



**TEXAS GENERAL LAND OFFICE**  
GEORGE P. BUSH, COMMISSIONER

**FOR SETTLEMENT PURPOSES ONLY.**

January 15, 2021

The Honorable Sylvester Turner, Mayor  
City of Houston  
901 Bagby Street, 4<sup>th</sup> Floor  
Houston, TX 77002

Re: Interim operation of Hurricane Harvey CDBG-DR by City of Houston

Dear Mayor Turner:

The Texas General Land Office (GLO) and the City of Houston (COH), collectively the "Parties," have had several discussions relating to the matters in question and, based on those conversations, the GLO offers the following terms to govern the City's operation of certain Hurricane Harvey CDBG-DR programs, pending execution of a new subrecipient agreement and HUD approval of Amendment 8 to the \$5B Action Plan for Hurricane Harvey ("APA 8"). Where appropriate, these terms will also be incorporated into the new subrecipient agreement.

1. The Parties have agreed on the following CDBG-DR program funding budgets for the COH:

**CITY OF HOUSTON PROGRAM BUDGETS**

<b>Program</b>	<b>Budget</b>
Homeowner Assistance Program	\$ 82,184,209 <sup>1</sup>
Single Family Development Program	\$ 60,000,000
Multifamily Rental Program	\$ 450,050,472
Small Rental Program	\$ 25,000,000
Homebuyer Assistance	\$ 33,688,328
Buyout Program	\$ 55,800,000
Public Service	\$ 60,000,000
Economic Revitalization	\$ 30,264,834
Planning	\$ 23,100,000
Houston Administration	\$ 15,000,000
<b>Total</b>	<b>\$ 835,087,843</b>

<sup>1</sup> Per the agreement between the parties, at least \$10 million of this amount will be used exclusively for reimbursements unless otherwise directed by the GLO.

2. The GLO will agree to extend the termination date of Harvey subrecipient agreement No. 19-147-001-B489 (the "Contract") from November 6, 2020, until the date HUD approves or disapproves of the new APA 8 ("Extension Period"). Provided the Parties have executed the new subrecipient agreement as indicated in paragraph 7, then on the date of HUD's approval or disapproval of APA 8, this Rule 11 Agreement and the Contract shall automatically expire.

3. During the Extension Period, the GLO will allow the COH to continue to administer funds under the Homeowner Assistance Program on applications approved by the GLO on or before October 6, 2020, and any reimbursement clients approved by the GLO, unless otherwise directed or authorized by GLO.

4. During the Extension Period, the GLO will allow the COH to continue to administer funds under all other Programs listed in the table above subject to the normal approvals by the GLO. The administration of funds will include program, project delivery and administrative funds. The GLO shall continue to process environmental approvals under the Multifamily Rental Program and other approval requests for any Program submitted by the COH pursuant to GLO's ordinary course of operations.

5. During the Extension Period, the COH will retain use of Houston Administration funds identified in the chart below and, for all work authorized hereunder, eligible expenses incurred by the COH shall be approved pursuant to the Contract.

6. The following chart reflects the maximum funding amounts available to the COH for each CDBG-DR Program through June 15, 2021. If there is a delay in the issuance of a decision by HUD on APA 8, the parties agree that the GLO, after June 15, 2021 and at its discretion, may review the Extension Period Budgets for each program and adjust the amounts as necessary to allow COH to continue work under the programs.

#### COH EXTENSION PERIOD BUDGETS

Program	Overall Budget	Extension Period Budget <sup>2</sup>
Homeowner Assistance Program (HoAP)	\$ 82,184,209	\$ 82,184,209
Single Family Development Program	\$ 60,000,000	\$ 30,000,000
Multifamily Rental Program	\$ 450,050,472	\$ 350,000,000
Small Rental Program	\$ 25,000,000	\$ 25,000,000
Homebuyer Assistance	\$ 33,688,328	\$ 20,000,000
Buyout Program	\$ 55,800,000	\$ 55,800,000
Public Service	\$ 60,000,000	\$ 30,000,000
Economic Revitalization	\$ 30,264,834	\$ 20,000,000
Planning	\$ 23,100,000	\$ 20,000,000
Houston Administration	\$ 15,000,000	\$ 15,000,000
<b>TOTAL</b>	<b>\$ 835,087,843</b>	<b>\$ 647,984,209</b>

7. The Parties have negotiated and agreed to a new subrecipient agreement. Subject to City Council approval, which the COH will seek as soon as possible, the COH will execute the new subrecipient

<sup>2</sup> The extension budget includes the amount of money that may be certified by the City Controller for City Council approved contracts, COH's commitment of funding to identified projects, COH expenditures, and project delivery and administrative costs. However, it is not the estimated amount of funds that will be spent or drawn in this timeframe.

agreement promptly and the GLO shall also promptly execute the new subrecipient agreement upon receipt of a copy executed by the COH. Pursuant to its terms, the new subrecipient agreement will not be effective unless and until HUD approves APA 8.

8. The GLO will prepare APA 8 for public comment and submission to HUD for approval with the goal of receiving HUD approval prior to May 31, 2021.

9. For the CDBG-DR programs formerly run by the COH and assumed by the GLO under State Action Plan Amendment 7, the COH will continue to provide the GLO with copies of all program information in its possession, including applicant data and project files.

10. Notwithstanding the forgoing, upon the COH's request, GLO may authorize the COH to perform work on any program by direction in writing, including by electronic mail, to COH's Director of Housing and Community Development and no modification of this letter agreement shall be required.

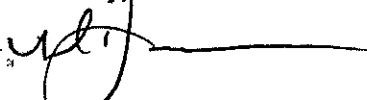
11. Either the parties shall file a joint motion to abate the appellate proceedings in Cause No. D-1-GN-20-003520, *City of Houston vs. Texas General Land Office, et, al.*, in the 53rd Judicial District for Travis County, Texas, and all related appeals or COH shall agree that GLO may file an unopposed motion to abate said appellate proceedings.

12. Upon HUD's approval of APA 8, the COH shall dismiss with prejudice Cause No. D-1-GN-20-003520, *City of Houston vs. Texas General Land Office, et, al.*, in the 53rd Judicial District for Travis County, Texas, and all related appeals.

13. During the Extension Period, COH is hereby authorized to submit, and GLO shall reimburse COH for any eligible costs or expense (per the terms of the Contract) incurred or accrued by COH that GLO approves in accordance with the Contract.

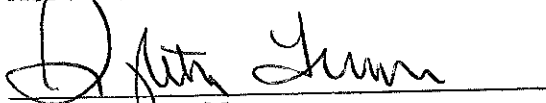
If you agree with the terms outlined herein, please sign below and return a signed copy back to me by Friday, January 15, 2021.

Sincerely,



Mark A. Havens  
Chief Clerk/Deputy Land Commissioner

AGREED:



Sylvester Turner, Mayor  
City of Houston

cc: Mr. Jeff Gordon, GLO General Counsel  
Ms. Heather Lagrone, Senior Deputy Director, Community Development and Revitalization  
Mr. Arturo G. Michel, City Attorney, City of Houston