Monday, January 13, 2020

Mr. Jeff Walker  
Executive Administrator  
1700 N. Congress Avenue  
Austin, Texas 78701

Mr. Walker,

The 2019 Texas Legislature expanded the role of the Texas Water Development Board (TWDB) to include one of the biggest challenges faced in Texas water resources. The new state and regional flood planning program will allow the state to implement a more holistic approach to the management of our water that not only maintains the vitality of our natural resources, health, and economic development but further protects lives and property. The City of Houston appreciates the opportunity to provide comments to the TWDB Draft Flood Intended Use Plan for implementation of Senate B.II 7 (SB 7).

The City respectfully requests that the TWDB review and modify requirements related to applicant eligibility, Memorandum of Understanding, minimum standards, and prioritization criteria as detailed below.

- Applicant Eligibility

Special purpose districts within Harris County should not be considered as eligible applicants. SB 7 defines eligible political subdivisions as a municipality, county, or district or authority created under Section 52, Article III or Section 59, Article XVI of the Texas Constitution. However, in Section 1.02(f) the statute also directs the board to adopt rules establishing “criteria of eligibility for flood control planning money that considers... (2) the legal authority of the political subdivision to plan for and control flooding and (3) the effect of flood control planning by the political subdivision on overall flood control in the state and within the area in which the political subdivision is located.”

  o Within Harris County, over 800 special purpose districts have been formed to provide water, sewage, drainage and other utility related services not otherwise available from the local municipality where the districts reside. However, unique to Harris County, once these districts have constructed and operated the drainage infrastructure (storm sewers, detention basins, channel improvements, etc.) for a performance period of one year, the drainage facilities are conveyed to the County for operation and maintenance in perpetuity.
  o At a larger watershed scale, the responsibility for overseeing rivers, streams, tributaries and flood waters in Harris County "for domestic, municipal, flood control, irrigation and other useful purposes" lies with the Harris County Flood Control District (HCFCD).
- Within Harris County, applicant eligibility should be specific to agencies that plan, design, implement, and/or operate and maintain flood control projects in perpetuity.

- Memorandum of Understanding

  A Memorandum of Understanding (MOU) should not be required by all political subdivisions within a watershed when evidence of successful partnership for project implementation has been or is displayed.

  - While the City finds the intent of establishing a process to ensure a collaborative approach is utilized across watersheds commendable, requiring an MOU between political subdivisions which are within a project watershed can create significant delays in project implementation.
  
  - Currently, the City, Harris County, and Harris County Flood Control District have numerous joint projects and a long history of collaborating on multiple flood damage reduction projects. There are specific projects where an Intergovernmental Legal Agreement (ILA) has been executed outlining financial responsibilities of each agency. Because of the historical relationship, this effort has become relatively routine.
  
  - However, within the boundaries of Harris County there exists 36 other municipalities and, as previously stated, over 800 special purpose districts. Many of the projects undertaken by the County are regional and have regional benefits. Should the TWDB determine the special purpose districts ineligible (as mentioned above), the requirement would be reduced to the municipalities.
  
  - In the interest of timely project delivery, which is a priority for the general public that has been impacted by flooding, municipal staff acknowledgement of a project could be an alternate to a formal memorandum requiring a municipality's City Council action.

- Minimum Standards

  Eligibility criteria for projects, as currently written, do not highlight or prioritize equity for the neighborhoods that are most vulnerable. There have been numerous studies highlighting the inequities associated with the federal guidelines for calculating a project's benefit to cost ratio. Historically, less dense, moderately priced neighborhoods do not yield competitive project ratios when property value is the primary criteria. The standards should clearly state specific qualifiable benefits to be utilized in the calculations other than only flood damage reduction cost savings.

- Prioritization Criteria

  The proposed prioritization criteria for applications severely limits the eligibility of cities and urban areas, despite the fact that the majority of Texas residents are located in cities and urban areas with high risk of flooding. TWDB should revisit the Annual Median Household Income (AMHI) and Metropolitan Service Area (MSA) requirements for each category to allow for a greater number of applicants and align more consistently with the intent of Senate Bill 7.

  - TWDB should revise the income requirement to areas with average AMHI below 85% for the larger grants under Category 1.
  
  - The 85% threshold should also be established for Category 3 and apply to all areas, not just those outside of an MSA.
  
  - The limitations for grants or loans should not be implemented for the remaining categories.
The current prioritization criteria compare projects across categories rather than ranking them against projects within the same category. The merits of a project should be judged against another project within the same category. It appears from the criteria, the rating system favors Category 2 and 5 over Categories 1, 3 and 4. Annual funding can be distributed separately to each category, with additional funds available to projects classified as Category 2 and 5, assuming the State has a desire to prioritize these types of projects.

The additional criteria for Construction projects within Category 3 require clarity on the which specific floodplain the project evaluators will consider for the projects (0.2%, 1%, 4%, 10%, 50%, etc). In 1981, the City entered the national flood insurance program and officially adopted the flood insurance rate maps. Upon adoption, nearly 70% of the regulatory 1% floodplain was already developed. Over time, new methods were developed enabling better definition of the limits and depth of flooding from the 1% flood. Neighborhoods constructed along the fringe of the 1981 floodplain were remapped within the regulatory floodplain and existing flood prone neighborhoods were potentially subject to a greater threat. Flood damage reduction projects designed to remove all developed areas from the regulatory floodplain became impracticable. Local agencies are now focusing on options to address the flood threat from the more frequently occurring floods.

The City of Houston appreciates the opportunity to comment and respectfully requests the changes and comments detailed in this letter to be addressed as the final draft of the Flood Intended Use Plan is drafted.

Respectfully,

Mayor Sylvester Turner