

# State of Texas Plan for Disaster Recovery U. S. Department of Housing and Urban Development (HUD)

Consolidated Security, Disaster Assistance, and Continuing Appropriations Act,  
Public Law 110-329



AP Photo by Tony Gutierrez

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## Table of Contents

Executive Summary	4
Introduction – Impact of the Storms and Recovery Needs	6
Consultation with Local Governments	7
Eligible Grantees	8
National Objectives	8
Federal Appropriation	8
Program Objectives	9
Proposed Use of Disaster Recovery Funds	9
How Funds will Address Texas’ Greatest Unmet Needs	9
Anticipated Accomplishments	9
Activities	9
Primary Beneficiaries	10
Thresholds	10
Required Certifications	10
Public Participation Public Comment	10
Eligible and Ineligible Activities	11
Responsible Entity	11
Method of Distribution	11
Preliminary Regional Allocation	11
Non-housing	13
General Information	13
Application and Award Timeline	13
Match Requirement	13
Allocation of Funds to Areas of Greatest Need	13
Housing	13
Economic Development	13
Review Criteria	13
Grant Administration	13
Administration and Staffing	13
Administrative Costs	14
Action Plan Amendments	14
Contract Amendments	14
Anti-displacement and Relocation	14
Citizen Complaints	14
Match Requirements	15
Definitions	15
Environmental Review	15
Flood Buyouts	15
Monitoring	16
Capacity Building	16
Procurement	16
Program Income	16
Timeframe for Completion	16

Proposed Draft

# State of Texas Plan for Disaster Recovery

## U.S Department of Housing and Urban Development (HUD)

### Executive Summary

According to Governor Perry's *Texas Rebounds Report November 2008*, the 2008 hurricane season will go down in history as having been particularly unkind to Texas. The State was impacted by Hurricanes Ike and Dolly and a significant tropical storm within a 52 day time frame. Hurricane Ike, the most damaging, was gigantic and powerful, 900 miles wide, and the size of West Virginia. As it rolled across the Gulf of Mexico, Ike grew from a Category 2 storm to a powerful Category 4 that unleashed a 20-foot storm surge that swallowed Galveston and other coastal areas, proving to be the third-most destructive storm to hit the United States. Hurricane Dolly, although less damaging only in absolute terms, had already struck the south Texas coastline as a Category 2 hurricane. It was the most destructive storm to hit the Rio Grande valley in over four decades.

Preliminary damage estimates for the 2008 hurricane season total more than \$29.4 billion. Homes, businesses, and infrastructure were damaged and destroyed. Governor Perry noted in a letter to President Bush that Hurricane Ike may be the costliest disaster in the history of Texas. To date, \$22,975.5 billion in non-housing related damages have been identified as well as \$3,448.8 billion of housing assistance needs.

Physical structures may be replaced and rebuilt. Harder to address are the effects the disasters of 2008 have had on the thousands of Texans whose neighborhoods, communities, places of employment, and daily lives have been fundamentally altered by these events. The many facets of what makes a place a community, and more than just a geographic location, must be repaired, restored, and rebuilt. This requires not only the strength of these communities as they rebuild individually, but the strength of Texas to unify these communities as they rebuild Texas.

All resources available to the State are being considered to maximize the recovery effort in the State of Texas. Texas is making the most of state and federal funds, with Community Development Block Grant (CDBG) Program disaster recovery supplemental funds being a primary source of funding that is available for public infrastructure, economic development, and housing. The Proposed Action Plan is being prepared considering a ***triangular approach to disaster recovery - public infrastructure, economic development, and housing*** - with each piece critical to the recovery effort. A common framework is being established that incorporates a balance of public infrastructure, economic development, and housing that can work with the other initiatives taking place of the federal and state levels. The development of the Proposed Action Plan considers a locally driven process with priorities established at the local level and then working with the Office of the Governor, community leaders, advisory

groups, Councils of Government (COGs), and others to maximize the funds and place funding where the highest needs exist. This approach allows for local communities to take ownership and pride in rebuilding their communities in a way that will rebuild the coastal region to a level that will not only allow them to rebound from these disasters, but to help grow Texas stronger.

Governor Perry has designated the Office of Rural Community Affairs (ORCA) as the lead agency, working with the Texas Department of Housing and Community Affairs (TDHCA), for administration of the \$1,314,990,193 in disaster recovery funding received from the U.S. Department of Housing and Urban Development (HUD) for recovery from the damages sustained as a result of Hurricanes Ike and Dolly. While ORCA will be responsible for the overall administrative functions of the program and non-housing activities, TDHCA will partner with ORCA to develop the Action Plan and manage the housing activities.

The Proposed Action Plan provides that the initial allocation of funding to the impacted regions will be distributed based on preliminary FEMA damage assessments as of December 1, 2008. Further, the Plan is presented to initiate discussions regarding the needs and funding priorities at the regional level. Listening to and understanding the regional and local community needs and priorities is an important part to the mission of ORCA and TDHCA. Community engagement in developing project priorities will help the State best determine how to allocate the available funds while implementing the triangular approach to recovery. It fosters community support, participation, and a cooperative approach to providing the greatest results with available resources. The Proposed Action Plan incorporates a regional approach to funding distribution between housing and non-housing activities. In addition, it includes an approach that will distribute funding to the communities based on priorities within each region and other factors further defined. Each impacted planning region will be responsible for developing and implementing a process to receive local input for establishing the priorities.

The Office of Rural Community Affairs, in cooperation with the Texas Department of Housing and Community Affairs, held five public hearings to obtain public comment on the administration of the \$1.3 billion in CDBG Program disaster recovery funds. ORCA and TDHCA received comments on the distribution of funding for “necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in areas affected by hurricanes, floods, and other natural disasters occurring in 2008.” The public hearings were held during the first two weeks of December, 2008 in Livingston; Galveston; Houston; Harlingen; and Beaumont, Texas.

ORCA and TDHCA will be coordinating disaster recovery efforts with the Office of the Governor, Texas House Select Committee on Hurricane Ike, and the Commission for Disaster Recovery and Renewal. The new Commission, created by Governor Perry, is composed of public and private sector experts who will

create a state plan to assist Texas communities with recovery efforts after a natural disaster. The Commission and the House Select Committee are holding hearings throughout Southeast Texas to obtain comments. In addition, ORCA and TDHCA will be working with FEMA's Emergency Support Function #14 (ESF #14). The ESF #14 Long-Term Recovery is responsible for coordination and technical assistance to support the State and local communities in the recovery efforts.

## **Introduction – Impact of the Storms and Recovery Needs**

The State of Texas is required to publish an Action Plan for Disaster Recovery (*Plan*) that:

- describes the proposed use of HUD CDBG disaster recovery funding as directed by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, Public Law 110-329 (September 30, 2008) for activities carried out directly and a method of distribution for activities distributed to applicants for disaster relief, long-term recovery, and restoration of infrastructure necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing and economic revitalization in areas affected by hurricanes, floods, and other natural disasters occurring during 2008; and
- describes monitoring standards and procedures sufficient to ensure that program requirements, including non-duplication of benefits, are met and that provide for continual quality assurance, investigation, and internal audit functions.

This *Action Plan* will be used by the Texas Office of Rural Community Affairs and the Texas Department of Housing and Community Affairs to provide the \$1.3 billion in CDBG disaster recovery funds to be used toward meeting unmet housing, non-housing, and other eligible community and economic development needs associated with major disaster declarations in 2008. This allocation represents Texas' portion of the first \$2.1 billion of the \$6.5 billion allocated to 13 States and Puerto Rico for emergency funding as a result of natural disasters that occurred in 2008. As additional funding is allocated by HUD, amendments to this Action Plan are expected to incorporate the additional funding allocated to Texas. (This Proposed Action Plan may be modified as needed to comply with HUD's Notice of Funding Availability provided in the Federal Register, expected to be published in January 2009.)

## **Consultation with Local Governments**

In preparation of this Plan, the Governor's Office, local communities, Councils of Government (COGs) and the general public were consulted. Simultaneously with the public participation requirements for this plan, the FEMA ESF #14 focus groups have been meeting and providing feedback related to long-term recovery. The House Select Committee for Hurricane Ike has held several public hearings

to receive testimony and listen to concerns from federal, state, and local officials. In addition, the Governor's Commission for Disaster Recovery and Renewal, has been charged with recommending approaches that will help Texas recover from future storms by proactively strengthening areas, such as our critical infrastructure.

Proposed Draft

## **Eligible Grantees**

Eligible applicants will consist of entities located within counties declared disaster areas with major disaster declarations in 2008 as of December 1, 2008. (FEMA - 1780-DR dated July 22, 2008, FEMA 1791-DR dated September 7, 2008)

See attached maps of eligible disaster declarations.

## **National Objectives**

All proposed activities must meet one of the following three National Program Objectives:

1. principally benefit low- and moderate-income persons; or
2. aid in the elimination of slum or blight; or
3. meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.

Pursuant to explicit authority in the appropriations act, HUD is granting an overall benefit waiver that allows for up to 50 percent of the grant to assist activities under the urgent need or elimination of slums and blight national objectives, rather than the 30 percent allowed under the annual State CDBG program. The primary objective of Title I of the Housing and Community Development Act, and of the funding program of each grantee, is the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." The statute goes on to set the standard of performance for this primary objective at 70 percent of the aggregate of the funds used for support of activities producing benefit to low- and moderate-income persons.

Since extensive damage to community infrastructure and housing affected those with varying incomes, and income-producing jobs are often lost for a period of time following a disaster, HUD is waiving the 70 percent overall benefit requirement, leaving a 50 percent requirement, to give grantees even greater flexibility to carry out recovery activities within the confines of the CDBG program national objectives.

## **Federal Appropriation**

Under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, Public Law 110-329, and further described in the Federal Register, Congress allocated an initial allocation of \$1,314,990,193 to the State of Texas.

## **Program Objectives**

The objective of this Plan is the long-term recovery and restoration of infrastructure, housing and economic revitalization in areas affected by hurricanes, floods, and other natural disasters occurring during 2008.

## **Proposed Use of Disaster Recovery Funds**

### ***How Funds Will Address Texas' Greatest Unmet Needs***

Federal requirements state that the funding can be used only for disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of natural disasters that occurred in 2008. Requirements provide that the funds be directed to the most impacted and distressed areas within the state. As provided in Consolidated Security, Disaster Assistance, and Continuing Appropriations Act Public Law 110-329 (September 30, 2008), the funds may not be used for activities reimbursable by or for which funds are made available by FEMA or the Army Corps of Engineers.

Damage assessment reports indicate that there is widespread unmet need in both housing and non-housing activities. The method of allocating funding to applicants in this Plan used damage assessment data provided by FEMA. Acknowledging the limitations inherent in this incomplete dataset, it still provided the best universal data on categories of damage across the respective counties.

### ***Anticipated Accomplishments***

The anticipated accomplishments will include repairs and improvements to public infrastructure; assistance with reversing the negative economic impact caused by the disasters; and restoration of affordable housing units that were lost or severely damaged. The State also anticipates that the majority of the beneficiaries of the funds will be low- and moderate-income (LMI) residents. Applicants for the funds will be required to specify activities, proposed units of accomplishment, and proposed beneficiaries in the application. These anticipated accomplishments will be reported to HUD during the first quarter of reporting using the on-line Disaster Recovery Grant Reporting System (DRGR).

### ***Activities***

The activities to be undertaken with this Plan will include housing activities, including single family and multifamily residences, and non-housing activities to include restoration of infrastructure and economic development. All activities must have documented proof of an impact by a major natural disaster declaration in 2008. (FEMA -1780-DR dated July 22, 2008 and FEMA 1791-DR dated September 7, 2008).

### **Primary Beneficiaries**

The primary beneficiaries of the Supplemental Disaster Recovery Funding are low- and moderate-income persons as defined under the HUD Section 8 Assisted Housing Program (Section 102(c)). Low income families are defined as those earning less than 50 percent of the area median family income. Moderate income families are defined as those earning less than 80 percent of the area median family income. The area median family can be based on a metropolitan statistical area, a non-metropolitan county, or the statewide non-metropolitan median family income figure.

### **Thresholds**

Thresholds related to other CDBG programs and not mandated by law or regulation will not apply to applicants seeking disaster recovery funds. The following thresholds will be applicable to entities applying for these funds:

- There must be a clear and compelling need related directly to a major natural disaster declaration, hurricane disaster relief, long-term recovery and/or restoration of infrastructure.
- No disaster recovery assistance will be considered with respect to any part of a disaster loss that is reimbursable by the Federal Emergency Management Administration (FEMA), the Army Corps of Engineers, insurance, or other source (restriction against duplication of benefits).
- An activity underway prior to a Presidential disaster declaration will not qualify unless the disaster directly impacted the project.

### **Required Certifications**

The State will provide a fully executed copy of HUD required certifications for state governments.

### **Public Participation and Public Comment**

The State will comply with the necessary public participation and public comment requirements as stated in the Federal Register.

Public Hearings were held as follows.

<b>Location:</b>	<b>Livingston</b>	<b>Galveston</b>	<b>Houston</b>	<b>Harlingen</b>	<b>Beaumont</b>
Address:	Alabama-Coushatta Indian Reservation Special Events Center	Jury Assembly Room Galveston County Justice Center -	City Hall Annex Public Level Chamber	Harlingen Cultural Arts Center	Southeast Texas RPC
Date & Time:	December 5, 2008 10:00-12:00 pm	December 8, 2008 2:00 – 4:00 pm	December 9, 2008 3:00-5:00 pm	December 15, 2008 9:00 – 11:00 am	December 16, 2008 5:30 – 7:30 pm

Actual comments received and responses will be provided in the final Plan submitted to HUD for approval.

In addition to complying with the public participation and comment requirements of the Federal Register, the State will meet with interested parties, such as local elected officials and Councils of Government to establish regional prioritization of available funding that is consistent with locally identified needs.

### **Eligible and Ineligible Activities**

All eligible activities will be allowable so long as the activity is directly related to a major natural disaster declaration in 2008 through actual damage or a failure to function and is allowed under 24CFR 570.201. Ineligible activities will include any activity not directly impacted by a major natural disaster declaration in 2008 and those prohibited, unless expressly waived by the Federal Register under 24CFR 570.207. Eligible and ineligible activities may be further defined, once HUD publishes the program guidance notice expected to be published in January 2009.

### **Responsible Entity**

The Office of Rural Community Affairs is designated by Governor Rick Perry as the lead agency with the U.S. Department of Housing and Urban Development and the responsible entity for the grant administration of the CDBG disaster recovery funding. The Governor designates ORCA to be the administrator of the CDBG disaster recovery programs.

In this capacity, ORCA will be responsible for execution of the CDBG grant award, development of the Action Plan, completion of quarterly reports, the associated letter of credit, and the end of the award report. While ORCA remains responsible for administrative responsibilities associated non-housing activities, ORCA will be working in cooperation with TDHCA as the agency responsible for administration of CDBG disaster recovery funding associated with housing.

### **Method of Distribution**

Using preliminary input from FEMA, advisory groups, the Governor's Office, state and local government officials, Councils of Government, and other parties, the Action Plan was developed to ensure that through the regional allocation and prioritization process the funding received has the greatest impact on those most impacted by the storm events. Each impacted region will be required to define its method of funds distribution in a uniform format provided by the State.

Allocations were provided to 11 COGs that received damage under FEMA -1780 or FEMA 1791. Allocations were calculated using preliminary FEMA damage assessments as of December 1, 2008 for both individual assistance and public assistance. Adjustments may be made to future Percent of Total Damage estimates as additional funds are allocated due to the preliminary nature of the available data.

### ***Preliminary Regional Allocations***

<b>Region</b>	<b>Percent of Total Damage</b>	<b>Allocation Amount</b>
ATCOG	0.11 %	\$ 1,164,673.03
BVCOG	0.85 %	\$ 8,952,164.30
CBCOG	0.30 %	\$ 3,121,375.90
CTCOG	0.01 %	\$ 86,206.68
DETCOG	5.64 %	\$ 59,310,710.99
ETCOG	0.88 %	\$ 9,224,823.25
GCRPC	0.03 %	\$ 327,612.04
H-GAC	77.39 %	\$ 814,133,492.62
SETRPC	13.30 %	\$ 139,940,688.49
LRGVDC	1.46 %	\$ 15,347,037.37
STDC	0.04 %	\$ 383,369.72
<b>Total Allocation</b>		<b>\$ 1,314,990,193.00</b>
Administration	5.00 %	\$ 65,749,509.65
Planning	15.00 %	\$ 197,248,528.95
		\$ 1,051,992,154.40

*Note: used as preliminary allocation for discussion and public input purposes for final Plan*

After the allocation for each COG is determined, the COG region will be responsible for allocation of funding between housing and non-housing activities based on input from the local communities. This allocation of funding will be determined by the COG using damage assessment data collected, public input, and will give special consideration to those areas impacted by storm surge and sustained wind speeds greater than 55 mph for Hurricane Ike.

All available funds will be allocated in this fashion with the exception of 5% for state administrative costs and 15% for planning activities. The requirement for the 10% for repair, rehabilitation, and reconstruction of affordable rental housing stock where there is demonstrated need will apply at the regional level.

## **Non-housing**

### ***General Information***

Non-housing activities will include restoration and repair of infrastructure facilities and economic development activities impacted by a major natural disaster declaration in 2008.

### ***Application and Award Timeline***

Non-housing applications are expected to be received by ORCA by April 2009 and awards will be announced May 2009.

### ***Match Requirement***

There will be no match requirement required on the part of the non-housing applicant.

### ***Allocation of Funds to Areas of Greatest Need***

Regional allocations were calculated using preliminary FEMA damage assessments as of December 1, 2008 for both individual assistance and public assistance. Allocation of need was determined based on local regional prioritization established by the Councils of Government representing each federally declared area.

## **Housing – Pages 20-22**

### **Economic Development**

Economic Development activities, if selected by the COGs, will be provided as direct grants or deferred forgivable loans and will be further defined in application guides and implementation materials.

### **Review Criteria**

Review criteria will be based on the prioritizations established locally by each COG with special consideration for those areas impacted by storm surge and sustained wind speeds greater than 55 mph for Hurricane Ike.

### **Grant Administration**

### ***Administration and Staffing***

ORCA will be the lead agency for the Plan. The non-housing activities will be provided for by the ORCA Disaster Recovery Division and activities to be completed for the housing activities will be provided by TDHCA. Program delivery will likely require additional staff for both agencies. Additional field offices in the region are also being considered.

### ***Administrative Costs***

Administrative costs will not exceed 5% for State administrative costs or overall limit of 20% for planning and administrative costs. The provisions at 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.

### ***Action Plan Amendments***

The following events would require a substantial amendment to the Plan:

- addition or deletion of any allowable activity described in the Plan;
- change in the allowable beneficiaries; or
- a change of over 30 percent in the funding allocation between the activity categories described in the Plan

If a substantial amendment to the Plan is needed, then reasonable notice will be given to citizens and units of general local government to comment on the proposed changes. Consistent with the desire to allocate these funds as quickly as possible, the public comment period will be the same as that utilized for the Plan. The State's public comment notification, receipt, and response processes will also follow those used to develop the Plan.

### ***Contract Amendments***

In the interest of timely recovery and fund expenditure, contract terms will be two years or less. Understanding that events beyond the control of the contractor may occur throughout the term of the contract, ORCA and TDHCA will have the ability to grant contract term extensions when a specific circumstance warrants such a need. Contract amendments within other contract terms and conditions will be considered on a case-by-case basis with consideration of the original eligibility requirements of the award and the stated goals and timelines.

### ***Anti-displacement and Relocation***

Applicants must certify that they will minimize displacement of persons or entities and assist any persons or entities displaced in accordance with the Uniform Anti-Displacement and Relocation Act and local policy.

### ***Citizen Complaints***

All grantees must have adopted procedures for dealing with citizen complaints under the Texas Small Cities Nonentitlement CDBG Program or Entitlement

programs. Grantees must provide a written response to every citizen complaint within 15 working days of the complaint, if practicable.

### ***Match Requirement***

The provisions at 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.

### ***Definitions***

All regulations associated with the CDBG program apply to this funding, unless specifically detailed as a waiver in the Federal Register. In addition, definitions and descriptions contained in the Federal Register are applicable to this funding.

### ***Environmental Review***

Grantees must comply with the 24 CFR Part 58. Specific instructions concerning this process will be made available to all grantees. Some projects will be exempt from the environmental assessment process, but all grantees will be required to submit the Request for Release of Funds and Certification in the appropriate format. Funds will not be released for expenditure until the State is satisfied that the appropriate environmental review has been conducted.

### ***Flood Buyouts***

Disaster recovery grantees have the discretion to pay pre-flood or post-flood values for the acquisition of properties located in a flood way or floodplain. In using CDBG disaster recovery funds for such acquisitions, the grantee must uniformly apply the valuation method it chooses.

Any property acquired with disaster recovery grants being used to match FEMA Section 404 Hazard Mitigation Grant Program funds is subject to Section 404(b)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, which requires that such property be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or wetlands management practices. In addition, with minor exceptions, no new structure may be erected on the property and no subsequent application for federal disaster assistance may be made for any purpose.

A deed restriction or covenant must require that the property be dedicated and maintained for compatible uses in perpetuity.

Flood insurance is mandated for any assistance provided within a floodplain. The federal requirements set out for this funding provide further guidance on activities that are to be conducted in a flood plain. The State will provide further guidance regarding work in the floodplain upon request.

### ***Monitoring***

The State will utilize monitoring processes to ensure program requirements are met. This will include processes and procedures to insure non-duplication of benefits, provide for continual quality assurance, investigation, and internal audit functions.

### ***Capacity Building***

As it deems necessary, the State will provide for increasing the capacity for implementation and compliance of local governments, subrecipients, subgrantees, contractors and any other entity responsible for administering activities under this grant by providing resources for training in specific skills needed for the program.

### ***Procurement***

The State will follow applicable state and federal statutes and regulations for the procurement of goods and services. Any deviations from normal procurement practices will be in compliance with state and federal policies and procedures and will be appropriately documented.

### **Program Income**

Any program income earned as a result of activities funded under this grant will be subject to 24 CFR 570.489(e), which defines program income and provides when such income must be paid to the state. For non-housing activities, program income generated under individual contracts with Subgrantees will be returned to ORCA.

### **Timeframe for Completion**

TDHCA and ORCA will follow the requirements established by HUD regarding timelines for expenditure of funds. All grants will be in the form of a contract between the Subgrantee and the Departments that adheres to the federal time limitation.

### **Technical Assistance**

The state will provide technical assistance to grantees requesting assistance in developing applications for funding under this Plan. At a minimum, this technical assistance will provide information on: the eligible uses of funds, the application or method of fund distribution, and an explanation of rules and regulations governing the grants funded under the Disaster Recovery Initiative. Technical

assistance may take the form of workshops, telecommunication, on-site assistance, written correspondence, or manuals and guidebooks.

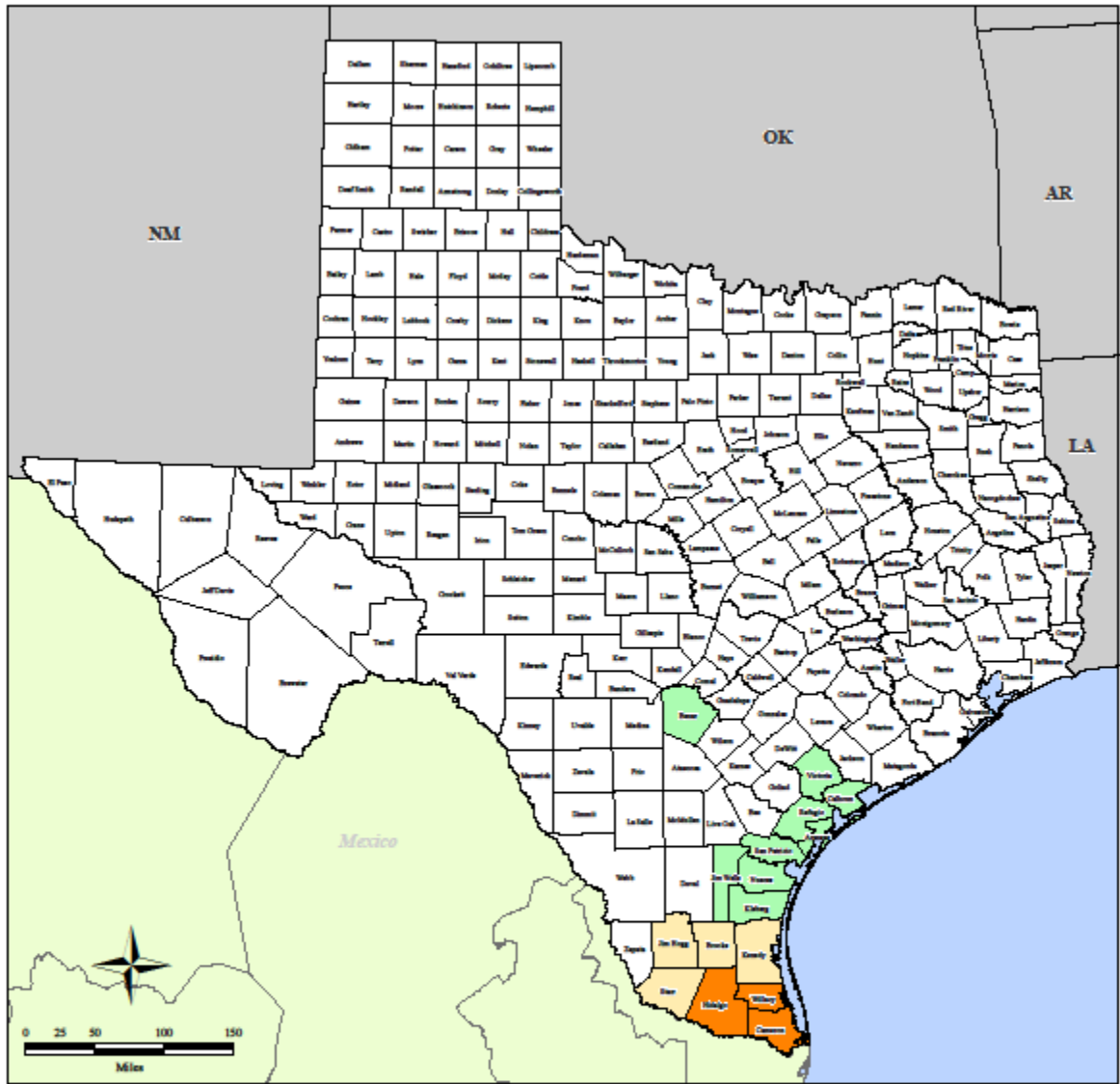
## **Waivers**

- ▶ Waiver of 70% required overall benefit to LMI – adjusted to 50%
- ▶ Waiver of requirement to distribute to units of local government only
- ▶ Waiver of required consistency with consolidated plan
- ▶ Waiver of Action Plan requirements; substituting an Action Plan for Disaster Recovery
- ▶ Waiver of certain citizen participation requirements to streamline the process
- ▶ Waiver of administration cap to allow up to 5%
- ▶ Waiver of annual reporting requirements; substituting quarterly reporting
- ▶ Waiver to allow new housing construction
- ▶ Waiver allowing homeownership assistance to persons up to 120% of median income
- ▶ Limited waiver of anti-pirating provisions for business assistance
- ▶ Waiver of certain URA and relocation requirements
- ▶ Waiver to allow state flexibility on requirements re: program income
- ▶ Waiver of standard certifications; substituting alternative certifications
- ▶ Waiver allowing reimbursement for pre-agreement costs

Additional waivers may be requested as deemed necessary.

[TDHCA Housing Information provided in narrative as attached – pages 20-22.](#)

## FEMA-1780-DR, Texas Disaster Declaration as of 08/13/2008



**Location Map**

**Legend**

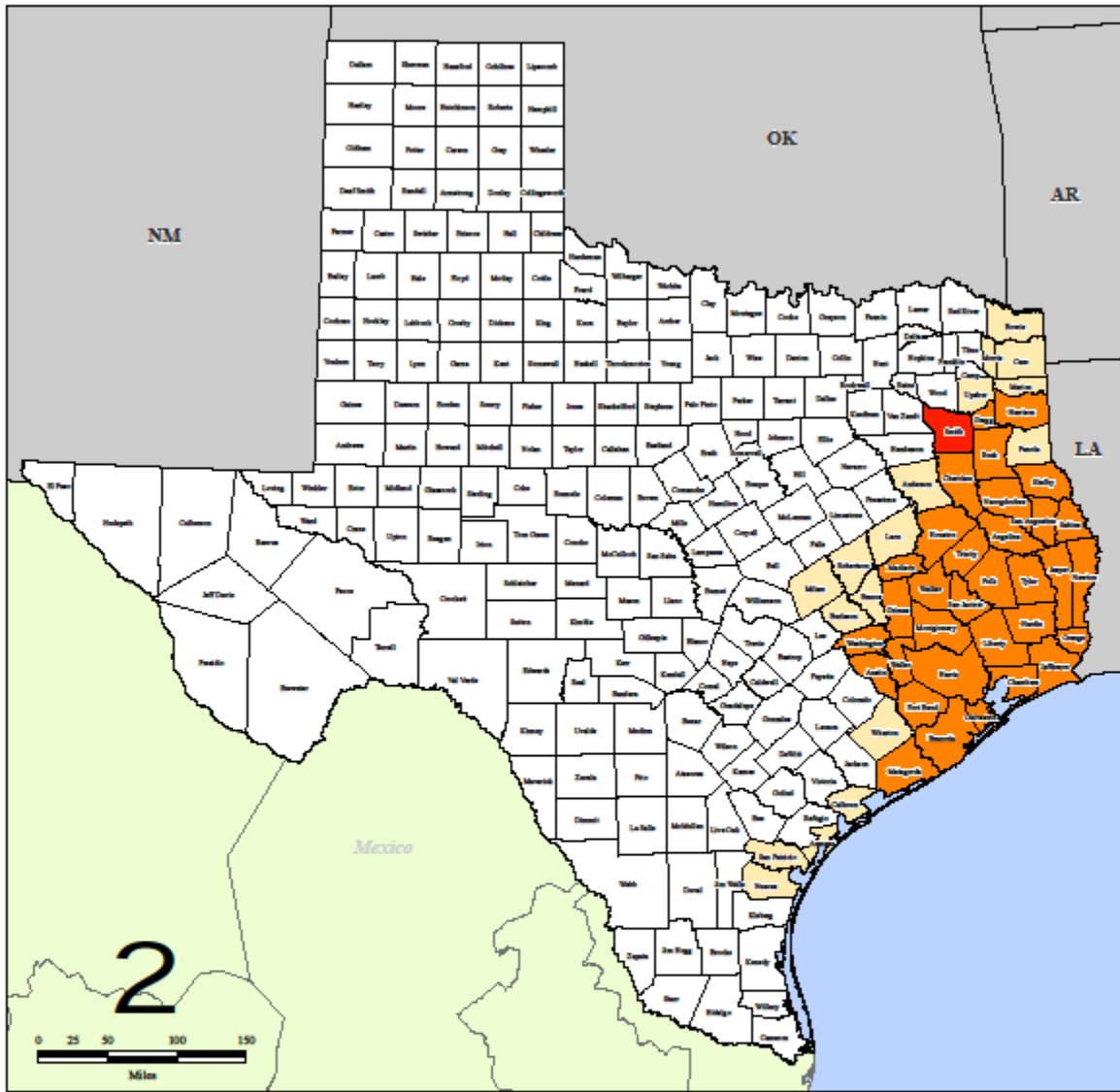
Designated Counties	
	No Designation
	Public Assistance
	Public Assistance (Categories A and R)
	Individual Assistance and Public Assistance

*All counties are eligible for Hazard Mitigation*

**FEMA**  
ITS Mapping & Analysis Center  
 Washington, DC  
 08/13/08 - 09:17 AM EDT  
 Source: Disaster Federal Registry Notice  
 Amendment No. 4 - 08/13/2008

MapID 30ce069a2fd0813080910hqprod

# FEMA-1791-DR, Texas Disaster Declaration as of 11/21/2008



**Location Map**

**Legend**

**Designated Counties**

- No Designation
- Public Assistance
- Individual Assistance
- Individual Assistance and Public Assistance

*All counties are eligible for Hazard Mitigation*

**FEMA**

ITS Mapping & Analysis Center  
Washington, DC  
11/21/08 - 04:19 PM EST  
Source: Disaster Federal Registry Notice  
Amendment No. 13 - 11/21/2008

MapID 22682b15cd1121081606hqprod

Rick Perry  
GOVERNOR

Michael Gerber  
EXECUTIVE DIRECTOR

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Sonny Flores  
Juan S. Muñoz, Ph.D.  
Gloria Ray

December 2, 2008

TDHCA INSERT FOR THE TEXAS 2008 HURRICANES IKE AND DOLLY COMMUNITY  
DEVELOPMENT BLOCK GRANT ACTION PLAN

The Texas Department of Housing and Community Affairs (TDHCA) looks forward to furthering our strong partnership with the Office of Rural Community Affairs in the delivery of the Community Development Block Grant (CDBG) funds for recovery from Hurricanes Ike and Dolly. Governor Perry has designated ORCA as the lead agency for purposes of administration of the grant. Governor Perry has assigned responsibility to TDCHA for all aspects of housing recovery, including temporary housing, single-family and multifamily repair, rehabilitation, and new construction, repair and replacement of manufactured housing units, hazard mitigation, elevation, and any other issues associated with the recovery of housing stock in the Hurricanes Ike and Dolly regions. TDHCA and its Governing Board, in consultation with the Office of the Governor, will be responsible for deciding issues related to policies, eligible uses, assignment, and program guidelines for all housing CDBG funds to assist in recovery from Hurricanes Ike and Dolly.

The Texas Rebounds report issued by the Office of the Governor in November 2008, documents \$3.4 billion in damages from Hurricanes Ike and Dolly. Specifically, the report identifies damage estimates that were reported to the Office of the Governor by regional Councils of Government, including:

Houston-Galveston Area Council: \$2.7 billion  
(Counties: *Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, and Waller*)

South East Texas Regional Planning Commission: \$616.0 million  
(Counties: *Hardin, Jefferson, and Orange*)

Deep East Texas Council of Governments: \$48.0 million  
(Counties: *Angelina, Houston, Jasper, Nacogdoches, Newton, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, and Tyler*)

Hurricane Dolly Housing Damage Estimates (based on FEMA data): \$50.0 million  
(Counties: *Cameron, Hidalgo, and Willacy*)

On November 28, 2008, the U.S. Department of Housing and Urban Development (HUD) allocated \$1,314,990,193 to the State of Texas for recovery from Hurricanes Ike and Dolly. Of these funds, \$139,595,563 is required by federal law to be used to support affordable rental housing. Rules governing the uses and requirements of this CDBG allocation have not yet been promulgated by HUD, but are expected to be issued before the end of December 2008. Texas expects to receive a significant portion of the additional 2/3 of authorized by Congress but not yet allocated funds remaining for disaster recovery from the 2008 legislation. It is expected that the HUD rules, once issued, will provide the Governor authority to direct funds to specific recovery projects and programs, including housing.

The Texas Department of Housing and Community Affairs will work with the Office of the Governor and other stake holders to develop a plan that is effective and timely for housing recovery. As was the case with Hurricanes Rita and Katrina, Governor Perry has indicated that his office will work closely with elected officials and key stakeholders from the impacted regions to determine the amount of funding assigned to specific projects and programs. In addition, the Governor has created a Commission on Disaster Recovery and Renewal. This advisory panel will be made up of public and private sector experts to advise the Governor on the development of a plan to assist Texas communities with recovery efforts after a natural disaster.

With further guidance from HUD, the Governor, and the advisory panel, TDHCA will take public comment to develop Hurricanes Ike and Dolly CDBG programs designed with the goal of utilizing TDHCA existing capacity in ways which reduce bureaucratic and process delays, and construct and repair housing as quickly as possible in Hurricanes Ike and Dolly impacted regions to assist displaced and otherwise impacted families. A specific plan to assist special needs individuals will be developed as part of the overall plan.

#### **TDHCA's Hurricanes Ike and Dolly CDBG Single Family Programs Summary**

TDHCA will endeavor to create an array of housing programs that meet the needs of those most impacted by Hurricanes Ike and Dolly such as:

- **Temporary Housing Solutions**
  - Working with families who have not yet been able to return to their homes or have homes that were made uninhabitable by the storm to provide a more stable environment until they qualify for additional assistance.
- **Short Term Quick and/or Emergency Home Repairs to Meet the Unmet Needs Where FEMA Programs Left Off**
  - TDHCA will identify homes that require a small amount of repair to provide a stable living environment that may also be eligible for long term rehabilitation; however, the short term rehabilitation will allow a family to remain in their home.
- **Permanent Long Term Home Rehabilitation**
  - Homes that can be rehabilitated and still meet health and safety standards will receive permanent high quality repairs that return the structure to its original quality. These repairs will be done based on eligibility, cost versus value of the home and ability to meet all required standards.
- **Reconstruction where damage has rendered the existing home non-salvageable**
- **Replacement of Housing**
  - Where a home cannot be rehabilitated, the home will be replaced with a home of similar design. Where manufactured homes are damaged, they will be replaced where appropriate; where damage to a stick built home exceeds its current value or cannot be brought up to current standards, the home will be demolished and reconstructed in place.

## **TDHCA's Hurricanes Ike and Dolly CDBG Multifamily Rental Programs Summary**

TDHCA will endeavor to create an array of housing programs that meet the needs of those most impacted by Hurricanes Ike and Dolly such as:

- **Multifamily Rental Programs Including**
  - **Quick and/or Emergency Repairs**
    - Multifamily and single family rental stock that can be repaired and made available for occupancy by the general public will receive attention to bring the units back on line to provide more stable housing
  - **Rehabilitation of Damaged Multifamily Rental Stock in Texas**
    - Multifamily or single family rental units that need greater repair to bring them to standard but can be rehabilitated will be eligible for rehabilitation
  - **New Construction of Affordable Housing in Areas of Proven Need**
    - This program will identify locations for new housing to be developed to either replace or add to the available housing in an area.

These requested funds are imperative for serving the multifamily development and repair needs in Texas resulting from devastation caused by Hurricanes Ike and Dolly. TDHCA, as the primary state financing agency for affordable multifamily development, successfully administers programs that build in excess of **\$1 billion annually** in multifamily developments through federally funded programs including HOME Investment Partnerships Program, Housing Tax Credit Programs (HTC) and Tax Exempt Bond Programs (TEBs) and other financing. These programs, where possible, will be used in conjunction with the available CDBG funds in a holistic approach to provide safe, decent and affordable housing to help the community recover from Hurricanes Ike and Dolly.

These factors place TDHCA in a unique position of using these CDBG funds as an alternative solution to support multifamily development and repair needs in Texas resulting from devastation caused by Hurricanes Ike and Dolly.

### **TDHCA's Public Comment**

TDHCA will work closely with the citizens and organizations who were directly impacted by the storm and a wide variety of municipal, county, regional, and state officials to determine what the greatest disaster recovery needs are and how to best address those needs.

TDHCA will hold three public hearings accepting public comment to develop the *TDHCA Action Plan*.

- Thursday, December 11, 2008 in Galveston and Houston, Texas
- Friday, December 12, 2008 in Beaumont, Texas

To best inform the public and receive its input, the Department will develop a Proposed Action Plan that outlines these potential programs. The programs proposed in the Action Plan are in no way intended to be an exhaustive list of CDBG Hurricanes Ike and Dolly housing programs; rather, they are intended to stimulate interest, input and debate from the citizens of Texas in developing the Hurricanes Ike and Dolly Action Plan.