



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

THE OFFICE OF ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

JUL 18 2013

Mr. Larry L. Laine  
Deputy Land Commissioner  
Texas General Land Office  
1700 North Congress, Suite 935  
Austin, TX 78701

Dear Mr. Laine:

I am pleased to inform you that HUD is accepting Amendment # 2 to the State of Texas Plan for disaster recovery for the Bastrop Fires for Community Development Block Grant (CDBG) supplemental disaster recovery funding. The purpose of Amendment # 2 is to allow the State to create the Fire Protection and Infrastructure Program.

Due to the overwhelming need for fire project equipment, GLO is proposing the Fire Protection and Infrastructure Program. With this amendment, the State will accept applications from local governments for fire protection services and equipment. The State of Texas will purchase fire equipment that was damaged by the wildfires. Generally, CDBG funds may not be used for fire equipment. However, the CDBG regulations in Title 24 of the Code of Federal Regulations at Section 570.207 provides that fire protection equipment is considered an integral part of a public facility and thus purchase of such equipment would be eligible as a public facility. These regulations are specific to the CDBG Entitlement program, but provides guidance that States may follow for this purpose.

The State proposes using \$4,697,952 of CDBG disaster recovery funds that were never budgeted for a specific activity. This amendment will meet the requirement that at least 80% of the CDBG disaster recovery funds awarded in the State of Texas are expended in Bastrop County. There is no impact to the beneficiaries receiving housing assistance as the proposed funds were never obligated for the housing assistance program. The State continues to use funds for the Bastrop County Housing Assistance Program to address unmet housing needs. The State has also indicated that there are sufficient funds remaining in the housing assistance program to address the remaining unmet housing needs.

The Department remains committed to assisting the recovery of the State of Texas from the effects of the wild fires. If you or any members of your staff have any questions, please contact Ms. Yolanda Chávez, Deputy Assistant Secretary for Grant Programs, at (202) 708-2111.

Sincerely,

A handwritten signature in cursive script that reads "Mark Johnston".

Mark Johnston  
Deputy Assistant Secretary  
for Special Needs Program

# State of Texas



## Plan for Disaster Recovery - Amendment No. 2 U. S. Department of Housing and Urban Development (HUD)

Section 239 Appropriations Act, 2012  
(Pub. L. 112-55, approved November 18, 2011)

*July 12, 2012*

*Revised April 5, 2013*

Prepared by

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## AMENDMENT NO. 2

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This document constitutes the Second Amendment to the *State of Texas Plan for Disaster Recovery* (Action Plan) dated July 12, 2012 for CDBG disaster recovery funds related to the Wildfire disasters of 2011. The State of Texas received approval on January 3, 2013, on its Action Plan Amendment #1 to revise Housing Applicant Eligibility Criteria.

Changes contained in Action Plan Amendment No. 2 are highlighted. All other information, requirements and certifications contained in the Action Plan and Action Plan Amendment No. 1, remain in force unless addressed in this amendment.

Action Plan Amendment No. 2 will be posted for the required 7-day comment period. Recipients of the public comment period notice will include, but are not limited to, low income housing advocates and community organizations representing homeless and special needs populations, all mayors, county judges, and tribal leaders in the declared areas.

### I. Evaluation of Need for Housing, Infrastructure, and Economic Development

In order to assess level of need, the Texas General Land Office (GLO) has identified concentrations of Low and Moderate Income (LMI) households, acreage burned, Individual Assistance dollars awarded and Project Worksheets (FEMA Public Assistance) in each Presidentially declared disaster affected county (see maps in Appendix F). These data sets serve to quantify the level of damage in these areas.

#### d. Fire Protection and Infrastructure Program

All of the areas that experienced wild fires in 2011 were covered by fire protection services. However, one of the key reasons the Texas Wildfires were so severe and wide spread was the limited availability of full scale fire protection services. Due to limited resources and large service areas, capacity and response times allowed fires to spread and consume much more area before firefighters could begin suppression efforts. In many instances fire protection services were manned by volunteer firefighters using dated, obsolete, or ineffective equipment for dealing with wildfires.

In order to expand the Fire Protection capabilities, the GLO will utilize HUD's definition of allowable Public Service expenses eligible for CDBG funds (24 CFR 570.201(e)), on a limited basis to create a Fire Protection and Infrastructure Program. To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government. The GLO will accept infrastructure applications for fire protection services as eligible public services where the service has a quantifiable increase over deficient services during the fire event or infrastructure needs that resulted from direct fire damage. Eligible fire protection activities and infrastructure projects will be allowed as a part of an applicant's infrastructure application and will be scored utilizing the scoring criteria defined in Infrastructure Scoring Methodology (Appendix D).

II. **Duplication of Benefits**

Infrastructure and **Fire Protection**

DOB includes any payments or potential payments made to the applicant by identified parties that represent disaster assistance for activities reimbursable by, or for which funds are made available for the same loss that the CDBG Disaster Recovery Program is providing assistance, which is not limited to Wildfire recovery payments. Any portion of the DOB that has been determined to be funds spent by the applicant on “Allowable Activities” will reduce the amount considered to be a DOB.

D. **State Administered Disaster Recovery Program**

II. **Program Budget**

<b>Bastrop County</b>	<b>\$ 25,055,750</b>
Housing*	\$ 10,042,369
Single Family Repair/Recon	\$ 9,042,369
Down Payment Assistance	\$ 1,000,000
Infrastructure	\$ 15,013,381
Estimated # of homes (incl.DPA)	35
<b>Balance of Funds</b>	<b>\$ 4,697,952</b>
<b>Fire Protection and Infrastructure Program</b>	<b>\$ 4,697,952</b>
<b>State Admin</b>	<b>\$ 1,565,984</b>
<b>Total Allocation</b>	<b>\$ 31,319,686</b>
*Housing Allocations include Project Delivery & Interim Assistance	

a) **Grant Allocations**

Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed Texas counties as declared in DR-4029-TX.

As required by the Federal Register, the GLO will be allocating **at least** eighty percent **(80%)** of the overall grant to the County of Bastrop. **The** GLO will be setting aside \$1,000,000 for a down payment assistance program; with any remaining unutilized funds out of the DPA program going back to single family repair or reconstruction.

The housing portion of the Bastrop County allocation will be administered by the GLO and their sub-contractors **with any remaining unutilized funds out of the housing**

programs going back to the Bastrop County Infrastructure Program. The infrastructure portion of the Bastrop County allocation will be a direct award to the County and will be administered by the County under GLO oversight.

The remaining balance of the allocation, \$4,697,952, will be awarded through a competition for public service - fire protection and infrastructure projects in all disaster-declared counties eligible under FEMA DR-4029-TX. Any Fire Protection and Infrastructure Program funds not awarded through the competitive process will be rolled over to Bastrop County for any eligible projects in Bastrop County.

The GLO will ensure, as is required and identified in the Federal Register, at least fifty percent (50%) or \$15,659,843 of the entire CDBG Disaster Recovery grant award will be used for activities that benefit low and moderate income persons.

### III. Eligibility and Scoring Criteria

According to the Department of Housing and Urban Development (HUD), only those that were affected within the disaster declared counties of FEMA DR-4029-TX are eligible to receive assistance under this grant. The GLO will potentially utilize all three National Objectives to carry out all programs under this allocation.

#### b) Infrastructure

Funds awarded to eligible applicants for infrastructure allowable activities can be classified in two ways:

1. Infrastructure activities - the repair, replacement or relocation of damaged public facilities; or
2. Fire Protection Services – a quantifiable increase in fire protection services through increased capacity of fire systems

There will be two separate infrastructure CDBG Disaster Recovery Programs under the CDBG Disaster Recovery award for the Texas Wildfire disaster:

- i. Bastrop County Infrastructure Program; this will be paid for with \$15,013,381 and will be a direct award to the County. Bastrop County's infrastructure projects above the initial \$4,760,592 must prioritize LMI projects subject to the GLO's ability to meet it's obligation for 50% of the entire allocation being spent on the LMI National Objective.
- ii. Fire Protection and Infrastructure Program- Competitive award in which all counties in the DR-4029 disaster declared counties, including Bastrop, will apply and be scored and weighted in order of the criteria listed below (scoring methodology can be found in Appendix D):

- Per capita damage during the DR-4029-TX disaster  
**30 Points**
- LMI component  
**30 Points**
- Unemployment/Economic Health  
**20 Points**
- Recurrence of Wildfire Damage (How often is the community significantly affected by wildfire and what is their rate of recovery for each season?)  
**20 Points**
- **Tie-Breaker:** What is the poverty rate (poverty percentage) of the census geographic area?

Tied applicants will be ranked in order of poverty rate, with the higher poverty rate being ranked highest.

The Fire Protection and Infrastructure Program will be funded up to a maximum of \$4,697,952 subject to the GLO's ability to met it's obligation for 50% of the entire allocation being spent on the LMI National Objective.

#### IV. Award Amount(s), Thresholds, and Award Process

##### b) Infrastructure

Awards will not be less than \$50,000 and will not exceed \$4,697,952, per grantee (with the exception of Bastrop County's direct allocation infrastructure program). All applications will be ranked and awarded based on the scoring criteria outlined in section D.III.b.ii in this document. In the event of a tie score, a tie-breaker factor will be applied to the tied applications in order to rank them. Applications including multiple projects will receive one cumulative score that may incorporate weighted averages by project as described in the criteria methodology.

## Comments/Responses for Comment Period of April 11 – April 21<sup>st</sup>, 2013

### **Comment #1: National Program Objective Requirement**

Commenters voiced a desire to categorize the majority of Bastrop County's non-housing funding under the Urgent Need National Objective category.

#### **Staff Response:**

Per the Federal Register at least 50 percent of the award must be used for activities that benefit low and moderate income (LMI) persons. The General Land Office will work with communities to assist them in identifying LMI populations within their projects. Urgent Need may be used once the GLO ensures that the 50 percent requirement can be met.