



Interoffice

Correspondence



To: Mayor Sylvester Turner

From: Tom McCasland, Director, Housing and Community Development

Cc: Marvin Odum
Niel Golightly
Bill Kelly
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Date: March 8, 2018

Subject: HUD requirements for consultation with City of Houston in disaster recovery planning

HUD issued a [Notice](#) in the Federal Register on February 9, 2018 that lays out the requirements the state must meet in accessing \$5.02 billion in disaster recovery funding for Texas. The Notice is designed to support housing, especially in low- and moderate-income communities in the most affected and distressed areas.

1. The state must consult Houston on specific issues

The Notice requires that the state consult with local governments in determining the use of funds, including methods of distribution. The state must certify that it has consulted *on these specific issues*.

HUD requires that “**States receiving an allocation under this notice consult with all disaster- affected local governments** (including any CDBG entitlement grantees), Indian tribes, and any local public housing authorities **in determining the use of funds.**” (p. 5854)

“**State grantee certifies that it has consulted with affected local governments** in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State **in determining the uses of funds, including the method of distribution of funding,** or activities carried out directly by the State.” (p. 5867)

2. The GLO has not consulted Houston on use of funds or methods of distribution

In the draft Action Plan, the GLO asserts that “consultation” occurred with the City of Houston in three instances: 1) a meeting in Harris County with City officials on 9/12/17, 2) a conference call with City officials on 12/15/17, and 3) a meeting in Austin with City officials

on 2/14/17. Only the last of these meetings occurred after the publication of HUD's notice on February 9.

For Houston to practically engage in consultation on the important issues of how funds will be used and distributed, it must have access to the basic information and data that GLO proposes to use to make these decisions. The City has never received this information, and the draft Action Plan excludes the most relevant data, including how the GLO calculates unmet need.

In the City's view, there has been no consultation on use of funds or methods of distribution. On March 2, Tom McCasland sent a letter to Pete Phillips expressing that the City had not been consulted.

3. The requirement to consult with local government is separate from the requirement to consult with the community

In its draft Action Plan and in Pete Phillips' [public comments](#), the GLO asserts that the opportunity for local government to comment on the plan is only during the public comment period. This is not consistent with HUD's requirements, which identifies requirements for consulting *during plan preparation* with local governments that are separate from public comment and stakeholder consultation requirements.

*“Requirement for consultation during plan preparation . . . States receiving an allocation under this notice [are required to] **consult with all disaster-affected local governments** (including any CDBG entitlement grantees), Indian tribes, and any local public housing authorities **in determining the use of funds.**”* (p. 5854)

The single meeting between the GLO and the City of Houston that was held after the notice was published did not include sufficient information on the subjects of use of funds and methods of distribution for consultation to have occurred that would meet the requirements of the Notice.