

# The Long-Term Road to Recovery

*An overview of the program's history and timeline of required process*

## Overview of the program

Community Development Block Grant – Disaster Recovery (CDBG-DR) funds are intended to provide long-term funding for unmet needs in communities following a disaster. These funds remain the most flexible recovery source available and, if used effectively, can bring communities back with protection and resiliency, both structurally and economically.

All CDBG-DR funds the state receives are tied directly to a disaster event, such as Hurricane Ike, the Bastrop Wildfires or the floods of 2015 and 2016. While the General Land Office (GLO) is responsible for the long-term recovery program for the state of Texas through CDBG-DR funds, often it takes months after the disaster declaration to receive funding and begin the rebuilding process (see timeline below).

The Governor of the State of Texas determines which state agency oversees CDBG-DR grant program. In 2011, the Governor Perry made the decision to transfer administration the program to the GLO after problematic delays in management of the funding from Hurricanes Ike, Dolly and Rita by previous administrators. At the time the program was transferred, less than 10% of the \$3.1 billion in Hurricane Ike funds had been spent and more than a quarter of those that went to the cost of administration of the program.

Since being granted oversight of the program, the GLO has successfully closed the Hurricane Rita grant, obligated 99% of the Hurricane Ike grant, and are in the process of closing out the Wildfire grants from 2011. Contract management costs were reduced by more than 90% and general administrative costs were reduced by nearly 50%. The program continues to efficiently manage funds for more than 160 eligible counties across four grants and is doing so with a leaner, more effective staff.

The GLO's strategy for administration of the program is to allow for as much local control as possible. The GLO does not add any additional regulations beyond what the U.S. Department of Housing and Urban Development mandates. All projects are selected at the local level to emphasize local recovery, and the GLO continues to work with communities to efficiently and effectively facilitate the use of funds available to them through the program. The GLO works with local communities to ensure that funds are spent in accordance with HUD regulations so that they avoid potential penalties, which can include repayment of federal funds if used improperly.

### Recovery Role of GLO-CDR:

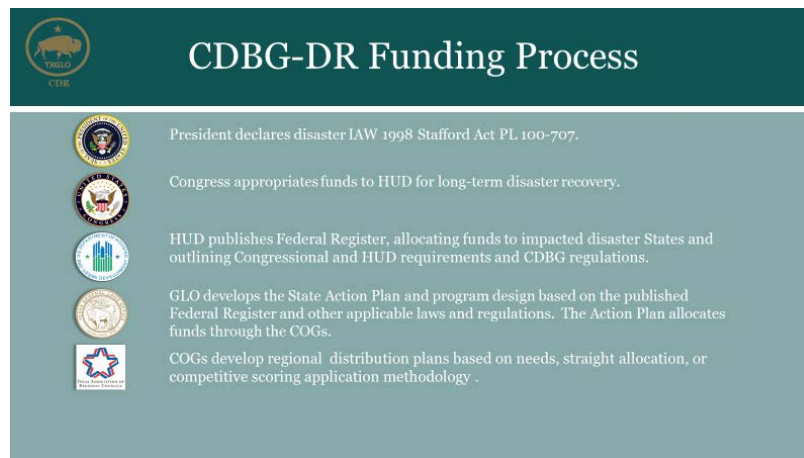
- **Rebuild** Texas through community revitalization
- **Facilitate** recovery by empowering local governments
- **Reduce** risk thereby protecting taxpayers
- **Minimize** need for federal oversight
- **Focus** on customer service
- **Oversee** building standards for quality construction
- **Create** efficient government through savings.

#### Since moving to the GLO, CDR has realized the following:

- **91% reduced** contract management costs due to successful contract negotiations
- **47% drop** in administrative costs because of a shift from outsourced to in-house project management
- **32% reduction** in salary costs with a lean restructuring of program management

## Statutory authority

Before the Disaster Relief Act of 1974, more than 100 federal agencies were involved in handling disasters and emergencies. In 1988, the Robert T. Stafford Disaster Relief and Emergency Assistance Act amended the Disaster Relief Act. The Stafford Act provides primary statutory authority permitting HUD and other federal agencies to assist state and local governments with their response and recovery responsibilities following major disasters and emergencies.



## Timeline of CDBG-DR funding:

- **The President declares a disaster.**
- **A special appropriation is made from Congress.**
- **HUD allocates funds to impacted states or counties and publishes the rules for how the funds may be used in the Federal Register.** These rules can include a distribution of funds, building standards time constraints on funding, and spending allocation requirements.
- **The state or local agency responsible for the funds drafts an action plan outlining how the funds will be spent.** In Texas, the GLO is responsible for this step. The action plan is the first critical responsibility of the GLO.
- **The action plan is posted for public comment for 7 to 30 days.** The time for public comment depends on the regulations set by HUD. The GLO must respond to each comment before HUD will approve the action plan.
- **The action plan is sent to HUD for approval.** Even though HUD's own regulations give a 60-day limit, approval of the action plan by HUD has taken as long as five months in previous events. The GLO cannot begin taking action to spend funds on projects until approval is granted.
- **Once the action plan is approved, the GLO works with the Councils of Government (COGs) on a method of distribution of the funds to eligible local government entities.** The GLO updates

local officials in affected communities throughout the process, but at this point these communications relating to proposed actions transition from hypothetical to quantifiable. Following Hurricane Ike, the action plan outlined the distribution of funds through the Councils of Government (COGs). This allowed for better local control of funds, while maintaining the necessary state oversight of the program. Although the COGs must wait for the action plan can be approved before submitting an official Method of Distribution, the GLO will begin working with them long before to ensure that no time is wasted in the recovery process.

- **The GLO begins procurement of services and environmental assessments.** Before construction, local authorities are required to follow newly federally enacted procurement standards. With each project, federal guidelines require an environmental assessment. These two steps can take an additional 60-90 days.