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PRESS RELEASE

Cmr. George P. Bush announces HUD approval of \$5 billion State Action Plan for Hurricane Harvey housing recovery

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AUSTIN — Today Texas Land Commissioner George P. Bush announced the U.S. Housing and Urban Development (HUD) approved the [State Action Plan for \\$5.024 billion](#) in Community Development Block Grant - Disaster Recovery (CDBG-DR) funds to help Texas recover from Hurricane Harvey. The approved plan will deliver \$2.7 billion in recovery funds to areas impacted by Hurricane Harvey outside of the City of Houston and Harris County. The remaining \$2.3 billion direct allocation to Harris County and the City of Houston will soon be submitted as future amendments to the State Action Plan pending submission of each entity's Local Action Plans.

"The GLO is committed to its mission to expedite federal housing recovery assistance as quickly as possible to help those affected by Hurricane Harvey," said Commissioner Bush. "Due to the GLO's pre-planning and preparation, these federal recovery funds will be in the hands of Texans faster than in previous disasters. Our momentum is strong and we are working every day to keep our recovery moving forward."

As the GLO works to get funds into the hands of Texas communities, there are opportunities to streamline federal regulations. Expansive procurement procedures and extensive environmental reviews create unnecessary hurdles to funding reaching our impacted Texans. As such, the GLO is working with the Texas Congressional Delegation and HUD partners to cut unnecessary red tape and ensure the fullest possible recovery for Texas.

"These housing and infrastructure funds will help Texans recover and Texas communities to rebuild stronger," said Commissioner Bush. "While this allocation of CDBG-DR funds is moving more quickly than previous major disaster packages, it can never be fast enough. The recovery from a storm the size of Harvey has required a Texas-sized coordinated response. For those who are still struggling, we will continue to work with our federal partners to streamline regulations and deploy recovery dollars to our affected Texas communities."

The GLO is currently working with Regional Councils of Governments (COGs) to finalize local Methods of Distribution (MODs) for buyout/acquisition and infrastructure funds

in accordance with federal requirements. Local needs assessments and outreach for housing programs will soon commence defining locally-specific housing needs. In addition, the GLO has successfully completed housing project guidelines and identified qualified contractors for housing programs, grant administration, environmental clearance and other functions as required by federal regulations.

In accordance with the CDBG-DR requirements, and to expedite the recovery process funding, the GLO will directly administer and oversee the following programs:

- Single Family Homeowner Assistance (\$1.048 billion): Provides funding for rehabilitation and reconstruction of owner-occupied single-family homes damaged by Hurricane Harvey.
- Buyouts and Acquisitions (\$275 million): Eligible homeowners may sell their home to a local government at a pre-storm or post-storm fair market value and move out of harm's way by relocating outside of a floodplain to a lower-risk area.
- Homeowner Reimbursement (\$100 million): Allows homeowners to be reimbursed for certain out-of-pocket expenses incurred for repairs to their home including reconstruction, rehabilitation or mitigation up to \$50,000.
- Affordable Rental (\$250 million): Provides funding for rehabilitation, reconstruction and new construction of affordable multi-family housing projects in areas impacted by Hurricane Harvey.
- Local Infrastructure (\$413 million): Repairs, enhances and restores infrastructure for local communities impacted by Hurricane Harvey as part of a comprehensive long-term recovery program.
- Economic Revitalization (\$100 million): Offers interim assistance to small businesses impacted by Hurricane Harvey through deferred forgivable loans and loans in exchange for job creation or retention. Small business within Harris County and the city of Houston will be eligible to apply for this program.
- Local, Regional and State Planning (\$137 million): The GLO will conduct planning studies focused on disaster mitigation in the impacted areas with the purpose of promoting sound long-term recovery.

Single Family Homeowner Assistance Program next steps:

At \$1.048 billion, the Homeowner Assistance Program received the largest allocation of the eight programs included in the State Action Plan. The program is designed to repair or reconstruct homes to full code compliance. The \$1.048 billion allocated represents what will be spent on this program in areas outside of the City of Houston and Harris County. The City of Houston and Harris County are developing their own housing programs which will determine the amount and any additional criteria for the repair or reconstruct homes from their respective direct allocations.

The Homeowner Assistance Program requires a lengthy process before construction can begin due to complexities of the federal regulations. The following is a basic timeline of the federally required steps for implementation of the Homeowner Assistance Program:

- Public comment period for State Action Plan ([Federal Register, Vol. 83, No. 28, page 5846](#)): Completed.
- Drafting and public comment for Housing Guidelines: Completed.
- HUD approval for the State Action Plan: Completed.

- Execute a grant agreement with HUD to access and begin using the funds for assistance programs outlined in the action plan ([2 CFR 200.51](#)): In process.
- Request for proposal posted to solicit environmental services for Environmental Review: Posted May 31 in anticipation of state action plan approval. The RFP must be posted for 10 days before the GLO can evaluate the responses, select vendors, and execute contracts ([2 CFR 200](#)). Announcements of awards are expected later this week.
- Tier 1 Environmental ([24 CFR, Part 58](#)): Pending environmental services selection.
- Conduct a regional needs assessment ([Federal Register, Vol. 83, No. 28, page 5849](#)) in accordance with federal guidelines, which includes [conducting a housing needs survey](#): In process.
- Develop regional guidelines ([Federal Register, Vol. 83, No. 28, page 5849](#)) with vendors based on results of the regional needs assessment: Anticipated completion by Aug 1.
- Development and implementation of Affirmative Marketing Outreach Plan ([24 CFR 200.625](#)): Requires approximately four weeks once previous steps are completed and is anticipated to be complete Sept. 1.
- Single Family Application Process: Will begin after required completion of Affirmative Marketing Outreach Plan.
- Review and approval process for applications: Will begin immediately upon receipt of applications and continue as additional applications are received. Process includes screening for HUD eligibility requirements.
- Conducting broad environmental reviews ([24 CFR, Part 58](#)): 60 - 90 days after contract execution, should be conducted in conjunction with the needs assessment ([Federal Register, Vol. 83, No. 28, page 5849](#)) and regional guidelines ([Federal Register, Vol. 83, No. 28, page 5849](#)) Anticipated to begin July 3 and take between 60 - 90 days.

Funding Timeline:

- Aug. 25, 2017 - September 8, 2017 - Hurricane Harvey makes landfall on the Texas Coast and continues to drop 20 to 50 inches of rain along the affected area.
- Aug. 29, 2017 - Commissioner George P. Bush submits a letter to President Donald J. Trump and key members of his Cabinet and the Texas Congressional Delegation describing \$180 billion in overall damage to the state of Texas, estimating at least \$40 billion in unmet need for the recovery, and requesting the release of \$57.8 million in held back HUD CDBG-DR funds.
- Sept. 8, 2017 - President Trump signs Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act of 2017, which included \$5.024 billion for the State of Texas for Hurricane Harvey recovery.
- Feb. 9, 2018 - HUD published Federal Register outlining funding requirements. The draft action plan was amended following a decision by HUD to apportion direct allocations to the City of Houston and Harris County to be overseen by the GLO.
- April 1, 2018 - GLO releases State Action Plan for public comment. All comments must receive a response from the GLO before submitting to HUD for approval.
- May 8, 2018 - State Action Plan with public comments submitted to HUD for approval.
- June 25, 2018 - HUD approval of State Action Plan.

About GLO Community Development and Revitalization (CDR)

In addition to short-term housing in partnership with the Federal Emergency Management Agency, the CDR division of the Texas General Land Office administers the Housing and Urban Development CDBG-DR funds on behalf of the state of Texas. To date, more than \$9 billion in combined CDBG-DR funds have been sent to Texas for recovery efforts following Hurricanes Rita, Dolly, and Ike, the 2011 wildfires, the 2015 and 2016 floods and Hurricane Harvey. HUD has announced more than \$4.9 billion in additional housing and infrastructure funds but has not yet posted guidance in the Federal Register for the GLO to move forward with drafting an action plan for the new allocation. CDBG-DR funds can be used for a wide variety of activities including housing redevelopment, infrastructure repair and long-term planning. For more information, please visit TexasRebuilds.org.

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