



# CITY OF HOUSTON

**Sylvester Turner**

Mayor

P.O. Box 1562  
Houston, Texas 77251-1562

Telephone – Dial 311  
www.houstontx.gov

March 27, 2018

The Honorable George P. Bush  
Commissioner, Texas General Land Office  
1700 Congress Avenue  
Austin, Texas 78701

Dear Commissioner Bush,

Thank you and your team for a productive meeting in Washington on March 14 that built on our conversation with Mayor Turner in Houston on March 9. The Mayor and I are pleased that the City, County, GLO, and Governor Abbott’s office reached agreement on high-level principles about the way forward on recovery at the meeting at HUD headquarters. This letter confirms the agreements we reached at that meeting.

The subject of our consultations was HUD’s February 9, 2018 Notice in the Federal Register that allocates \$7.39 billion in for long-term recovery from 2017 disasters, including \$5.02 billion for Texas. In the Notice, HUD designates the State of Texas as the sole grantee for the \$5.02 billion. Our consultation at HUD focused on the status of Houston and Harris County in how the recovery will be administered and preparation of the GLO’s draft Action Plan, which will be published in the coming weeks for public comment.

In Washington, we made agreements in three key areas: 1) allocating funding based on HUD’s unmet need data, 2) subrecipient status for Houston and Harris County, and 3) continuing consultations throughout the recovery process.

### 1. Allocate funds based on HUD unmet need data

In advance of the March 14 meeting, HUD’s Office of Policy Development and Research shared the data that had informed HUD’s \$5.02 billion allocation to Texas. Based on this common data set, it was agreed that the GLO will revise its Draft Action Plan to indicate that Houston and Harris County each would receive approximately \$1.2 billion in this round of funding.

This calculation is consistent with the principle that resources should prioritize unmet needs. The parties agreed that additional, more nuanced and targeted data will be necessary as we each determine use of funds.

	<b>TOTAL</b>	<b>Houston</b>	<b>Harris County</b>	<b>State Remainder</b>
Unmet serious housing repair (most impacted areas)	\$4,593,043,212	\$1,121,519,149	\$1,123,003,404	\$2,348,520,659

Unmet serious business repair	\$488,971,488	\$119,395,978	\$119,553,991	\$250,021,519
Total	\$5,082,015,000	\$1,240,915,000	\$1,242,557,000	\$2,598,542,000
Less prior allocation	-\$57,800,000	\$0	-\$43,000,000	-\$14,800,000
<b>Allocation/Subrecipient Amount</b>	<b>\$5,024,215,000</b>	<b>\$1,240,915,000</b>	<b>\$1,199,557,000</b>	<b>\$2,583,742,000</b>

Harris County acknowledged receipt of \$43 million from the prior allocation of Harvey CDBG-DR as part of its set aside amount.

The GLO will administer a \$100,000,000 statewide small business loan fund. \$50 million will come from the State's share of funds, and \$25 million will come from each of Houston and Harris County's share. Any amounts not utilized by GLO in the City and County shall revert back to the City and County to be utilized by the City and County for activities consistent with their Long-Term Housing Recovery Plans.

	<b>TOTAL</b>	<b>Houston</b>	<b>Harris County</b>	<b>State Remainder</b>
<b>Allocation Amount</b>	<b>\$5,024,215,000</b>	<b>\$1,240,915,000</b>	<b>\$1,199,557,000</b>	<b>\$2,583,742,000</b>
Small business fund contribution		-\$25,000,000	-\$25,000,000	-\$50,000,000
				+\$100,000,000
<b>Total Amount by Jurisdiction</b>		<b>\$1,215,915,000</b>	<b>\$1,174,557,000</b>	<b>\$2,683,742,000</b>

## 2. Houston and Harris County will be designated as subrecipients of the GLO

Following our March 9 meeting in Houston, the meeting in Washington affirmed Houston and Harris County's local control over recovery dollars. We agreed that Houston and Harris County would be subrecipients of the GLO, which retains its oversight responsibility for the entire \$5.02 billion allocation to Texas. As subrecipients of the GLO, Houston and Harris County will exclusively administer recovery efforts in their jurisdictions. Houston and Harris County will have the authority to determine use of funds within their jurisdictions, subject to the general program requirements established by the GLO.

It is our understanding that the GLO will consult with the City and the County as it develops the program descriptions that further detail the nine programs in the draft Action Plan. It was further agreed that the GLO's Action Plan will be as flexible as possible to permit the City and County to implement housing recovery in a manner that is responsive to local needs.

The City proposes the following practical steps toward achieving the objectives agreed in Washington:

- The City and the County each will prepare a **Long-Term Housing Recovery Plan (LTHRP)** that will be reviewed by GLO for completeness and consistency with all statutory and regulatory requirements and then submitted to HUD as substantial Amendments to the GLO's Action Plan. This will allow the GLO to move forward with its Action Plan quickly, according to the timeline outlined in the Notice (the State's Action Plan must be submitted to

HUD by May 14, 2018). The LTHRP must include a needs assessment, description of the methods of distribution and use of funds, and the applicable requirements of the Notice and the GLO's citizen participation plan. Any programs included under the LTHRP must be consistent with the programs designed by GLO and outlined in the Action Plan. The LTHRP must be submitted to the GLO within 60 days of HUD's acceptance of the GLO's Action Plan. The City plans to begin public consultations as soon as possible on its plan.

- The GLO, City, and County will coordinate and jointly conduct a one-step public comment period for adoption of the City and County's LTHRPs and resulting Action Plan Amendment for the GLO's Action Plan.
- The GLO will review the LTHRP for completeness and compliance with the requirements of the Notice and applicable statutory and regulatory requirements.
- The City and the County will have access to all administrative, planning, and program delivery funds subject to the limits enumerated in the Notice (20% for Administrative and Planning costs).

### **3. Ongoing consultation and a positive working relationship among our offices**

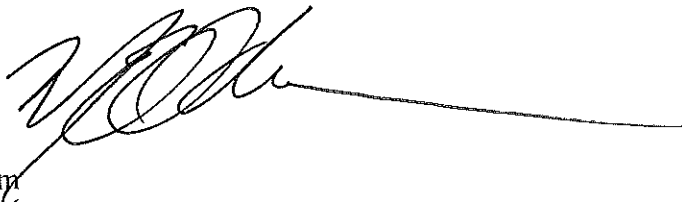
In Washington, the parties reaffirmed our shared responsibility for long-term recovery and reducing the risks of future disasters. The GLO will continue to consult with the City and County during the preparation of its Action Plan and the design of its program guidelines.

The City and the County are pursuing significant Technical Assistance in partnership with HUD to expand our capacity to implement recovery activities. We recognize that such significant recovery resources require enhanced oversight, management capacity, and most importantly, building and maintaining public trust.

We understand that consideration is being given to a direct allocation to Houston and Harris County. In the meantime, we continue to operate under the February 8 Notice and will keep moving forward according to the agreements we reached in Washington so that long-term recovery can get underway as quickly as possible.

I look forward to our continued work together.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Odum', with a long horizontal line extending to the right from the end of the signature.

Marvin Odum  
Chief Recovery Officer, City of Houston