

**Hurricane Harvey – DR 4332
Community Development Block Grant – Disaster Recovery (CDBG-DR) Funding
Regional/Local Methods of Distribution**

PUBLIC HEARING #2 (2 OF 2)

**Monday, July 9, 2018
6:00 p.m.
1908 N. Laurent
Victoria Tower Conference Room, 2nd Floor
Victoria, Texas 77901**

MINUTES

I. Call Meeting to Order – 6:05 p.m.

II. Welcome

GCRPC welcomed participants, reviewed hearing agenda, and explained public comment process (oral and written) to be utilized during the hearing.

III. Introductions

IV. 2nd Draft GCRPC CDBG-DR Funding Method of Distribution Summary

On February 9, 2018, the U.S. Department of Housing and Urban Development (HUD) allocated \$5,024,215,000 in Community Development Block Grant disaster recovery (CDBG-DR) funds to the State of Texas for necessary expenses for activities authorized under Title I of the Housing and Community Development of 1974 related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the “most impacted and distressed” areas affected by Hurricane Harvey.

On April 10, 2018, the Texas General Land Office (GLO) allocated funding to the Golden Crescent Regional Planning Commission region, encompassing Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, and Victoria counties, for the following three programs:

I. HOMEOWNER ASSISTANCE PROGRAM

Funding Available:
\$55,938,689

Program Administration:
The GLO will administer this state-run program with the assistance of state-approved builders and contractors.

Eligible Activities:
This program will provide funding for rehabilitation and reconstruction of owner-occupied, single-family homes damaged by Hurricane Harvey.

II. LOCAL BUYOUT AND ACQUISITION PROGRAM (LBAP)

Funding Available:
\$18,430,647

Program Administration:

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Local units of government and entities with eminent domain authority will administer this program. GCRPC will develop a method of distribution to allocate funds to eligible entities per GLO and HUD requirements.

Eligible Activities:

Funds may be utilized to -

- Buyout or acquire eligible homes at a pre-storm or post-storm fair market value to move homeowner's out of harm's way to a lower-risk area;
- Provide relocation Assistance with buyout or acquisition activities;
- Provide down-payment Assistance with buyout or acquisition activities;
- Conduct demolition activities;
- Conduct activities designed to relocated families outside of floodplains;
- Provide public service activities within a 15% cap (e.g. housing counseling, legal counseling, job training, mental health, and general health services);
- Provide matching funds for FEMA Hazard Mitigation Grant Programs (HMGP).

Ineligible Activities:

- Provide incentive payments to households that move to disaster-impacted floodplains.

III. LOCAL INFRASTRUCTURE PROGRAM (LIP)

Funding Available:

\$36,044,589

Program Administration:

Local units of government (cities and counties) will administer this program. GCRPC will develop a method of distribution to allocate funds to all cities and counties per GLO and HUD requirements.

Eligible Activities:

Projects seeking to repair, enhance, and restore infrastructure for communities impacted by Hurricane Harvey as part of a comprehensive long-term recovery program. All activities allowed under CDBG-DR, including but not limited to:

- Flood control and drainage repair and improvements, including the construction or rehabilitation of storm water management systems;
- Restoration of infrastructure (such as water and sewer facilities, streets, provision of generators, removal of debris, 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, including prioritizing assistance to businesses that meet the definition of a small business);
- Public service (such as job training and employment services, healthcare, child care, and crime prevention within a 15% cap).

Ineligible Activities:

- CDBG-DR funds may not be used to enlarge a dam or levee beyond the original footprint of the structure that existed prior to the disaster event. CDBG-DR funds for levees and dams are required to:

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- Register and maintain entries regarding such structures with the U.S. Army Corps of Engineers National Levee Database or National Inventory of Dams;
- Ensure that the structure is admitted in the U.S. Army Corps of Engineers PL 84–99 Rehabilitation Program (Rehabilitation Assistance for Non-Federal Flood Control Projects);
- Ensure the structure is accredited under the FEMA National Flood Insurance Program;
- Maintain file documentation demonstrating a risk assessment prior to funding the flood control structure and documentation that the investment includes risk reduction measures.
- Funds may not be used to assist a privately-owned utility for any purpose;
- Buildings and facilities used for the general conduct of government (e.g., city halls, courthouses, and emergency operation centers);
- 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 the Action Plan. An activity underway prior to the Presidential Disaster Declaration will not qualify unless the disaster directly impacted said project.
- By law, (codified in the HUD Act as a note to 105(a)), the amount of CDBG–DR funds that may be contributed to a USACE project is \$250,000 or less.

IV. DRAFT METHOD(S) OF DISTRIBUTION UPDATE:

Draft Methods of Distribution and allocations to eligible entities have been developed by GCRPC for both the Local Buyout and Acquisition Program and the Local Infrastructure Program. The initial Draft Methods of Distribution were developed in adherence to requirements and guidelines set forth by HUD and the GLO. Allocations to eligible entities in the GCRPC region were made using the same formulas and factors utilized by the GLO to allocate funds to the nine regions affected by Hurricane Harvey. This ensures consistency and minimizes any increase in existing margins of error. The formulas utilize U.S. Census Bureau population data, unmet need calculations, FEMA Individual Assistance data, FEMA Public Assistance data, social vulnerability data, a resiliency factor, and impact calculations to distribute available funding to eligible entities.

Subsequent to the first public planning meeting, additional guidance was provided by the General Land Office in response to Public Hearing #1 comments and questions. This resulted in the following changes to final allocations of funding for the Local Buyout and Acquisition Program eligible entities in the 20% HUD Impacted Counties group:

The distribution methodology for the 20% Allocation group allocated amounts below the minimum required allocation to eligible entities (\$1,000,000 per entity) due to the high number of eligible entities (Total of 62 eligible entities) and the amount of funds allocated to GCRPC for the Local Buyout and Acquisition Program (\$9,824,070). The GCRPC region would require a minimum funding allocation of \$62,000,000, for the Local Buyout and Acquisition Program alone, in order to meet the GLO's minimum funding requirements.

Additional allocation methods required consideration as a result of the minimum required allocation and the number of eligible entities. An allocation that

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adheres to HUD and GLO requirements was achieved for the 20% Allocation group by limiting the regional allocation to only eligible counties while still providing for the continued LBAP eligibility of cities and eminent domain authority entities through partnerships with eligible counties.

As previously stated, in order to achieve an equitable distribution of the limited funding provided, final allocation amounts reflect the sum of the \$1,000,000 floor plus the sum of the percentage distribution based on the 50-40-10 model; without reference to the “Allocation Amount Using the 50-40-10 Model Without Imposed Distributional Constraints” column. This provides all eligible entities with an allocation that reduces “Unmet Need Plus Resiliency Removing Any Overlap” totals in a more holistic, or regional, manner.

All participants agreed to changes and update to the Method(s) of Distribution.

V. Public Comment Period #1 Summary

No public comments were received during the first public comment period commencing on June 6, 2018, through June 18, 2018; the date of the first public hearing and planning meeting. The following comments and responses were made during the first public hearing:

- **BRUCE SPITZENGEL**, President, GrantWorks

A. Why are where entities with eminent domain authority included in the draft allocation for the Local Buyout and Acquisition Program (LBAP) Method of Distribution (MOD)?

Response: Entities with eminent domain authority were included in the draft allocation for the LBAP MOD in order to adhere to Texas General Land Office (GLO) Guidelines provided to Councils of Government/Regional Planning Commissions for regional MOD development.

B. What is the plan for redistribution of de-obligated Community Development Block Grant, Disaster Recovery (CDBG-DR) funds?

Response: Rejected CDBG-DR allocations or any de-obligated CDBG-DR funds will revert to the GLO. Any redistribution of funds will occur at the sole discretion of the GLO.

C. CDBG-DR funds should remain within regions for redistribution at the discretion of each county under which an allocation is made through the approved Methods of Distribution.

No oral response provided. Comment recorded.

- **JOHN KAMINSKI**, Assistant City Manager, City of Victoria

A. When can public comments be submitted?

Response: At any time throughout the public comment period. The public comment period began on June 3, 2018, and will end at close of business on July 9, 2018.

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B. Is there a required format for public comments?

Response: No. Public comments can be provided in any oral or written formats in order to encourage public participation. Public comment forms are provided at public hearings to assist Golden Crescent Regional Planning Commission (GCRPC) staff in the task of recording and organizing any comments made.

VI. Public Comment Period #2 Summary

During the second public comment period (June 19, 2018 through July 9, 2018) the following public comments were received:

- **JOHN KAMINSKI**, Assistant City Manager, City of Victoria, *received 6/27/2018 via letter*

Copies of the letter were provided to participants for review. Mr. Kaminski was thanked for the submission of the comments and the comments were recorded.

- **RICK MCBRAYER**, Emergency Management Coordinator, Victoria Office of Emergency Management, *received 7/3/2018 via email*

A. Is there an explanation for why Bloomington Independent School District, the water control districts, or the Port of Victoria are not included in the Method of Distribution?

Response: Entities with eminent domain authority within the region were compiled using the Texas Comptroller's Online Eminent Domain Database (COEDD). <https://coedd.comptroller.texas.gov/>.

Bloomington ISD, local water control districts, and The Port of Victoria are either 1) Non-compliant with Texas Government Code, Chapter 2206, Subchapter D, or 2) they do not have eminent domain authority.

The Comptroller's database only provides info on **compliant** entities.

Example: Quail Creek MUD is listed as having an Eminent Domain function with TCEQ; However, they are not included in the Comptroller's database.

Ultimately, if a special district with eminent domain authority wishes to participate in buyouts and acquisitions they may. However, in regards to the method of distribution, GCRPC cannot meet HUD and GLO parameters for baseline allocation amounts if every entity with eminent domain authority wants a direct allocation. To remedy this issue, those entities can still collaborate with the cities/counties who will receive an allocation through the MOD.

GCRPC received additional comments that could not be responded to, prior to today's meeting:

- 1) Hannah Dyal, Staff Attorney at Texas RioGrande Legal Aid, Pueblo Law Center. Email received this morning, July 9, 2018, at 7:43 a.m..

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- 2) Brennan Griffin, Deputy Director, Texas Appleseed. Email received July 9, 2018, at 4:33 p.m.

GCRPC will distribute and post all comments and any responses for public review subsequent to today's meeting.

VII. Open Forum/In-Person Public Comments

- **Dina Hardwick, Texas RioGrande Legal Aid**

A. How is Low to Moderate Income (LMI) status calculated?

Response: 70% of allocated funds must benefit 51% or more LMI households or benefit households with incomes below 80% of the Area Median Income (AMI). Census block groups that have a LMI population of 51 percent or more have been identified using HUD's 2017 Low- and Moderate-Income Summary Data.

B. Who decides if pre-storm or post-storm market value will be utilized in the Local Buyout and Acquisition program?

Response: Each entity administering a Local Buyout and Acquisition program will determine which value to utilize.

C. The GLO is currently conducting a Housing Needs Assessment with the assistance of the University of Texas at Austin; where and how will the resulting data from the assessment be utilized?

Response: For more information go to <https://ic2.utexas.edu/bbr-harvey-survey/>.

- **Marett Hanes,**

A. What department from the University of Texas at Austin is conducting the Housing Needs Assessment?

Response: The University of Texas at Austin, IC² Institute, Bureau of Business Research. For more information go to <https://ic2.utexas.edu/bbr-harvey-survey/>.

- **Stacy Kirkham, City of Seadrift Resident**

A. What happens if the GLO or HUD determines there are deficiencies or issues with the submitted GCRPC Method of Distribution?

Response: GLO will inform GCRPC of any deficiencies and provide guidance on how deficiencies may be addressed.

B. How long will the HUD-GLO review take?

Response: The deadline for submission of MODs is Friday, July 13, 2018. GLO has estimated they may begin responding as early as the last week of July.

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C. When will funding be awarded to eligible entities/communities?

Response: Eligible entities will be required to submit project proposals to the GLO. Guidance regarding project proposal format will be provided by GLO. Awards will follow review and approval of an eligible entity's proposed projects.

No further discussion or comments were made regarding the Method(s) of Distribution.

VIII. Final Draft, Board of Directors Approval, and Submission

The final draft of the Method(s) of Distribution agreed upon and finalized today will be submitted to the GLO on July 13, 2018, as a final draft pending Board approval. The GCRPC Board of Directors will be provided the final draft of the Method(s) of Distribution for review and approval at their monthly meeting scheduled for July 25, 2018.

IX. Adjournment - 7:20 p.m.