



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF THE ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

DEC 11 2018

Mr. Mark Havens
Deputy Land Commissioner
Texas General Land Office
1700 North Congress Street, Suite 935
Austin, TX 78701

Dear Mr. Havens:

The Department is approving the State of Texas' Action Plan Amendment Number (APA) #1 for Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated under the Supplemental Appropriations for Disaster Relief Requirement Act, 2017 Public Law (P.L.) 115-56, which allocated \$5,024,215,000 to the State for long-term recovery efforts in response to the devastating impacts of Hurricane Harvey. This substantial amendment incorporates Harris County and city of Houston local Action Plans for direct allocations (\$1,115,386,830 and \$1,155,119,250 respectively) from the State of Texas, including updated needs assessment data, proposed programs and expenditures and outcomes projections. This substantial amendment will now be considered part of the State's approved Action Plan for Hurricane Harvey recovery under the grant number B-17-DM-48-0001.

The guidelines governing the State submission of the Action Plan and subsequent amendments were published in HUD's *Federal Register* Notices published on February 9, 2018, and August 14, 2018. As described in APA #1, the State's subrecipients receiving direct allocations will use CDBG-DR funds solely for necessary expenses related to disaster relief, long-term recovery, restoration of housing, infrastructure, and economic revitalization in the impacted and distressed counties in Texas as declared in DR-4332. Harris County and the city of Houston have proposed several locally-run programs with the majority of funds allocated to the State's housing programs, infrastructure, economic revitalization projects selected for CDBG-DR funding to continue its long-term recovery efforts and restoration of housing, as required by the *Federal Register* Notices. Once the State executes a subrecipient agreement with the city of Houston and Harris County, both entities will be responsible for the implementation of its local CDBG-DR programs within their jurisdiction.

The following table summarizes modifications to the initial Action Plan approved by HUD on June 25, 2018, including the updated and new budgets for the State of Texas, Harris County and city of Houston administered programs.

Program	Previous Allocation	Change	Revised Allocation
State of Texas – Total	\$2,753,708,920	(\$37,577,044)	\$2,716,131,876
State of Texas - Houston	\$1,823,844,297	-	\$1,823,844,297
State of Texas – Infrastructure and Economic Revitalization	\$540,968,427	-	\$540,968,427
State of Texas – Planning	\$137,685,446	-	\$137,685,446

Program	Previous Allocation	Change	Revised Allocation
State of Texas- Administration	\$251,210,750	(\$37,577,044)	\$213,633,706
<i>Harris County – Total</i>	<i>\$1,115,386,830</i>	<i>\$16,741,956</i>	<i>\$1,132,128,786</i>
Harris County – Housing	TBD	N/A	\$837,097,816
Harris County – Infrastructure	TBD	N/A	\$222,519,672
Harris County – Planning	TBD	N/A	\$55,769,342
Harris County – Administration	\$0	\$16,741,956	\$16,741,956
<i>City of Houston – Total</i>	<i>\$1,155,119,250</i>	<i>\$20,835,088</i>	<i>\$1,175,954,338</i>
City of Houston – Housing	TBD	N/A	\$1,041,754,416
City of Houston – Public Services and Economic Revitalization	TBD	N/A	\$90,264,834
City of Houston – Planning	TBD	N/A	\$23,100,000
City of Houston – Administration	\$0	\$20,835,088	\$20,835,088
Total Allocation	\$5,024,215,000	-	\$5,024,215,000

The Department's Office of Fair Housing and Equal Opportunity noted that APA #1 proposed to adopt a system of preferences for the city of Houston's Homeowner Assistance Program. In support of the grantee's civil rights certifications, the city of Houston must analyze fair housing impacts or any system of preferences prior to adoption and implementation, and continually monitor the implementation of any preferences to ensure applicable preferences do not result in discrimination of a protected class.

Additionally, the State is reminded to review the approved programs in APA#1, to ensure at least 70 percent of the aggregate of CDBG-DR program funds will be used to support activities that benefit low-and-moderate income persons, including the overall benefit contribution of multi-family rental units per the Housing and Community Development Act Section 105(c)(3) and 24 CFR 570.484(b)(4).

On August 17, 2018, the Department executed a grant agreement with the State of Texas obligating the full allocation. Per the special conditions in the grant agreement, the State shall develop and maintain policies and procedures related to programs, eligible activities, required records management, procurement requirements, subrecipient oversight and a plan for training subrecipients on all federal and State CDBG-DR requirements, technical assistance, monitoring procedures, cost allocation methodology, and the timely expenditure of funds. The State must meet the above grant condition prior to awarding funds to its subrecipients for the HUD-approved programs in the Disaster Recovery Grant Reporting (DRGR) system. The Department will review the updated DRGR Action Plan, which enables General Land Office and its subrecipients to budget and disburse grant funds for each HUD-approved program, once it receives evidence that the policies and procedures documents are in place.

The Department looks forward to continuing to work with you and your staff to address the State's recovery needs. If you or any members of your staff have any questions, please contact Ms. Claudette Fernandez, Director, Office of Block Grant Assistance, at (202) 402-4592.

Sincerely,



Stanley Gimont
Deputy Assistant Secretary
for Grant Programs