

GCRPC CDBG-DR Methods of Distribution

Public Comment and Response Overview

I. PUBLIC COMMENT(S) RECEIVED FROM JUNE 6TH THROUGH JUNE 18TH, 2018:

No public comments received.

II. ORAL PUBLIC COMMENT(S) RECEIVED AND RESPONSES GIVEN DURING PUBLIC HEARING#1:

- **BRUCE SPITZENGEL**, President, GrantWorks
 1. **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.

2. **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.

3. **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
 1. **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.

2. **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.

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III. PUBLIC COMMENT(S) RECEIVED FROM JUNE 19TH THROUGH JULY 9TH, 2018:

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



June 27, 2018

Michael Ada
Director of Economic Development
Golden Crescent Regional Planning Commission
1908 N. Laurent Street
Victoria, TX 77901

Re: Public Comments on Proposed GCRPC Method of Distribution (MOD) – Hurricane Harvey CDBG-DR LBAP and LIP Funding

Dear Mr. Ada,

The City of Victoria appreciates and supports the revisions that have been made to the proposed Method of Distribution (MOD) in response to public comments received at the first Public Hearing on June 18, 2018. These changes, reflected in the revised version of your document titled "1.06192018_GCRPC_HH_CDBG-DR_MOD_Narrative_DRAFT.pdf", primarily address and clarify which entities are eligible to receive funds for the Local Buyout/Acquisition (LBAP) and Local Infrastructure (LIP) programs, and modify the distribution of funds among eligible entities.

The City of Victoria has one additional comment on the revised version of the proposed MOD. Our comment is in regards to the proposed reallocation method for LBAP and LIP funds. The revised MOD states "Reallocation of LBAP funds from de-obligated funds and/or cost savings from completed projects will be at the discretion of the GLO within the region." The same language is repeated in the reallocation paragraph for LIP funds. It is respectfully requested that the GLO consider first reallocating such funds at the County level before returning them to the region-wide 80% pool.

Within Victoria County, the City and County of Victoria are the only two entities to receive LBAP and LIP funding through the revised MOD. It is our belief that if either of these two entities fails to utilize their full allocation of funds, the other entity within the County should have an opportunity to apply for such de-obligated funds before they are rolled back into the region-wide 80% allocation.

Thank you for the opportunity to submit public comments and thank you for your ongoing efforts to assist local entities within the Golden Crescent Region with the implementation of post-Harvey disaster recovery programs.

Respectfully submitted,



John K. Kaminski
Assistant City Manager

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[No response provided. Comment 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.

- **HANNAH DYAL, Staff Attorney**, Texas RioGrande Legal Aid, Corpus Christi, received 7/9/2018 via email/attachment.

- A. GCRPC should conduct a regional needs assessment to better understand the extent of damage in the GCRPC eligible counties and meet its goal of equitable regional recovery**

Response:

GCRPC is a voluntary association of local governments within the seven-county region of Calhoun, DeWitt, Goliad, Gonzales, Jackson, Lavaca, and Victoria counties. GCRPC was tasked by the GLO to develop a public participation plan and facilitate the MOD development process. GCRPC was given approximately sixty (60) calendar days to complete the task with parameters set forth in the document entitled "Hurricane Harvey – Round 1, Councils of Governments Method of Distribution Guidelines," available for review at <http://www.gcrpc.org/gcrpc-PublicHearing.html>. The guidance provides that "[e]ach COG will be provided data sets produced by the GLO in partnership with the University of Texas at Austin to inform methods of distribution[;] [v]ariences from these data sets will be allowable."¹

While the use of data produced by "[c]onduct[ing] a regional needs assessment to better evaluate whether the extent to which properties were rendered inhabitable as result of the storm [sic]" is allowable, this suggested GCRPC activity falls outside of the scope of work tasked to GCRPC by the GLO.

Additionally, GCRPC is in possession of Small Business Administration and Insurance award data provided by, and pre-approved for use by, the GLO. However, the suggestion for use of

such data does not provide a solution to incorporate new data into the currently developed draft MOD formulas.

B. The MOD should establish criteria for areas to qualify for buyout programs.

Response:

The Hurricane Harvey – Round 1, Councils of Governments Method of Distribution Guidelines¹ provide:

“1. Local Buyout and Acquisition Program

The local buyout and acquisition program will remove homes from harm’s way. [sic]

a. Local MOD Requirements:

- i. Each COG will facilitate a MOD process with support of the GLO;*
- ii. Establish objective criteria for allocation of funds to eligible entities or activities (distribution based on, but not limited to, unmet need);*
- iii. Citizen participation process:*
 - 1. Develop a citizen participation plan;*
 - 2. Conduct a minimum of two (2) public hearings prior to finalizing the MOD;*
 - 3. One (1) public hearing shall be a “Public Planning Meeting;”*
 - 4. Ensure a public comment period of at least 14 days.*
- iv. Implement a minimum of \$1,000,000 in CDGB-DR funds to any local entity receiving funding through the MOD*
- v. Ensure a minimum percentage of funds are allocated to the HUD most impacted and distressed counties and zip codes;*
- vi. Facilitate local prioritization through the MOD;*
- vii. Reallocation of funds from de-obligated funds and/or cost savings from completed projects will be at the discretion of the GLO within the region;*
- viii. A plan to meet the 70 percent low- and moderate-income benefit requirement;*
- ix. Establish any additional parameters for eligibility beyond what is required by HUD or the GLO.”*

GCRPC has established the draft objective criteria for allocation of funds to the various eligible entities according to the GLO requirements stated above. Population data, FEMA Individual Assistance Data, Unmet Need calculations, Social Vulnerability data, and a resilience factor are the objective criteria utilized.

The current draft MOD distribute funds to all eligible entities for all eligible activities in order to provide eligible entities with maximum flexibility to administer their respective local programs. Conditions of funding for all eligible entities include the requirement that any entity use 70% of its allocation to benefit Low-to-Moderate Income households, as well as, the requirement that funding be utilized to address HUD and GLO priorities as stated in the Federal Register and State Action Plan.

C. The MOD should standardize the benefits provided in buyout programs

Response:

GCRPC is not a sub-recipient of Local Buyout and Acquisition Program or Local Infrastructure Program funds. Thus, this comment goes beyond the scope of GCRPC's current task(s). Per GLO guidance, eligible entities identified in the MOD are the planned subrecipients tasked with administration of funds for each program. Funding is conditioned on each eligible entity administering these programs in adherence to HUD & GLO priorities, requirements, and guidelines.

- **Brennan Griffin, Deputy Director**, Texas Appleseed, *received 7/9/2018 via email/attachment.*

A. [A] description of methodology and attached allocation tables do not constitute a MOD according to the “Councils of Government Method of Distribution Guidance” issued by GLO. The required MOD Summary form is not included, so the draft does not document:

- **The Citizen Participation Plan and its implementation;**
- **An explanation of how the MOD fosters long term planning and recovery;**
- **An explanation of how unmet housing needs will be met; or,**
- **How GCRPC will meet its LMI benefit and affirmatively furthering fair housing obligations.**

Therefore, GCRPC has not published a MOD for public comment, and must publish a compliant document for 14 days of public comment according to its Citizen Participation Plan.

Response:

The GLO “required MOD Summary form” is a working document intended to summarize 1) the MOD public development process and 2) the final Draft MOD submitted for review and approval by the GLO. All form responses concisely reiterate the resulting methodology developed throughout the public planning process. GCRPC has published, and continuously updated, draft

MOD materials for public review and comment since June 4, 2018. Compliance with GLO Guidelines will be confirmed by the GLO after the submission of GCRPC MOD Materials on July 13, 2018.

- B. We recommend that GCRPC, in collaboration with local communities and residents, develop one buyout program with one set of guidelines that is then administered by local jurisdictions, and that an accountability system is set up to make sure that local jurisdictions are abiding by the program guidelines.**

Response:

The GCRPC is a regional voluntary association of local governments and other agencies. HUD and GLO rules for Local Buyout and Acquisition Program funding require eligible entities directly receive and administer program funds. GCRPC stands ready to assist regional membership upon the request, direction, and approval of its Board of Directors and membership.

- C. We are also concerned that GCRPC has chosen to use the threshold allocation of \$1,000,000 as a cap on local buyout programs.**

Response:

HUD and GLO rules require a minimum (floor) \$1,000,000 allocation to eligible entities to ensure the viability and efficacy of local buyout and acquisition programs.

- D. Infrastructure programs must prioritize the needs of low- and middle-income households and communities, in particular, communities with substandard infrastructure as a result of discrimination and disinvestment. A key issue for many of these communities is environmental justice, as they were impacted not only by flooding but also by hazards related to chemicals, oils, sewage, waste or air pollution during the event... We appreciate GCRPC's effort to take this social vulnerability into account. Our concern is that local jurisdictions won't follow through with these guidelines, and so we suggest that an accountability program is set in place to ensure all jurisdictions are abiding by these norms.**

Response:

Eligible entities who receive and utilize CDBG-DR funding are required to adhere to all HUD and GLO conditions of funding. Additionally, eligible entities must still submit project proposals for review and approval by the GLO and HUD prior to the expenditure of program funds.

- E. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u; 24 C.F.R 135) requires recipients of certain HUD financial assistance, including CDBG-DR, provide job training, employment, and contracting opportunities for low or very low income residents in connections with projects or activities in their neighborhoods to the greatest extent possible. Historically, Section 3 has not been vigorously**

enforced, and jurisdictions have completely failed to comply with its provisions. We urge GCRPC to fully implement and enforce Section 3, including monitoring (for example, of whether contractors are genuinely Section 3 eligible), helping to set up a training and jobs pipeline, measuring success in terms of the number of hours worked by Section-3 eligible workers, clearly defining the geographic area from which residents should get preference as locally as possible, and imposing meaningful monetary penalties on contractors who do not meet their Section 3 goals. In addition to Section 3, jurisdictions routinely impose requirements like local hiring and job production in exchange for government financial assistance or other benefits and we encourage GCRPC and its subrecipients to do so.

Response:

GCRPC is not identified as an eligible direct recipient of Local Buyout and Acquisition Program or Local Infrastructure Program funds.

- F. We strongly recommend that GCRPC use the methodology proposed by the Texas Low Income Housing Information Service (Texas Housers) in its comments on the draft Action Plan - or a similar methodology - which relates a household's FVL to their income, thereby considering the level of impact on a household, acknowledging the loss valuation variations produced by the FEMA/HUD methodology, and more accurately counts households with unmet housing needs that are the least able to recover and most vulnerable to housing insecurity.**

Response:

This recommendation has been recorded and will be submitted to the GCRPC Board of Directors and GLO for consideration.

IV. ORAL PUBLIC COMMENT(S) RECEIVED AND RESPONSES GIVEN DURING PUBLIC HEARING#2:

- **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.

- 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.

NOTE: All comments and questions collected throughout the MOD development process and any responses are being forwarded to the GLO and HUD for further review.