

State of Texas

Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding

Public Law 109-234

to Assist with the Recovery of Distressed Areas
Related to the Consequences of

**Hurricanes Katrina, Rita, and Wilma
in the Gulf of Mexico in 2005**

**TDHCA Proposed Action Plan Amendment 5 for HUD Approval
(Second Allocation)
Changes to the Harris County Projects**

Public Comment: August 12, 2008 through September 4, 2008
Original Submission: October 2, 2008



Texas Department of Housing and Community Affairs

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TDHCA Amendment 5 Request to HUD Regarding Harris County Programs

National Objective: Benefit to Low and Moderate income persons or Urgent Need.

Activity Amount: \$20 Million

Relevant Action Plan and Amendment History:

Public Law 109-234 (effective June 15, 2006) provided \$5.2 billion supplemental appropriation of CDBG Disaster Recovery Funding for *“necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricanes Katrina, Rita, or Wilma.”* In reviewing the totality of the need in the five state region covered by the law, \$428,671,849 was specifically allocated to Texas by the Secretary of HUD. As further provided for under the law, *“funds provided under this heading shall be administered through an entity or entities designated by the Governor of each State.”* Governor Rick Perry has designated TDHCA as this entity for the State of Texas.

The Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Plan) was approved by the U.S. Department of Housing and Urban Development (HUD) on April 13, 2007. The General Use of Funds and Funding Allocation under the Plan totaled \$428,671,849 including a line item activity for the City of Houston and Harris County Public Service and Community Development Program totaling \$60,000,000. On April 13, 2007, HUD approved line item activities totaling \$368,671,849; approval of the remaining \$60,000,000 set-aside for City of Houston and Harris County was subject to a Partial Action Plan Amendment detailing the specific use and distribution of funds, delivery mechanisms, how the programs would address Action Plan priorities, and other HUD requirements.

On August 29, 2007, HUD approved the Partial Action Plan Amendment #1 in the amount of **\$60 million** for the City of Houston and Harris County for public service, community development, and housing activities in areas (police districts, schools, apartment complexes, neighborhoods) comprised predominantly of low to moderate income households and where it can be clearly demonstrated that the population within the area has seen a dramatic population increase due to an influx of Katrina evacuees. On May 22, 2008 HUD approved Amendment 4 to the Partial Action Plan, which included new provisions to Harris County services to reflect the changing needs of evacuees.

Substantial Amendment 5 Request Summary:

TDHCA requires Harris County, as a subrecipient of Round 2 funds, to assess the local needs and to determine if the changes meet the national objective. As such, TDHCA has received a request from Harris County for an amendment to their applicable sections of the Action Plan. Harris County has identified a need to further amend their program as approved by HUD, and, as the grant recipient of funding from HUD, TDHCA has worked closely with Harris County to draft and eventually submit the Amendment 5. On September 4, 2008, the TDHCA Governing Board authorized the submission of Amendment 5 to the Partial Action Plan. TDHCA requested approval of the substantial amendment to the Partial Action Plan from the US Department of Housing and Urban Development (HUD) on September 5, 2008.

As requested by Harris County and approved by TDHCA staff and Board, the following substantial changes to Harris County portion of the action plan are proposed for HUD approval:

1. Reduce the estimated number of persons served under the Continuation of Katrina Counseling Services from 30,000-40,000 people to 6,992 people;
2. Reduce the estimated number of persons served under the Youth Offender Services from 212 to 67 youths;
3. Change all costs associated with the Evacuee Medical Services Program to meet the CDBG National Objective of Urgent Need instead of Low Moderate Income Benefit;
4. Reduce the funding of the Disaster Housing Assistance Program (DHAP) Transportation Program from \$3,232,314 to \$2,232,314 and changing eligibility requirements for DHAP from only low income to at least 51% low income;
5. Add a new activity, Disaster Housing Assistance Program (DHAP) Case Management Program, with an allocation of \$1,000,000.

TDHCA staff has reviewed their request for initial compliance issues, and the TDHCA board has approved this Amendment 5 request for HUD consideration. Once approved by HUD, TDHCA staff will monitor the activities according to the amended Action Plan and our contract with Harris County.

Harris County’s Reasons for Substantial Amendment 5 Request, as Approved by TDHCA:

Table 1 (below), reflects the current allocations for Harris County’s \$20 million as Amended and approved by HUD and TDHCA. Harris County manages five projects including the provision of 16 percent of funds available for **Disaster Housing Assistance Program (DHAP) Transportation Program** to serve 1,000 persons at a cost of \$3,232,314, 18 percent of funds for the **Continuation of Katrina Crisis Counseling Program (MHMRA)** to serve 30,000-40,000 people as well as the provision of 1 percent of funds available for **Youth Offender Services (HCJPD)** to provide services to 212 youth at a cost of \$225,686.

Table 1. Funding Summary- Current Harris Projects

Harris County Proposed Projects	National Objective	Est. Persons Served	Amount Allocated	%Harris Funds
Evacuee Public Services:				
Expanded Services to Hurricane Evacuees (HCSO)	LMC	1,200	\$6,707,000	33%
Evacuee Medical Services (HCHD)	LMC/ UN	35,515	\$6,285,000	32%
Continuation of Katrina Crisis Counseling Program (MHMRA)	LMC	30,000- 40,000	\$3,550,000	18%
Youth Offender Services (HCJPD)	LMC	212 youths	\$225,686	1%
DHAP Transportation Program (HCCEDD)	LMC	1,000	\$3,232,314	17%
Harris County Total			\$20,000,000	

Since implementation of these programs, agencies have consistently made observations about both the number of evacuees as well as the depth of services needed. While actual numbers of evacuees requiring services in the Harris County are less than initially proposed, the intensity of services for those remaining is much higher than initially anticipated. The following Table 2 reflects those findings as identified by HCHD, HCJPD, MHMRA and DHAP.

Table 2. Funding Summary- Proposed Harris County Amendment

Harris County Proposed Projects	National Objective	Est. Persons Served	Amount Allocated	%Harris Funds
Evacuee Public Services:				
Expanded Services to Hurricane Evacuees (HCSO)	LMC	1,200 Persons	\$6,707,000	33%
Evacuee Medical Services (HCHD)	Urgent Need	35,515 Persons	\$6,285,000	32%
Katrina Crisis Counseling Program (MHMRA)	LMC	6,992 Persons	\$3,550,000	18%
Youth Offender Services (HCJPD)	LMC	67 youth	\$225,686	1%
DHAP Transportation Program (HCCSD)	LMC	1,000 Persons	\$2,232,314	11%
DHAP Case Management Program (HCCSD)	LMC	250 Persons	\$1,000,000	5%
Harris County Total			\$20,000,000	

Harris County requested to amend Table 1 as noted in the highlighted sections of Table 2 (above) to reduce the DHAP Transportation Program from the originally allocated amount of \$3,232,314 to \$2,232,314 to award the balance of \$1,000,000 to the DHAP Case Management Program.

The services provided under the DHAP Case Management Program will be provided to the same clients receiving services under DHAP Transportation. Additionally, eligibility requirements for DHAP programs will change from those originally proposed in Amendment #4 to reflect CDBG requirements. Amendment #4 restricted eligibility for DHAP Transportation to 100 percent low-income. Now, clients for both the DHAP Transportation and Case Management Programs will be at least 51percent low-income.

The DHAP Case Management Program will provide additional services to clients currently participating in DHAP. As DHAP is a step-down program meant to encourage clients to move to self-sufficiency, all funding will be terminated in March 2009.

The reduction in clients for both the MHMRA and HCJPD programs reflects findings among program staff that while the actual number of clients receiving services is fewer than originally predicted, those clients enrolled in the programs require much greater depth of services. For MHMRA to provide this same level of service to survivors, the agency will maintain the current level of staffing

HCJPD has also indicated that services to clients are much more in depth than originally projected. HCJPD provides outpatient counseling and mental health services as well as residential services. In the original allocation for HCJPD, most of the money and the majority of the client base were derived from intervention and prevention services for youth and families. HCJPD anticipated that only three youths would require hospitalization for acute psychological problems; however, five are currently enrolled and staff predicts more will benefit from these services. The cost to provide services that adequately address the needs of youths in a hospital setting are much more costly for the program.

Harris County also proposes to change the client eligibility requirements for recipients of Evacuee Medical Services. Currently, the Action Plan states that all clients served after September 15, 2005 will meet the CDBG National Objective of Low Mod Clientele; however, the services provided to evacuees thru December 2006 meet the National Objective of Urgent Need.

Summary of State's Response to Public Comments for Proposed Action Plan Amendment 5

Harris County conducted a public hearing on August 12, 2008. This hearing was publicized in the local newspaper. In addition, the TDHCA Board meeting served as a public hearing. Written comments on this amendment were accepted by mail, e-mail, and facsimile through September 4, 2008. The meetings were held to receive public comment for the proposed amendment to the Action Plan; however, no public comments were received.