



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

OFFICE OF THE ASSISTANT SECRETARY  
FOR COMMUNITY PLANNING AND DEVELOPMENT

FEB 13 2017

Ms. Anne Idsal  
Deputy Land Commissioner  
Texas General Land Office  
State of Texas  
1700 North Congress Street, Suite 935  
Austin, TX 78701

Dear Ms. Idsal:

I am pleased to inform you that the Department is acknowledging approval of the state of Texas' Action Plan for \$50,696,000 in Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated under the Consolidated Appropriations Act, 2016 (P.L. 114-113), enacted December 18, 2015. Of this amount, HUD is making available \$4,534,800 in administrative and planning funds. Of the remaining funds, \$20,005,920 will be made available as the state receives and accepts methods of distribution (MODs) for the four HUD-identified "most impacted" areas (Harris, Hays, Hidalgo, and Travis Counties) identified in the June 17, 2016, *Federal Register* Notice (FR-5938-N-01) allocating those funds. The \$26,155,281 that the state has chosen to award competitively will be made available upon approval of the substantial amendment detailing the MOD for the competition.

The Department would also like to reiterate the requirement to ensure allocation determinations between housing and non-housing projects in the HUD-identified "most impacted" align with the needs assessment for those areas, as required by the June 17, 2016, *Federal Register* Notice. The state's assessment of unmet needs resulted in a proposed allocation of 32% of the state's award for housing activities and 68% of the state's award for non-housing activities. Each of the most impacted areas is required to, at a minimum, identify 32% of its award for housing activities and 68% for non-housing activities. The Department also understands that the state intends to prioritize infrastructure projects that benefit a large area of low- and moderate-income populations and that support and protect housing and communities, both in the state competition and the MODs for the HUD-identified "most impacted" areas. HUD will review the state's method of distribution and action plan amendment to ensure that the state's county allocations align with unmet needs.

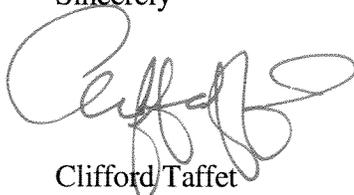
Please note, funds received under this appropriation must be used for the necessary expenses related to disaster relief, long-term recovery and restoration of infrastructure, housing, and revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2015, related to the consequences of Hurricane Patricia and other flood events. The state may implement the waivers and alternative requirements published in the June 17, 2016, Notice. These waivers will help the state carry out its disaster recovery programs by streamlining the application process, enabling a quicker program launch, and ensuring accountability.

Please sign the three enclosed copies of the grant agreement and return with original signatures to Tennille Parker, Director, Disaster Recovery and Special Issues Division, HUD, 451 7th Street, SW, Room 7286, Washington, DC 20410. Please note, terms and conditions for the use of funds under the agreement are enclosed. Upon receipt, the grant agreement will be executed by the Department. A fully-executed copy of the final grant agreement will be returned for your files. The date that the Department signs the grant agreement is the date on which the funds are obligated. Under this provisions all funds obligated by the grant agreement must be expended within six years of the date on which the Department signs the grant agreement.

The Department will add these funds to the state's line of credit account for this grant upon execution of the agreement. Please provide the names and email addresses of state staff that will need access to the line of credit. The Disaster Recovery Grant Reporting (DRGR) system requirements are outlined in detail in the Department's applicable *Federal Register* Notices.

If you have any questions, please contact Mr. Stanley Gimont, Deputy Assistant Secretary for Grants Programs (Acting), at (202) 708-2111.

Sincerely

A handwritten signature in black ink, appearing to read 'Clifford Taffet', written in a cursive style.

Clifford Taffet  
General Deputy Assistant Secretary

Enclosure(s)



# State of Texas Plan for Disaster Recovery

U.S. Department of Housing and Urban Development (HUD)  
Section 420 of the Transportation, Housing and Urban  
Development, and Related Agencies Appropriations Act, 2016  
(Pub. L. 114-113, approved December 18, 2015)

September 20, 2016

Revised November 10, 2016

Prepared by

Texas General Land Office

Community Development and Revitalization Program

1700 Congress Avenue

Austin, Texas

844.422.2692



*Fischer Store Road Bridge in Hays County*

Photo Courtesy of the Texas Civil Air Patrol

Taken May 28, 2015

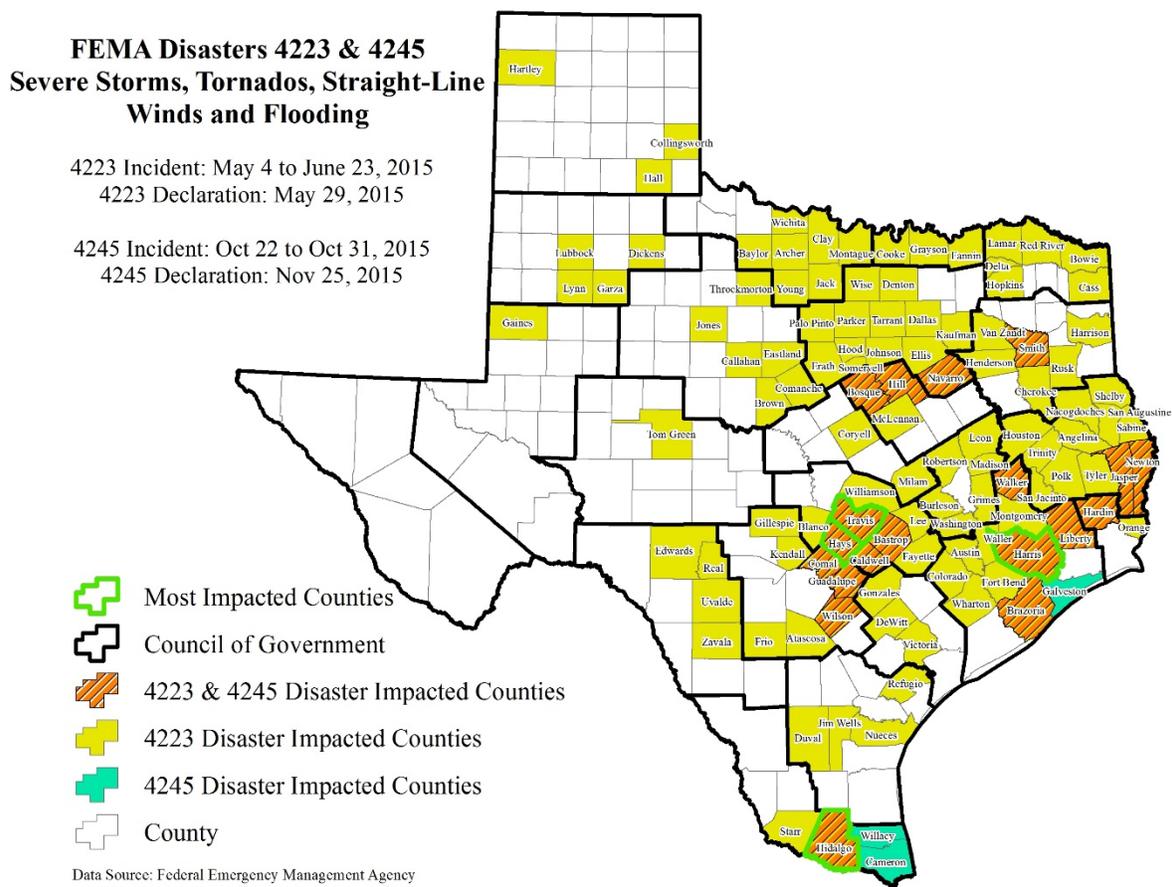
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# I. Executive Summary

In 2015 Texas had two separate events that qualified for appropriation under Public Law 114-113. Both events resulted from heavy rains and winds that caused severe damage across nearly half the State or 134,000 square miles. The May event (DR-4223), also known as the Memorial Day Floods, occurred May 4 to June 23, 2015, and resulted in a declaration for 113 counties across Texas. The event in October (DR-4245) occurred October 22 to October 31, 2015, and resulted in a declaration for 22 counties. In total, 116 counties were impacted by these disasters, with 19 counties being designated as impacted by both disaster declarations.

Figure 1: DR-4223 and DR-4245 Disaster Declarations



On the nights of May 24, 25, and 26, 2015, a slow-moving storm system dropped a tremendous amount of precipitation across much of Texas. The storm was preceded by more than a week of heavy rain which cumulated in record-breaking floods in areas that historically had not previously flooded. In addition to this, many areas reported tornado activity and record

lightning strikes. The Blanco River in Hays County was particularly hard hit; entire blocks of homes were leveled.<sup>1</sup> For the first time ever, the Blanco River covered portions of Interstate 35.

During the first part of May, many locations across the State received well above normal rainfall that saturated the soils. When the Memorial Day weekend arrived, much of the region was at least 2-4 inches (100-300%) above average. These conditions meant that new rain would become run-off directly into rivers, streams, and flash flood prone areas. Widespread, 6-8 inches fell across Bandera, Kerr, Kendall, Blanco and far west portions of Comal and Hays counties with a maximum of 10 to 13 inches of rain across southern Blanco and northeast Kendall counties. The majority of this rain fell from Saturday afternoon into the overnight hours of early Sunday morning. This led to the rapid rise in the Blanco and San Marcos Rivers. The Blanco River at Wimberley rose from near 5 feet at 9pm to near 41 feet by 1am. One staggering statistic is that the river rose 5 feet every 15 minutes from 10:45pm to 11:45pm. This equates to a 20-foot rise along the river within a 1-hour timeframe (Figure 2).<sup>2</sup>

Certain areas of Texas saw more than 20 inches of rainfall in a matter of days. In total, about 8 million acre feet of water flowed into the State's reservoirs. In just a matter of 48 hours, enough water fell to supply the needs of a city of 8 million people for 1 year. The amount of water that fell over the 30-day period would put the State of Rhode Island under 10 feet of water. This amount of water could meet New York City's water needs for 7 full years and the water in Lake Mead, the largest reservoir in the U.S., would be doubled.<sup>3</sup>

In total, the May floods killed 31 people, with 27 of them in Texas and 4 in Oklahoma.<sup>4</sup> The federal disaster declaration (DR-4223) was made on May 29, 2015, after multiple State disaster declarations from the Governor's office. Based on the FEMA website, in total, there were 12,961 FEMA Individual Assistance applications approved as of August 26, 2016. This preliminary amount totaled \$57,485,212 in individual and household dollars approved. The total for Public Assistance grants (dollars obligated) was \$136,420,956.<sup>5</sup>

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<sup>1</sup> <http://kxan.com/2015/05/24/hays-county-hundreds-of-homes-damaged-or-destroyed-1000-people-in-shelters/>

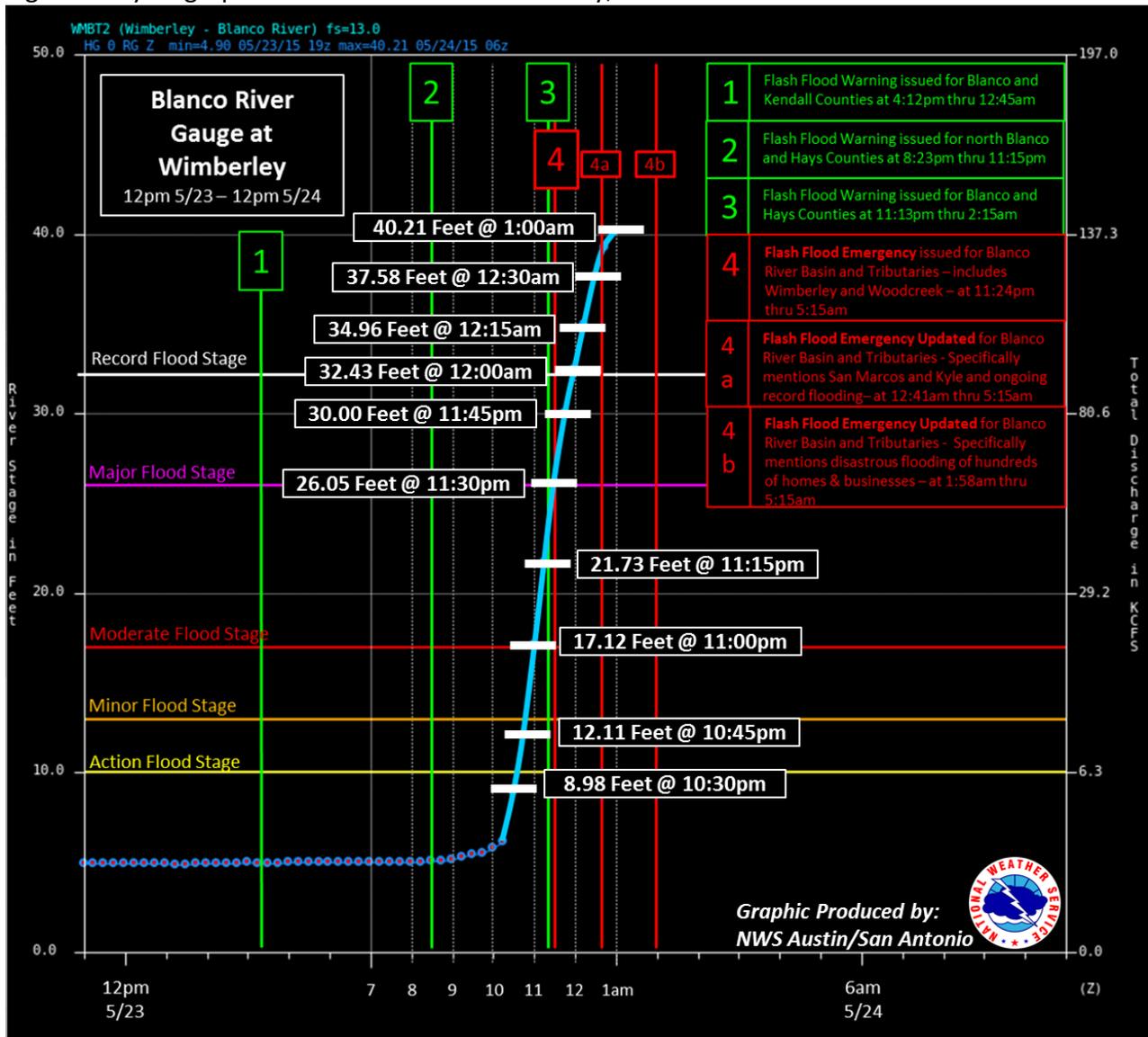
<sup>2</sup> [http://www.srh.noaa.gov/ewx/?n=memorial\\_weekend\\_floods\\_2015](http://www.srh.noaa.gov/ewx/?n=memorial_weekend_floods_2015)

<sup>3</sup> <https://www.washingtonpost.com/news/wonk/wp/2015/05/27/the-insane-amount-of-rain-thats-fallen-in-texas-visualized/>

<sup>4</sup> <http://www.wsj.com/articles/u-s-storms-floods-kill-29-people-25-of-them-in-texas-1433006237>

<sup>5</sup> <https://www.fema.gov/disaster/4223>

Figure 2: Hydrograph for Blanco River at Wimberley, TX



Central and eastern Texas were also hit by dangerous flooding in October of 2015 when rainfall patterns converged with remnants of Hurricane Patricia. In total 22 counties were part of this disaster declaration (DR-4245). Based on the FEMA website, in total, there were 3,303 FEMA Individual Assistance applications approved as of August 26, 2016. This totaled \$18,511,273 in individual and household dollars approved. The total for Public Assistance grants (dollars obligated) was \$15,020,993.<sup>6</sup>

<sup>6</sup> <https://www.fema.gov/disaster/4245>

For both disasters, the total individual assistance applications approved was 16,264. Total individual and households program dollars approved totaled \$75,996,485. The total public assistance grants dollars obligated totaled \$151,441,949 for both disasters with emergency work totaling \$24,225,018 and permanent work totaling \$125,378,096. In total, widespread flooding in 2015 could cost Texas upward of \$3 billion, largely from damage to soaked roads and public infrastructure.<sup>7</sup>

Table 1: Total FEMA Assistance by Assistance Type

	Total Individual Assistance (IA) - Applications Approved:	Total Individual & Households Program - Dollars Approved	Total Housing Assistance - Dollars Approved	Total Other Needs Assistance - Dollars Approved
Total – 4223	12,961	\$57,485,212	\$45,090,260	\$12,394,951
Total – 4245	3,303	\$18,511,273	\$14,609,755	\$3,901,518
Total - 4223 & 4245	16,264	\$75,996,485	\$59,700,016	\$16,296,469
	Total Public Assistance Grants - Dollars Obligated*	Emergency Work (Categories A-B) - Dollars Obligated	Permanent Work (Categories C-G) - Dollars Obligated	
Total – 4223	\$136,420,956	\$22,604,542	\$112,255,512	
Total – 4245	\$15,020,993	\$1,620,476	\$13,122,584	
Total - 4223 & 4245	\$151,441,949	\$24,225,018	\$125,378,096	

<sup>7</sup> <http://www.chron.com/news/houston-texas/texas/article/texas-flood-damage-cost-climate-change-el-ni-o-6594008.php>

## II. Needs Assessment

The State of Texas needs assessment takes into account a variety of data sources that cover multiple geographies. Given the extent of counties impacted by the disasters, the unmet need calculations for non-housing were determined using data provided by the Texas Division of Emergency Management (TDEM) for all applicants which comes from the Emergency Management Mission Integrated Environment (EMMIE) database. The State’s unmet need for non-housing totals \$69,689,983 and increases to \$80,143,480 when including a resiliency multiplier of 15% (\$10,453,497). The data for housing unmet needs comes from TDEM and the National Emergency Management Information System (NEMIS) database. The State’s unmet need for housing totaled \$69,440,104. This figure increases to \$79,856,120 when including the resilience multiplier of 15% (\$10,416,016).

Unmet need as identified by the Small Business Administration (SBA) is \$132,391,924 for housing and \$23,218,266 for businesses. Per FEMA and SBA data, unmet need for the state of Texas totals \$315,609,790. These estimates are only looking at FEMA IA and PA estimates and SBA estimates and do not take into consideration lost property valuation, sales tax revenue, unemployment, agricultural losses, and loss of tourism revenue.

The below information provides a State of Texas unmet needs foundation and basis, as well as a concise breakdown of how funds should be allocated to the 4 most impacted counties and the additional 112 other counties in Texas.

Table 2: Total Unmet Need

Sector	Unmet Need
Non-Housing (Including Resiliency)	\$80,143,480
Housing (Including Resiliency)	\$79,856,120
SBA Housing	\$132,391,924
SBA Business	\$23,218,266
Total	\$315,609,790

The HUD most-impacted area consists of 4 counties: Harris, Hays, Hidalgo, and Travis. These 4 counties have been designated a total of \$22,228,800 out of the total \$50,696,000 that the State has been allocated. This amount decreases after accounting for 5% for administrative costs and 5% for planning. The total to be spent on housing is \$6,401,894 (32%) and the total to be spent on non-housing activities is \$13,604,025 (68%).

The remaining 112 impacted counties have \$28,467,200 identified out of the \$50,696,000 that the State has been allocated. This amount decreases after accounting for 5% administration and 5% for planning. The total to be spent on housing by the State is \$8,198,554 (32%) and the total to be spent on non-housing activities is \$17,421,927 (68%).

Table 3: Allocation Budget

<b>“Most-impacted” Counties</b>	
Housing	\$6,401,894
Non-housing	\$13,604,025
<b>State Competition (Remaining 112 Impacted Counties)</b>	
Housing	\$8,198,554
Non-housing	\$17,421,927
State Project Delivery	\$534,800
State Planning	\$2,000,000
State Administration	\$2,534,800
<b>Total</b>	<b>\$50,696,000</b>

## A. Pre-Disaster Baseline Data

### 1. Conditions Before the Disaster

According to Texas A&M Real Estate Center’s Monthly Review of the Texas Economy for April 2015, “The Texas economy gained 320,400 nonagricultural jobs from March 2014 to March 2015, an annual growth rate of 2.8% compared with 2.3% for the United States. The State’s nongovernment sector added 304,300 jobs, an annual growth rate of 3.2% compared with 2.6% for the nation’s private sector. Texas’ seasonally adjusted unemployment rate fell to 4.2% in March 2015 from 5.3% in March 2014. The nation’s rate decreased from 6.6 to 5.5%.”<sup>8</sup>

Despite the events Texas suffered in 2015, the Texas economy has steadily continued to grow. Per the Texas Workforce Commission, the unemployment rate in Texas decreased from 5.1% in 2014 to 4.5% in 2015.<sup>9</sup> Overall sales tax for the 2015 fiscal year saw an increase of 18%.<sup>10</sup> With the setback of these events, the State was still able to maintain and recover with overall positive growth. For this reason, the State will not specifically set aside funds for economic recovery, but will make economic recovery activities eligible under the non-housing program.

Prior to May 2015 the State of Texas experienced a historic drought that began in October 2010 (Figure 2). According to the Office of the State Climatologist, the driest 12-month period on record for Texas was October 2010 to September 2011, with a statewide average of only 11.18 inches of rain.<sup>11</sup>

<sup>8</sup> <https://assets.recenter.tamu.edu/Documents/Articles/1862-201504.pdf>

<sup>9</sup> <http://www.tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Labforce>

<sup>10</sup> [http://www.texasransparency.org/State\\_Finance/Revenue/Revenue\\_Watch/general-revenue/](http://www.texasransparency.org/State_Finance/Revenue/Revenue_Watch/general-revenue/)

<sup>11</sup> [http://climatexas.tamu.edu/files/osc\\_pubs/2011\\_drought.pdf](http://climatexas.tamu.edu/files/osc_pubs/2011_drought.pdf)

Figure 3: Texas Drought Monitor

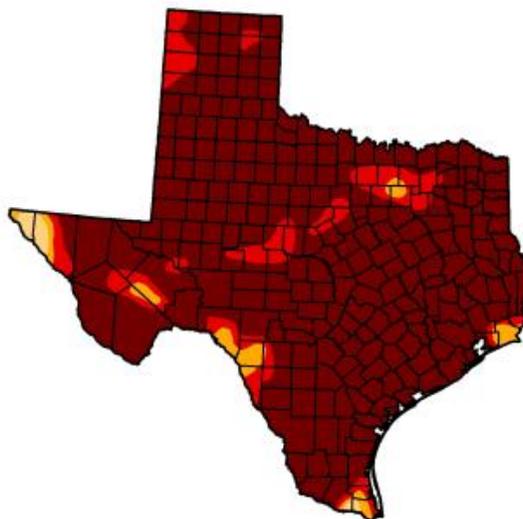
# U.S. Drought Monitor

## Texas

September 13, 2011  
Valid 7 a.m. EST

*Drought Conditions (Percent Area)*

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	0.00	100.00	100.00	99.17	96.75	87.83
Last Week (09/06/2011 map)	0.00	100.00	99.93	99.01	95.68	81.06
3 Months Ago (06/14/2011 map)	1.97	98.03	96.53	94.77	88.57	64.78
Start of Calendar Year (12/28/2010 map)	7.89	92.11	69.43	37.46	9.59	0.00
Start of Water Year (09/28/2010 map)	75.57	24.43	2.43	0.99	0.00	0.00
One Year Ago (09/07/2010 map)	69.60	30.40	5.25	1.51	0.00	0.00



Intensity:

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

*The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.*



Released Thursday, September 15, 2011  
Mark Svoboda, NDMC

<http://drought.unl.edu/dm>

From November 15, 2010, through October 31, 2011, a total of 3.9 million acres and approximately 5,900 structures were damaged and/or destroyed in Texas during the 2011 wildfire season. Many factors contributed to the record-breaking season, including the La Niña weather pattern that caused extreme drought conditions, high winds from Tropical Storm Lee, and record-breaking high temperatures. These weather conditions, combined with the availability of large amounts of dry fuels, led to the intensity of these wildfires. Bastrop County specifically experienced the most destructive fire with a final count of 34,457 acres burned and 3,017 homes destroyed and/or severely damaged.<sup>12</sup>

The State’s water reservoirs at the start of the drought in October 2010 were 83.8% full with the lowest level at 58.5% full in November and December 2011. The reservoirs were only 68% full on average statewide during the drought years.<sup>13</sup> The extended drought that Texas experienced made the State susceptible to wildfires and flash flooding. These drought factors

<sup>12</sup> Texas Forest service

<sup>13</sup> <http://waterdatafortexas.org/reservoirs/statewide>

contributed to the inability for soils to effectively absorb water runoff. The wildfires also led to worse flooding, by removing vegetation that can slow down and trap rainfall. When the State received record amounts of rain not once but twice in 2015 it created the perfect environment for widespread and severe flooding.

## 2. Pre-Disaster Baseline in Common Planning Tools

The State of Texas Consolidated Plan 2015-2019, prepared by the Texas Department of Housing and Community Affairs (TDHCA), contains the housing needs assessment for the State of Texas.<sup>14</sup> Between 2000 to 2010, Texas population grew 17% and the number of households increased 15%.

Table 4: State of Texas Population and Median Income

Demographics	Base Year: 2000	Most Recent Year: 2010	% Change
Population	20,851,820	24,311,891	17%
Households	7,393,354	8,539,206	15%
Median Income	\$39,927	\$49,646	24%

Source: 2000 Census (Base Year), 2006-2010 ACS (Most Recent Year)

“Texas is the second largest state in the nation, the second most populous state, and is growing at a much faster rate than the nation as a whole. The American Community Survey 2008 and 2012 1-year estimates found that the United States population was growing at 3% while Texas was growing at 7% during that five-year period. With this kind of growth, both new development and redevelopment are occurring in the diverse landscape of Texas.”<sup>15</sup>

Over the period of 2006-2010 almost 3.5 million households, or over 1/3 of total Texas households, made only 80% or less of area median family income (AMFI). “There is also a general shortage of housing in Texas. According to the Texas A&M Real Estate Center, in January 2014 there was only a 3.3-month inventory of housing for sale, which was the lowest supply since 1990.” From 2000 to 2010 the median home value increased 59%, and the median contract rent increased 28%. The 2015 flood’s impact on housing stock compounds the lack of affordable housing and potentially places families at higher risk of becoming homeless.

## 3. Pre-Disaster Homelessness

The State of Texas has a fairly widespread and robust homeless support services program without the limitation in the service area of the CDBG-DR program. The State is actively coordinating and collaborating with localities and non-profits to comprehensively address pre-disaster homelessness separately from CDBG-DR funding. Therefore funds will not be required

<sup>14</sup> <http://www.tdhca.state.tx.us/board/docs/books/141218-Item1h-2015-2019-StateofTexasConsolidatedPlan.pdf>

<sup>15</sup> Page 123: <http://www.tdhca.state.tx.us/board/docs/books/141218-Item1h-2015-2019-StateofTexasConsolidatedPlan.pdf>

to specifically address pre-disaster homelessness. Our competitive application process will focus on CDBG-DR eligible projects so that communities have as much local control as possible to most effectively and efficiently meet their recovery and resiliency needs. Each applicant will detail any homeless issues suffered and local solutions being undertaken.

In 2013, Texas had almost 30,000 people experiencing homelessness, nearly 9,000 individuals were registered as chronically homeless.<sup>16</sup> The Texas Homeless Network is a statewide non-profit organization, partly funded by the Texas Department of Housing and Community Affairs (TDHCA) and the Texas Department of State Health Service (DSHS), that provides training and technical assistance around the State to help service providers and communities better serve the homeless population with the end goal of preventing and ending homelessness.<sup>17</sup>

TDHCA's Homeless Housing and Services Program (HHSP) provides funding to the eight largest cities in support of services to homeless individuals and families.<sup>18</sup> The cities currently served through HHSP are Arlington, Austin, Corpus Christi, Dallas, El Paso, Fort Worth, Houston and San Antonio. The Texas Legislature has, through the enactment of Senate Bill 1 and Senate Bill 2 (83rd Legislature, 1st called session) provided General Revenue funds of \$10 million over the biennium. Allowable activities include construction, development, or procurement of housing for homeless persons; rehabilitation of structures targeted to serving homeless persons or persons at-risk of homelessness; provision of direct services and case management to homeless persons or persons at-risk of homelessness; or other homelessness-related activity as approved by TDHCA.

#### Program Highlights:

- Homeless population in the eight cities in 2014: 18,291 (*down from 22,603 in 2012*).
- Unduplicated numbers served from 2009 – 2014: 33,080 people, 26,734 households.
- Targets for 2015 (*unduplicated*): 5,846 persons, 4,062 households.
- Number of people that exited to permanent housing in 2013-2014 program years: 3,052.
- Number of people that achieved specific quality of life outcomes due to construction and rehabilitation projects in 2013-2014: 2,376.
- *Duplicated numbers served from 2009 – 2014: 68,827 people, 49,854 households.*

DSHS's Projects for Assistance in Transition from Homelessness (PATH) program provides outreach; screening, diagnostic assessment and treatment; habitation and rehabilitation; community mental health services; outpatient alcohol or drug treatment (for clients with serious mental illness); staff training; case management; referrals for primary health services, job training, educational services (including HIV prevention activities), and relevant housing

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<sup>16</sup> [http://www.thn.org/images/Promocompressed\\_1.pdf](http://www.thn.org/images/Promocompressed_1.pdf)

<sup>17</sup> <http://www.thn.org/>

<sup>18</sup> <http://www.tdhca.state.tx.us/community-affairs/hhsp/>

services; assistance in obtaining income support services including Social Security Income and representative payee per appropriate regulations; housing services including planning for housing; technical assistance in applying for housing assistance; and improving coordination of housing and services and the costs of matching individuals with appropriate housing and services.<sup>19</sup> The service areas are Amarillo, Austin, Beaumont, Conroe, Corpus Christi, Dallas, El Paso, Fort Worth, Galveston, Harlingen, Houston, Laredo, Lubbock, San Antonio, and Waco. The State will also utilize HUD's homeless information web page that we will share with all eligible communities to support their homeless prevention efforts.<sup>20</sup>

## **B. Housing Disaster Impacts<sup>21</sup>**

In reviewing the FEMA Information and Data Analysis (FIDA) database provided by TDEM, there were 47,350 individual and household applicants for assistance tied to disasters DR-4245 and DR-4223. there were 5,808 applicants impacted by both disasters. This dataset signifies the number of applicants from individuals and households for individual assistance from FEMA and is a dataset based on all the individual inspections FEMA does on private homes registered for assistance. Being that certain residents were impacted by both disasters; this shows the extent and severity of both disasters. The sequence of delivery for these applications identified in the FIDA dataset follows as such: FEMA Housing Assistance, Small Business Administration (SBA), and FEMA-State Other Needs Assistance (ONA).

Data tied to housing unmet need comes from the Individual Assistance (IA) program and the FEMA NEMIS database. In total, there are 53 counties across Texas that suffered losses relating to housing to such a degree that they qualified for assistance. In the FEMA IA program administered by TDEM, there is a total of 18,283 households that are demonstrating unmet needs for all 53 counties. This figure is slightly higher than the IA figures found on the FEMA website which show a total of 16,264 total individual applications approved as of August 23, 2016. This is due to the fact that the NEMIS database is accounting for all applicants and the FEMA website is accounting for all IA applications approved. Unmet needs are defined as FEMA Verified Loss Amounts less the total amount of assistance being provided to households.<sup>22</sup> This assistance consists of IA, SBA, Insurance and other assistance provided to households. For these 53 counties in Texas, there is a total unmet housing need of \$69,440,104. Recipients of CDBG-DR housing funds will be required to execute subrogation agreements in the event future insurance or other funding are made to the recipients. Infrastructure agreements will carry similar language.

Due to limitations of data sets on a statewide basis , the housing needs of single-family housing vs. multi-family housing, and homeowner vs. rental housing was not determined in this plan.

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<sup>19</sup> <http://www.dshs.texas.gov/mhprograms/path.shtm>

<sup>20</sup> <http://portal.hud.gov/hudportal/HUD?src=/states/texas/homeless>

<sup>21</sup> Data provided by the Texas Division of Emergency Management (TDEM)

<sup>22</sup> Data provided by the Texas Division of Emergency Management (TDEM)

Subrecipients will determine their local housing needs, which will be conveyed through their housing applications to the GLO.

### **C. Non-Housing Disaster Unmet Needs<sup>23</sup>**

Through coordination with TDEM, the State of Texas could compile a list of Public Assistance (PA) applicants for both disasters DR-4223 and DR-4245. These figures come from the FEMA EMMIE database as of July 8, 2016. The projected project amount is what FEMA and the locality determine to be the total of what will be written for total project costs. The total eligible amount is what has been written to date and the Federal share eligible is the 75% Federal matching funds of the total eligible amount. For projects relating to these disasters, it should be expected that the total eligible amount will reach the projected project amount; however, the two will not balance until the application is closed.

It is the projected project amount that provides the total amount of damages for each locality and county. Due to there being a 75% Federal share tied to the projected project amount, it is the remaining 25% of the projected project amount that signifies non-housing unmet need for these localities. For all impacted counties in Texas, there is a projected project amount of \$228,618,400 for DR-4223 and \$50,141,530 for DR-4245. The total projected project amount for both disasters is \$278,759,930. The 25% local match, or unmet need, total is \$69,689,983 for the State of Texas.

Because so much of the State was impacted by these 2015 events and property valuations occur locally by county on differing schedules, the impact on property values is impossible to determine, but should be noted as a long term impact of the ability of communities to recover using their own resources.

### **D. Resiliency Solutions and Unmet Need for the State**

Recognizing the State's long and well-documented history of flooding, as well as its ongoing efforts to mitigate future flooding in our most vulnerable areas, the State is committed to rebuilding resiliently. In assessing unmet needs, it is important to consider the additional costs of safeguarding housing and community development investments from future disasters. As such, Texas will not only be assessing applications and consider State-run programs that replace or repair lost property but will also be seeking to invest resources in efforts that mitigate damage from future disasters. Although initially costlier, these efforts prevent future damages that quickly exceed initial investments.

Single family home resiliency solutions are expected to add 10% to 15% to the total cost per home, multi-family resiliency solutions add 15% to 20% to the total cost per project, and infrastructure solutions add 15% to 20% to the total cost per project. Resiliency solutions are

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<sup>23</sup> Data provided by the Texas Division of Emergency Management (TDEM)

varied and are dependent on the respective area’s Threat and Hazard Identification and Risk Assessment (THIRA). The THIRA utilizes an all-hazards approach; however, for this grant funding, the focus will be on flood resiliency solutions.

Home resiliency solutions include elevating the first floor of habitable area, breakaway ground floor walls, reinforced roofs, storm shutters, and mold and mildew resistant products. Multi-family resiliency solutions include elevation, retention basins, fire-safe landscaping, firewalls, landscaped floodwalls, and a combination of both single family & infrastructure solutions.

Infrastructure resiliency solutions include raising facilities above base flood elevation, having backup power generators for critical systems (water, sewer, etc.), elevating critical systems, retention basins, firewalls, larger culverts, culvert debris guards, erosion control solutions, raising roadways, and redundant communication systems.

A large number of affected homeowners have faced difficulty in securing sufficient resources to fully rebuild their homes. The State will take a comprehensive approach when examining how best to assist households with unmet needs. This inclusive strategy will examine what funding sources are available and how those sources can be combined to create a holistic solution to the issues facing residents and communities. The State has been proactive in putting into place measures that would address resiliency and sustainability, as well as educating the public to minimize risk for both communities and individuals.

Once the State considers the amount of resiliency solutions that will be tied to housing and infrastructure projects, the amount of unmet need increases significantly. The resiliency multiplier used here will be a standard 15% for both housing and infrastructure.

Table 5: Total Unmet Need with Resiliency Factor

Unmet Need Category	Unmet Need	Resiliency Factor (15%)	Total Unmet Need with Resiliency
Non-Housing	\$69,689,983	\$10,453,497	\$80,143,480
Housing	\$69,440,104	\$10,416,016	\$79,856,120
Total	\$139,130,087	\$20,869,513	\$159,999,600

## E. Economic Revitalization

### 1. Small Business Administration (SBA) Data<sup>24</sup>

For both disaster declarations in Texas, the Small Business Administration (SBA) issued a total of 24,470 applications for the State of Texas. The total number of applications received for both disasters was 6,230 and the total number of loans approved by the SBA was 2,525. For both disasters, the total dollar amount of loans approved was \$116,385,000.

<sup>24</sup> Data provided by the Texas Division of Emergency Management (TDEM)

Home loans (2,331) far surpassed the business and Economic Injury Disaster Loan (EIDL) amounts (186) as well as surpassing the non-profits loans approved (8). TDEM confirmed that these home loan amounts were accounted for as assistance provided in the development of their unmet needs report for Texas.

## 2. Economic Revitalization Unmet Needs

Aside from using TDEM’s SBA loan data, the SBA provides disaster loan data for disasters designated by fiscal years<sup>25</sup>. The SBA was able to provide data for DR-4223 and DR-4245. This comprehensive dataset shows figures for both home loan data as well as business loan data. The total verified loss for homes, per the SBA, totals \$228,804,924. The total SBA-approved loan amount is \$96,413,000. These figures show that there is a difference, or unmet need, of \$132,391,924 in what is identified as total verified loss and the total loan amounts approved. The figures for DR-4223 and DR-4245 in the area of business loan data are significantly lower showing a total verified loss of \$43,359,966 and a total approved loan amount of \$20,141,700. This is a difference of \$23,218,266, which can be translated into unmet needs for the business sector in Texas.

Table 6: Total Economic Revitalization Unmet Need

SBA Disaster Loan Type	Total Verified Loss	Total Approved Loan Amount	Total Unmet Need
Home Loans	\$228,804,924	\$96,413,000	\$132,391,924
Business Loans	\$43,359,966	\$20,141,700	\$23,218,266
Total	\$272,164,890	\$116,554,700	\$155,610,190

These data help the State in identifying some verified loss for businesses in Texas. Given the strong and diverse economy of Texas, identifying localized economic revitalization indicators proved difficult in making concrete determinations. As stated above, the State will not specifically set aside funds for economic recovery but it is an eligible use under the non-housing program.

## 3. Texas Unemployment Rate<sup>26</sup>

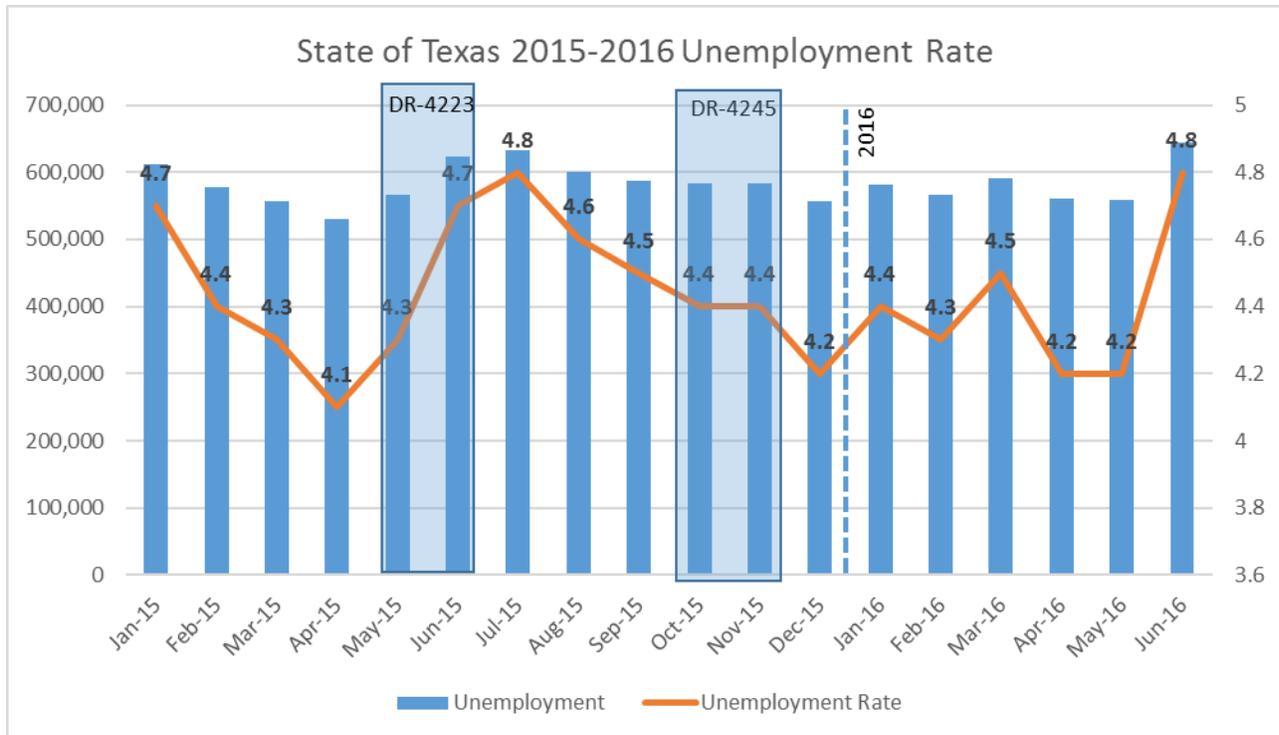
As counties work to respond to recovery efforts relating to housing and infrastructure, there is also an impact on the economy that must be noted. Local communities must take into account impacts on the local economy and unemployment rate. As can be seen below, the State of Texas was experiencing a significant drop in the unemployment rate prior to the May 2015

<sup>25</sup> Small Business Administration: <https://www.sba.gov/loans-grants/see-what-sba-offers/sba-loan-programs/disaster-loans/disaster-loan-data>

<sup>26</sup> Texas Workforce Commission: <http://www.tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Labforce>

floods. There is an increase in the unemployment rate from 4.1% in April 2015 to 4.7% in June of the same year (Figure 3). While it cannot be stated that this increase is directly attributed to the May 2015 flooding events, this figure is significant. The unemployment rate began to decrease to pre-disaster levels toward the end of 2015, and leveled out during the time of the October flooding event. Rates stayed below 4.5% into the beginning of 2016 and show a significant spike between May and June of 2016 from 4.2% to 4.8%.

Figure 4: Texas Unemployment Rate



#### F. Total Unmet Need for the State of Texas

After compiling the data and making the calculations for unmet need for the State of Texas, the total amount of unmet need is **\$315,609,790**.

#### G. Housing and Non-Housing Funding Allocation<sup>27</sup>

As the State made determinations for how to allocate funds for the State Competition and the most impacted area allocation, it was decided that it would use the most reliable data available to pull out unmet need figures. When making the determination on how to break up allocations relating to housing and non-housing, the State totaled the FEMA PA projected amount and then multiplied this by the 25% local match requirement after removing the Cities of Houston and

<sup>27</sup> Data provided by the Texas Division of Emergency Management (TDEM)

San Marcos projected project amounts. This signified the unmet need for non-housing for the State allocation. The total unmet need for housing was then calculated and the unmet needs for Houston and San Marcos were removed. The total unmet need tied to the allocation breakdown for non-housing for the State of Texas is \$66,836,371. For housing unmet need tied to the allocation breakdown in the State of Texas, the total is \$31,650,930.

Table 7: Total Public and Individual Assistance Unmet Need

Geography	FEMA PA Projected Amount	25% of PA (Local Match)	FEMA IA Unmet Need Amount
Total All Counties	\$278,759,930		\$69,440,104
- City of Houston	-\$7,697,444		-\$34,710,855
- City of San Marcos	-\$3,717,003		-\$3,078,320
Counties with Cities Removed	\$267,345,483	\$66,836,371	\$31,650,930

These two figures show a final non-housing and housing percent breakdown of 68% for infrastructure and 32% for housing.

The State of Texas considered the overall impact of the 2015 floods to the entire State to establish the non-housing and housing allocations versus that of specific counties. When utilizing FEMA IA and PA figures it should be considered that IA figures are not exclusively limited to direct housing needs but also include other needs assistance as well. Further the needs of impacted counties must meet a threshold to qualify for both IA or PA assistance but a declaration for either makes a county eligible for an award for all activities. This decision also in part considered the very large impact area for this allocation and the limited funds available, and the higher administrative costs to implement housing programs across a large impacted area. Texas has 116 counties across the state that are eligible for the 2015 funding. With previous CDBG-DR funded programs only 7-8 homes are replaced per million dollars received as opposed to an infrastructure project that could serve 10 times as many homes and other area assets. The State will realize a more effective and comprehensive recovery by focusing funds on projects that benefit a larger area of low-to-moderate income populations and support and protect housing and communities in an effort to reduce repetitive losses in lieu of directly replacing single homes.

The below table also shows a total unmet need of \$98,487,300 for both non-housing and housing to inform the allocation breakdown. These percentages will be used by the State of Texas to allocate funding for the most-impacted area as well as the remaining 112 eligible Texas counties for the State Competition.

Table 8: Percentage of Non-Housing and Housing Unmet Need

Category	Unmet Need Related to Allocation	Percent of Total
Non-Housing	\$66,836,371	68%
Housing	\$31,650,930	32%
Total	\$98,487,300	100%

**1. HUD Most-Impacted Area Counties Housing Allocation**

As designated in the Federal Register for this allocation, the City of Houston and the City of San Marcos will be receiving direct allocations for recovery relating to these disasters. It was therefore important to pull out unmet need tied to both of these cities from their respective county totals. This was done by using addresses and latitude and longitude points for each household demonstrating unmet need within Houston and San Marcos to identify addresses that might have Houston or San Marcos in their mailing address but actually lie outside the city limits. Using ESRI ArcGIS, the housing unmet needs latitude and longitude points were placed over the city limits and the addresses within the city limits were isolated and withdrawn from the county total for Harris and Hays counties. As stated below, this method shows that the City of Houston has an unmet need of \$34,710,855 and the City of San Marcos with an unmet need of \$3,078,320. This brings the State total of unmet housing need relating to the allocation breakdown from \$69,440,104 to \$31,650,930. Through this method, Harris County was able to account for \$633,275 of unmet need for houses that lie within the county and have Houston addresses. San Marcos figures show a difference of \$1,147,249 between homes that lie within the city limits and homes outside the city.

Table 9: Individual Assistance for the HUD Most-Impacted Area Counties

HUD Most-Impacted Area Counties	IA Unmet Need: FEMA Verified Loss - Amount of Assistance
Harris	\$36,869,764
- Houston City Limits	\$34,710,855
Harris w/out Houston City Limits	\$2,158,909
Hays	\$9,896,766
- San Marcos City Limits	\$3,078,320
Hays w/out San Marcos City Limits	\$6,818,446
Hidalgo	\$1,815,789
Travis	\$3,715,483
Total	\$14,508,627

**2. HUD Most Impacted Area Counties Non-Housing Allocation**

Using data from the FEMA EMMIE database, TDEM was able to provide projected amounts for the 4 most-impacted counties: Harris, Hays, Hidalgo, and Travis. Figures for both disaster declarations were summed for each of the counties. Figures for both Houston and San Marcos were isolated in order to remove these figures from Harris and Hays Counties. This is a total projected project amount of \$36,866,107. When factoring in the 25% local match, which can be considered unmet need for these funds, the total unmet need is \$1,109,992 for Harris County, \$1,963,572 for Hays County, \$3,299,059 for Hidalgo County, and \$2,843,905 for Travis County. This puts the total unmet need for non-housing at \$9,216,527 for the four most impacted counties in Texas.

Table 10: Public Assistance for the HUD Most-Impacted Area Counties

HUD Most-Impacted Area	Projected Project Amount (DR-4223)	Projected Project Amount (DR-4245)	Projected Project Amount (DR-4223 + DR-4245)	25% Local Match (PA Unmet Need)
Harris	\$12,137,411	\$-	\$12,137,411	
- Houston	-\$7,067,275	\$-	-\$7,067,275	
- Houston ISD	-\$630,169	\$-	-\$630,169	
Harris w/out Houston	\$4,439,967	\$-	\$4,439,967	\$1,109,992
Hays	\$4,709,206	\$6,862,083	\$11,571,289	
- San Marcos	-\$582,850	-\$2,268,000	-\$2,850,850	
- San Marcos Housing Authority	-\$566,153	-\$300,000	-\$866,153	
Hays w/out San Marcos	\$3,560,203	\$4,294,083	\$7,854,286	\$1,963,572
Hidalgo	\$8,269,137	\$4,927,099	\$13,196,235	\$3,299,059
Travis	\$4,405,181	\$6,970,437	\$11,375,618	\$2,843,905
TOTAL w/out Houston & San Marcos	\$20,674,488	\$16,191,619	\$36,866,107	\$9,216,527

To determine the allocation breakdown for the four most impacted counties, the total unmet needs for non-housing and housing were added for each of the counties. The total unmet needs for the four most impacted counties, less Houston and San Marcos, was totaled. Each county was then allocated funds based on their prorated share of the total.

Table 11: Allocation for HUD Most-Impacted Area Counties

HUD Most-Impacted Area	PA Unmet Need	IA Unmet Need	PA + IA Unmet Need	PA + IA Unmet Need % of Total	Dollar Totals of 4 County Allocation
Harris	\$1,109,992	\$2,158,909	\$3,268,901	14%	\$2,756,457
Hays	\$1,963,572	\$6,818,446	\$8,782,017	37%	\$7,405,319
Hidalgo	\$3,299,059	\$1,815,789	\$5,114,847	22%	\$4,313,027
Travis	\$2,843,905	\$3,715,483	\$6,559,387	28%	\$5,531,116
<b>TOTAL</b>	<b>\$9,216,527</b>	<b>\$14,508,627</b>	<b>\$23,725,153</b>	<b>100%</b>	<b>\$20,005,919</b>

Allocations for these four most impacted counties will be broken down by the statewide percentages of 68% for non-housing and 32% for housing.

Table 12: Allocation for HUD Most-Impacted Area Counties by Housing and Non-Housing

HUD Most-Impacted Area	Housing Allocation (32%)	Non-Housing Allocation (68%)	Total Allocation
Harris County	\$882,066	\$1,874,391	\$2,756,457
Hays County	\$2,369,702	\$5,035,617	\$7,405,319
Hidalgo County	\$1,380,169	\$2,932,858	\$4,313,027
Travis County	\$1,769,957	\$3,761,159	\$5,531,116
<b>Total</b>	<b>\$6,401,894</b>	<b>\$13,604,025</b>	<b>\$20,005,919</b>

**3. State Competition Allocation Breakdown**

The final breakout for the counties that are part of the State Competition will be \$17,421,927 to be spent on non-housing and \$8,198,554 to be spent on housing. For the competition, the State will be looking at distress factors and will be considering the Texas Regional Review Committee’s objective scoring criteria to serve as a springboard for additional qualifying criteria.

Table 13: Allocation for State Competition by Housing and Non-Housing

State Competition	Total Allocation
Housing Allocation (32%)	\$8,198,554
Non-Housing Allocation (68%)	\$17,421,927
<b>Total</b>	<b>\$25,620,481</b>

**H. Local and Regional Planning Initiatives**

**1. 2017 Texas State Water Plan**

The Texas Water Development Board State Water plan is based on 16 regional water plans and addresses the needs of all water user groups in the State – municipal, irrigation, manufacturing, livestock, mining, and steam-electric power – during a potential repeat of the drought of record that the State suffered in the 1950s. The regional and State water plans consider a 50-year planning horizon: 2020 through 2070.<sup>28</sup>

## **2. Drainage Studies**

The Texas Water Development Board offers grants to political subdivisions of the State of Texas for evaluation of structural and nonstructural solutions to flooding problems. Upstream and/or downstream effects of proposed solutions must be considered in the planning. The proposed planning must be regional in nature by considering the flood protection needs of the entire watershed.<sup>29</sup>

The Community Development and Revitalization program of the GLO is also partnering with the Texas Water Development Board on the Lower Rio Grande Valley Colonia Drainage Study. The purpose of this storm water drainage planning project is to develop the necessary drainage planning required to examine the infrastructure needs in the Colonias.

### **I. Key Parties Involved in Recovery to Date**

There have been multiple organizations involved with 2015 floods recovery. Local, State, and Federal levels of government, non-profit, and private sector entities have been involved in addressing the effects of the 2015 floods. For example, Travis County created the Travis Austin Recovery Group, a non-profit, to provide direct assistance to survivors.<sup>30</sup> Bastrop County has the Bastrop County Long Term Recovery Team that helps uninsured or underinsured residents.<sup>31</sup>

TDEM has been instrumental in working with localities to document the damage immediately after the floods and then collate this information to support a Presidential Major Disaster Declaration.<sup>32</sup>

The Texas General Land Office Community Development and Revitalization (GLO-CDR) program has a web page dedicated to sharing the pertinent information to assist with recovery efforts and administer the CDBG-DR 2015 flood allocation for the State of Texas. This includes a survey to help identify the remaining unmet needs and priorities from localities. The website, TexasRebuilds.org, will also be utilized for the administration of the 2015 floods allocation.

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<sup>28</sup> <https://2017.texasstatewaterplan.org/statewide>

<sup>29</sup> <http://www.twdb.texas.gov/flood/grant/fpp.asp>

<sup>30</sup> <https://www.traviscountytexas.gov/emergency-services/es-news/2015-flood-news>

<sup>31</sup> <http://www.bastropcountylongtermrecovery.org/>

<sup>32</sup> <https://www.txdps.state.tx.us/dem/>

## III. General Requirements

### A. Planning and Coordination

The GLO's recovery projects will be developed in a manner that considers an integrated approach to housing, infrastructure, economic revitalization, and overall community recovery. The GLO will continue to work with State and local jurisdictions to provide guidance on promoting a sound short-and-long term recovery plan in the affected areas by coordinating available resources to help in the restoration and recovery of damaged communities. Disaster recovery presents affected communities with unique opportunities to examine a wide range of issues such as housing quality and availability, road and rail networks, environmental issues and the adequacy of existing infrastructure. The GLO will support long-term plans put in place by local and regional communities that promote the future well-being of these damaged areas such as modernization of public facilities, stimulation of the local economy, the rebuilding of housing stock, and the hardening of homes and infrastructure so that communities withstand future disasters.

The GLO will coordinate with other local and regional planning efforts to leverage those efforts as much as possible.

### B. Leveraging Funds

The GLO will encourage subgrantees to leverage CDBG-DR funds with funding provided by other Federal, State, local, private, and nonprofit sources to utilize the limited CDBG-DR funds to the fullest possible extent. The GLO will report on leverage funds in the DRGR system.

### C. Protection of People and Property

#### 1. Quality Construction Standards

The GLO will require both quality inspections and code compliance inspections on all projects. Site inspections will be required on all projects to ensure quality and compliance with building codes. The GLO will encourage and support subrecipients efforts to update and strengthen local compliance codes to mitigate hazard risks due to sea level rise, high winds, storm surge, and flooding where applicable. In the project application subrecipients will submit an explanation of current and the future planned codes to mitigate hazard risks. The GLO will provide technical guidance on hazard mitigation code examples.

For reconstruction or new construction of residential buildings, the GLO will follow the ENERGY STAR program for Green Building Standards. For rehabilitation of non-substantially damaged

residential buildings, the GLO will follow the guidelines to the extent applicable specified in the HUD CPD Green Building Retrofit Checklist. For infrastructure projects, the GLO will encourage, to the extent practicable, implementation of green building practices.

## **2. Housing Contractors Standards**

The GLO will establish standards in the request for qualifications (RFQ) for housing contractors. The standards will include but not be limited to information on the company's organizational structure and capabilities, ability to perform, recent construction projects completed or underway over the past five years, performance and payment bond capacity, financial statements for the past two years, evidence of insurance coverage, and business registrations, certifications, and licenses. The GLO will require subrecipients to utilize builders qualified through the RFQ process, or use local procurement methods to qualify contractors. To ensure full and open competition subrecipients are required at a minimum to follow 24 CFR 570.489(g). The GLO will monitor subrecipient procurement. The GLO will require a warranty period post-construction. All work performed by the contractor will be guaranteed for a period of 1 year.

## **3. Appeals Processes**

The GLO responds to complaints and appeals in a timely and professional manner to maintain a quality level of operations. The GLO's Appeals Processes apply to appeals received from homeowners, contractors, cities, counties, and housing authorities among others. The GLO will respond to homeowners by coordinating with the subrecipients and/or housing contractors to resolve homeowners' issues.

A record of each filed complaint or appeal that the GLO is kept in an information file. When a complaint or appeal is filed, the GLO will respond to the complainant or appellant within 15 business days where practicable. For expediency, the GLO will utilize telephone communication as the primary method of contact, email and postmarked letters will be used as necessary to document conversations and transmit documentation.

Information about the right and how to file a complaint shall be printed on all program applications, guidelines, the GLO public website, and subrecipient websites in all local languages, as appropriate and reasonable. Procedures for appealing a GLO decision on a complaint shall be provided to complainants in writing as part of the complaint response.

## **4. Dam and Levee Requirements**

As stated in the Federal Register, Vol. 81, No. 117, Friday, June, 17, 2016, CDBG-DR funds are prohibited from being used to enlarge a dam or levee beyond the original footprint of the structure that existed prior to the disaster event. The GLO will ensure that if subgrantees use CDBG-DR funds for levees and dams the subgrantees will: (1) register and maintain entries

regarding such structures with the U.S. Army Corps of Engineers National Levee Database or National Inventory of Dams; (2) ensure that the structure is admitted in the U.S. Army Corps of Engineers PL 84–99 Program (Levee Rehabilitation and Improvement Program); and (3) ensure the structure is accredited under the FEMA National Flood Insurance Program. The GLO will upload into DRGR system the exact location of the structure and the area served and protected by the structure; and maintain file documentation demonstrating that the grantee has conducted a risk assessment prior to funding the flood control structure and that the investment includes risk reduction measures.

#### **D. Elevation Standards**

The GLO will apply the following elevation standards to new construction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA’s data source identified in 24 CFR 55.2(b)(1). All structures, defined at 44 CFR 59.1, designed principally for residential use and located in the annual (or 100-year) floodplain that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b) (10), must be elevated with the lowest floor, including the basement, at least two feet above the annual floodplain elevation. Residential structures with no dwelling units and no residents below the annual floodplain, must be elevated or flood proofed, in accordance with FEMA flood proofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above the annual floodplain. Applicable State, local, and tribal codes and standards for floodplain management that exceed these requirements, including elevation, setbacks, and cumulative substantial damage requirements, will be followed.

#### **E. Public Housing, HUD-assisted Housing, Housing for the Homeless, and Affirmatively Furthering Fair Housing**

The GLO’s subgrantees and/or subrecipients will identify and address the rehabilitation, reconstruction and replacement of the following types of housing affected by the disasters: Public housing (including administrative offices), HUD-assisted housing, McKinney-Vento Homeless Assistance Act-funded shelters and housing for the homeless including emergency shelters and transitional and permanent housing for the homeless, and private market units receiving project-based assistance or with tenants that participate in the Section 8 Housing Choice Voucher Program. The subgrantees and/or subrecipients will identify these projects either in the county methods of distribution for the HUD-identified most-impacted area counties, or submit the project to the State Competition as applicable.

All subgrantees and/or subrecipients will certify that they will affirmatively further fair housing (“AFFH”) in their grant agreements, and will receive GLO training and technical assistance in meeting their AFFH obligations. Additionally, all project applications will undergo AFFH review by GLO before approval. Such review will include assessment of a proposed project’s area

demography, socioeconomic characteristics, housing configuration and needs, educational, transportation, and health care opportunities, environmental hazards or concerns, and all other factors material to the AFFH determination. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard-related impacts.

#### **F. Broadband Infrastructure**

As required by the Federal Register, Vol. 81, No. 117, Friday, June, 17, 2016, any new construction or substantial rehabilitation, as defined by 24 CFR 5.100, of a building with more than four rental units will include installation of broadband infrastructure, as this term is also defined in 24 CFR 5.100, except where the subgrantee documents that: (i) the location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible; (ii) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or (iii) the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

#### **G. Disaster Resistant Housing**

Various target populations are eligible to be served including homeless and special needs populations. CDBG-DR funds received by the State will be used in the recovery efforts from the 2015 storms and floods for specific disaster-related purposes. While these funds do not exclude eligibility to homeless individuals or other special needs populations, they are not set-aside specifically for such. It is anticipated that the CDBG-DR funds may address the needs of people with disabilities, and homeless, under the programs developed and administered under this allocation. The State also has various other programs that address the housing needs of these populations that are unrelated to this grant. As stated in the Needs Assessment, the State of Texas has a fairly widespread and robust homeless support services program without the limitation in the service area of the CDBG-DR program.

#### **H. Displacement of Persons and/or Entities**

To minimize the displacement of persons and/or entities that may be affected by the activities outlined in this Action Plan, the GLO will coordinate with other State agencies, local government, and local non-profit organizations to ensure minimal displacement. However, should any proposed projects cause displacement of people, the GLO will ensure grantees follow the requirements set forth under the Uniform Relocation Assistance and Real Property Acquisition Policies Act, as waived.

## **I. Program Income**

Any program income earned as a result of activities funded under this grant will be subject to alternate requirements of 24 CFR §570.489(e) , which defines program income. Program income generated under individual contracts with the sub-grantees will be returned to the GLO. At the GLO's discretion, program income could be allowed to remain with a community to continue recovery efforts.

## **J. Monitoring Standards**

The GLO provides program-wide oversight and monitoring activities for all applicable CDBG and related Federal requirements in its administration of the CDBG-DR Program. The GLO will provide technical assistance to recipients from the application stage through the completion of the projects to ensure that funds are appropriately used for the CDBG-DR activities, as well as meeting one of the three the national objectives.

The GLO will monitor all contract expenditures for quality assurance and to prevent, detect and eliminate fraud, waste, and abuse as mandated by Executive Order (EO) RP 36, signed July 12, 2004, by the Governor of Texas. The GLO will particularly emphasize mitigation of fraud, abuse, and mismanagement related to accounting, procurement, and accountability which may also be investigated by the State Auditor's Office (SAO). In addition, the GLO and the grantees are subject to Uniform Guidance Standards of 2 CFR 200 which encompasses the review of compliance with program requirements and the proper expenditure of funds by an independent Certified Public Accountant (CPA) or by the SAO. Reports from the SAO's office will be sent to the Office of the Governor, the Legislative Committee, and the GLO.

The GLO has an internal audit staff that performs independent internal audits of programs and can perform such audits on these programs and grantees. The GLO will utilize a monitoring plan to specifically ensure that the recovery allocation is carried out in accordance with State and Federal laws, rules, and regulations as well as the requirements set forth in the Federal Register Notices. The monitoring plan will also include duplication of benefits review to ensure compliance with the Stafford Act.

# **IV. State Administered Disaster Recovery Program**

## **A. Action Plan**

The Action Plan describes the following activities related to disaster relief, long-term recovery, and restoration of housing, infrastructure, and economic revitalization in the most impacted and distressed areas affected by the severe storms, tornadoes, straight-line winds, and flooding disasters occurring during 2015:

- Citizen participation process used to develop the Action Plan;
- Eligible affected areas and applicants, and the methodology used to distribute funds to those applicants;
- Activities for which funding may be used; and
- Grant procedures that will be applicable to ensure program requirements, including non-duplication of benefits.

This Action Plan will be used by the GLO to provide the approximate \$50,696,000 in CDBG-DR funds to be used toward meeting unmet housing, infrastructure, and other eligible community, and economic revitalization needs associated with DR-4223 and DR-4245.

As additional information becomes available through the grant administration process, amendments to this Action Plan are expected. Prior to adopting any substantial amendment to this Action Plan, the GLO will publish the proposed plan or amendment on the GLO's official website and will afford citizens, affected local governments, and other interested parties a reasonable opportunity to examine the plan or amendment's contents. At a minimum, the following modifications will constitute a substantial amendment:

- A change in program benefit or eligibility criteria;
- The allocation or re-allocation of more than \$1 million; or
- The addition or deletion of an activity.

## **B. Program Budget**

### **1. Grant Allocations**

Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of housing, infrastructure and economic revitalization in the impacted and distressed Texas counties as declared in DR-4223 and DR-4245.

As required by the Federal Register, Vol. 81, No. 117, Friday, June 17, 2016, the GLO allocates a minimum of \$22,228,800 of the overall grant to the HUD-identified "most impacted" area consisting of Harris, Hays, Hidalgo, and Travis Counties.

The GLO will ensure, as is required by the Federal Register, the proportionate allocation of resources relative to areas and categories of greatest need. The GLO will allocate for non-housing 68% and housing 32% based on the unmet need identified in the needs assessments.

The GLO will ensure, as is required and identified in the Federal Register, at least 70% or \$35,487,200 of the entire CDBG Disaster Recovery grant award will be used for activities that benefit low and moderate income persons.

**2. Administrative Funds**

State Administrative costs will not exceed 5%. Planning and administrative costs combined will not exceed 20%. The provisions outlined under 42 U.S.C. 5306(d) and 24 CFR §570.489(a)(1)(i) and (iii) will not apply to the extent that they cap State administration expenditures and require a dollar for dollar match of State funds for administrative costs exceeding \$100,000. Pursuant to 24 CFR §58.34(a)(3), except for applicable requirements of 24 CFR §58.6, administrative and management activities are exempt activities under this Action Plan. Once contracted, the GLO will allow the drawdown of pre-agreement costs associated with eligible disaster recovery activities dating back to the date of the disaster(s) for subgrantees and the GLO with appropriate documentation.

**3. Thresholds Factors and Grant Size**

There must be a specific disaster-related need directly attributable to the major natural disaster declaration for severe storms, tornadoes, straight-line winds, and flooding disaster relief, long-term recovery and/or restoration of housing and infrastructure (DR-4223, DR-4245). No disaster recovery assistance will be considered with respect to any part of a disaster loss that is reimbursable by the Federal Emergency Management Agency (FEMA), the Army Corps of Engineers (USACE), insurance or another source due in part to the restrictions against duplication of benefits outlined in this Action Plan. An activity underway prior to the Presidential disaster declaration will not qualify unless the disaster directly impacted said project.

- HUD Most-Impacted Area Counties

The grant size established for this Action Plan for the most-impacted counties is a \$100,000 minimum allocation size and maximum allocation size is the total allocated to the county.

- State Competition

The grant size established for this Action Plan for the State Competition for housing activities is a \$500,000 minimum project size and \$2,000,000 maximum project size. The application size established for this Action Plan for the State Competition for non-housing is a \$100,000 minimum project size and \$1,000,000 maximum project size. Each application may contain only 1 project. Each applicant can submit a total of 3 applications. No more than 2 may be non-housing.

Table 14: Minimum and Maximum Project Size

Project Size	Minimum	Maximum
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HUD Most-Impacted Area Counties		
Harris	\$100,000	\$2,756,457
Hays	\$100,000	\$7,405,319
Hidalgo	\$100,000	\$4,313,027
Travis	\$100,000	\$5,531,116
State Competition		
Non-Housing	\$100,000	\$1,000,000
Housing	\$500,000	\$2,000,000

The proposed contract start dates for subgrantees is January/February 2017, and the proposed contract end dates for subgrantees is January/February 2019.

### C. Eligibility and Award Method

According to HUD, only those that were within the disaster-declared counties of DR-4223 and DR-4245 are eligible to receive assistance under this grant. The GLO will potentially utilize all three national objectives to carry out all programs under this allocation. Only mitigation measures related to repairing damage caused by severe storms, tornadoes, straight-line winds, and flooding will be considered for funding.

#### 1. Eligible Applicants

Counties, cities, and housing authorities located in the 116 impacted counties are eligible applicants.

Due to direct allocations from HUD, the City of Houston (including the Houston Housing Authority) and the City of San Marcos (including the San Marcos Housing Authority) are ineligible to receive funding from the State's allocation in both the county MODs and the State Competition.

#### 2. Eligible Activities

Housing Activities: Housing activities allowed under CDBG-DR including but are not limited to:

- Single-family and multifamily repair, rehabilitation, and / or new construction;
- Repair and replacement of manufactured housing units;
- Hazard mitigation;
- Elevation;
- Buyouts; and
- Other activities associated with the recovery of housing stock impacted.

Non-Housing Activities: All activities allowed under CDBG-DR, including but not limited to:

- Restoration of infrastructure (such as water and sewer facilities, streets, provision of generators, removal of debris, drainage, bridges, etc.);
- Demolition, rehabilitation of publicly or privately owned commercial or industrial buildings, and code enforcement;
- Economic development (such as microenterprise and small business assistance, commercial rehabilitation, and special economic development activities).
- Public service (such as job training and employment services, healthcare, child care, and crime prevention within the 15% cap)

### **3. Ineligible Activities**

Ineligible activities identified in the Federal Register, Vol. 81, No. 117, Friday, June 17, 2016, are the use of CDBG-DR for forced mortgage payoff, construction of dam/levee beyond original footprint, incentive payments to households that move to disaster-impacted floodplains, assistance to privately-owned utilities, not prioritizing assistance to businesses that meet the definition of a small business, or assistance for second homes and activities identified in 24 CFR 570.207. All activities and uses authorized under Title I of the Housing and Community Development Act of 1974, allowed by waiver, or published in the Federal Register, Vol. 81, No. 117 are eligible.

### **D. Method of Distribution**

As required by the Federal Register, Vol. 81, No. 117, Friday, June 17, 2016, the GLO will allocate \$22,228,800 of the overall grant to the HUD-identified “most impacted” area. The HUD-identified “most impacted” area consists of Harris, Hays, Hidalgo, and Travis Counties. The GLO will meet the requirement by allocating \$20,005,920 (excluding 5% administration and 5% planning, and project delivery) to Harris, Hays, Hidalgo, and Travis Counties. The GLO will require each “most-impacted” county to submit to the GLO a county Method of Distribution (MOD).

The amount each “most impacted” area county is allocated is based on the housing and non-housing funding allocation in the Need Assessment section of this Action Plan.

The balance, \$25,620,480 (excluding 5% administration and 5% planning, and project delivery), will be allocated for a State Competition for housing and non-housing projects. The GLO will release an application for eligible entities to apply.

#### **1. HUD Most-Impacted County Method of Distribution (MOD)**

The specific distribution of funds for general non-housing and housing activities will be determined by the four locally adopted county MODs. The four HUD identified most-impacted counties Harris, Hays, Hidalgo, and Travis will develop MODs for their county's allocation.

Each most-impacted county, including eligible cities (excluding the cities of Houston and San Marcos) and public housing authorities (excluding the Houston and San Marcos Housing Authorities) within the most-impacted counties, are eligible to be allocated funds with the MOD.

Harris, Hays, Hidalgo and Travis counties will facilitate the Method of Distribution process. Cities and housing authorities located with the "most-impacted" counties are encouraged to participate in the development of the MOD.

Each "most-impacted" county MOD criteria will include the following:

- Established objective criteria for allocation of funds to eligible entities or projects.
- Any project type priorities.
- A plan to meet the 70% low-to-moderate income benefit requirement.
- Must allocate 68% of the funds to non-housing activities and 32% of the funds housing activities.
- Minimum grant size of \$100,000 and maximum grant size of the total amount allocated to the county.
- Identify the process of reallocation of funds from de-obligated funds and/or cost-savings from completed projects.
- Must conduct at least one public planning meeting and one public hearing.

The GLO will provide the counties additional guidance on the development of the county MODs.

## **2. State Competition**

The GLO will conduct a State housing and non-housing competition for entities located in the remaining 112 impacted counties that were not identified by HUD as a most-impacted area county. Eligible applicants will include counties, cities, and housing authorities located in the 112 impacted counties. Counties, cities, and housing authorities located in the most-impacted counties are ineligible to apply to the State housing and non-housing competition.

Eligible applicants will submit applications for housing and/or non-housing projects to GLO based upon application guidelines developed by the GLO.

At a minimum the State Competition will include the following:

- Established objective scoring criteria for housing and non-housing projects.
- All CDBG-DR activities will be eligible.

- The State must meet the 70% low-to-moderate income benefit requirement.
- Will allocate \$17,421,926 or 68% of the funds to the non-housing competition and \$8,198,554 or 32% of the funds to the housing competition.
- For the housing competition, the minimum application amount is \$500,000 and the maximum application amount is \$2 million.
- For the non-housing competition, the minimum application amount is \$100,000 and the maximum application amount is \$1 million.
- 1 project per application submission.
- Eligible applicants may submit a maximum of 3 applications, only 2 may be non-housing.
- Any de-obligated funds and/or cost-savings from completed projects will be allocated to partially funded applications and/or awarded to the next highest scoring unfunded application.

The State Competition scoring criteria will be released in Action Plan, Amendment No. 1. If there is an under subscription in the competition, the GLO may request a waiver from HUD and amend the Action Plan to utilize funds based on the response.

#### **E. Location**

All CDBG-DR funded activities under this Action Plan will occur within the disaster-declared counties of FEMA DR-4223 and DR-4245, excluding the cities of Houston and San Marcos.

#### **F. Mitigation Measures**

The GLO will encourage subgrantees to incorporate preparedness and mitigation measures into rebuilding activities, which help to ensure that communities recover to be safer and stronger than prior to the disaster. Incorporation of these measures also reduces costs in recovering from future disasters. Mitigation measures that are not incorporated into those rebuilding activities must be a necessary expense related to disaster relief, long-term recovery, and restoration of infrastructure, housing, or economic revitalization that responds to declared disaster FEMA DR-4223 and DR-4245.

#### **G. Use of Urgent Need**

Each subgrantee receiving 2015 Floods CDBG-DR funds will document how all activities or projects funded under the urgent need national objective respond to a disaster-related impact identified by the subgrantee. The CDBG certification requirements for documentation of urgent need, located at 24 CFR 570.208(c) and 24 CFR 570.483(d), are waived for the grants under this notice until 24 months after HUD first obligates funds to the grantee.

It is anticipated that the use of the urgent need national objective will be limited. At least 70% of the entire CDBG–DR grant award must be used for activities that benefit low- and moderate-income persons.

## H. Citizen Participation

The citizen participation plan for the 2015 Floods allocation as required by the Federal Register, Vol. 81, No. 117, Friday, June 17, 2016, will provide a reasonable opportunity of at least 14 days for citizen comment and ongoing citizen access to information about the use of grant funds.

- Before the GLO adopts the Action Plan for this grant or any substantial amendment to this grant, the GLO will publish the proposed plan or amendment on TexasRebuilds.org. TexasRebuilds.org is the official website for the GLO’s Community Development and Revitalization program which administers CDBG-DR grant funds for the State.
- The GLO and/or subgrantees and subrecipients will notify affected citizens through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, and/or contacts with neighborhood organizations.
- The GLO will ensure that all citizens have equal access to information about the programs, including persons with disabilities (vision and hearing impaired) and limited English proficiency (LEP). A Spanish version of the action plan will be available. The GLO consulted the *Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons*, published on January 22, 2007, in the Federal Register (72 FR 2732) in order to comply with citizen participation requirements.
- Upon subsequent publication of the Action Plan or substantial amendments, the GLO will provide a reasonable opportunity of at least fourteen (14) days and have a method for receiving comments.
- The GLO will take comments via USPS mail, fax or email:

Address: Texas General Land Office  
Community Development and Revitalization  
Attn: Ellen Kinsey  
P.O. Box 12873  
Austin, TX 78711-2873

Fax: 512-475-5150  
Email: [cdr@glo.texas.gov](mailto:cdr@glo.texas.gov)

### 1. Public Website

The GLO will make the following items available on its website: (1) the Action Plan (including all amendments); each QPR (as created using the DRGR system); (2) procurement, policies and procedures; (3) executed CDBG-DR contracts; and (4) status of services or goods currently being procured by the GLO (e.g., phase of the procurement, requirements for proposals, etc.).

## **2. Consultation**

The GLO consulted with the four HUD identified “most-impacted” area counties and conducted outreach for the other 112 impacted counties. The GLO consultation and outreach included the following:

- 2015 - Created a website page for all information related to 2015 Storms and Floods. The web page is accessible from TexasRebuilds.org.
- April 2016 - The GLO sent a letter to all eligible cities, counties, and councils of government located in the 116 disaster-declared counties. This included Texas State Representatives, Texas State Senators, and Congressional Representatives.
- April 2016 – Created a Recovery Needs survey for all impacted entities. The survey closed for submission August 31, 2016. The GLO has received 167 completed surveys.
- June 2016 – The GLO presented to the Texas Association of Regional Councils regarding the allocation.
- July 2016 – The GLO conducted outreach to all impacted Councils of Government Executive Directors through telephone and/or email. Twenty-three of the twenty-four COGs of Texas were impacted by these disasters.
- July/August 2016 – The GLO consulted with the HUD identified four “most-impacted” counties. This included the counties and the cities located within the impacted counties.
- July/August 2016 - The GLO presented to the impacted councils of governments. The councils included Capital Area Council of Governments, Deep East Texas Council of Government, Houston-Galveston Area Council, Lower Rio Grande Valley Development Council, South East Texas Regional Planning Commission, Texoma Council of Governments, and West Central Texas Council of Governments.

## **3. Non-substantial Amendment**

The GLO will notify HUD when it makes any plan amendment that is not substantial. HUD will be notified at least 5 business days before the amendment becomes effective. HUD will acknowledge receipt of the notification of non-substantial amendments via email within five (5) business days.

#### **4. Consideration of Public Comments**

The GLO will consider all comments, received orally or in writing, on the action plan or any substantial amendment. A summary of these comments or views located and the GLO's response to each located in Appendix C must be submitted to HUD with the Action Plan or substantial amendment.

#### **5. Citizen Complaints**

The GLO will provide a timely written response to every citizen complaint. The response will be provided within fifteen (15) working days of the receipt of the complaint, if practicable.

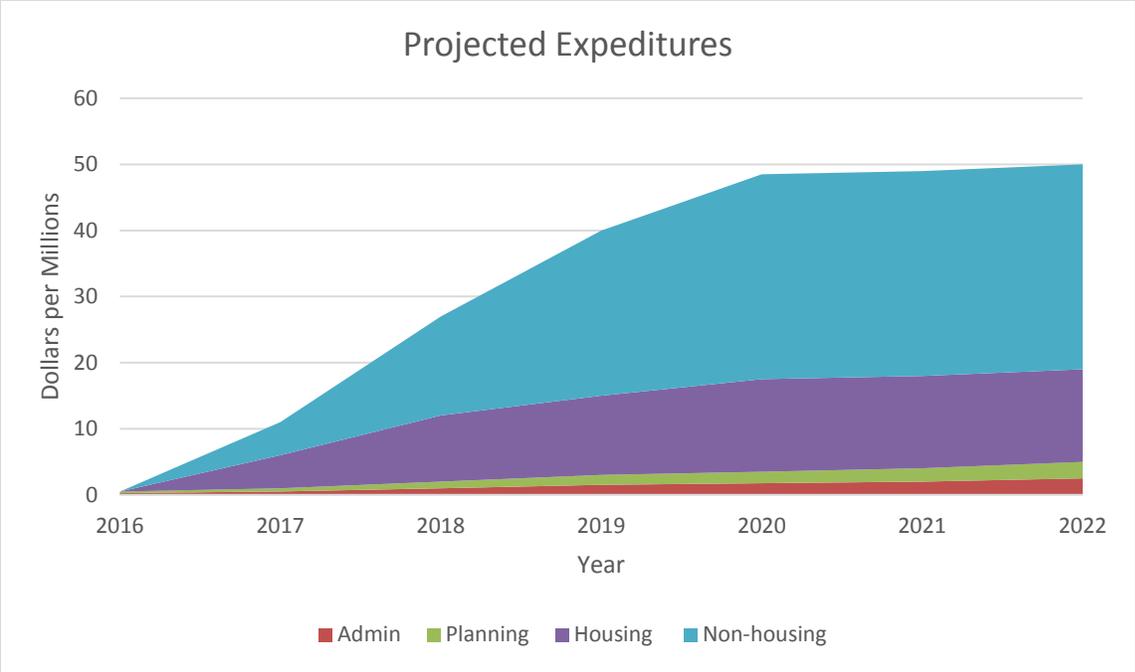
#### **6. Waivers**

The Appropriations Act authorizes the Secretary of HUD to waive, or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary, or use by the recipient, of these funds and guarantees, except for requirements related to fair housing, nondiscrimination, labor standards, and the environment (including requirements concerning lead-based paint), upon: (1) A request by the grantee explaining why such a waiver is required to facilitate the use of such funds or guarantees; and (2) a finding by the Secretary that such a waiver would not be inconsistent with the overall purpose of the Housing and Community Development (HCD) Act. Regulatory waiver authority is also provided by 24 CFR 5.110, 91.600, and 570.5. At this time, the GLO is not requesting any additional waivers other than those already granted in Federal Registers associated with the funds under this Action Plan.

#### **I. Performance and Expenditure Schedule**

The GLO has developed a performance and expenditure schedule that includes projected performance of both expenditures and outcome measures for housing, non-housing, planning and administration activities shown in the graph below.

Figure 5: Projects Expenditures Timeline



## V. Appendix A – Eligible Counties

<b>COUNTY</b>	<b>MOST IMPACTED</b>	<b>DR-4223</b>	<b>DR-4223 Assistance Type</b>	<b>DR-4245</b>	<b>DR-4245 Assistance Type</b>
Angelina	N	Y	Individual Assistance/Public Assistance	N	N/A
Archer	N	Y	Public Assistance	N	N/A
Atascosa	N	Y	Public Assistance	N	N/A
Austin	N	Y	Public Assistance	N	N/A
Bastrop	N	Y	Individual Assistance/Public Assistance	Y	Individual Assistance/Public Assistance
Baylor	N	Y	Public Assistance	N	N/A
Blanco	N	Y	Individual Assistance/Public Assistance	N	N/A
Bosque	N	Y	Public Assistance	Y	Public Assistance
Bowie	N	Y	Individual Assistance/Public Assistance	N	N/A
Brazoria	N	Y	Individual Assistance/Public Assistance	Y	Individual Assistance
Brown	N	Y	Public Assistance	N	N/A
Burleson	N	Y	Public Assistance	N	N/A
Caldwell	N	Y	Individual Assistance/Public Assistance	Y	Individual Assistance/Public Assistance
Callahan	N	Y	Public Assistance	N	N/A
Cameron	N	N	N/A	Y	Individual Assistance
Cass	N	Y	Public Assistance	N	N/A
Cherokee	N	Y	Individual Assistance/Public Assistance	N	N/A
Clay	N	Y	Public Assistance	N	N/A
Collingsworth	N	Y	Public Assistance	N	N/A
Colorado	N	Y	Public Assistance	N	N/A
Comal	N	Y	Public Assistance	Y	Individual Assistance/Public Assistance
Comanche	N	Y	Public Assistance	N	N/A
Cooke	N	Y	Individual Assistance/Public Assistance	N	N/A
Coryell	N	Y	Public Assistance	N	N/A

Dallas	N	Y	Individual Assistance/Public Assistance	N	N/A
Delta	N	Y	Public Assistance	N	N/A
Denton	N	Y	Individual Assistance/Public Assistance	N	N/A
DeWitt	N	Y	Public Assistance	N	N/A
Dickens	N	Y	Public Assistance	N	N/A
Duval	N	Y	Public Assistance	N	N/A
Eastland	N	Y	Individual Assistance/Public Assistance	N	N/A
Edwards	N	Y	Public Assistance	N	N/A
Ellis	N	Y	Individual Assistance/Public Assistance	N	N/A
Erath	N	Y	Individual Assistance/Public Assistance	N	N/A
Fannin	N	Y	Individual Assistance/Public Assistance	N	N/A
Fayette	N	Y	Individual Assistance/Public Assistance	N	N/A
Fort Bend	N	Y	Individual Assistance	N	N/A
Frio	N	Y	Individual Assistance/Public Assistance	N	N/A
Gaines	N	Y	Individual Assistance/Public Assistance	N	N/A
Galveston	N	N	N/A	Y	Individual Assistance
Garza	N	Y	Public Assistance	N	N/A
Gillespie	N	Y	Public Assistance	N	N/A
Gonzales	N	Y	Public Assistance	N	N/A
Grayson	N	Y	Individual Assistance/Public Assistance	N	N/A
Grimes	N	Y	Public Assistance	N	N/A
Guadalupe	N	Y	Individual Assistance	Y	Individual Assistance/Public Assistance

Hall	N	Y	Public Assistance	N	N/A
Hardin	N	Y	Public Assistance	Y	Individual Assistance
<b>Harris</b>	<b>Y</b>	Y	Individual Assistance/Public Assistance	Y	Individual Assistance
Harrison	N	Y	Individual Assistance/Public Assistance	N	N/A
Hartley	N	Y	Public Assistance	N	N/A
<b>Hays</b>	<b>Y</b>	Y	Individual Assistance/Public Assistance	Y	Individual Assistance/Public Assistance
Henderson	N	Y	Individual Assistance/Public Assistance	N	N/A
<b>Hidalgo</b>	<b>Y</b>	Y	Individual Assistance/Public Assistance	Y	Individual Assistance/Public Assistance
Hill	N	Y	Public Assistance	Y	Public Assistance
Hood	N	Y	Individual Assistance/Public Assistance	N	N/A
Hopkins	N	Y	Public Assistance	N	N/A
Houston	N	Y	Public Assistance	N	N/A
Jack	N	Y	Public Assistance	N	N/A
Jasper	N	Y	Public Assistance	Y	Public Assistance
Jim Wells	N	Y	Individual Assistance/Public Assistance	N	N/A
Johnson	N	Y	Individual Assistance/Public Assistance	N	N/A
Jones	N	Y	Public Assistance	N	N/A
Kaufman	N	Y	Public Assistance	N	N/A
Kendall	N	Y	Public Assistance	N	N/A
Lamar	N	Y	Public Assistance	N	N/A
Lee	N	Y	Public Assistance	N	N/A
Leon	N	Y	Public Assistance	N	N/A
Liberty	N	Y	Individual Assistance/Public Assistance	Y	Individual Assistance/Public Assistance
Lubbock	N	Y	Public Assistance	N	N/A
Lynn	N	Y	Public Assistance	N	N/A

Madison	N	Y	Individual Assistance/Public Assistance	N	N/A
McLennan	N	Y	Public Assistance	N	N/A
Milam	N	Y	Individual Assistance/Public Assistance	N	N/A
Montague	N	Y	Individual Assistance/Public Assistance	N	N/A
Montgomery	N	Y	Individual Assistance	N	N/A
Nacogdoches	N	Y	Public Assistance	N	N/A
Navarro	N	Y	Individual Assistance/Public Assistance	Y	Individual Assistance/Public Assistance
Newton	N	Y	Public Assistance	Y	Public Assistance
Nueces	N	Y	Individual Assistance/Public Assistance	N	N/A
Orange	N	Y	Public Assistance	N	N/A
Palo Pinto	N	Y	Public Assistance	N	N/A
Parker	N	Y	Public Assistance	N	N/A
Polk	N	Y	Public Assistance	N	N/A
Real	N	Y	Public Assistance	N	N/A
Red River	N	Y	Individual Assistance/Public Assistance	N	N/A
Refugio	N	Y	Public Assistance	N	N/A
Robertson	N	Y	Public Assistance	N	N/A
Rusk	N	Y	Individual Assistance/Public Assistance	N	N/A
Sabine	N	Y	Public Assistance	N	N/A
San Augustine	N	Y	Public Assistance	N	N/A
San Jacinto	N	Y	Public Assistance	N	N/A
Shelby	N	Y	Individual Assistance/Public Assistance	N	N/A
Smith	N	Y	Individual Assistance/Public Assistance	Y	Public Assistance
Somervell	N	Y	Public Assistance	N	N/A
Starr	N	Y	Public Assistance	N	N/A

Tarrant	N	Y	Public Assistance	N	N/A
Throckmorton	N	Y	Public Assistance	N	N/A
Tom Green	N	Y	Public Assistance	N	N/A
<b>Travis</b>	<b>Y</b>	Y	Individual Assistance/Public Assistance	Y	Individual Assistance/Public Assistance
Trinity	N	Y	Individual Assistance/Public Assistance	N	N/A
Tyler	N	Y	Public Assistance	N	N/A
Uvalde	N	Y	Public Assistance	N	N/A
Van Zandt	N	Y	Individual Assistance/Public Assistance	N	N/A
Victoria	N	Y	Public Assistance	N	N/A
Walker	N	Y	Individual Assistance/Public Assistance	Y	Public Assistance
Waller	N	Y	Public Assistance	N	N/A
Washington	N	Y	Public Assistance	N	N/A
Wharton	N	Y	Individual Assistance/Public Assistance	N	N/A
Wichita	N	Y	Individual Assistance/Public Assistance	N	N/A
Willacy	N	N	N/A	Y	Individual Assistance/Public Assistance
Williamson	N	Y	Individual Assistance/Public Assistance	N	N/A
Wilson	N	Y	Public Assistance	Y	Individual Assistance/Public Assistance
Wise	N	Y	Individual Assistance/Public Assistance	N	N/A
Young	N	Y	Public Assistance	N	N/A
Zavala	N	Y	Public Assistance	N	N/A

## VI. Appendix B – Certifications

Sections 91.225 and 91.325 of title 24 of the Code of Federal Regulations are waived. Each State or UGLG receiving a direct allocation under this notice must make the following certifications with its action plan:

- a. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG-DR program.
- b. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- c. The grantee certifies that the action plan for Disaster Recovery is authorized under State and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, 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 and this notice. The grantee certifies that activities to be undertaken with funds under this notice are consistent with its action plan.
- d. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this notice.
- e. The grantee 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 135.
- f. The grantee certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each UGLG receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- g. Each State receiving a direct award under this notice certifies that it has consulted with affected UGLGs in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including the method of distribution of funding, or activities carried out directly by the State.
- h. The grantee certifies that it is complying with each of the following criteria:
  1. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in 2015 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 *et seq.*) related to the consequences of Hurricane Joaquin and adjacent storm systems, Hurricane Patricia, and other flood events.

2. 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.
3. 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 published in an applicable Federal Register notice) of the grant amount is expended for activities that benefit such persons.
4. The grantee 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:
  - (a) 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
  - (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).
- i. The grantee certifies 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) and the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations, and that it will affirmatively further fair housing.
- j. The grantee certifies that it has adopted and is enforcing the following policies, and, in addition, States receiving a direct award must certify that they will require UGLGs that receive grant funds to certify that they have adopted and are enforcing:
  1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
  2. 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.
- k. Each State or UGLG receiving a direct award under this notice 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 grantee has reviewed the requirements of this notice and requirements of Public Law 114–113 applicable to funds allocated by this notice, and certifies to the accuracy of Risk Analysis Documentation submitted to demonstrate that it has in place proficient financial controls and procurement processes; that it has adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, to ensure timely expenditure of funds; that it has to maintain a comprehensive disaster recovery Web site to ensure timely communication of

application status to applicants for disaster recovery assistance, and that its implementation plan accurately describes its current capacity and how it will address any capacity gaps.

- l. The grantee 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 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.
- m. The grantee 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.
- n. The grantee certifies that it will comply with applicable laws.

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Texas General Land Office

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Date

## VII. Appendix C – Response to Public Comment

The *State of Texas Plan for Disaster Recovery* was released on September 1, 2016. The public comment period for the document ran from September 1 to 16, 2016. The GLO distributed a Statewide press release announcing the availability of the *Plan* on the TexasRebuilds.org website. The *Plan* was available in English and Spanish.

The following are the comments received and the commenter as well as the response:

### **Comment #1: The Needs of Collin County**

I didn't see Collin County on the list of impacted counties. We received substantial amounts of rainfall that in just Celina required evacuations and damaged a bridge crossing that had to be shut down until we could make emergency repairs.

#### **Commenter:**

Gabe Johnson, PE, PH, CFM, GISP  
Director of Engineering and Public Works  
Public Works Offices, City of Celina  
10165 County Road 106  
Celina, TX 75009

#### **Staff Response:**

The eligible counties all received Presidential Disaster Declarations.

### **Comment #2: Project Type**

Page 12 discusses incorporating infrastructure resiliency solutions into the submitted projects. Page 29 gives the list of Non-Housing activities that will be considered. I would like to suggest that infrastructure capacity projects be added as an eligible activity as well.

The City of Arlington and, I'm sure, many other communities, have neighborhood flooding situations where inadequate public infrastructure is the cause of the flooding. Our Stormwater Capital Improvement Program includes a list of projects to enhance our infrastructure and several of the areas were impacted by the 2015 storms. The systems within the neighborhoods are in adequate condition, so don't fit within the "Restoration of Infrastructure" activity. I'd like to see that activity either expanded or an additional eligible activity added for capacity projects.

**Commenter:**

Mandy Clark, P.E., CFM  
Assistant Director/Stormwater  
Public Works and Transportation, City of Arlington  
P.O. Box 90231  
Arlington, TX 76004

**Staff Response:**

The list on page 29 of the Action Plan is not exhaustive, but rather a sample of potential activities. We anticipate that all projects which are eligible for the Community Development Block Grant-Disaster Recovery funding will be eligible in the State Competition.

**Comment #3: Demographic Data at County Level**

Thank you for the opportunity to provide comments on the State Action Plan Draft for the Texas 2015 Storms and Floods CDBG- DR Allocation.

With the Texas Low-Income Housing Information Service (TxLIHIS), Texas Appleseed has worked, for over 10 years, to ensure that low-income communities and communities of color have an equal opportunity to access disaster recovery programs. One of the legacies of segregation is that historically underserved populations—the poor, people of color, persons with disabilities—often live in areas most vulnerable to flooding and the other impacts of both natural and manmade disasters. They are also disproportionately negatively impacted by disasters, have a harder time recovering, and have historically been underserved by both short and long-term disaster recovery programs. 1

The CDBG-DR funds for recovery from the 2015 floods and storms present the State and the impacted areas with an opportunity to rebuild more resilient communities and reduce the damage from future disasters, and to do so in a way that addresses systemic issues that have left some communities more vulnerable. We applaud the State and the General Land Office’s commitment to “invest[ing] resources in efforts that mitigate damage from future disasters” and to developing programs “in a manner that considers an integrated approach to housing, infrastructure, economic revitalization and overall community recovery.” (AP at 11, 20)

**I. Needs Assessment**

Both the State’s use of objective data in its Needs Assessment and its inclusion of a resiliency factor in calculating unmet need are critical to an effective Action Plan. Also important is the State’s use of the NEMIS database figures, which include all applicants for FEMA individual assistance, instead of the FEMA website data which includes only approved applications. Following Hurricanes Ike and Dolly in 2008, FEMA’s application of the so-called “deferred maintenance rule” was used to reject applications for home repair assistance in low-income

neighborhoods and neighborhoods that were primarily African-American or Latino. While FEMA has been barred from using this rule by the federal courts, Texas' experience after the 2008 hurricanes demonstrates that the accuracy of approved application data may reflect practices or policies that undercount damage and disproportionately undercount damage in low-income communities of color.<sup>2</sup>

However, federal guidance requires that the State assess and include in its Action Plan how its decisions "may affect racial, ethnic, and low-income concentrations, and ways to promote the availability of affordable housing for low poverty, nonminority areas where appropriate and in response to natural hazard – related impacts." (81 FR 177:39692, 2016) It is difficult to see how the State will do this assessment without collecting and analyzing demographic data, including LMI data, which is not included in the Action Plan.

This impact analysis is essential to ensure that facially neutral policies do not have a completely unintended effect of impeding a fair assessment of loss and unmet need, and of equitable distribution of assistance. For example, in New Orleans, rebuilding assistance for homeowners was determined by the pre-storm value of homes, rather than the cost of repair, so that owners of identical houses in black and white neighborhoods received dramatically differing assistance given the low market value of homes in black neighborhoods because of a history of segregation and discrimination. In Texas, the state's Hurricane Ike and Dolly Round One program and initial Round Two program<sup>3</sup> required homeowners receiving disaster-recovery funds to rebuild on their pre-hurricane lot, which meant that families living in highly segregated, flood-prone, and distressed neighborhoods were denied the opportunity to rebuild on higher ground in higher opportunity communities. The State's Amended Action Plan included a first of its kind nationally homeowner mobility program (HOP) that has successfully helped homeowners move to safer areas where they will be less vulnerable to future storm damage. As the State recognizes in its Action Plan Draft and has carried out for Hurricane Ike and Dolly, buyouts and other programs that enable individuals to move out of high-risk areas are an essential element of resiliency and resistance to future disasters.

In addition to the requirements in the Federal Register Notice, on August 16, 2016, the United States Departments of Justice (DOJ), Homeland Security (DHS), Housing and Urban Development (HUD), Health and Human Services (HHS), and Transportation (DOT) issued guidance on Title VI of the Civil Rights Act for federally assisted recipients engaged in disaster preparedness, response, mitigation, and recovery (DOJ Guidance).<sup>4</sup> While we recognize that this guidance is extremely new and that the State was engaged in the Needs Assessment and Action Plan process before it was issued, Section E provides additional guidance on collecting and analyzing data in order to ensure Title VI compliance and equitable recovery that will be helpful to the State in producing the complete impact and needs assessment and consideration of the civil rights implications of its planning decisions required by the Federal Register Notice.

Inherent in the reporting and civil rights requirements of the CDBG-DR program, and made explicit by DOJ's new guidance, is that the required impact and needs assessment must include,

“information about the race, color, national origin, languages spoken by LEP populations, and other demographic information of communities served by a federally assisted program, activity, or service” and “identify, obtain, review, and share aggregate race, color, and national origin data concerning the extent and geographic distribution of damage caused by disasters and emergencies before formulating recovery and mitigation plans.”<sup>5</sup>

We understand that the State has federally mandated deadlines for submitting the Action Plan Draft, and that decisions about specific programs and projects have been delegated to local jurisdictions, however, the State’s own Action Plan must include this data “at the county level or lower if available.”<sup>6</sup> The State must add this data to its Needs Assessment as a substantial amendment and this kind of data and assessment must be a requirement for both Methods of Distribution and individual project applications.

As the formal recipient of CDBG-DR funds, the State must certify that it is in compliance with civil rights and fair housing requirements, including that its subrecipients are in compliance with those obligations. As the DOJ Guidance points out, “[l]eadership and commitment to nondiscrimination matter.” (italics in original)

Recipients who communicate this commitment internally in their departments, agencies, and organizations, as well as externally through training, policies, and outreach, will set the stage for improved Title VI compliance and more effective delivery of services. Robust information-sharing with affected or potentially affected communities is a practical way to reaffirm recipients’ commitment to Title VI protections. It is also essential to advance effective emergency preparedness, response, mitigation, and recovery efforts. Information-sharing activities also present an important opportunity for recipients to explicitly inform beneficiaries of their nondiscrimination rights.<sup>7</sup>

Local subrecipients have been clear, including in testimony before interim legislative committees, that they want additional guidance and technical assistance on a number of issues related to disaster recovery. In our interviews with local jurisdictions and CDBG grant consultants regarding the FFAST process, more guidance on fair housing and civil rights requirements and implementation was the most common recommendation. The State has access to data, expertise in CDBG-DR programs, and specific knowledge about how fair housing and civil rights requirements can be implemented in a disaster recovery program. The State’s leadership on these issues, including in its Action Plan and future planning and processes is important not only in and of itself, but to help local subrecipients efficiently plan and implement effective projects and programs.

## II. Public Comment on Amendments to the draft Action Plan

HUD’s approval of the action plan and obligation of funds requires grantees to meet the standards set out in the Federal Register Notice. (“The Secretary may disapprove an action plan as substantially incomplete if it is determined that the plan does not satisfy all of the required

elements identified in this notice.” (81 FR 117: 39691, 2016) “All grantees must include sufficient information so that all interested parties will be able to understand and comment on the action plan.” (81 FR 117: 39693, 2016)

A State Action Plan that meets statutory and regulatory requirements will require one or more substantial amendments and associated public comment processes to the current draft.<sup>8</sup> The State has, in the past structured its Action Plan in a similar way, amending the Plan to include Methods of Distribution (MOD) that contain the details of how funds will be allocated and used as they are approved by the State. The draft Action Plan should be explicit that specific amendments, including the MODs, changes to the Needs Assessment, and any change that identifies the use of funds in a more specific way, addresses public housing needs, or prioritize projects are substantial amendments and will be accompanied by a public comment process.

We appreciate the General Land Office’s experience and expertise in implementing disaster recovery programs and commitment to fair and effective recovery. We look forward to seeing subsequent iterations of the Action Plan when additional data and program details are added.

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1 See, e.g., Thomas Gabe, Gene Falk, Maggie McCarty, and Virginia Mason, Hurricane Katrina: Social-Demographic Characteristics of Impacted Areas, Congressional Research Service Report to Congress (November 5, 2005); Alice Fothergill and Lori Peek, Poverty and Disasters in the United States: A Review of Recent Sociological Findings, *Natural Hazards* 32: 89–110, 2004; and Shannon Van Zandt, Walter Gillis Peacock, Wesley E. Highland, and Samuel D. Brody, “Mapping social vulnerability to enhance housing and neighborhood resilience”, *Housing Policy Debate* 22(1):29-55 (January 2012).

2 See, e.g., *La Union del Pueblo Entero (LUPE) v. FEMA* (Case No. 1:08-cv-00487, Southern District, Texas) We also note that FEMA’s data collection is based on the structure of its own programs, which offer far more limited funding for renters than homeowners, because renters are not owners of the damaged structure. When that data is then used by other agencies to assess damage from a disaster, it can lead to an undercount of renters, who are disproportionately lower income, African-American and Latino in most of the country.

4 Guidance to State and Local Governments and Other Federally Assisted Recipients Engaged in Emergency Preparedness, Response, Mitigation, and Recovery Activities on Compliance with Title VI of the Civil Rights Act of 1964. Available: <https://www.justice.gov/crt/file/885401/download>

5 “Data can include the geographic distribution of individuals by race, color, and national origin (including Limited English Proficiency); the reliance of particular communities on public transit; the proximity of different groups to emergency or disaster danger zones; and the geographic

distribution of damage, taking into account various degrees of severity.” (DOJ Guidance at 14-15)

6 81 FR 117:39691, 2016

7 DOJ Guidance at 6.

8 For example, “the grantee must amend its action plan to update its needs assessment, modify or create new activities, or reprogram funds, as necessary.” (81 FR 117:36994, 2016)

**Commenter:**

M. Madison Sloan  
Director, Disaster Recovery and Fair Housing Project  
Texas Appleseed  
1609 Shoal Creek, Suite 201  
Austin, Texas 78701

**Staff Response:**

The team has reviewed your letter and we greatly appreciate your time and effort in reviewing the Action Plan and the requirements put forth by the U.S. Department of Housing and Urban Development (HUD). With regard to compiling demographic and Low-to-Moderate Income (LMI) data, the State will work with local communities to ensure that their projects consider these data components. As part of their Method of Distribution (MOD) development, the State will ensure that the most-impacted area counties take into consideration LMI figures provided by HUD on their website as well as asking for other data tied to demographics.

Demographic data and LMI data will also be requested from the remaining 112 counties, comprised of over 900 communities, that will be participating in the competition. Demographic and LMI data will be considered when making determinations for projects in the application process.