

CDBG MOD Hurricane Harvey
Public Comment Continuation: August 30, 2018 – September 14, 2018

#	DATE RCVD	FORM	SUBMITTED BY	COMMENTS	H-GAC RESPONSE
1	9/4/2018	Public Comment Form (Online)	Michael Coon, City Manager, City of Richwood	Why cities with less than 5,000 housing units were left off the grant reallocation method? As a percentage of total housing in the damaged area, Richwood has a higher percentage and there are a lot of improvements that could be done in Richwood with funds that may be available through reallocation. For instance, Brazoria County is #8 on the reallocation list, but if you were to look at just Richwood, we would be in the top 3. I think we should get a portion of any funds that are reallocated, now granted it would be smaller than most due to our smaller size, but I don't know why we don't use the previous formula for any funds that are to be reallocated. At 332 homes damaged, the City of Richwood had about 28 percent of our homes damaged.	<p>Thank you for your comment.</p> <p>The 5,000-unit threshold was established to ensure that reallocated funds will benefit communities with the greatest concentration of damages, not the largest percent by damage. Additionally, while the Texas General Land Office has set a minimum allocation threshold of \$1,000,0000 for housing buyouts/acquisitions, Brazoria County could elect to direct funds from its allocation to support these activities in the City of Richwood.</p> <p>Your comments will be passed along to the H-GAC Board of Directors and the Texas General Land Office.</p>
2	9/7/2018	Public Comment Form (Online)	Kimberly Avila, Homeowner in Montgomery County	We believe that the CBDG funds received from the Federal Government should be allocated for buyouts to the homeowners that were flooded during Hurricane Harvey in 2017. Many, if not all of these homes have flooded many times and will continue to flood in the future. FEMA has changed the flood zone of our properties from a flood zone to a floodway, making flood insurance rates extremely high and most can't pay the rates. Funds should not be allocated to those that stand to benefit economically and/or have caused the conditions that are causing our homes to flood more frequently. Many of us are still suffering one year after the storm. We are told that we have to raise our homes many feet to meet the requirements to obtain flood insurance. Raising a home is very expensive and none of us can afford it, making it impossible to rebuild. Our only option is a buyout.	<p>Thank you for your comment.</p> <p>The Texas General Land Office (GLO) tasked councils of governments, such as the Houston-Galveston Area Council (H-GAC), to develop a Method of Distribution for buyouts/acquisitions of flood-prone residential properties, as well as infrastructure repair. Under H-GAC's Method of Distribution, Montgomery County will receive a funding allocation for buyouts/acquisitions. It will be the responsibility of the county to identify specific buyout/acquisitions projects. We suggest you forward your concerns to the appropriate officials in Montgomery County.</p> <p>Your comments will be passed along to the H-GAC Board of Directors and the Texas General Land Office.</p>
3	9/7/2018	Public Comment Form (Online)	Patrick Wiltshire, President / CEO, Public Management Inc.	Regarding the Buyout/Acquisition allocation - in particular, the proposed uses of the Acquisition process: -Will jurisdictions be allowed to use the allocated funds to purchase Easement/Right-of-Way to acquire property that will focus on future drainage improvements? This could ensure compliance with the statement, "thereby preventing repetitive loss and the possibility of catastrophic human loss". -Proposals may include only taking a portion of the property necessary for proposed drainage improvements rather than acquiring the entire property and demolishing the structure.	<p>Thank you for your comment.</p> <p>Your comments will be passed along to the H-GAC Board of Directors and the Texas General Land Office.</p>

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4	9/10/2018	Oral Comment (Public Meeting)	Greg Vezorak, Homeowner in Montgomery County	Mr. Vezorak expressed concern over the status of home buy-outs in Montgomery County. State that he'd added his name to a list managed by the County Engineer's Office a year ago and hasn't received any follow up. Homes surrounding his were designated as part of the floodway; his was not. He is unable to raise his home the required amount but cannot rebuild yet.	<p>Thank you for your comment.</p> <p>The GLO tasked councils of governments, such as H-GAC, to develop a Method of Distribution for the local residential buyout/acquisition program and local infrastructure programs to eligible entities, including Montgomery County. Once the Method of Distribution has been approved by the GLO, it will be the responsibility of the county to identify specific buyout/acquisitions projects. We suggest you forward your concerns to the appropriate officials in Montgomery County.</p> <p>Your comments will be passed along to the H-GAC Board of Directors and the Texas General Land Office.</p>
5	9/10/2018	Public Comment (Online Form)	Rose Palmer, Homeowner in Galveston County	To: Mr. Jeff Tarbell GHAC. I was so wanting to attend the meeting this morning, however as a Caretaker for my elderly mom, I am unable to do so. My home was severely damaged during H-Harvey, and here we are a year later having to sign a new lease in an apartment in a nearby city. I wish to apply for the acquisition part of the program but have not been contacted by anyone. I guess my question is, how soon will we received assistance in order that we get back to a place we call home. I feel those who want the buyouts/Acquisition should be given the options to do whatever meets their needs. We have been very patient, and now after a year; we are ready to return home. Please help us. Thanks, Rose Palmer	<p>Thank you for your comment.</p> <p>The GLO tasked councils of governments, such as H-GAC, to develop a Method of Distribution for the local residential buyout/acquisition program and local infrastructure programs to eligible entities, including Galveston County. Once the Method of Distribution has been approved by the GLO, it will be the responsibility of the county to identify specific buyout/acquisitions projects. We suggest you forward your concerns to the appropriate officials in Galveston County.</p> <p>Your comments will be passed along to the H-GAC Board of Directors and the Texas General Land Office.</p>
6	9/11/2018	Public Comment (Online Form)	Scott Swigert, Assistant City Manager in Mont Belvieu	<p>Over the past 10 years, the Houston-Galveston region has been subjected to extensive damage due to direct hits from two major hurricanes (Ike and Harvey) and two significant flood events (Memorial Day and Tax Day).</p> <p>I believe the funding that has been allocated for Local Infrastructure Projects (\$129,751,761) needs to be used most efficiently to foster long-term recovery and permanent restoration of infrastructure within the "Most Impacted Areas" that will benefit the most people within the Houston-Galveston region and will assist in preventing further damages. With the Houston-Galveston region overall goal of rebuilding being to establish communities that can withstand or rebound from future disasters, it is my belief that projects within the "Most Impacted Areas" that have the greatest population benefit should have the highest priority followed by projects that provide benefits to populations beyond the applicant's borders or projects that have more than one applicant submitting the project, followed by projects that only impact the populations within the applicant borders. Hurricane Harvey's greatest cause of damage was flooding generated from waterways throughout the region.</p>	<p>Thank you for your comment.</p> <p>The GLO tasked councils of governments, such as H-GAC, to develop a Method of Distribution for the local residential buyout/acquisition program and local infrastructure programs to eligible entities. The U.S. Department of Housing and Urban Development has directed that, at a minimum, 80% of these funds be directed to the identified "Most Impacted Areas." Eligible activities under this program include repairs to various types of infrastructure damaged by Hurricane Harvey, including flood control infrastructure.</p> <p>Your comments will be passed along to the H-GAC Board of Directors and the Texas General Land Office.</p>

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				Priority funding should be given to projects that assist in preventing further damages caused by flooding to our regional waterways and that control the water not only through but ultimately out of the region.	
7	9/11/2018	Public Comment (e-mail)	Dian Stirn Groh	Please work faster to help businesses recover. Dickinson needs those businesses back.	Thank you for your comment. Your comment will be passed along to the H-GAC Board of Directors and the Texas General Land Office.
8	9/14/2018	Public Comment (Online Form)	Amelia Adams, Researcher and Community Planner for Texas Housers	<p>Dear Mr. Taebel,</p> <p>We at Texas Housers appreciate the opportunity to provide comment on the H-GAC Method of Distribution. H-GAC has specified that it is not requesting comments on its formulas for distribution, as they have already been approved by the board. For that reason, I will focus on the information provided on pages 5-8, as requested in the notice of the comment period.</p> <p>However, while H-GAC's board has already approved the distribution methodology from the original draft MOD, Texas Housers' original comments regarding the inadequacy of this methodology still stand. For this reason, I've incorporated these original concerns below.</p> <p>1) Long term planning and recovery The statement provided regarding long term planning and recovery is vague and doesn't offer any details as to what the various activities might be, apart from those allowed by the state. It would be more helpful to know what types of activities the region will prioritize, especially in terms of infrastructure funding, which can be interpreted in a very broad way. We are especially concerned that more research and planning is needed to impactfully and equitably designate buyout funding.</p> <p>The MOD's buyout allocation methodology is seriously flawed, which could result in funding allocation that doesn't reflect the areas that need long-term solutions.</p> <p>The first problem is that it assumes damage weights will reflect the suitability of these areas for buyouts, not to mention the fact that the damage was caused by flooding, as opposed to wind. Within the H-GAC region, the majority of Harvey damage claims appears to be, in fact, caused by flooding and not wind, which is not the case in all parts of the disaster area. However, there are areas such as Wharton County and the most-impacted zipcodes in Colorado County, where there are also considerable wind damage claims, according to the map provided in the</p>	<p>Thank you for your comment.</p> <p>For both the buyout/acquisition and infrastructure programs, all activities must be specifically related to Hurricane Harvey, and must meet the criteria as outlined in the State of Texas Plan for Disaster Recovery: Hurricane Harvey (Section IV.F.7.d).</p> <p>The H-GAC MOD is designed to provide flexibility for local jurisdictions to address unique local needs. H-GAC has not identified priorities for the region and has opted not to limit Grantees in the region to selecting projects within any specific priorities. H-GAC's allocation formula was based on the best data available at the regional level. However, H-GAC encourages local jurisdictions to utilize relevant local plans and the best available local data, and a robust public engagement process, to ensure that projects further long-term recovery and address long term housing needs.</p> <p>The requirement of 70% of the aggregate CDBG-DR funds to be utilized for the benefit of low- or moderate-income population is established in the Federal Register and is reiterated in the GLO's State Action Plan (referenced above). The responsibility for developing specific projects that meet this threshold will rest with local governments. If local governments are unable to deliver eligible projects, H-GAC has recommended a reallocation hierarchy that will redirect funding which cannot be utilized to jurisdictions that have the highest percentage of housing damage.</p> <p>It is H-GAC's understanding that the GLO will require each project applicant to meet the low- to moderate-income percentage requirement at the local level. H-GAC is developing a guidance for its member governments that will include a summary of public comments and inform prioritization of local projects within their jurisdictions.</p> <p>With respect to the minimum allocation per jurisdiction for Buyout/Acquisition (\$1,000,000) and Infrastructure (\$100,000) programs, these thresholds were established by the GLO. To increase these minimums would reduce the number</p>

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				<p>GLO's State Action Plan. For those wind-damaged units, buyouts will not solve the problem, which is why is it necessary to distinguish between FVL caused by various forces in order to truly consider suitability of damaged homes for buyouts.</p> <p>Second, local jurisdictions and H-GAC must make use of data available through the National Flood Insurance Program about concentrations of repetitive loss properties in order to intelligently allocate this funding. The Community Rating System (CRS) offers jurisdictions advice on locating concentration areas of repetitive loss properties, collecting remote data on these properties and determining the cause of the ongoing flooding problems there. This type of investigation will be essential in locating areas that are suited to buyouts, as opposed to individual homes that were damaged and should be rebuild with mitigation in mind or areas where poor infrastructure is to blame.</p> <p>2) Unmet housing needs Again, the vague statement provided in no way specifies how these programs will effectively target and address unmet needs in the region.</p> <p>There are also unresolved problems with the allocation methodology. For example, using FEMA-Verified Loss categories will reproduce inequality in disaster funding designation. FEMA damage levels (FVL) are not adequate to determine allocation of funding. One reason we're concerned is that FEMA-verified loss calculations (or variations thereof, such as those used in the MOD) rely on personal property damage for renters, which undercounts these households, leaving them out of the calculation of need. The "weighted damage" calculation will also further undercount households that were found to have low FVL levels due to the pre-existing condition or low value pre-storm value of their home. As a result, H-GAC should not rely entirely on this data to determine where funding will be distributed. The income (and hence ability to pay) of disaster survivors should be considered when determining whether they will require funding to recover. One way to accomplish this is to utilize the methodology recommended by Texas Housers in response to the Draft Action Plan. This methodology factors in the income level (ELI/VLI/LI) of the household when a threshold for unmet need. In other words, there is a lower threshold for unmet need among lower income households because they are more likely to require outside aid to recover.</p> <p>3) Low-to-moderate income requirement This section is entirely inadequate to provide guidance on how the LMI requirement will be met and which levels of government are responsible for ensuring that this happens. For example, this statement doesn't specify whether the local jurisdictions are required to meet the LMI requirement individually, or whether that will be calculated at the COG</p>	<p>of jurisdictions that would receive an allocation in H-GAC's Method of Distribution. Your comment will be passed along to the H-GAC Board of Directors and the Texas General Land Office.</p>

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				<p>level, allowing different jurisdictions to serve different income levels. How will this be communicated to the locals? This is not something that can be considered as an afterthought but must be a top priority in order to make sure low income households are given every chance to recover. Our experience on the ground shows that there is an enormous gulf between the state of low income and non-low income households a year after the disaster. Even if both were hit by the storm and suffered damage, those households with the resources (such as savings, access to credit, and family networks) to recover have already recovered. Those who don't have these advantages will continue to live in homes that are uninhabitable and unsafe. The purpose of CDBG-DR funds is to serve these people. This is why the LMI requirement and its execution cannot be taken lightly. All residents in the H-GAC region deserve to be considered, but it is the responsibility of the COG to ensure that the most vulnerable are taken care of with this funding.</p> <p>Other comments on the LBAP program: Small amounts of funding are not sufficient to engage in a well-planned buyout program that doesn't result in "checker boarding" of neighborhoods (lack of concentration of buyouts in affected areas) or strain on resources and city services (due to the continued need to serve areas that have been partially bought out). One million dollars, which is the cutoff for any jurisdiction to receive its own buyout funding (before it is rolled up to the next highest jurisdiction) is not enough to fund a significant buyout program that doesn't exacerbate these problems. Buyout programs need to be concentrated in areas that have repetitive flood losses that can only be addressed through an organized acquisition program that offers households sufficient money to move to an equivalent home in a safer area. Finally, when funding is "rolled up" to the county level, there should be a requirement to serve areas that doesn't have a large enough damage total to have their own funding allocation. It makes sense for jurisdictions NOT to receive small amounts of funding that are insufficient to engage in meaningful recovery or mitigation activities, but these areas shouldn't be left without funding. Otherwise, smaller jurisdictions with fewer housing units may end up not getting access to the funds necessary for recovery.</p> <p>Thank you for your consideration.</p>	
9	9/14/2018	Public Comment (e-mail)	Madison Sloan Director of Disaster Recovery and Fair Housing Project at Texas Appleseed and Cyrus Reed, PhD	<p>Dear Mr. Taebel:</p> <p>The undersigned appreciate the opportunity to provide comments on the reposted version of HGAC's Method of Distribution (MOD) covering \$240,705,199 in Community Development Block Grant for Disaster Recovery (CDBG-DR) funds allocated by the State of Texas in its Action Plan. We</p>	<p>Thank you for your comment.</p> <p>For both the buyout/acquisition and infrastructure programs, all activities must be specifically related to Hurricane Harvey, and must meet the criteria as outlined in the State of Texas Plan for Disaster Recovery: Hurricane Harvey (Section IV.F.7.d).</p>

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			<p>Conservation Director of Lone Star Chapter at Sierra Club and Earthea Nance, PhD, PE, CFM</p>	<p>do note that although the comment period began on April 30, 2018, notice of the reposting and new comment period was not distributed by email until September 11, 2018, three days before the comment deadline.</p> <p>Because H-GAC had not made changes to the MOD posted for public comment and approved by the Board on July 17, 2018, we have attached our original comments and incorporate them by reference herein.</p> <p>We offer the following additional comments:</p> <ol style="list-style-type: none"> 1. Long-Term Planning and Recovery H-GAC does not explain “how its method of distribution fosters long-term community recovery that is forward-looking and focused on permanent restoration of infrastructure, housing, and the local economy.” Simply stating that “programs will be conducted by eligible communities through various types of eligible activities” does not even explain what these activities will be, let alone explain how they will contribute to long-term planning and recovery. <p>H-GAC fails to cite to planning documents, including hazard mitigation plans or the GLO’s Coastal Resiliency Master Plan, to establish funding priorities is likely to result in ineffective and incomplete disaster recovery without consideration of mitigating future disasters. H-GAC’s allocation methodology exacerbates this problem, by making adequate funding for effective programs unavailable in certain jurisdictions.</p> 2. Unmet Housing Needs The MOD Guidelines require the COG’s Method of Distribution Summary Form to include “an explanation of how unmet housing needs will be addressed or how economic revitalization or infrastructure activities will contribute to long-term recovery and restoration of housing in the most impacted and distressed areas.” (MOD Guidelines at 13) SETRPC’s MOD does not include this explanation. A statement that “buyout/acquisition and infrastructure activities are critical to the long-term recovery and restoration of housing within the Houston-Galveston region” and again, vague assertions that the subrecipients will engage in “various eligible activities” is not an explanation. 3. Low- to Moderate-Income Requirement The MOD does not include the required plan to meet the 70 percent low- and moderate-income requirement. (GLO Guidelines at 7 and 9.) It simply restates that the Action Plan requires that at least 70 percent of all program funds must benefit low- and moderate-income (LMI) persons. Restating a requirement is in no way a plan, and the MOD must be revised to meet this requirement. 	<p>The H-GAC MOD is designed to provide flexibility for local jurisdictions to address unique local needs. H-GAC has not identified priorities for the region and has opted not to limit Grantees in the region to selecting projects within any specific priorities. H-GAC’s allocation formula was based on the best data available at the regional level. However, H-GAC encourages local jurisdictions to utilize relevant local plans and the best available local data, and a robust public engagement process to ensure that projects further long-term recovery and address long term housing needs.</p> <p>The requirement of 70% of the aggregate CDBG-DR funds to be utilized for the benefit of low- or moderate-income population is established in the Federal Register and is reiterated in the GLO’s State Action Plan (referenced above). The responsibility for developing specific projects that meet this threshold will rest with local governments. If local governments are unable to deliver eligible projects, H-GAC has recommended a reallocation hierarchy that will redirect funding which cannot be utilized to jurisdictions that have the highest percentage of housing damage.</p> <p>It is H-GAC’s understanding that the GLO will require each project applicant to meet the low- to moderate-income percentage requirement at the local level. H-GAC is developing a guidance for its member governments that will include a summary of public comments and inform prioritization of local projects within their jurisdictions.</p> <p>With respect to the minimum allocation per jurisdiction for Buyout/Acquisition (\$1,000,000) and Infrastructure (\$100,000) programs, these thresholds were established by the GLO. To increase these minimums would reduce the number of jurisdictions that would receive an allocation in H-GAC’s Method of Distribution.</p> <p>Your comment will be passed along to the H-GAC Board of Directors and the Texas General Land Office.</p>

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				<p>This section also fails to explain why the COG has chosen to use 70% of the program fund to benefit LMI individuals instead of ensuring that 70% of funds benefit areas that are 51% or more LMI. While this may be a reasonable choice, H-GAC needs to explain that choice, particularly given that LMI communities, which are often where members of protected classes under the Fair Housing Act, frequently have substandard infrastructure that does not protect them from, or mitigate the future effects of, a natural disaster, as a result of discrimination and disinvestment.</p> <p>We support H-GAC, GLO, and HUD’s enforcement of this requirement, and urge you to resist any attempts to lower this LMI requirement in any way. We would in fact encourage you to consider a higher LMI requirement.</p> <p>4. Local Buyout and Acquisition Program <i>The State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1 (Action Plan)</i> states that “for both housing and infrastructure, the MOD establishes a balance between the total unmet need, the ability to recovery, and the relative population of the impacted areas . . . each of these variables plays a factor in the recovery process and is reflected in the distribution models.” (Action Plan at 73) Similarly, the GLO’s <i>Hurricane Harvey - Round 1 Council of Governments Method of Distribution Guidelines</i> (MOD Guidelines) require local MODs to “[e]stablish objective criteria for the allocation of funds to eligible entities or activities (distribution based on, but not limited to, unmet need)”. (MOD Guidelines at 7 and 8) (emphasis added)</p> <p>Levels of property damage are an inappropriate metric on which to allocate buyout funds. Areas with more recorded (by FEMA’s flawed system) damage may be getting buyout funds when they do not have repetitive loss areas, while jurisdictions where the majority of damage was in repetitive flood areas will not get enough funding for an effective buyout program. H GAC and its local jurisdictions must make use of data available through the National Flood Insurance Program about concentrations of repetitive loss properties and conduct a local needs assessment in order to capture LMI households who could not afford flood insurance, but still experience repetitive flooding, in order to effectively sub allocate this funding. The Community Rating System (CRS) offers jurisdictions advice on relocating concentrated areas of repetitive loss properties, collecting remote data on these properties and determining the cause of the ongoing flooding problems there. This type of investigation will be essential in locating areas that are suited for buyouts, as opposed to individual homes that were damaged and should be rebuild with mitigation in mind or areas where poor infrastructure is to blame.</p>	

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				<p>Allocating small amounts of funding to a large number of jurisdictions is also ineffective and not conducive to long-term recovery and planning or mitigating future disaster damage. Buying out a few homes in scattered areas will result in “checkerboard” neighborhoods (lack of concentration of buyouts in affected areas) that leaves remaining residents vulnerable to future disasters (and unable to access other disaster recovery resources); strain resources and city services because of the continued need to serve areas that have been partially bought out; and recreate current patterns of vulnerability and flood hazard. One million dollars is not enough to fund a significant buyout program that does not exacerbate these problems. Buyout funding needs to be concentrated in areas that have repetitive flood losses that can only be addressed through an organized acquisition program that offers households sufficient money to move to an equivalent home in a safer area.</p> <p>5. Local Infrastructure Program The current allocation methodology is likely to recreate current patterns of vulnerability and flood hazard. Some jurisdictions are receiving as little as \$106,901 for infrastructure projects. This amount is unlikely to be large enough to fund a significant infrastructure program that repairs disaster damage, let alone mitigates future disaster vulnerability. These are also the jurisdictions with the fewest other resources, like bond funding, to supplement CDBG-DR funding.</p> <p>This problem is exacerbated by H-GAC’s failure to prioritize eligible activities. H-GAC states in its Long-Term Planning and Recovery section that both the buyout and acquisition and infrastructure programs are supposed to “reduce repetitive loss and risk to human health and safety and improve critical infrastructure that was damaged or failed to function.” It is extraordinarily difficult to imagine how senior centers, parks, playgrounds, and other recreational facilities meet these goals. The method of distribution, however, makes it more likely that jurisdictions will choose projects like, for example, a traffic light study¹, because they do not have enough funding for a drainage project, or to harden a water facility. This allocation also makes collaboration on regional projects that would protect larger numbers of households more difficult.</p> <p>Ideally, of course, CDBG-DR funds could return all aspects of a community to their pre-storm or more resilient condition, but there is not enough funding to do this. H-GAC must prioritize projects with the most urgent need, and the closest relationship to protecting communities from future disasters.</p> <p>The MOD fails to address the standards to which any new construction is built, including how the buildings will be inspected to assure compliance with HUD required standards (such as Energy Star), and the State of</p>	

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				<p>Texas minimum energy codes (2015 IECC for commercial and 2015 IRC, Chapter 11 for residential). Because Texas law does not allow county governments to directly inspect buildings, the MOD must address how entities using funding for reconstruction purposes will assure compliance with HUD and Texas standards on buildings, including compliance inspections. This is particularly important related to rebuilding of public facilities.</p> <p>In addition, infrastructure programs must prioritize the needs of LMI households and communities, in particular, communities with substandard infrastructure as a result of discrimination and disinvestment. A key issue for many of these communities is environmental justice, as they were impacted not only by flooding but also by hazards related to chemicals, oils, sewage, waste or air pollution during the event. Neighborhoods that were doubly impacted by floodwaters polluted with chemicals, oils, waste, or sewage should be prioritized for mitigation as well.</p> <p>In conclusion, we appreciate HGAC's work on the MOD, and your consideration of these comments. Please let us know if we can provide further information or be helpful in any way.</p>	
10	7/6/2018	Public Comment (e-mail)	Brennan Griffin, Deputy Director for Texas Appleseed	<p>We appreciate the opportunity to provide comments on the HGAC's Method of Distribution (MOD) covering \$240,705,199 in Community Development Block Grant for Disaster Recovery (CDBG-DR) funds allocated by the State of Texas in its Action Plan.</p> <p>Texas Appleseed is a public interest justice center that works to change unjust laws and policies that prevent Texans from realizing their full potential. Since Hurricanes Katrina and Rita in 2005, Texas Appleseed has worked with a network of organizations in Texas, including housing advocates, policy experts, and grassroots community groups, to ensure that all Texas families are able to recover in the wake of a natural disaster, that communities are rebuilt to be more resilient, and that all families have the opportunity to live in safe, decent neighborhoods with equal access to educational and economic opportunity.</p> <p>We do not believe that H-GAC's MOD is compliant with GLO requirements as it does not follow the MOD form provided by GLO and consists only of data and allocation tables. It provides no further information on the details of the buyout or infrastructure programs, nor does it contain any information on the public participation process, how HGAC's MOD furthers long term recovery, unmet housing needs, the LMI income requirement, or affirmatively furthering fair housing. HGAC must produce a complete and compliant MOD for public comment.</p> <p>We offer the following comments on what needs to be included in HGAC's MOD:</p>	<p>Thank you for your comment.</p> <p>This comment was originally submitted to H-GAC on 7/6/18 during the initial public comment period. In continuation of the Public Comment period, the MOD Summary Form and Citizen Participation Plan were posted online for additional comment from 8/30/18 – 9/14/18. H-GAC held an additional public meeting on 9/10/18 to further encourage comment on posted materials.</p> <p>As outlined in a Citizen Participation Plan submitted to the GLO on May 18, 2018, H-GAC implemented a media campaign using local English and non-English newspapers to inform and invite the public to four Public Planning Meetings and two Public Hearings. H-GAC posted notices of these meetings in relevant Papers of General Circulation for all 12 eligible counties and on the H-GAC, General Land Office, and the Secretary of State websites.</p> <p>H-GAC accepted written comments on the draft Method of Distribution beginning at 4:00 p.m. on Thursday, June 21, 2018 through 4:00 p.m. Friday, July 6, 2018. Comments were accepted by mail, through an online form, and in person at two public hearings.</p> <p>The Method of Distribution does not include a factor for Low- to Moderate-Income Households (LMI) and is based solely on housing damage, weighted for severity. The methodology behind this weighting are available on H-GAC's website.</p>

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				<p>A. Local Buyout and Acquisition Program:</p> <p>Program guidelines for this program must be developed in a transparent process with extensive community input. Local communities must have a citizen participation process for drafting buyout guidelines. Regardless of whether these planned buyouts are voluntary or mandatory, relocating, away from an existing community or a home that has been in a family for generations, can be difficult and even traumatic. Without planning and community buy-in, a voluntary individual buyout program can result in a patchwork of empty and occupied homes, creating a blighted neighborhood. One of the critical issues in ensuring a successful buyout program is equity and ensuring that program rules and processes do not have a disparate impact on particular groups of homeowners.</p> <p>Local buyout and acquisition programs must also prioritize LMI households in floodways and floodplains, who have the least resources with which to relocate on their own, leaving them a choice between housing instability and potential homelessness, or continuing to live in homes that may be structurally compromised or present health risks because of mold. It is particularly critical for LMI families that this buyout program includes not only acquisition and demolition, but relocation payments and other assistance and incentives as well. As the Federal Register Notice states, “a buyout program that merely pays homeowners to leave their existing homes does not result in a low- and moderate-income household occupying a residential structure and, thus, cannot meet the requirements of the LMH national objective.” (83 FR 5863) Local buyout programs should include plans to build housing in safer areas.</p> <p>Low- and moderate-income households must be provided with enough funds that the choice to move is a realistic one (or to ensure that they can actually move to a safer area in the case of mandatory buyouts.) The worst-case scenario is that families who accept a buyout are unable to find housing in safer areas and are forced to move back into their original or less safe neighborhoods.</p> <p>The decision of whether to use pre- or post-storm home value is an important one. In particular, using the pre-storm value of a home to determine disaster recovery program benefit limits often has a discriminatory impact on the basis of race or ethnicity as well. Following Hurricane Katrina, the National Fair Housing Alliance (NFHA), the Greater New Orleans Fair Housing Action Center (GNOFAC), and African-American homeowners sued the State of Louisiana and the U.S. Department of Housing and Urban Development (HUD) alleging racial discrimination in the State’s CDBG-DR funded Road Home Program, which provided grants to homeowners to repair or rebuild their homes. The original grant formula was based on the pre-storm value of a home, which resulted in African-American homeowners receiving less repair money than White homeowners, because their homes were located in neighborhoods with lower home values based on market discrimination and the legacy of segregation. Many African-American families were left unable to complete repairs or return home or</p>	<p>The requirement of 70% of the aggregate CDBG-DR funds to be utilized for the benefit of low- or moderate-income population is established in the Federal Register and is reiterated in the GLO’s State Action Plan. The responsibility for developing specific projects that meet this threshold will rest with local governments. In the event that local governments are unable to deliver eligible projects, H-GAC has recommended a reallocation hierarchy that will redirect funding which cannot be utilized to jurisdictions that have the highest percentage of housing damage.</p> <p>It is H-GAC’s understanding that the GLO will require each project applicant to meet the low- to moderate-income percentage requirement at the local level. H-GAC is developing a guidance for its member governments that will include a summary of public comments and inform prioritization of local projects within their jurisdictions.</p> <p>H-GAC is not proposing as part of this Method of Distribution any additional requirements on local implementation of buyout/acquisition or infrastructure projects beyond those that have been established in in the Federal Register or GLO’s State Action Plan. H-GAC will provide the feedback regarding additional policies for buyouts/acquisitions to the GLO.</p>

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				<p>living in uninhabitable houses. As Louisiana Congressman Cedric Richmond said when the case was settled in 2011,</p> <p><i>[e]veryone knew that the Road Home formula for calculating grant awards was deeply flawed and punished folks in neighborhoods where home values were lower. . . After all, if two families are both rebuilding a three bedroom home then their construction costs will be the same—regardless of the neighborhood. In that case, each family deserves the same assistance from their government. Unfortunately, the flawed formula was effectively discriminatory, locking many families out of equitable assistance.</i></p> <p>HGAC’s and local program guidelines must ensure that buyout and acquisition programs are consistent regardless of whether the cost is funded by FEMA or CDBG-DR. CDBG-DR funding could be used to provide additional funds for LMI families in FEMA programs that would not provide them with enough funding to move, for example. HGAC should be particularly careful that they are not using a program that provides lesser benefits to serve communities and homeowners of color. Local program guidelines must be identical, no family should have unequal access to disaster recovery simply because of where they live. We recommend that HGAC, in collaboration with local communities and residents, develop one buyout program with one set of guidelines that is then administered by local jurisdictions.</p> <p>B. Local Infrastructure Program</p> <p>Resilience is the ability to withstand and recover from disasters quickly, in a way that mitigates future damage and vulnerability, and in a way that goes beyond physical infrastructure. Low-income communities and communities of color are disproportionately affected by and have a harder time recovering from a disaster because of both geographic and social vulnerability forced on them by segregation, discrimination, and often the cumulative effects of previous disasters, on wealth and access to opportunity. For its Natural Disaster Resilience Competition (NDRC) HUD defined a resilient community as one which “is able to resist and rapidly recover from disasters or other shocks with minimal outside assistance,” and that plan and implement disaster recovery that mitigates future threats “while also improving quality of life for existing residents and making communities more resilient to economic stresses or other shocks.” Improving the quality of life for existing residents and making them more resilient to other shocks, including economic stress that can push middle and working class families into poverty following a disaster, is at the core of our concern for equity in disaster recovery.</p> <p>Infrastructure programs must prioritize the needs of low- and middle-income households and communities, in particular, communities with substandard infrastructure as a result of discrimination and disinvestment. A key issue for many of these communities is environmental justice, as they were impacted not</p>	

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				<p>only by flooding but also by hazards related to chemicals, oils, sewage, waste or air pollution during the event. Neighborhoods that were doubly impacted by floodwaters polluted with chemicals, oils, waste, or sewage should be prioritized for mitigation as well.</p> <p>Also key to economic recovery and future resilience is ensuring that the jobs generated by recovery projects and programs are filled by local workers and those who lost jobs because of Harvey to create real jobs and job training for community residents and create additional opportunities for community businesses. An economic development program that provides loans to small business will not be successful unless that business has access to a workforce. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u; 24 C.F.R 135) requires recipients of certain HUD financial assistance, including CDBG-DR, provide job training, employment, and contracting opportunities for low or very low income residents in connections with projects or activities in their neighborhoods to the greatest extent possible. Historically, Section 3 has not been vigorously enforced, and jurisdictions have completely failed to comply with its provisions. We urge HGAC to fully implement and enforce Section 3, including monitoring (for example, of whether contractors are genuinely Section 3 eligible), helping to set up a training and jobs pipeline, measuring success in terms of the number of hours worked by Section-3 eligible workers, clearly defining the geographic area from which residents should get preference as locally as possible, and imposing meaningful monetary penalties on contractors who do not meet their Section 3 goals. In addition to Section 3, jurisdictions routinely impose requirements like local hiring and job production in exchange for government financial assistance or other benefits and we encourage HGAC and its subrecipients to do so.</p> <p>Other options for increasing the number of jobs going to affected individuals and communities are ensuring that contractor qualifications include a commitment to local hiring and best value bidding processes that give more points to bidders who can comply with job quality and targeted hiring standards. CDBG-DR presents an opportunity to leverage housing and infrastructure funds into economic development funds as well.</p> <p>C. Needs Assessment and Funding Allocation</p> <p>We appreciate that HGAC has used a weighting factor for share of total weighted damage to make a preliminary allocation of program funds. However, seeing as this methodology is based on misleading data and methodology provided by FEMA and HUD, we are concerned that HGAC will not be accurately addressing the critical housing and infrastructure needs of low and moderate income people in the area. The methodology provided by HUD and GLO for determining unmet housing needs underestimates the amount of loss to low-income populations. Using this methodology will not include the severity of damage suffered by low-income homeowners and distort the geographic allocation of money based on</p>	

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				<p>that standard. We first raised this issue in our comments on how the MOD should be conducted on June 6, 2018.</p> <p>Using FEMA Verified Loss (FVL) of real property (owners) to determine unmet need at the State level found that 54% of affected homeowners had no unmet needs on the basis that their FVL was below the thresholds set for the FEMA damage categories. However, when this is broken down by income level, 69 percent of extremely low-income (ELI) owners were found to have no unmet needs. Conversely, only 41 percent of non-LMI owners were found to have no unmet needs. The conclusion, based on FEMA data, that families making less than 30% of Area</p> <p>Median Income (AMI), which, for example, is \$12,060 in the Beaumont-Port Arthur MSA and \$13,100 in in the Corpus Christi MSA, have been better able to recover than families making more than double that amount is simply not credible. The inaccuracy of this calculation is borne out by a study conducted by the Episcopal Health Foundation and the Kaiser Family Foundation three months after Hurricane Harvey. The study found that lower-income families and Black and Latinx Texans were less likely to have homeowners', renters', or flood insurance, and that,</p> <p style="text-align: center;"><i>[n]early half (46%) say they or someone else in their household lost job-related income as a result of the storm, such as getting fewer hours at work (32%), losing a job entirely (12%) or losing income from a small business or unpaid missed days (32%). These income disruptions affected a greater share of Hispanic (65%) and Black (46%) residents compared to White residents (31%).</i></p> <p>Lower- and even middle-income families are less likely to have the savings and access to credit that let them access safe housing (including more immediate repairs) and are more likely to be forced to relocate far from jobs and schools, to live in overcrowded housing or double up with family or friends, remain in unsafe housing, or become homeless.</p> <p>2015 Pew Charitable Trust study found that less than half (45%) of American households have even one month's income in savings in case of an emergency. Lower income households are in an even more precarious situation, with only two weeks of savings. Those at the bottom of the income scale could only survive 9 days on their liquid assets. The study also indicates that even middle-income households could only scrape together about four months of income; it has been nearly 10 months since Hurricane Harvey.</p> <p>Pew also looked at disparities in liquid savings among various racial and ethnic groups and found that,</p> <p style="text-align: center;"><i>[t]he typical white household has slightly more than one month's income in liquid savings, compared with just 12 days for the typical Hispanic</i></p>	

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				<p><i>household and only five days for the typical African-American household. In fact, a quarter of black households would have less than \$5 if they liquidated all of their financial assets, compared with \$199 and \$3,000 for the bottom 25 percent of Hispanic and white households, respectively.</i></p> <p>In addition, median white wealth is twelve times median black wealth, a disparity that can be traced to the history of segregation and discrimination in the United States, from government redlining to current lending discrimination.</p> <p>The primary purpose of the CDBG program is to benefit LMI populations, yet the HUD methodology the State and therefore HGAC using has the clear, disproportionate effect on LMI populations of excluding them from the unmet needs assessment conclusions. This disproportionate effect is not only on low- and moderate-income Texans, but on Black and Latinx populations as well.</p> <p>Using this methodology means that HGAC is budgeting for unmet housing needs with the expectation that most LMI households, who fall into lower level damage categories if they are represented at all, are not severely damaged and will not need their homes rebuilt. While the average FVL for non-LMI homeowners was about twice that of ELI owners, the average income for non-LMI owners is over 14 times that of ELI owners. This methodology underrepresents LMI housing needs by income level, particularly misrepresenting the level of unmet rental housing need for ELI families. HGAC’s use of FVL damage categories to weight the geographic distribution of CDBG-DR funds, therefore, will end up allocating resources away from areas that need them the most, affecting not only those families, but those communities as a whole.</p> <p>Texas Appleseed supports the use of a data-based formula to allocate federal disaster recovery funds. But that formula must be adjusted to account for deficiencies in FEMA and other data and ensure that the needs of all Texans affected by Hurricane Harvey are taken into account. We strongly recommend that HGAC use the methodology proposed by the Texas Low Income Housing Information Service (Texas Housers) in its comments on the draft Action Plan - or a similar methodology - which relates a household’s FVL to their income, thereby considering the level of impact on a household, acknowledging the loss valuation variations produced by the FEMA/HUD methodology, and more accurately counts households with unmet housing needs that are the least able to recover and most vulnerable to housing insecurity. This method also ensures that the geographic allocation of funding addresses the actual levels of unmet housing needs in each locality.</p> <p>In conclusion, we appreciate HGAC’s work on the Action Plan and disaster recovery, and your consideration of these comments. Please let us know if we can provide further information or be helpful in any way.</p>	