



Local Match

Public Assistance (PA) & Hazard Mitigation (HMGP)

As reported on January 7th, 2019, the State's Economic Stabilization Fund, or "Rainy Day Fund," is projected to top \$15.4 billion thanks to better-than-expected revenue from oil and gas severance taxes. Texas Comptroller Glenn Hegar has called this "an unheard of amount." He has also lamented that the Rainy Day Fund generates a very poor return on investment.

The best return on investment for the State of Texas — one that would generate \$10 billion in public assistance dollars and over \$1 billion for mitigation projects — would be to maximize the local-match requirements for federal disaster monies for the 55 counties impacted by Hurricane Harvey.

The two federal programs with the greatest impact are FEMA's **Public Assistance (PA)** and **Hazard Mitigation Grant Program (HMGP)**.

Public Assistance (PA) projects currently require a 10% local match. Under normal circumstances, FEMA requires a 25% local match. The Trump administration gave Texas a 90%-10% match for Harvey. So, for every dollar invested by the State, \$9 dollars in federal money are secured. Funds are distributed by the Texas Division of Emergency Management (TDEM) to help cover costs associated with disaster response and infrastructure repair. The pace is largely dictated by FEMA resources, which have been stretched thin by multiple natural disasters over the past two years. Strict rules must be followed to avoid future "claw-back" of the funds.

Hazard Mitigation Grant Program (HMGP) provides funds to states and local communities following a Major Disaster Declaration to protect public or private property through various mitigation measures. Mitigation includes long-term efforts to reduce the impact of future events. The total amount of HMGP funds for Texas is anticipated to increase to over \$1.1 billion. The federal government funds up to 75 percent of total project costs, with the remaining 25 percent covered by local government. Every local match dollar pulls down \$3 from FEMA.

Hurricane Harvey created a significant fiscal strain on local governments. Requiring a local match — on top of the financial obligations already borne by local governments since Harvey — will create an undue burden on local taxpayers. Some cities and counties may not even be able to meet the match, leaving federal dollars earmarked for Texas unused. It is essential, and it is in the State's economic interest, to assist local governments in securing these federal dollars.

Public Assistance Estimates – City of Houston

Damages	Examples	Cost Estimate (millions)	Estimated Projects
Category A – Debris Management	Citywide debris removal, Lake Houston debris	\$259	3
Category B – Emergency Repairs	Sheltering operations, clean-up of facilities, police and fire overtime	\$190	48
Category C – Road and Bridge Repairs	West Lake Houston Parkway Bridge	\$65	TBD
Category D – Stormwater	Drainage channels	\$10	TBD
Category E – Buildings	Wortham Theater and garage, City Hall, libraries, fire stations and other City assets	\$625	180
Category F – Water/Wastewater Utility	Waste water treatment plants, lift stations, pump stations and drinking water facilities	\$1.1	182
Category G – Other	Parks, flooded vehicles	\$40	20
Total		\$2.28 billion	436+
Local Match (10%)		\$228 million	

Hazard Mitigation Grant Program Estimates – City of Houston

Project	Project Type	Status	Cost Estimate (millions)
Inwood Golf Course	Linear detention	Pending COH RFI response	\$48.6
North Canal	Diversion channel	In Review by TDEM	\$151
TIRZ 17	Underground detention/storm sewer improvements	In Review by TDEM	\$60.4
Lake Houston Dam	Gate addition to dam structure	Pending COH RFI response	48.5
Individual Home Mitigation	Buyouts, elevation, demo/rebuild	Selected as alternates by TDEM	53.2
Total			\$361.4 million
State Available Funding			~\$230 million
Local Match Required			\$57.5 million