Federal priorities for harvey disaster funding

City of Houston

In response to Hurricane Harvey (DR – 4332-TX), the City of Houston is advocating for the following measures to help Houstonians in their recovery:

Resiliency Efforts As the City looks to rebuild, we must fund projects to make sure the risk for future flooding is mitigated. With our partners at the Army Corps of Engineers and Harris County Flood Control District, the following projects are critical to protecting Houstonians against future losses of life and property and should receive priority funding from the Corps:

* Completion of 6 federally approved bayou projects
* Reinforcement of the Addicks & Barker Reservoirs and construction of a third reservoir
* Funding for the creation of a Coast Spine
* Funding for detention basins within the City of Houston

Community Disaster Loans Program (CDL) & Waiver The CDL Program provides operational funding to help local governments that have incurred a significant loss in revenue, due to a major disaster, not to exceed 25 percent of the local government's annual operating budget up to a maximum of $5 million. Houston would ask that the cap be lifted as it has been in other disaster declarations.

NEPA Waiver In order to speed recovery efforts, the City is looking for an exemption from the National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) for the rehabilitation or reconstruction of single family housing located outside a special flood hazard area. This will cut the time Houstonians wait to recover with a targeted waiver.

Grants and Tax Incentives Economic Development Administration (EDA) grants and tax incentives can be a catalyst for private investment in areas impacted by Hurricane Harvey and in particular low-income areas. EDA grants fund a wide range of projects, including business parks, technology incubators and supporting infrastructure an utilities. Tax incentives, including New Market Tax Credits and tax credit bonds are critical to incentivizing private investment and can fund housing, commercial and retail buildings. The City urges Congress to make the following funding available to incentivize private investment in the impacted parts of the City:

* $300 million for EDA grants for areas affected by Hurricane Harvey.
* Special New Market Tax Credit allocation to areas impacted by Hurricane Harvey.
* Increase the credit for rehabilitating qualifying buildings and structures damaged by Hurricane Harvey.  Taxpayers currently may claim a credit equal to 10% of qualifying expenditures to rehabilitate a qualified building or 20% for historical structures.
* Relax requirement for City to pledge additional security for Section 108 loans. Cities like Houston are at a disadvantage in having to pledge double-collateral in the form of future CDBG allocations when the City can secure the loan with a lien on the property.