

State of Texas Action Plan for CDBG Disaster Recovery Grantees under the Department of Defense Appropriations Act, 2006

Amendment # 1

Disaster Recovery Initiative

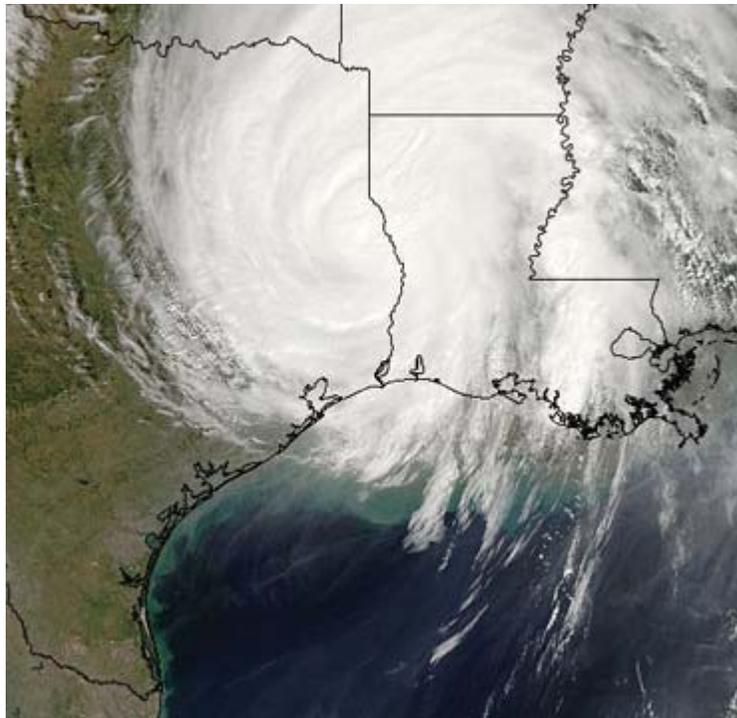
U.S. Department of Housing and Urban Development (HUD)

Docket No. FR-5051-N-01

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May 9, 2006

Rick Perry, Governor



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On May 22, 2006, the U.S. Department of Housing and Urban Development (HUD) approved the State of Texas Action Plan for CDBG Disaster Recovery Grantees under the Department of Defense Appropriations Act, 2006 (Action Plan). The Action Plan governs the use of \$74,523,000 in Community Development Block Grant (CDBG) funding for housing, infrastructure, public service, public facility, and business needs in the 29-county area directly impacted by Hurricane Rita. On August 30, 2006, the TDHCA Governing Board authorized the submission of an amendment to the Action Plan. The Office of Rural Community Affairs (ORCA) requested approval of the Action Plan amendment from the US Department of Housing and Urban Development (HUD) on September 25, 2006.

The amendment removes the requirement that each Council of Government (COG) application meet the requirement that 50 percent of the grant funds must assist activities producing benefit to low- and moderate income persons. The Deep East Texas Council of Governments application did not have sufficient funding directed toward the benefit of low- and moderate income persons national objective activities to meet the 50 percent requirement. The amendment allows for the four COG applications in the aggregate, rather than individually, to meet the 50 percent statutory requirement.

Specifically, the Action Plan was amended under the "Proposed Use of Texas Disaster Recovery Funds", National Objective section. The second to last sentence in the paragraph that reads "The Application must clearly document for the TDHCA Board that at least the 50 percent requirement is met" was deleted. The paragraph found on pages 17 and page 18 of the Action Plan now reads as follows:

National Objective

All activities must meet one of the three national objectives set out in the Housing and Community Development Act (address slum and blight, urgent need, primarily benefit LMI persons). Pursuant to explicit authority in the Department of Defense Appropriations Act, 2006 (Public Law 109-148, approved December 30, 2005), HUD is granting an overall benefit waiver that allows for up to 50 percent of the grant to assist activities under the urgent need or prevention or elimination of slums and blight national objectives, rather than the 30 percent allowed in the annual State CDBG program. The primary objective of Title I of the Housing and Community Development Act and of the funding program of each grantee is the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." The statute goes on to set the standard of performance for this primary objective at 70 percent of the aggregate of the funds used for support of activities producing benefit to low and moderate income persons. Since extensive damage to community development and housing affected those with varying incomes, and income-producing jobs are often lost for a period of time following a disaster, HUD is waiving the 70 percent overall benefit requirement, leaving a 50 percent requirement, to give grantees

even greater flexibility to carry out recovery activities within the confines of the CDBG program national objectives. TDHCA strongly encourages applicants to assist those lower income households with the greatest need in all of their activities.

Citizen Participation and Public Input on the Amendment

The Departments' notice of the public comment period and associated public hearing was simultaneously provided on the Departments' websites in English, Spanish, and Vietnamese. In addition, a postcard announcing the public hearing and requesting comments on the amendments was sent to all cities, counties, council of governments, consultants, and other interested parties in the affected regions.

ORCA staff attended the public hearing on the amendment held on September 22, 2006 in Lufkin, Texas. Twelve people attended the public hearing. After staff read the proposed amendment, no comments on the specific amendment were received. No comments on the amendment were received by mail or email.

HUD approved this Action Plan amendment on October 24, 2006.