

**SUMMARY OF AMENDMENT TO ROUND 1 METHOD OF DISTRIBUTION
HURRICANE IKE DISASTER RECOVERY FUNDING**

Background

In 2009 H-GAC's Board submitted and the State approved a regional Method of Distribution (MOD) for first round Community Development Block Grant (CDBG) disaster recovery funds. The MOD apportioned over \$814 million for housing and non-housing activities, with direct allocations and set-asides to jurisdictions. The first round MOD included a direct allocation of \$160.4 million in housing funds to the City of Galveston, with \$25 million subsequently dedicated by the City to support rebuilding public housing damaged and destroyed by Hurricane Ike.

Proposed Amendment

On November 17, 2011 the Texas General Land Office (GLO) notified the City of Galveston that it is recapturing the \$25 million public housing set aside due to failure of the City and the Galveston Housing Authority to achieve a mutual agreement by a deadline established by GLO. GLO returned the \$25 million to H-GAC for reallocation. In accordance with H-GAC Board policy, H-GAC proposes to maintain funding within the community to support the original project by reallocating the funds directly to the Galveston Housing Authority. This action is consistent with the State and housing advocacy group conciliation agreement calling for replacement of all damaged or destroyed public housing. The proposed amendment includes modifying the first round MOD Distribution Table and designating the Galveston Housing Authority as an eligible subrecipient for first round housing funds. It does not affect any other first round allocation. The proposed table revision is included below. The H-GAC Hurricane Ike Committee approved the recommended amendment on November 30, 2011. The H-GAC Board of Directors is scheduled to take action on the proposed amendment on December 20, 2011.

Revised Distribution Table – 12/20/2011 (changed fields are bolded)

Entity	Total Amount (\$)	Percent to Housing	Housing (\$)	Non-Housing (\$)
City of Galveston	\$ 242,387,056	56%	\$ 135,432,233	\$ 106,954,822
Galveston Housing Authority	\$ 25,000,000	100%	\$ 25,000,000	\$ 0
Rest of Galveston County	\$ 165,839,163	60%	\$ 99,503,498	\$ 66,335,665
Rest of Harris County	\$ 140,693,071	40%	\$ 56,277,229	\$ 84,415,843
City of Houston	\$ 109,070,706	80%	\$ 87,256,565	\$ 21,814,141
Chambers County	\$ 69,738,606	30%	\$ 20,921,582	\$ 48,817,024
Liberty County	\$ 21,898,771	40%	\$ 8,759,508	\$ 13,139,263
Brazoria County	\$ 17,409,490	50%	\$ 8,704,745	\$ 8,704,745
Montgomery County	\$ 11,515,395	60%	\$ 6,909,237	\$ 4,606,158
Matagorda County	\$ 5,984,149	20%	\$ 1,196,830	\$ 4,787,320
Fort Bend County	\$ 2,636,844	60%	\$ 1,582,107	\$ 1,054,738
Walker County	\$ 1,555,801	60%	\$ 933,481	\$ 622,320
Waller County	\$ 325,698	60%	\$ 195,419	\$ 130,279
Austin County	\$ 77,508	60%	\$ 46,505	\$ 31,003
Wharton County	\$ 1,233	60%	\$ 740	\$ 493
Total	\$ 814,133,492	56%	\$ 452,719,677	\$ 352,654,305