



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

OFFICE OF ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

JUN 27 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 Texas' Modification # 4 to the State of Texas Plan for disaster recovery for Rita Round I funds through Community Development Block Grant (CDBG) supplemental funding. The purpose of Modification # 4 is to allow the State to use funds remaining from Rita Round 1 in conjunction with the Homeowner's Assistance Program (HAP) under Public Law 109-234 ( known as Rita Round 2) to assist un-served homeowners with remaining unmet needs.

This modification allocates \$1,151,021 that remains unused in the initial budget. There is no impact to the completion of other projects under this grant. The new project South East Texas Homeowners Assistance Program (SETHAP) remains as housing assistance for low- and moderate-income persons. The table below summarizes the reallocation of CDBG-DR funds under Modification # 4 for Rita Round 1:

**RITA ROUND I- REVISED GENERAL USE OF FUNDS AND FUNDING ALLOCATION**

<b>DRGR Project: Action Plan Title</b>	<b>Current Action Plan Budget (6/6/13)</b>	<b>Unutilized Funds*</b>	<b>Allocation Change**</b>	<b>Revised Allocation</b>
Housing	\$40,259,276.00	\$1,125,823.22	-\$1,125,823.22	\$39,133,452.78
Non-housing	\$30,537,574.00	\$5,809.58	-\$5,809.58	\$30,531,764.42
South East Texas Homeowner Assistance Program (SETRPC-HAP)	\$0.00	\$0.00	+\$1,131,632.80	\$1,131,632.80
Administration	\$3,726,150.00	\$19,388.24	\$0.00	\$3,726,150.00
<b>Total</b>	<b>\$74,523,000.00</b>	<b>\$1,151,021.04</b>	<b>\$0.00</b>	<b>\$74,523,000.00</b>

\*Unutilized funds from the Current Action Plan Budget are the basis for the Allocation Change amounts. \*\*Funds may be transferred between budget lines as needed for program purposes.

In addition, the Department also accepts Modification # 1 to Rita Round 2 funds. This modification will use \$1,613,546 of unused funds remaining under Public Law 109-234 (known as Rita Round 2). These funds will be used in conjunction with funds under Rita Round 1 to provide assistance to un-served homeowners.

The table below summarizes the reallocation of CDBG-DR funds under Modification #1 for Rita Round 2 funds:

**Rita Round 2 - Revised GENERAL USE OF FUNDS AND FUNDING ALLOCATION**

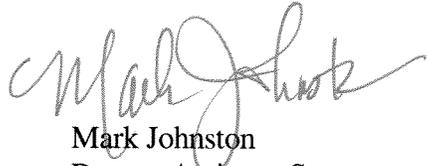
<b>DRGR Project: Action Plan Title</b>	<b>Current Action Plan Budget (6/6/13)</b>	<b>Unutilized Funds *</b>	<b>Allocation Changes*</b>	<b>Revised Allocation</b>
Homeowner 1: Homeowner Assistance Program (HAP)	\$216,959,983.06	\$193,688.57	-\$193,688.57	\$216,766,294.49
Homeowner 2: Sabine Pass Restoration Program (SPRP)	\$10,964,279.00	\$120,151.98	-\$120,151.98	10,844,127.02
Rental (TDHCA Activities): Rental Housing Stock Restoration Program	\$82,779,332.97	\$0.00	\$0.00	\$82,779,332.97
Public Service and Rental (Harris Co/Houston Activities): City of Houston and Harris County Public Service and Community Development Program	\$58,688,727.14	\$0.08	-\$0.08	\$58,688,727.06
Infrastructure: Restoration of Critical Infrastructure Program	\$43,299,999.63	\$455,485.51	-\$455,485.51	\$42,844,514.12
Administration: State Administration Funds	\$15,979,527.20	\$844,220.20	-\$844,220.20	\$15,135,307.00
Homeowner 3: South East Texas Homeowner Assistance Program (SETRPCHAP)	\$0.00	\$0.00	+\$1,613,546.34	\$1,613,546.34
<b>Total Funding</b>	<b>\$428,671,849.00</b>	<b>\$1,613,546.34</b>	<b>\$0.00</b>	<b>\$428,671,849.00</b>

\*Funds may be transferred between budget lines as needed for program purposes.

Neither of the modifications constitutes a substantial amendment to the Action Plan. The funds will be used to serve the unmet housing needs of Hurricane Rita impacted homeowners of Hardin, Jefferson, and Orange Counties. These three counties sustained the most storm damage and have the most un-served applicants remaining with unmet needs.

The Department remains committed to assisting the recovery of the State of Texas from the effects of Rita I and Rita II. 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 black ink, appearing to read "Mark Johnston". The signature is fluid and cursive, with the first name "Mark" being more prominent and the last name "Johnston" following in a similar style.

Mark Johnston  
Deputy Assistant Secretary  
for Special Needs Program

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

## Modification # 4

Disaster Recovery Initiative

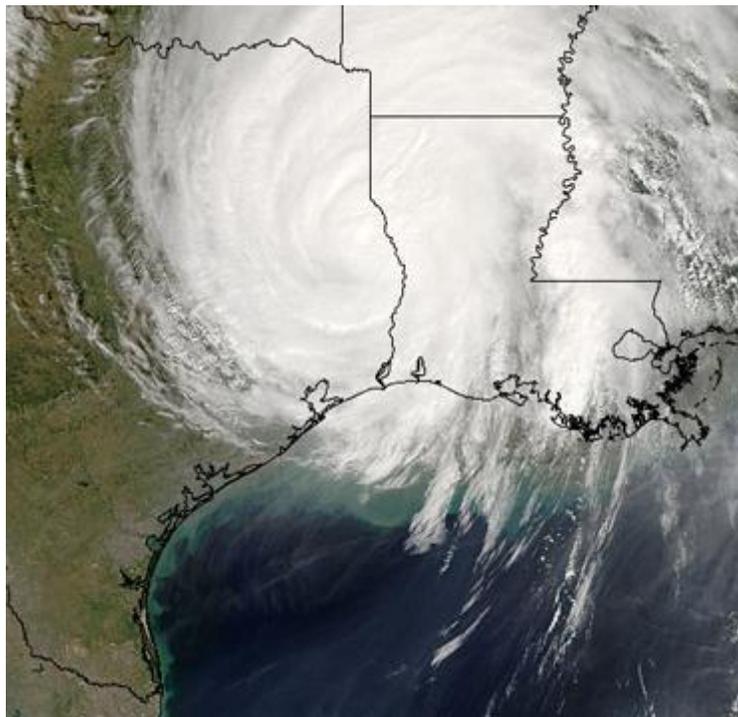
U.S. Department of Housing and Urban Development (HUD)

Docket No. FR-5051-N-01]

[Federal Register: February 13, 2006 (Volume 71, Number 29)]

June 6, 2013

**Rick Perry, Governor**



**Texas General Land Office Modification #4 to State of Texas Action Plan for Department of Defense Appropriations Act 2006**

**Executive Summary**

This document constitutes the Fourth Modification to the State of Texas Action Plan for CDBG Disaster Recovery Grantees under the Department of Defense Appropriations Act, 2006 (Action Plan) dated May 9, 2006. 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.

This amendment outlines the eligible use of \$1,151,021.04 of unutilized funds remaining under Public Law 109-148 known as Rita Round 1. The unutilized funds remaining from Rita Round 1 shall be used in conjunction with the Homeowner’s Assistance Program (HAP) under Public Law 109-234 (known as Rita Round 2) to assist un-served homeowners.

The unutilized funds were recaptured from various subrecipients and shall be used to serve the unmet housing needs of Hurricane Rita impacted un-served homeowners of Hardin, Jefferson, and Orange Counties. These three counties sustained the most storm damage from Hurricane Rita and have the most un-served applicants remaining for housing recovery. Approximately eight (8) households shall be served using the unutilized funds.

**Revised GENERAL USE OF FUNDS AND FUNDING ALLOCATION**

<b>DRGR Project: Action Plan Title</b>	<b>Current Action Plan Budget (6/6/13)</b>	<b>Unutilized Funds*</b>	<b>Allocation Change**</b>	<b>Revised Allocation</b>
Housing	\$40,259,276.00	\$1,125,823.22	-\$1,125,823.22	\$39,133,452.78
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Administration	\$3,726,150.00	\$19,388.24	\$0.00	\$3,726,150.00
<b>Total</b>	<b>\$74,523,000.00</b>	<b>\$1,151,021.04</b>	<b>\$0.00</b>	<b>\$74,523,000.00</b>

\*Unutilized funds from the Current Action Plan Budget are the basis for the Allocation Change amounts. \*\*Funds may be transferred between budget lines as needed for program purposes.

**Homeowner Assistance Program (HAP)**

The un-served homeowner applicants shall be served following the Homeowner Assistance Program outlined in the Rita Round 2 Action Plan Modification No. 1.

**Maximum Benefit**

The Maximum Benefit for rehabilitation under the HAP is \$65,000 per household for costs associated with the rehabilitation of a qualified home. This limit is based on the average cost to repair homes with major or severe damage for a subset of FEMA registrants with real property damage who applied to the Small Business Administration for a loan to assist with repairing their property. The rehabilitation of a manufactured housing unit is not an eligible activity. If a

feasibility analysis indicates that rehabilitation costs would exceed the \$65,000 applicable limit, replacement reconstruction will be determined to be the preferable method of assistance. The homeowner will be notified and the options available will be explained.

The maximum benefit for the HAP for reconstruction, replacement, and/or new construction of a qualified home, including manufactured housing units, is the following:

	Homeowner Assistance	
	Reconstruction/ New Construction	Rehabilitation
Base Unit	\$135,000	\$65,000
Vacant Land		
Non-Coastal Elevation	\$35,000	\$35,000
Coastal Elevation	\$60,000	\$60,000
Water Well	\$ 30,000	\$30,000
Septic System	\$ 25,000	\$25,000
Accessibility	\$20,000	\$20,000
Abatement	\$20,000	\$20,000
Services		
<b>Totals:</b>	<b>\$290,000 Max</b>	<b>\$220,000 Max</b>