Two staff positions responsible for researching, preparing, submitting, and managing grant proposals/reports that support recovery goals and meet programmatic guidelines and criteria. This person serves as the primary grant writer for Disaster Recovery projects, engages in compliance reporting, and supports the fiscal management of the County’s recovery efforts.</td>
<td>$150,000.00</td>
<td>$900,000.00</td>
</tr>
<tr>
<td>Long Term Recovery Managers</td>
<td>Two staff positions responsible for researching, preparing, submitting, and managing grant proposals/reports that support recovery goals and meet programmatic guidelines and criteria. This person serves as the primary grant writer for Disaster Recovery projects, engages in compliance reporting, and supports the fiscal management of the County’s recovery efforts.</td>
<td>$150,000.00</td>
<td>$900,000.00</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td></td>
<td>$450,000.00</td>
<td>$2,700,000.00</td>
</tr>
</tbody>
</table>

Communities that establish and activate Building Resiliency Centers utilize a staff with diverse, specialized subject matter expertise in building sciences, fire resiliency, emergency, and disaster management, planning and zoning, and comprehensive case management. Individuals trained to assist and advise residents can include the following positions, noting that some professionals under certain job functions may include the expertise of many more functions as listed.
4.0 Recovery Operational Structure

4.1 State Recovery Priorities

The State of New Mexico defines its priorities in two overarching categories: those related to community recovery, and those related to individual recovery. The community recovery priority is focused on coordinating holistic community revitalization through technical assistance, disbursement of funding, and additional resource allocation to impacted government entities and community organizations. This priority is managed through the Watershed and Economic Recovery Lines of Effort.

The community recovery priority includes cross-cutting strategies, such as:

1. **Building Capacity.** Identifying knowledge and capacity gaps to meet federal compliance requirements; develop training to address gaps (e.g. procurement); and deploy multiple resources via State and Federal partners to facilitate training and other technical assistance.

2. **Writing Projects.** The State and FEMA-PA teams collaborate to provide direct technical assistance to write project worksheets and applications for FEMA-PA and 404 HMGP programs; and support local and State government entities with identifying and documenting other losses and recovery needs via Notices of Loss, Proof of Loss, via the HPCC Claims Office, etc.

3. **Being Holistic.** State and Federal agency communications are integrated via Recovery Technical Assistance Teams; regularly assess unmet needs and advocate to address those needs; and set and meet milestones for recovery priorities via the Lines of Effort for Recovery.

The individual recovery priority is focused on providing a pathway for every resident impacted by the DR-4652-NM disaster to receive the resources needed to accomplish their recovery plan. This priority is managed through the Housing Recovery Line of Effort.

The individual recovery priority includes cross-cutting strategies, such as:

1. **Prioritizing Immediate Need.** Provide immediate response to emergent needs (experiencing homelessness, needing food/water); Communicate with State and Federal programs to mobilize emergency funds for trending needs (e.g., winterization).

2. **Targeting Delivery.** Track consistent types of needs and/or losses among vulnerable populations and develop/implement strategies to address them; Identify
common public service needs and coordinate assistance to address those needs (e.g., firewood, well testing).

3. **Being Holistic.** Support residents in developing their recovery plans via Disaster Case Management; Provide support to complete recovery thru construction; Coordinate additional resources via HUD and other partners to address larger trends for recovery (e.g., affordable housing).

Additional SMART objectives are defined further at the program level for the multiple available recovery and mitigation funding sources.

In partnership with local, state, and federal partners, DHSEM conducts meetings at a regular frequency to identify, accomplish, and track milestones related to each of these priorities. All partners convene on a weekly basis to evaluate the status of Lines of Effort activities. **Figures 6** and **7** identify the active Lines of Effort (LOE) and their associated milestones for each recovery priority.

**Figure 6: Community Recovery LOEs**

<table>
<thead>
<tr>
<th>WATERSHED MITIGATION</th>
<th>ECONOMIC RECOVERY</th>
<th>HOUSING RECOVERY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Engagement</td>
<td>Support Councils of Government</td>
<td>Direct Housing and CTHA</td>
</tr>
<tr>
<td>Acequias</td>
<td>Local Capacity Building</td>
<td>Claims Office Assistance</td>
</tr>
<tr>
<td>Risk Assessment and Inventory</td>
<td>Communications Infrastructure</td>
<td>Well Repair</td>
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<tr>
<td></td>
<td></td>
<td>Private Property Debris Removal</td>
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<td></td>
<td></td>
<td>Private Site Mitigation</td>
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<tr>
<td></td>
<td></td>
<td>Additional Site Preparation</td>
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<tr>
<td></td>
<td></td>
<td>Disaster Case Management</td>
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<tr>
<td></td>
<td></td>
<td>Building Resiliency Center</td>
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<td></td>
<td></td>
<td>Legal Task Force</td>
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<td></td>
<td></td>
<td>Documentation Assistance</td>
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<tr>
<td></td>
<td></td>
<td>Increased Local Capacity to Manage Housing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Affordable Housing Resources</td>
</tr>
</tbody>
</table>

**Figure 5: Individual Recovery LOEs**
Individual program objectives are tracked through FEMA’s MAX TRAX database which allows for project/strategy/milestone deadline alert and coordination of interagency efforts across LOEs and are monitored by each Line of Effort’s leadership team.

4.2 Interagency Coordination

4.2.1 Active Partners

Numerous Federal, State, local government and local non-profit partners actively collaborate with the DHSEM to address and deliver projects to completion under the DHSEM as the lead coordinating agency, achieved through the Watershed Recovery Steering Committee, LOEs and their six associated active task forces, and Recovery Technical Assistance (RTAT) teams that provide support to local governments through targeted, active PA and Claims Office project tracking reviews, and through which state trainings are furnished.

These partners include but are not limited to some of the following Federal Agencies: U.S. Department of Agriculture, Federal Emergency Management Agency, Cybersecurity and Infrastructure Security Agency, Economic Development Administration, Small Business Administration, and U.S. Geological Survey.

Engagement also includes some of the following State Agencies: New Mexico Environment Department, Department of Health, Office of Broadband Access and Expansion, Department of Agriculture, Department of Finance and Administration, Economic Development Department, Mortgage Finance Authority, New Mexico Department of Transportation, NM Department of Health and Social Services, U

Finally, implementation and connection to local needs focuses regular engagement with local governments, academic institutions, and non-profit partners, including University of New Mexico School of Architecture and Planning, New Mexico Highlands University, New Mexico State University, Regional Councils of Government, Hermit’s Peak Watershed Alliance, New Mexico Acequia Association, McCune Charitable Foundation, Thornburg Foundation, Collaborative Visions, Santa Fe Community Foundation, Rocky Mountain Youth Corps, United Way of Central New Mexico, Taos Community Foundation, City of Las Vegas, Village of Ruidoso, and all seven (7) impacted County Governments as referenced throughout this plan.

4.2.2 Joint Wildfire Recovery Steering Committee

New Mexico’s recovery operations encompass over 75 agencies (including federal, state, and local partners), with the overarching vision of wildfire recovery facilitated through a Joint Wildfire Recovery Steering Committee. This committee oversees all activities under
a Lines of Effort (LOE) structure to achieve a unified, comprehensive, and successful recovery supported through regular Task Force meetings and operations. The Committee also oversees Recovery Technical Assistance Teams that elicit guidance from community and local government leaders, and also oversees all focus groups and town halls that elicit feedback from impacted residents.

### 4.2.3 Joint Information Center

DHSEM also participates regularly in the Joint Information Center (JIC) along with over 20 federal and state partner agencies. The JIC is coordinated by FEMA External Affairs and provides the opportunity for partner agencies to coordinate relevant and factual information through targeted media messaging and outreach events within the impacted community.

Meeting on a weekly cadence, JIC participants report out on outreach initiatives, both in print, through social media, and planned in-person outreach events. The meeting is designated to the review of all upcoming initiatives and to identify opportunities for message amplification, cross-agency participation, and overlap or gaps in events in order to best serve the community.

The function of the JIC also includes the identification of priority messaging to residents in the disaster-impacted areas. The JIC has established a process that allows partner agencies the opportunity for comment, recommendations, and edits to any public-facing messaging materials including but not limited to newsletter, pamphlets, and fliers. News releases from all partnering agencies are regularly tracked and distributed through the JIC email list serv for amplification among partners and to increase the reach and dissemination of information to residents.

### 4.3 Lines of Effort for Recovery

In response to the DR-4652-NM declaration, State of New Mexico mobilized an integrated response and recovery structure through Lines of Efforts, which were initiated as an alternative to Recovery Support Functions based on the high level of focus required for Drinking Water and Watershed Restoration. This operational structure encompasses over 75 partners contributing resources, technical expertise, and project implementation. Over the duration of the recovery operation, the Lines of Effort have consolidated into three priorities which are the focus of interagency coordination and investment: Watershed Restoration, Economic Recovery, and Housing Recovery.

The interagency recovery management structure is guided at the direction of a Joint Wildfire Recovery Steering Committee which shapes the overall vision of the Lines of
Effort. Each Line of Effort has a distinct set of objectives and milestones that are tracked to maintain consistency in delivery of available programs and tracking in accomplishment of recovery outcomes. These objectives are implemented through tactical-level Task Forces which include representation from a wide range of federal, state, and local partners, including funding entities/programs, regulatory authorities, program administrators, local governments, private non-profits, and other eligible subrecipients.

To effectively coordinate federal partners through a structure that state agencies and local partners could access and tap into, the State of New Mexico organized Lines of Effort for Recovery to strategize assistance and facilitate regular coordination. This structure is distinct from the traditional Recovery Support Function (RSF) structure, in that it defines more targeted focus areas for critical needs specific to the disaster that New Mexico experienced. The remainder of this section describes each of these Lines of Effort and its active partnership network.

4.3.1 Economic Recovery Line of Effort

**Stakeholders:** Economic Development Administration, State Workforce Solutions, U.S. Department of Agriculture, State Small Business Development Center, and Small Business Development Administration, Department of Labor, Councils of Government/Economic Development Districts, U.S. Census Bureau, Public Education and Higher Education Departments, University of New Mexico Bureau of Business and Economic Research (BBER), UNM Department of Business, UNM Department of Agriculture, New Mexico State University, Access to Healthy Food and Hunger Initiative, New Mexico Chamber of Commerce, American Indian Chamber of Commerce, and New Mexico Outdoor Recreation.

**Additional State Level Resources:** New Mexico Department of Workforce Solutions Displaced Workers Program, and New Mexico Economic Development Administration University Center (UC) Program, New Mexico Finance Recovery and Stimulus Programs (e.g., Small Business Recovery Loan Fund), and New Mexico Economic Development Department Wildfire Business Assistance Grants.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Restore economic and business activities to a state of health and stimulate new opportunities. Focus on the distribution of federal funds to impacted business sectors, as well as other activities that restabilize the local tax base.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recovery Outcomes</td>
<td>• Strategic planning and coordination is conducted with broad input and considers regional economic recovery, market conditions, and resiliency.</td>
</tr>
</tbody>
</table>
• Increase access to capital and resources so that private and public sector actors have information they need to make informed decisions about recovery.
• Increase capacity to receive and implement funding, as well as facilitate project prioritization and development.
• Workforce development, entrepreneurial, and business development initiatives are in place; jobs are created and retained.
• The State proactively encourages federal fund distribution to historically disadvantaged communities, including based on race, color, population size, national origin, religion, sex, age, or disability are present.
• Coordinate with other Lines of Effort to support cross-cutting goals and outcomes.

4.3.2 Housing Recovery Line of Effort

**Stakeholders:** U.S. Department of Agriculture, Department of Finance and Administration, New Mexico Mortgage Finance Authority, University of New Mexico Engineering and Architecture Departments, DHSEM Mitigation Unit, State Regulation and Licensing Department, San Miguel County Planning and Zoning, Mora County Planning and Zoning, New Mexico Voluntary Organizations Active in Disaster, Long-Term Recovery Group, State Human Services Department, FEMA IA, State Office of the Superintendent of Insurance, New Mexico Coalition to End Homelessness, USDA Rural Development, and USDA Rural Partners Network.

**Additional State Resources:** New Mexico Department of Finance and Administration NM Home Program; New Mexico Mortgage Finance Authority, Emergency Services Grant (ESG) Rapid Rehousing; Homeownership Assistance Fund; HOME Rehab and Housing Opportunity Fund.

**Purpose**
Support residents in returning to their previous residences, either by providing or supporting process to have an ongoing housing solution. Develop and facilitate an approach that supports both immediate and long-term housing stabilization.

**Recovery Outcomes**
- Households affected by DR-4652-NM are provided resources and support including a pathway to housing stabilization through a portfolio of short- to long-term solutions.
• A best effort is made to contact all households affected by DR-4652-NM are through multiple outreach methods, including in-person, digital, and physical resources.

• Clear building codes, standards, and recommendations are defined in coordination with broader watershed mitigation strategies to enhance the resilience of the housing stock.

• Long-term affordable housing stock increases in availability as a sub-product of activities to facilitate housing stabilization.

• Coordinate with other Lines of Effort to support cross-cutting goals and outcomes.

### 4.3.3 Watershed Line of Effort

**Stakeholders:** Department of Homeland Security and Emergency Management, Department of Transportation, FEMA Liaisons, Tribal Governments, Acequia Associations, Land Grants, Local County/Municipal Governments, Water Districts, New Mexico Game and Fish, New Mexico Reforestation Center, New Mexico State University, University of New Mexico, Hermit's Peak Watershed Alliance, New Mexico Energy, Minerals, and Natural Resources Department, and NMED Surface Water Quality Bureau.

**Additional Federal Funding Resources:** United States Department of Agriculture USDA, Natural Resource Conservation Service (NRCS), U.S. Army Corps of Engineers (USACE), and United States Geologic Survey (USGS).

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Recovery Outcomes</th>
</tr>
</thead>
</table>
| Develop the Post-Fire Recovery Action Strategy or PFRAS (FEMA Planning Team) and develop a mitigation approach that enables every Hazard Mitigation project to be written, approved, and funded. Focus on the identification of projects that can be communicated and implemented locally with federal coordination where required. | • Improve watershed resilience through slope stabilization, reforestation, and watershed health projects.  
• Develop watershed-based recommendations for improving critical infrastructure (e.g., transportation, utilities).  
• Engage with communities to install mitigation projects that support traditional lifeways, including Tribes, acequias, and land grants.  
• Maintain water quality standards in the long term.  
• Establish clear communication between local, state, and federal agencies engaged in watershed mitigation efforts. |
5.0 Program Administration

5.1 Summary of Administrative Structure

The State DHSEM is entitled to a maximum of 5% of the total CDBG-DR allocation and will act as the lead agency for the overall administration of the CDBG Disaster Recovery funding ($4,131,000). Together, Planning and Administration are capped at 20% of the total grant allocation. Of this, by regulation, up to 5% of the grant can be used for administration. The DHSEM will administer and utilize sub-grantees to disburse the CDBG Disaster Recovery funding directly to benefit homeowners, multifamily property owners, and other eligible beneficiaries of the funding. Administration of the CDBG Disaster Recovery funding ensures that program activities reach affected residents in a consistent and coordinated manner. The DHSEM will implement the programs and activities detailed in this Action Plan primarily through dedicated staff but may also utilize consultants and third-party contractors.

It is important to define the difference between Activity, Activity Delivery, and Grant Administrative Costs. 24 CFR 570.205 covers grant administration.

- **Activity Costs**: Actual costs to acquire, rehabilitate or construct projects.
- **Activity Delivery Costs (ADC)**: costs incurred by sub-recipients to facilitate the development of specific projects and programs (e.g. environmental review, work write up, applicant selection, rehab standards), can include soft costs tied to specific project and are reported within the project or program.
- **Grant Administrative Costs**: Costs that grantee (DHSEM) must incur to administer or manage the CDBG DR grant (e.g. monitoring, financial management, reporting).
- Any third-party contractors to be retained by DHSEM will vary by activity category (i.e. Housing, Public Infrastructure (facilities, roadways, bridges, culverts) Economic Revitalization, Planning) and may include, but not be limited to:
  - Architectural and Engineering services;
  - Internal DHSEM CDBG-DR Program Auditing;
  - Environmental Review services (including historic preservation review);
• Construction Management services;
• General Contracting (including subcontracting); and,
• Application Intake and Evaluation for homeowner programs as applicable.

DHSEM staff are dedicated to the administration of the CDBG-DR funding and are responsible for complying with the significant federal requirements related to financial management and control, programmatic compliance and monitoring, affirmatively furthering fair housing, and the prevention of fraud, waste and abuse. These staff members will be responsible for administering all aspects of the State's CDBG-DR Program, including oversight of all contractors, working with individual applicants, processing the necessary payments, tracking projects and program activities, reporting in the federal Disaster Recovery Grants Reporting (DRGR) system, as well as coordinating the activities of other state agencies in relation to disaster recovery.

DHSEM staff also oversee the extensive federal requirements associated with programmatic compliance and monitoring. These staff members will be responsible for ensuring the overall administration of the Funding complies with all applicable federal requirements. They monitor other DHSEM staff to ensure the proper implementation of consistent processes and procedures, particularly as they relate to the identification and prevention of the duplication of benefits (DOB). This compliance team will also be responsible for monitoring all DHSEM contractors and service providers as detailed in the CDBG-DR Policy and Procedures Manual located on the DHSEM's CDBG-DR website [www.dhsem.nm.gov/cdbgdr]. As previously noted, there will also be long-term compliance requirements associated with some of these program activities (i.e. liens on homeowner and multifamily properties for extended periods.

To effectively administer the CDBG Disaster Recovery funding consistent with these federal requirements, and to ensure that the necessary safeguards are provided, and monitoring processes and procedures are established and followed, the State intends to utilize the full allotment of administrative funds allowed under the Federal Register Notice. By regulation, the CDBG Disaster Recovery administration for this allocation is subject to 5% of the total funding amount.

5.1.1 Grant Management Capacity

To support management and maintain compliance, the DHSEM has developed a framework for ensuring that the capacity needs of administering the grant are met. This framework was presented to HUD via the Certification Checklist for State CDBG-DR Grantees along with the Grantee Certifications Package.

To scale up the DHSEMs capacity, key staff will be trained on all program-related activities. This training will support maintaining compliance and providing a high quality
of service to beneficiaries. The DHSEM Grants Division will also enter into partner agency agreements with the Department of Finance and Administration (DFA), the New Mexico Mortgage Finance Authority (NM MFA), as appropriate, to administer the HMGP and Multi-Family housing programs, where applicable.

5.1.2 Expenditures

The DHSEM will initiate drawdown funds immediately after HUD’s approval of the Action Plan in the Disaster Recovery Grant Reporting (DRGR) system no later than December 31, 2024. Funds will be spent in full within six years of the date HUD obligates the funds to DHSEM.

5.1.2.1 Program Income

The activities described in the New Mexico CDBG-DR Action Plan for Disaster Recovery are not designed to generate program income and DHSEM does not expect generation of program income to result from implementation of these activities. However, under the CDBG-DR program, there are specific rules and requirements associated with the management and use of income received by recipients and subrecipients that is related to CDBG-funded activities and DHSEM must be prepared to handle such funds should the situation arise.

Policy form CDBGDR-002 defines what program income is, explains the requirements of a Program Income Plan and describes requirements for managing, using and reporting program income, should the DHSEM encounter an activity that generates Program Income.

Each CDBG agreement must contain a Program Income Plan, whether income will be received or not. The State will normally require that all program income derived from CDBG disaster recovery funds be returned to the State unless the recipient requests to retain program income to be used for the same activity that generated the program income. An example of this would be retaining income received from a housing rehabilitation grant to rehabilitate additional houses. DHSEM will determine when an activity is considered to be a continuation of the same activity that generated the income.

5.1.2.2 Resale or Recapture

The DHSEM may recapture and be reimbursed for any payments, including those for any unapproved expenditures, that it makes to the subrecipient that exceed the maximum allowable rates; are not allowed under applicable laws, rules, or regulations; or are otherwise inconsistent with the subrecipient contract.
5.2 Compliance Requirements

5.2.1 Eligible and Ineligible Activities

The CDBG-DR funds must be used toward disaster recovery activities, addressing disaster relief, restoration of infrastructure, and housing and economic revitalization, directly related to the 2022 wildfire, flash flood and straight-line winds disasters under DR-4652.

CDBG-DR funds from the HUD disaster appropriation may be used for eligible activities that meet at least one of the HUD National Objectives. In the form of eligible projects to which FEMA has provided assistance, or that other sources, including FEMA, cannot fund or cannot fund in full, but that are nevertheless critical to recovery, or for activities where the costs significantly exceed the amount of assistance that FEMA or other sources can fund. However, any appropriation covered by this Plan shall be reviewed for compliance with duplication of benefits (DOB) guidelines. A key update is described by HUD as follows: “CDBG–DR grantees shall not treat declined subsidized loans, including declined SBA loans, as a DOB (but are not prohibited from considering declined subsidized loans for other reasons, such as underwriting).” Funds may also be used as a matching requirement, share, or contribution for any other federal program, provided all activities are CDBG-DR eligible and in compliance with DOB guidelines. DHSEM must maintain and submit documentation to SBA of loan cancellations if applicable.

5.2.2 Monitoring

DHSEM is committed to the responsible, efficient, and transparent administration of the CDBG-DR funds allocated and has financial management systems, policies, procedures, and practices necessary to demonstrate fiscal responsibility to HUD. Its subrecipient monitoring policy is defined in GRA 418, and will be applied to all CDBG-DR activities.

DHSEM will use procedures, systems, and monitoring strategies that encompass cross-cutting regulatory requirements including HUD regulations, civil rights, environmental regulations, labor standards, fair housing law, citizen participation, and recordkeeping to ensure compliance with the Federal Register Notice (FR-6428-N-01).

5.2.3 Duplication of Benefits

As stated in 88 FR 6428, Section 312 of the Robert T. Stafford Act, as amended, prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster for which such person, business concern, or other entity has received financial assistance under any other program or from insurance or any other source. In accordance, the DHSEM will
implement policies and procedures to ensure each activity aids a person or other entity only to the extent that the person or entity has a disaster recovery need that has not been fully met by FEMA, the USACE, insurance, or another source. Further guidance for duplication of benefits is outlined in 88 FR 6428, published November 27, 2023.

The DHSEM provides program-wide oversight and monitoring activities for all applicable CDBG and related federal requirements in its administration of the CDBG-DR Program. The DHSEM will provide technical assistance, including a duplication of benefits review to ensure compliance with the Stafford Act, to subrecipients from the application stage through the completion of the projects to ensure that funds are appropriately used for CDBG-DR activities.

Award calculations are based on the following factors: damage/scope of project work needed; and a review of funding from all sources to ensure no Duplication of Benefits (DOB); and availability of DOB funds, if any, for use in the project. Awards are determined after factoring in the inputs listed above, subtracting any unaccounted-for DOB, and then factoring in the pre-determined program caps that apply to the assistance activities to be used.

Applicant awardees must subrogate any additional funds received for damage caused back to the assistance program. CDBG-DR funding must be funding of last resort and if additional funds are paid to applicant awardees for the same purpose as the assistance award, they receive through DHSEM assistance (i.e., repair or replacement of the damaged structure) after DHSEM has completed the repair/rehabilitation project, those funds must be returned to New Mexico.

### 5.2.4 Fair Housing

Disasters also exacerbate existing problems in a community, particularly as protected classes have fewer resources to rebound from them. With high housing costs across the state and limited options available, disasters further tighten already stressed housing markets, including many areas impacted by the 2022 DR-4652 disaster. Due to lack of available housing, many disaster survivors, if financially able, move out of the area or state, while others are forced to live in temporary housing or lose their home. Accordingly, DHSEM is committed to Affirmatively Furthering Fair Housing.

DHSEM will develop policies and procedures for compliance with Affirmatively Furthering Fair Housing (AFFH) requirements during this action plan's implementation. Such policies and procedures will involve a review that will include an assessment of the proposed housing project area's demography, socio-economic characteristics, environmental hazards or concerns, and other factors material to the AFFH determination. Applications shall show that housing-related projects are likely to lessen racial, ethnic, and low-income
concentrations, and/or promote affordable housing in low-poverty, non-minority areas in response to natural hazard-related impacts.

DHSEM will ensure all investments adhere to the following policy priorities:

- Create more affordable, quality housing, that is equitably distributed throughout the 7 designated counties: Mora, Lincoln, San Miguel, Sandoval, Colfax, Los Alamos and Valenica, with priorities on the MID areas of Mora, Lincoln and San Miguel.
- Preserve and improve existing housing occupied by low- and moderate-income renters and owners
- Work to improve economic conditions of persons with disabilities
- Create more accessible, affordable, quality housing, to accommodate persons with disabilities
- Strengthen access to fair housing and knowledge of fair housing among residents and landlords

All projects under DHSEM will follow affirmative marketing procedures for outreach to protected class groups least likely to apply to grantee or subrecipient grantee related housing projects. Additionally, materials will be provided in other languages, such as Spanish, to accommodate Limited English Proficiency (LEP) persons.

Examples of targeted processes and strategies for LEP households and individuals living with disabilities are included below:

- Providing direct support from DHSEM’s Disaster Case Management Program
- application assistance to local, state and federal programs;
- legal services;
- language translation and interpretation services;
- managing and curating an up-to-date list of licensed, bonded and insured construction contractors;
- facilitating access to additional funding; and
- proactively targeting multi-generational households, senior households and collaborations with trusted community stakeholders’ due to government distrust.
5.2.4.1 Rural Populations

New Mexico’s pre-disaster housing stock has traditionally been concentrated near metropolitan areas. These pre-existing low levels of housing stock in rural areas has made the State-identified MID areas’ traditional, generations-old housing especially vulnerable to natural hazards, such as wildfires, flooding, and landslides when coupled with areas they are situated in, such as heavily forested, flood-prone areas. This, in combination with the shortage of labor and construction supplies, has added to the challenges faced by rural communities in rebuilding and replacing destroyed housing.

The DHSEM will work with residents and local governments to ensure homes are built in line with HUD requirements, and to standards that make them more energy efficient and resilient to the spectrum of natural hazards faced in the rural impacted areas – not just wildfires. The State will allow for the repair or replacement of damaged public and private infrastructure - including acequias where applicable - in its housing programs.

The 2022 DR-4652 disaster impacted key agricultural areas within the State of New Mexico.

The Agriculture and Acequia Task Forces engage with New Mexico State University’s Agricultural Extension Offices to actively address seasonal needs of rural ranchers and growers directly impacted by the disaster.

5.2.4.2 Individuals Living with Disabilities

DHSEM identified significant challenges in addressing affordable and accessible recovery needs for people with disabilities:

- Accessible elevation can be a barrier for people with mobility disabilities and older adults who are aging in place. Elevated homes can be daunting for individuals requiring zero-step entry.

- Accessible homes are undersupplied. Therefore, someone with a physical disability may prefer to continue living in their home than go through the physically and mentally strenuous process of moving.

- For renters and homeowners living with a disability, accessibility is of the utmost importance when searching for a new home. Housing is unsuitable unless it accommodates the physical needs of its inhabitants. This also includes access to community services and support, such as public transportation. These additional requirements often limit a resident’s ability to identify lower-cost housing.
5.2.4.3 Populations Over the Age of 65

Senior households face special challenges and are disproportionately affected in the face of disasters. Challenges range from owner occupied households not having insurance as the mortgage is likely paid off, to persons unable to take properly stored and refrigerated medication or use ventilation support devices due to lack of electricity. The DHSEM has provided support through Lines of Effort in place of FEMAs traditional stakeholder engagement mechanism of Recovery Support Functions (RSFs). In collaboration with FEMAs Interagency Recovery Coordination team (IRC), the DHSEM has transitioned to an approach that focuses operational stakeholder engagement through LOEs. These include the following active monthly meetings for task forces: Housing Recovery, Economic Recovery, Acequias, Agriculture, Drinking Water and Watershed Recovery.

5.2.5 Labor Standards

DHSEM’s role includes determining the capacity and experience of project developers and/or construction contractors, completion of the environmental review, project oversight, and ensuring compliance with the accessibility requirements of both the Federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 during construction and at initial occupancy. DHSEM will be responsible for monitoring developer or contractor compliance with construction advertisement and notification to minority and women-owned businesses of contacting opportunities available for the federally assisted project. DHSEM will monitor labor standards compliance and compliance with HUD’s Section 3 quantitative and qualitative benchmarks during construction and will ensure long-term compliance with affordability requirements and fair housing laws throughout the affordability period.

5.2.5.1 Davis-Bacon Compliance

If construction work is ongoing when an application for reimbursement or financing of construction costs is submitted, then the Davis-Bacon prevailing wage rates are applicable. Under the regulations of the U.S. Department of Labor (DOL) at 29 CFR §1.6(g), where federal assistance is not approved prior to contract award (or the beginning of construction if there is no contract award), Davis-Bacon wage rates apply retroactively to the beginning of construction and must be incorporated retroactively in the contract specifications.

However, if there is no evidence that the owner intended to apply for the CDBG-DR assistance prior to the contract award or the start of construction, then HUD requests that DOL allow prospective, rather than retroactive, application of the Davis-Bacon wage rates.
5.2.5.2 **Section 3 Compliance**

Contractors selected under DHSEM will make every effort to provide opportunities to low- and very low-income persons by providing resources and information to notify Section 3 individuals and businesses about opportunities in the community.

DHSEM will undertake the following efforts to help meet its Section 3 goals:

- Ensure that Section 3 requirements are outlined in all applicable contracts and subrecipient agreements.
- Build the capacity of stakeholders, including subrecipients and contractors, to meet Section 3 standards through technical assistance, tools, and guidance.
- Designate a Section 3 coordinator who will manage, support, and facilitate an effective Section 3 program and effectively communicate program requirements to stakeholders.

5.2.6 **Construction Standards**

New Mexico will implement construction methods that emphasize quality, durability, energy efficiency, sustainability, and mold resistance. All rehabilitation, reconstruction, and new construction will be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigation against the impact of future shocks and stressors.

DHSEM will require quality inspections and code compliance inspections on all projects and places, with an emphasis on high-quality, durable, sustainable, and energy-efficient construction methods and materials. Site inspections will be required on all projects to ensure quality and compliance with building codes.

5.2.6.1 **Lead-Based Paint**

Subrecipients and their scope of work must meet program requirements and the project meets environmental, asbestos, lead-based paint review, and other applicable abatement and mitigation requirements. The State will provide construction advisory and housing navigation services for all homeowners who receive assistance directly from the program.

* The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24CFR part 35, subparts A, B,J, K, and R.
5.2.6.2  Green and Resilient Building Standards

Ensuring that all newly constructed infrastructure is designed and constructed to withstand extreme weather events and the impacts of climate change, including whether projects meet federal elevation, updated code compliance, floodproofing requirements, wildfire mitigation strategies, mitigation strategies against other applicable natural hazards within the local and State natural hazards mitigation plans, and green infrastructure strategies.

All rehabilitation, reconstruction, or new construction must meet an industry-recognized standard that has achieved certification under at least one of the following programs:

- ENERGY STAR® (Certified Homes or Multifamily High Risk)
- Enterprise Green Communities
- LEED (New Construction, Homes, Midrise, Existing Building Operations and Maintenance, or Neighborhood Development)
- ICC 700 National Green Building Standard®
- U.S. Environmental Protection Agency (EPA) Indoor airPLUS
- Equivalent or higher New Mexico energy efficiency standards
- Any other equivalent comprehensive green building standard program acceptable to HUD

5.2.6.3  Elevation Standards

DHSEM requires its subrecipients and contractors to comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a 100-year (or one percent annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 88 FR 6428.

Costs of elevation will be included as part of the overall cost of rehabilitation of a property. Many homes in the impacted areas with substantial damage need updates to meet current federal, state, and local code requirements when repaired. If a home is within a 100-year floodplain, a cost estimate will be completed and compared with local and national averages comparable to the home’s size, number of feet required for elevation, and the geography of the location. Any building that has a total cost of repairs greater than 50 percent of the pre-disaster value of the property is considered substantially damaged and will require the entire building to be brought into code compliance.
Where a neighborhood or large tract of houses have substantial damage that also require elevation, the overall impact of elevation on the long-term affordability and maintenance of the housing stock for that area will be considered in determining the best and most reasonable way forward to provide repairs.

Property owners assisted through the recovery program will be required to acquire and maintain flood insurance if their properties are in a FEMA-designated floodplain. This requirement is mandated to protect resident safety and their property and federal funding investments. The state will ensure adherence to Section 582 of the National Flood Insurance Reform Act requiring property owners receiving disaster assistance triggering the flood insurance purchase requirement, that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

All critical actions, as defined at 24 CFR 55.2(b)(3), within the 500-year (or 0.2% annual chance) floodplain must be elevated or floodproofed (in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(2)–(3) or a successor standard) to the higher of the 500-year floodplain elevation or 3 feet above the 100-year floodplain elevation. If the 500-year floodplain is unavailable and the critical action is in the 100-year floodplain, then the structure must be elevated or floodproofed (in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(2)–(3) or a successor standard) at least 3 feet above the 100-year floodplain elevation.

“Critical actions” are defined as “any activity for which even a slight chance of flooding would be too great because such flooding might result in loss of life, injury to persons or damage to property.” For example, Critical Actions include hospitals, nursing homes, emergency shelters, police stations, fire stations, and principal utility lines.

Exceptions to this requirement may be allowable when the following conditions apply:

- CDBG–DR funds are used as the non-federal match for FEMA assistance.
- The FEMA-assisted activity, for which CDBG–DR funds will be used as match, commenced before HUD’s obligation of CDBG–DR funds to the grantee.
- DHSEM has determined and demonstrated with records in the activity file that the implementation costs of the required CDBG–DR elevation or floodproofing requirements are not “reasonable costs” as that term is defined in the applicable cost principles at 2 CFR 200.404.

5.2.7 Flood Insurance Requirements

Assisted property owners must comply with all flood insurance requirements. HUD-assisted homeowners for a property located in a Special Flood Hazard Area must obtain
and maintain flood insurance in the amount and duration prescribed by FEMA’s National Flood Insurance Program (NFIP). The DHSEM may not provide disaster assistance for the repair, replacement, or restoration of a property to a person who has received Federal flood disaster assistance that was conditioned on obtaining flood insurance and then that person failed to obtain or allowed their flood insurance to lapse for the property. The DHSEM is prohibited by HUD from providing CDBG-DR assistance for the rehabilitation or reconstruction of a house if:

- The combined household income is greater than 120 percent AMI or the national median;
- The property was located in a floodplain at the time of the disaster; and
- The property owner did not maintain flood insurance on the damaged property.

To ensure adequate recovery resources are available to LMI homeowners who reside in a floodplain but who are unlikely to be able to afford flood insurance may receive CDBG-DR assistance if:

- The homeowner had flood insurance at the time of the qualifying disaster and still has unmet recovery needs; or
- The household earns less than 120 percent AMI or the national median and has unmet recovery needs.

Property owners assisted will be required to acquire and maintain flood insurance in perpetuity if their properties are located in a FEMA designated floodplain. This requirement is mandated to protect the safety of residents and their property and the investment of federal dollars. New Mexico will ensure adherence to Section 582 of the National Flood Insurance Reform Act regarding the responsibility to inform property owners receiving disaster assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

5.2.8 Cost-Effectiveness

The primary objective of the Wildfire and Flood Recovery Program is the provision of decent, safe, and sanitary housing in the areas impacted by the DR-4652-NM disasters. Additionally, the program is designed to ensure that the housing needs of very-low, low-, and moderate-income households and vulnerable populations, including individuals that were made homeless as a result of the disaster, are addressed to the greatest extent feasible. Furthermore, the program will not only address disaster-related damages but also will mitigate potential future damage.
The program will provide rehabilitation or reconstruction assistance to eligible applicants based on the extent of damage to their primary residences. All projects will incorporate wildfire mitigation measures including the use of ignition-resistant building materials and the creation of defensible space, reducing risk from future wildfire disasters.

The DHSEM will rely on licensed engineers responsible for project budget justification, construction code requirements, and CDBG-DR project funding maximums. The DHSEM will encourage subrecipients to consider the costs and benefits of the project when selecting CDBG-DR eligible projects.

The maximum amount of assistance available to subrecipients under the DHSEM’s disaster recovery program will be the maximum allocated set in the DHSEM Use of Funds by each program. For all activities, the DHSEM’s guidelines establish assistance maximums. A waiver request must be submitted to the DHSEM if a subrecipient’s housing assistance maximums exceed the DHSEM amounts. The DHSEM will evaluate each housing assistance waiver request for cost effectiveness.

“Demonstrable hardship” is defined by the DHSEM as:

DHSEM defines a residential property as “not suitable for rehabilitation” as follows:

Those units for which the cost of rehabilitation, including clear consideration for resolving issues affecting health and safety, exceeds the cap allowed for the project type.

Applications in this situation will be reviewed on a case-by-case basis to determine whether assistance is required to alleviate such hardship. Following the Residential Anti-displacement and Relocation Assistance Plan (RARAP), the DHSEM defines “not suitable for rehabilitation” as those units for which the cost of rehabilitation, including clear consideration for resolving issues affecting health and safety, exceeds the cap allowed for the project type.

5.2.9 Financial Standards

The federal compliance requirements of federal recovery funding will be leveraged to entrench a culture of transparency in participating institutions and facilitate the modernization of governmental practices and services. This includes compliance with 2 CFR regulations, including for procurement. DHSEM already conducts training in compliance with the 2 CFR regulations for its disaster-impacted subrecipients and will maintain financial standards with these and State Procurement regulations and guidelines.
5.3 Amendment Process

Should the needs of the state throughout the disaster recovery process change, or as programs evolve through the grant administration process, the DHSEM will be responsible for amending the Action Plan to most effectively deploy CDBG-DR funds. Amendments may include updates to the UNA, program sections, or redistribution of funding allocations. The process required for completing a plan amendment varies based on the nature of the amendment.

The DHSEM will be responsible for coordinating with partner agencies or jurisdictions to update the plan. All amendments will be clearly marked in the body of the plan. Moreover, at the beginning of each amended plan, there will be a summary of the amendment logged in an index table preceding the Table of Contents (i.e., Record of Changes).

5.3.1 Substantial Amendment

A substantial amendment is defined by the minimum threshold for requiring substantial amendment procedures, including:

- A change in program benefit or eligibility criteria;
- An addition or deletion of an activity; or
- An allocation or reallocation of 10 percent or more of the CDBG-DR allocation.

Substantial amendments will utilize the process for public participation as outlined in the Citizen Participation Plan (Section 6: Citizen Participation Plan) and will utilize the Substantial Action Plan Amendment Review Checklist. After finalization, the most up-to-date version of the plan will be available on the www.dhsem.nm.gov website and available upon request from the DHSEM.

5.3.2 Non-Substantial Amendment

A non-substantial amendment is an amendment to the plan that includes technical corrections, clarifications, and/or budget changes that do not meet the monetary threshold for substantial amendments to the plan and does not require posting for public comment. The DHSEM will notify HUD five business days before the change is effective. All amendments will be numbered sequentially and posted to the website into one final, consolidated plan.
5.4 Program Information Accessibility

The DHSEM will maintain a public website that provides information accounting for how all grant funds are used, managed, and administered, including links to all disaster recovery public action plans, public action plan amendments, program policies and procedures, performance reports, citizen participation requirements, activity and program information described in this plan, and details of all contracts and ongoing procurement processes. These documents will be available in a form accessible to persons with disabilities and limited English Proficiency.

Specifically, DHSEM will make the following items available: the Action Plan created using the Disaster Recovery Grant Reporting System (DRGR), including all amendments; each Quarterly Progress Report (as created using the DRGR); citizen participation plan; procurement policies and procedures; all executed contracts that will be paid with CDBG-DR funds as defined in 2 CFR 200.22 (including subrecipients’ contracts); and a summary, including the description and status of services or goods currently being procured by the grantee or the subrecipient (e.g., phase of the procurement, requirements for proposals). Contracts and procurement actions that do not exceed the micro-purchase threshold, as defined in 2 CFR 200.67, are not required to be posted on a grantee’s website.

In addition, DHSEM will maintain a comprehensive website regarding all disaster recovery activities assisted with these funds. DHSEM shall make these documents available in a form accessible to persons with disabilities and those with limited English proficiency, or LEP. DHSEM shall take reasonable steps to ensure meaningful access to their programs and activities by LEP persons, including individuals from underserved communities, and in a form accessible to persons with disabilities.

6.0 Citizen Participation Plan

The State of New Mexico plans to serve residents in the disaster impacted areas, especially those of low and moderate income in the most impacted and distressed areas, through the HUD allocated CDBG-DR. As required of HUD CDBG-DR recipients, the State of New Mexico has developed this Citizen Participation Plan. The plan reflects the requirements specified by the United State Department of Housing and Urban Development (HUD) in the Federal Register (FR Vol. 88, No. 226). The State, through the Department of Homeland Security and Emergency Management (DHSEM), will ensure the Citizen Participation Plan meets the CDBG-DR regulations and takes into consideration the waivers and alternatives made available by HUD.
The primary goal of the State of New Mexico’s Citizen Participation Plan is to ensure participation in an advisory role by citizens in the areas where it is proposed CDBG-DR be used. Particular care will be taken to engage New Mexico residents in the impacted areas who reside in the most impacted and distressed areas (MID areas), residents of low or moderate income, and to provide information and accept comments in English and in Spanish as both languages are prevalent in the disaster impacted areas. The State of New Mexico expects to fund activities that address the needs of impacted residents in the three general categories of housing, infrastructure, and economic recovery.

6.1 Website

DHSEM maintains a regularly updated website at www.dhsem.nm.gov. The homepage provides a link to a landing page designated specifically to recovery efforts, providing resources and information for residents impacted by the disaster. A specific page is designated to CDBG-DR at www.dhsem.nm.gov/ where the Action Plan, subsequent amendments, public comments, and responses will be accessible to the public to read and to comment.

6.2 Community and Interagency Partner Engagement

DHSEM encourages residents in the disaster impacted areas to provide comment on the Action Plan and any subsequent amendments. DHSEM will conduct outreach to residents, local, state, and federal agencies serving residents, and local and state officials to encourage review and comment on the Action Plan. The State will conduct additional outreach efforts through emails, written and oral briefings to local and state officials, and regular updates at stakeholder meetings.

- DHSEM will provide regular briefings to the Governor’s Office and attend regular Stakeholder Roundtable meetings to brief the New Mexico Congressional Delegation to ensure continuous and accurate information is available to New Mexico constituents.
- DHSEM coordinates 75+ local, state, and federal stakeholders through the Lines of Effort to support disaster recovery. The CDBG-DR action plan and activities will be a regular agenda item at ongoing Lines of Effort (LOE) meetings including at the Housing Recovery and Debris Removal Task Force.
- DHSEM coordinates regular Recovery Technical Assistance Team (RTAT) meetings that engage local officials in the disaster impacted areas in recovery efforts. DHSEM will provide updates, solicit feedback from local jurisdictions, and call for public comment through the RTATs.
6.3 Public Comment

Public comment will be available to residents in impacted areas on the State of New Mexico’s Action Plan and any subsequent substantial amendments for a thirty-day period. Comments can be submitted in writing through email, website, or letter. Oral comments can be submitted through the Disaster Case Management program or at public events.

Written comments can be submitted through the following:

- Email at publiccomments@dhsem.nm.gov
- Website at www.dhsem.nm.gov in the Public Comment box
- Letter at CDBG-DR, 3005 St. Francis Drive, Suite 1-D, Santa Fe, NM 87505

Oral comments can be submitted through the following:

- Provide verbal comments to a Disaster Case Manager
- Call the Disaster Case Management helpline at 505-670-4662
- Attend any state-sponsored recovery event and speak with a DHSEM team member
- Attend CDBG-DR Public Hearings (see Public Hearings below)

6.3.1 Public Hearings

In compliance with HUD Federal Register FR Vol. 88, No. 226 dated November 27, 2023, the State of New Mexico will convene Public Hearings to provide opportunity for public comment. At least four public hearings will be held in MID areas including San Miguel, Mora, Colfax, and Lincoln Counties.

6.3.2 Public Notice and Comment Period

The State of New Mexico will ensure that all HUD requirements for citizen engagement are met. DHSEM will post the initial Action Plan to the designated CDBG-DR website for at least thirty days of public comment. Public comments (both oral and written) will be considered and included in the final action plan. Public comments will be posted on DHSEM’s CDBG-DR website.

Public notice will be provided to affected parties through the interagency recovery newsletter, fliers, and the DHSEM website. The State of New Mexico will make copies of the Action Plan available as requests are received.
Press releases will be sent to all major news outlets in New Mexico with additional outreach to four newspapers within the MID Areas: The Las Vegas Optic, the Ruidoso News, the Santa Fe New Mexican, and Taos News.

The Las Vegas Optic serves both San Miguel and Mora Counties, areas impacted by the Hermit’s Peak/Calf Canyon wildfire – the largest in New Mexico’s history – where 430 homes were destroyed.

The Ruidoso News serves Lincoln County where 200 homes were lost to the McBride fire. The Village of Eagle Nest and the Village of Angel Fire, both impacted by the fires, are served by the Santa Fe New Mexican and Taos News. The rural nature of all four counties presents significant challenges to affordable and low-income housing.

The DHSEM Disaster Case Management program publishes a monthly newsletter, Recover New Mexico, in a coordinated effort to provide impacted residents in San Miguel and Mora Counties with information to support their recovery. Public notices will be published in the newsletter, which is available in English and Spanish and is distributed through partnerships with area fire stations and community partners.

6.3.3 Individuals with Limited English Proficiency (LEP)

Publication of public notices and the Executive Summary of the New Mexico CDBG-DR Action Plan will be published in English and in area-specific Spanish. Instructions for providing oral and written comments on the Action Plan will be published in both English and area-specific Spanish. Public notices will be published at a 5th grade reading level.

6.3.4 Individuals with Disabilities

Persons with disabilities are able to request support for access to large print and/or electronic copies of the Action Plan and/or to provide comment by calling 505-670-4662 or by emailing publiccomments@dhsem.nm.gov.

The DHSEM website will house the Action Plan and other relevant documents for access by the visually impaired.

6.4 Response to Citizen Complaints

The State of New Mexico takes complaints seriously and will work to address complaints received swiftly, conscientiously, and fairly.
6.4.1 Formal Complaints

The State of New Mexico defines Formal Complaints as those received in writing through email, handwritten or typed notes, or through the DHSEM CDBG-DR website as a formal grievance on an actionable issue.

Before program implementation, the State of New Mexico will put into place a defined grievance procedure that will at minimum include:

- How the grievance shall be documented
- The name and position of the person authorized to review and respond to the grievance
- An appeal process if the complainant is not satisfied with first level response
- Timeline for complaint resolution
- Tracking of complaints (how status and results shall be documented and reported).

The State of New Mexico will make every effort to respond to formal complaints within 15 days of receipt. Should a response take longer than the 15 days, the State of New Mexico will document the reason for the longer timeline.

6.4.2 Informal Complaints

The State of New Mexico defines Informal Complaints as verbal complaints or written complaints that are either too vague or too general for action. As possible, the State of New Mexico will address and resolve informal complaints but will not be held to the same written response process outlined above.

6.4.3 Additional Routes for Submitting Complaints

In addition to the publicly available procedure for grievances that the State of New Mexico will publish on the DHSEM CDBG-DR website, the State of New Mexico acknowledges these additional routes for submitting complaints.

Complaints alleging violation of fair housing laws will be directed to HUD for immediate review. Members of the public can file a complaint directly with the HUD Region VI Fair Housing and Equal Opportunity Office through the following options:

- Call (800) 669-9777 or (817) 978-5900
- Mail a letter to
Submit a complaint through the online web portal at [www.hud.gov/program_office/fair_housing_equal_opp/online-complaint](http://www.hud.gov/program_office/fair_housing_equal_opp/online-complaint)

The State of New Mexico will forward all complaints regarding fraud, waste, or abuse of funds to the HUD Office of the Inspector General (OIG) Fraud Hotline (phone: (800) 347-3735 or email: hotline@hudoig.gov). The State of New Mexico’s procedures for identifying and addressing waste, fraud, and mismanagement will also be available for review on the CDBG-DR website.

These routes will also be made available on the DHSEM CDBG-DR website.

### 6.5 Performance Review

The requirements for submission of an Annual Performance Evaluation Report are waived for the CDBG-DR program. The State of New Mexico will comply with reporting requirements by entering the Action Plan into HUD’s Disaster Recovery Grant Reporting (DRGR) system and by completing the Quarterly Performance Reports no later than thirty days following the end of each quarter, beginning after the first full calendar quarter after grant is awarded. Quarterly reports will be published to DHSEM’s website within five business days of submission through DRGR. Reporting will continue until grant activities have been implemented, project goals met, and budget expended.
7.0 Appendixes

7.1 Acronym List

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>BBER</td>
<td>University of New Mexico Bureau of Business and Economic Research</td>
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<tr>
<td>BCA</td>
<td>Benefit Cost Analysis</td>
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<tr>
<td>BRC</td>
<td>Building Resiliency Center</td>
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<tr>
<td>BRIC</td>
<td>Building Resilient Infrastructure and Communities</td>
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<tr>
<td>CDBG-DR</td>
<td>Community Development Block Grant – Disaster Recovery</td>
</tr>
<tr>
<td>Claims Office</td>
<td>Fire Assistance Act Claims Office</td>
</tr>
<tr>
<td>CoC</td>
<td>Continuum of Care</td>
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<tr>
<td>DHSEM</td>
<td>New Mexico Department of Homeland Security and Emergency Management</td>
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<tr>
<td>ENSO</td>
<td>El Niño-Southern Oscillation</td>
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<tr>
<td>EPA</td>
<td>Environmental Protection Agency</td>
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<tr>
<td>ESG</td>
<td>Emergency Services Grant</td>
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<tr>
<td>FEMA</td>
<td>Federal Emergency Management Agency</td>
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<tr>
<td>FEMA-IA</td>
<td>Federal Emergency Management Agency Individual Assistance</td>
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<tr>
<td>FEMA-PA</td>
<td>Federal Emergency Management Agency Public Assistance</td>
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<tr>
<td>FHLB</td>
<td>Federal Home Loan Bank System</td>
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<tr>
<td>FMA</td>
<td>Flood Mitigation Assistance</td>
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<td>GIS</td>
<td>Geographic Information System</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>HCV</td>
<td>Housing choice voucher</td>
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<tr>
<td>HMGP</td>
<td>Hazard Mitigation Grant Program</td>
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<tr>
<td>HPCC</td>
<td>HPCC (Claims Office)</td>
</tr>
<tr>
<td>HUD</td>
<td>U.S. Department of Housing and Urban Development</td>
</tr>
<tr>
<td>IHP</td>
<td>Individual and Households Programs</td>
</tr>
<tr>
<td>LMI</td>
<td>Low- to moderate-income</td>
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<tr>
<td>LOE</td>
<td>Lines of Effort</td>
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<tr>
<td>MFA</td>
<td>New Mexico Mortgage Finance Authority</td>
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<tr>
<td>MFI</td>
<td>Median Family Income</td>
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<tr>
<td>MID</td>
<td>Most impacted and distressed</td>
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<tr>
<td>NCNMEDD</td>
<td>North Central New Mexico Economic Development Department</td>
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<tr>
<td>NMCEH</td>
<td>New Mexico Coalition to End Homelessness</td>
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<tr>
<td>NMED</td>
<td>New Mexico Environment Department</td>
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<td>NRCS</td>
<td>Natural Resource Conservation Service</td>
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<tr>
<td>OSI</td>
<td>New Mexico Office of the Superintendent of Insurance</td>
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<tr>
<td>PFRAS</td>
<td>Post-Fire Recovery Action Strategy</td>
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<tr>
<td>RSF</td>
<td>Recovery Support Function</td>
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<tr>
<td>SBA</td>
<td>Small Business Administration</td>
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<td>SHPO</td>
<td>State Historic Preservation Office</td>
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<tr>
<td>SVI</td>
<td>Social Vulnerability Index</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>UC</td>
<td>New Mexico Economic Development Administration University Center</td>
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<tr>
<td>UNA</td>
<td>Unmet Needs Assessment</td>
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<tr>
<td>USACE</td>
<td>U.S. Army Corps of Engineers</td>
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<tr>
<td>USDA</td>
<td>U.S. Department of Agriculture</td>
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<tr>
<td>USGS</td>
<td>United States Geologic Survey</td>
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<tr>
<td>VOAD</td>
<td>New Mexico Volunteers Organized Aid in Disaster</td>
</tr>
<tr>
<td>WTP</td>
<td>Water treatment plant</td>
</tr>
</tbody>
</table>
7.2 References

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# HPCC Eligibility Matrix

<table>
<thead>
<tr>
<th>PROGRAM AREA</th>
<th>ACTIVITY</th>
<th>HUD ELIGIBLE?</th>
<th>CLAIMS OFFICE ELIGIBLE?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOUSING</strong></td>
<td>Financial forms of housing assistance, including direct payment/compensation, loans, and grants, for households impacted by the HPCC fire.</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Direct compensation for a National Flood Insurance Program policy.</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Direct compensation for the decreased value in real property impacted by the HPCC fire.</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Direct compensation for private property risk reduction measures needed due to HPCC fire.</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Financial forms of housing assistance, including direct payment/compensation, loans, and grants, for households declared by DR-4652-NM impacted by wildfires besides the HPCC fire.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Affordable housing developments, including financial assistance for multi-family housing rehabilitation and repair, and public housing developments.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Buyout programs and other forms of acquisition in areas that suffer repetitive impacts.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Housing and legal counseling services.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Direct rehabilitation and reconstruction programs, including resiliency upgrades, to provide single-family housing to impacted residents.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Affordable rental housing programs to provide financial support and other forms of assistance to renters in the impacted area.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td><strong>ECONOMIC REVITALIZATION</strong></td>
<td>Direct compensation to address loss of tangible assets or inventory; business interruption losses; overhead costs; employee wages for work not performed; loss of business net income; and any other loss determined to be appropriate for inclusion as a business loss due to the HPCC fire.</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Direct compensation to address the loss of subsistence resources due to the HPCC fire.</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Direct compensation for interest paid on Small Business Administration disaster loans, obtained due to the HPCC fire.</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Economic revitalization programming and grants to support the establishment of new small businesses, entrepreneurship, etc.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Workforce recovery training and capacity building programs to support transition to new industries.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td><strong>INFRASTRUCTURE</strong></td>
<td>Reconstruction and rehabilitation of public facilities damaged by the HPCC fire which were not addressed through other federal programs.</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Watershed restoration measures estimated to take less than three years to complete after the Final Rule is published (expected 2024).</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Mitigation measures to enhance the resiliency of public infrastructure.</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Watershed restoration and mitigation measures estimated to take 5+ years to complete.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>FEMA-PA cost share for counties not included under the statute for the HPCC Claims Office.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Mapping and other GIS capabilities required for continuous flood response and hazard mitigation in impacted and non-impacted areas.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Reconstruction and rehabilitation of public facilities damaged by areas declared under DR-4652 besides the Hermits Peak / Calf Canyon fire which were not addressed through other federal programs.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td><strong>PLANNING &amp; CAPACITY BUILDING</strong></td>
<td>Financial losses incurred by local governments and other “injured parties” due to the HPCC fire.</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Enhanced capabilities for local building code development and enforcement.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Development of plans for resiliency, housing, preparedness, community recovery, etc. to support disaster-impacted areas.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Coordinated programming to create defensible space zones.</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Enhanced capabilities and the administration of recovery grant management.</td>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>
7.4 Certifications

Certifications waiver and alternative requirement.

Per the Federal Register the State of New Mexico certifies that with its Action Plan:

a. The State of New Mexico certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan (RARAP) in connection with any activity assisted with CDBG–DR grant funds that fulfills the requirements of Section 104(d), 24 CFR part 42, and 24 CFR part 570, as amended by waivers and alternative requirements.

b. The State of New Mexico certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.

c. The State of New Mexico certifies that the action plan for disaster recovery is authorized under state and local law (as applicable) and that the State of New Mexico, and any entity or entities designated by the State of New Mexico, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG–DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations as modified by waivers and alternative requirements.

d. The State of New Mexico certifies that activities to be undertaken with CDBG–DR funds are consistent with its action plan.

e. The State of New Mexico certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, as such requirements may be modified by waivers or alternative requirements.

f. The State of New Mexico certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 75.

g. The State of New Mexico certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 or 91.105 (except as provided for in waivers and alternative requirements).

h. The State of New Mexico certifies that it has consulted with all disaster-affected local governments (including any CDBG-entitlement grantees), Indian tribes, and any local public housing authorities in determining the use of funds, including the method of distribution of funding, or activities carried out directly by the state.

i. The State of New Mexico certifies that it is complying with each of the following criteria:

   a. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas for
which the President declared a major disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.).

b. With respect to activities expected to be assisted with CDBG–DR funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

c. The aggregate use of CDBG–DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent (or another percentage permitted by HUD in a waiver) of the grant amount is expended for activities that benefit such persons.

d. The State of New Mexico will not attempt to recover any capital costs of public improvements assisted with CDBG–DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:
   i. disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or
   ii. for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the State of New Mexico certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

j. State and local government grantees certify that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601–3619), and implementing regulations, and that it will affirmatively further fair housing. An Indian tribe grantee certifies that the grant will be conducted and administered in conformity with the Indian Civil Rights Act.

k. The State of New Mexico certifies that it has adopted and is enforcing the following policies, and, in addition, state grantees must certify that they will require local governments that receive their grant funds to certify that they have adopted and are enforcing:
   a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
   b. A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

l. The State of New Mexico certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster
recovery activities in a timely manner and that the State of New Mexico has reviewed the requirements applicable to the use of grant funds.

m. The State of New Mexico certifies the accuracy of its Financial Management and Grant Compliance Certification Requirements, or other recent certification submission, if approved by HUD, and related supporting documentation as provided in section III.A.1. of the Consolidated Notice and the State of New Mexico’s implementation plan and related submissions to HUD as provided in section III.A.2. of the Consolidated Notice.

n. The State of New Mexico certifies that it will not use CDBG–DR funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the state, local, or tribal government or delineated as a Special Flood Hazard Area (or 100-year floodplain) in FEMA’s most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the state, local, and tribal government land use regulations and hazard mitigation plans and the latest-issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

o. The State of New Mexico certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

p. The State of New Mexico certifies that it will comply with environmental requirements at 24 CFR part 58.

q. The State of New Mexico certifies that it will comply with the provisions of title I of the HCDA and with other applicable laws.

The State of New Mexico acknowledges that any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001, and 31 U.S.C. 3729.
7.5 Public Comments

The draft Action Plan was posted on the State’s CDBG-DR website [www.dhsem.nm.gov/] and published for public comment from _____ to _________.

To ensure equal access and opportunity to comment for all citizens, a Public Notice was published in the __________ [Insert location of written notice] on __________.

DHSEM considers all public comments received in writing, via e-mail, or delivered in person at official public meetings regarding this Action Plan or any substantial amendments. DHSEM makes public comments available to citizens, public agencies, and other interested parties upon request.

During the applicable public comment period, public comments were received in response to the draft Action Plan. DHSEM received feedback from a variety of stakeholders through public meetings and consultation as outlined and described below.

Public Comment:

DHSEM Response: