

## **CDBG MITIGATION CITIZEN ADVISORY COMMITTEE**

### **Virtual Joint Committees Meeting**

**Thursday, February 16, 2023**

**3 – 4:30 p.m.**

Join Teams Meeting: [TEAMS link](#)

*\*Note: This meeting will be recorded\**

*Attendance: Amanda Fenwick (Chair), Charles Burchett, Keith Downey, Arjumand Mumbarak, Sonja Draper (on behalf of Donald Payne), Tracy Stephens, Shelley Stuart, Gweneth Teves, Cecelio Ortiz-Garcia, John Cooper, Jr., Jaimie Masterson, Tommy Rosson, Hilton Kelley, Bridgette Baldwin*

**Committee Purpose:** Each committee shall adopt the following statement of purpose: “The purpose of this committee is to advise the Texas General Land Office (GLO) on the implementation of programs using first-of-its-kind Community Development Block Grant – Mitigation (CDBG-MIT) funding.”

**Meeting Objective:** Discuss GLO program updates, working groups, and HUD RFI.

## **Agenda**

### **3:00 - 3:10 p.m. Welcome & Introductions**

*Margaret took attendance and introduced new members. Explained the purpose of the Committee and the development of the Committee Working Groups.*

### **3:10 - 3:25 p.m. GLO Program updates**

- Regional Mitigation Program
  - *Reviewed eligible entities, total budget, and approved MODs.*
  - *Provided links to approved MODs on our site.*
- River Basin Flood Study
  - *Reviewed the purpose of the program and area of interest*
- 2018 & 2019 Competitions
  - *Mentioned the news release for 2018 competitions.*
- Resilient Communities Program
  - *Margaret outlined program activities, eligible entities, and total budget.*

### **3:25 - 3:40 p.m. Feedback & Questions from the Committee**

- *Update on the citizen complaint that was aired in the last meeting.*

**3:40 - 4:00 p.m.**

**Discussion: Working Groups**

- Review Working Group purpose
- Committee member assignments
  - *Attendees chose their working group.*
- Scheduling
  - *Anticipates 2 working group meetings and 2 joint committee meetings.*

**4:00 - 4:30 p.m.**

**HUD Request for Information Presentation**



# Spring 2023 Citizen Advisory Committee

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GLO Program Updates

State of Texas: CDBG-DR Eligible Counties and HUD MID (DR-4332)

# Regional Mitigation Program

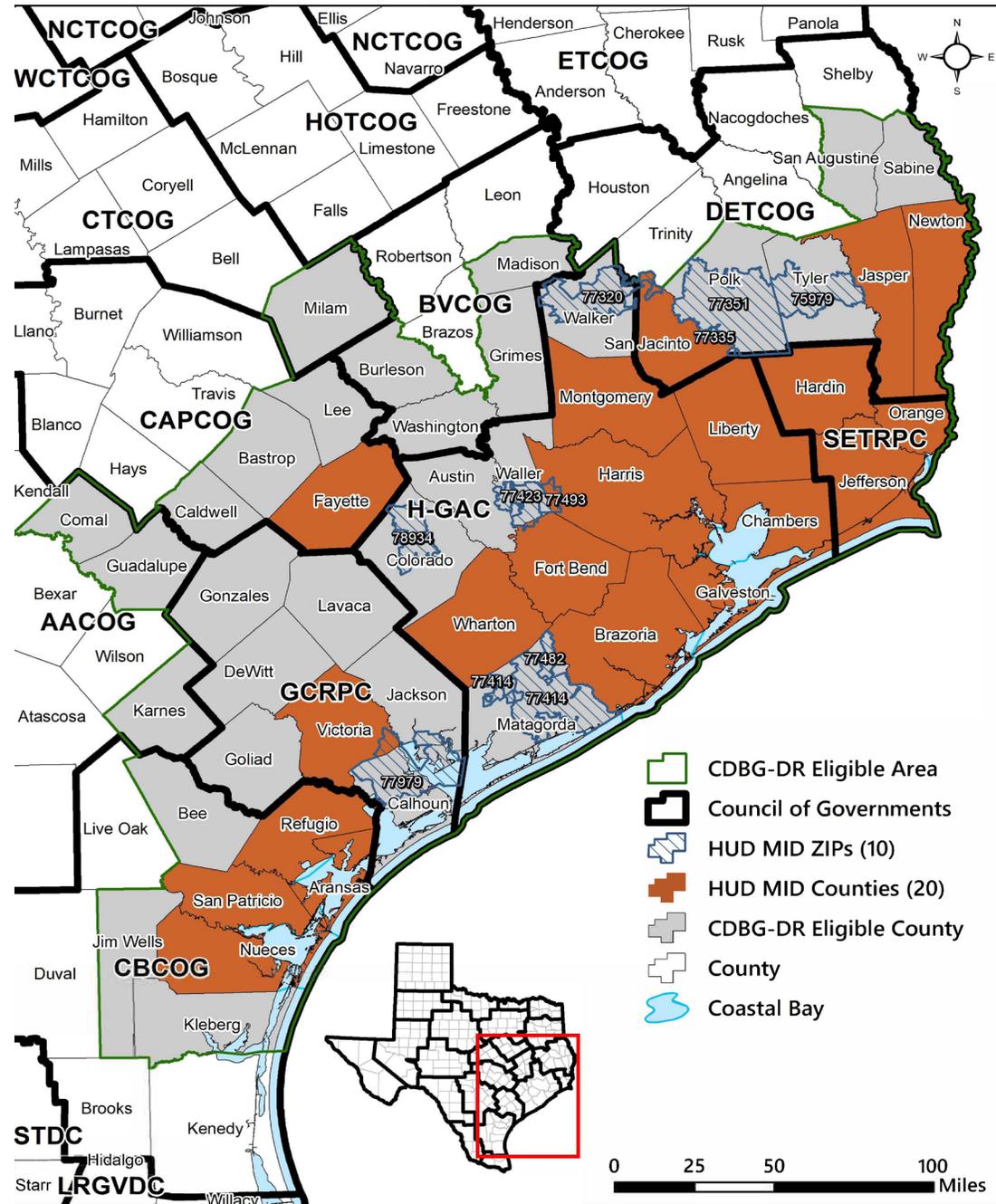
Total Budget: 1,166,997,000.00

Eligible Entities: Councils of Government and Harris County

- Alamo Area COG \$29,888,000
- Brazos Valley COG\* \$25,041,000
- Capital Area COG \$52,253,000
- Coastal Bend COG\* \$179,547,000
- Central Texas COG\* \$6,679,000
- Deep East Texas COG\* \$161,542,000
- Golden Crescent RPC \$80,317,000
- Houston-Galveston AC\* \$488,762,000
- South East Texas RPC\* \$142,878,000
- Harris County \$750,000,000

\*approved

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# Resilient Communities Program

Total Budget: \$100,000,000.00

Eligible Entities: Cities, counties, federal recognized tribes, and Councils of Government

Eligible Activities:

- Develop, update, adopt, and implement
  - Building codes
  - Flood damage prevention ordinances
  - Zoning ordinances
  - Land use plans
  - Comprehensive plans
  - Community Rating System Public Service activities



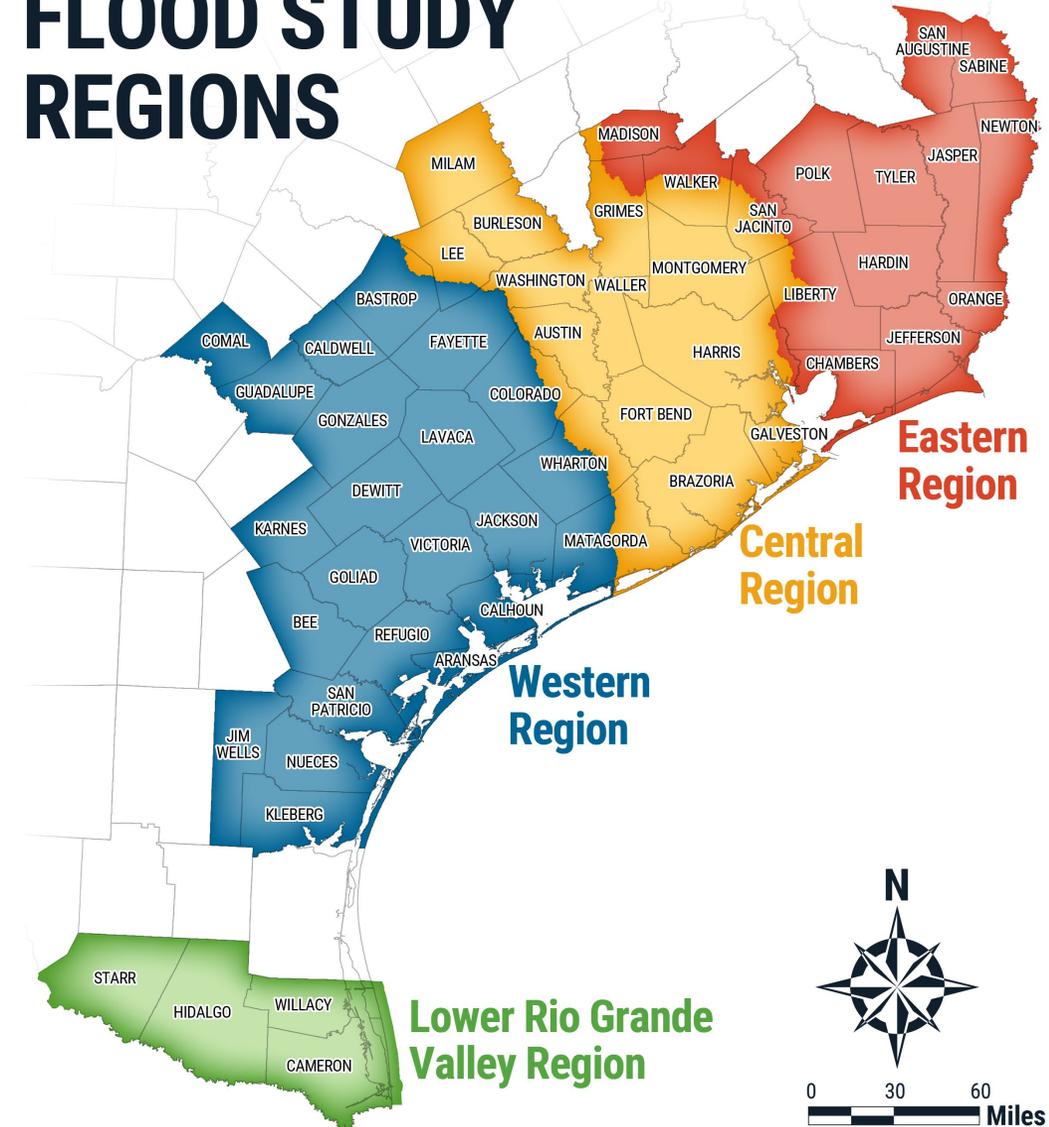
# LRGV River Basin Flood Study

Total Budget: \$10,000,000

**Purpose:** A regional evaluation of mitigation and abatement strategies to reduce disaster impacts and increase community resilience.

**Current activities:** stakeholder outreach is ongoing.

## FLOOD STUDY REGIONS



# Request for Information on the Community Development Block Grant Disaster Recovery (CDBG-DR) Formula

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



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# Background

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- CDBG-DR is not authorized through a standing statute
  - Each appropriation has disaster-specific requirements that are written with every Congressional appropriation.
- Congress has been considering legislation to officially create (codify) a standing CDBG-DR program.
  - This RFI would inform the rule development in an authorized CDBG-DR program.
  - If the program is not codified, the RFI would inform future allocation formulas.
- The RFI is based on the formula used to allocate funds for major disasters in 2020 and 2021.
- All text from this presentation was pulled from 87 FR 77856 (*December 20, 2022*).



# Disaster Funding

## Timeline



Disaster Declaration  
FEMA/TDEM

SBA Loans &  
Private Insurance

Congressional  
Appropriation/ HUD  
Publishes Federal  
Register

GLO Publishes Action Plan

Method of  
Distribution &  
Fund Allocation

0-12  
months

3-24  
months

12-24  
months

14-26  
months

15-27  
months



- **Purpose**: “Necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 *et seq.*) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation, in the most impacted and distressed areas resulting from a major disaster that occurred in 202 or 2021 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*):”
- **Eligible Grantees**: “*Provided*, That amounts made available under this heading in this Act shall be awarded directly to the State, unit of general local government, or Indian tribe (as such term is defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302)) at the discretion of the Secretary:”
- **Data**: “*Provided further*, That the Secretary shall allocate, using the best available data,”
- **Total Unmet Needs**: “[A]n amount equal to the total estimate for unmet needs for qualifying disasters under this heading in this Act.”
- **Mitigation**: “*Provided further*, That any final allocation for the total estimate for unmet needs made available under the preceding proviso shall include an additional amount of 15 percent of such estimate for additional mitigation:”

# Overview of Current Methodology

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## Guiding Features of Statutory Text



- Disasters that receive FEMA's Individual and Households Program (IHP) designation
- HUD Most Impacted and Distressed (HUD MID) areas have concentrated housing damage
  - Counties with more than \$10 million in serious unmet housing needs
  - Zip Codes with \$2 million or more of serious unmet housing needs
- Housing Needs:
  - Repair estimates for seriously damaged owner-occupied units without insurance

AND

  - Repair estimates for seriously damaged rental units occupied by low-income or poverty renters

# Overview of Current Methodology

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## Component 1: Eligible Disasters for Funding



- Unmet Needs – needs not met by other sources of financial assistance like:
  - FEMA Public Assistance (PA)
  - Small Business Administration (SBA)
  - Insurance
  - FEMA IHP
- Unmet Need allocations are based on the sum of:
  - Serious unmet housing need
  - Economic Revitalization need
  - Public Infrastructure need

# Overview of Current Methodology

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## Component 2: Basic Formula for Unmet Needs



- Core data for unmet housing need and concentrated damage is based on home inspection data from FEMA IHP and SBA disaster loan program
- Calculated as:
  - (number of housing units with unmet needs) x (estimated cost to repair those units)
    - (repair funds from other financial sources)
  - The overlap between SBA inspections and FEMA inspection is what HUD uses as its median estimated real estate loss.

# Overview of Current Methodology

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## Component 3: Method for Estimating Serious Unmet Housing Needs



- HUD assigns each owner-occupied FEMA Verified Loss (FVL) of real property into five categories:
  - Minor-Low (*less than \$3,000*)
  - Minor-High (*\$3,000 - \$7,999*)
  - Major-Low (*\$8,000 - \$14,999; 1 - 3.9 ft. of water*)
  - Major-High (*\$15,000 - \$28,800; 4 - 5.9 ft. water*)
  - Severe (*greater than \$28,800; 6 or more ft. water*)

# Overview of Current Methodology

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## Component 3: Method for Estimating Serious Unmet Housing Needs



- HUD assigns each owner-occupied FEMA Verified Loss (FVL) of personal property into five categories:
  - Minor-Low (*less than \$2,500*)
  - Minor-High (*\$2,500 - \$3,499*)
  - Major-Low (*\$3,500 - \$4,999; 1 - 3.9 ft. of water*)
  - Major-High (*\$5,000 - \$9,000; 4 - 5.9 ft. water*)
  - Severe (*greater than \$9,000; 6 or more ft. water*)
- HUD threshold for “most impacted” is damage that is major-low or greater

# Overview of Current Methodology

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## Component 3: Method for Estimating Serious Unmet Housing Needs



HUD assigns each renter-occupied FEMA Verified Loss (FVL) of personal property into five categories:

- Minor-Low (*less than \$1,000*)
- Minor-High (*\$1,000 - \$1,999; "Moderate damage"*)
- Major-Low (*\$2,000 - \$3,499; 1 - 3.9 ft flooding; major*)
- Major-High (*\$3,500 - \$7,500; 4 - 5.9 ft. flooding*)
- Severe (*greater than \$7,500; 6 or more ft. flooding*)

# Overview of Current Methodology

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## Component 3: Method for Estimating Serious Unmet Housing Needs



## Additional considerations

- An owner-occupied property with a real property and personal property inspection will have the larger FVL amount considered in HUD's estimates
- Homeowner outside the 1-percent floodplain with damages but no flood insurance will be considered to have unmet need.
- Homeowners making less than 120% area median income and residing inside the 1-percent floodplain will be considered to have unmet need.

# Overview of Current Methodology

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## Component 3: Method for Estimating Serious Unmet Housing Needs



Using SBA disaster loan data for small businesses across the nation, HUD calculated real estate plus content losses and assigned five categories:

- Minor-Low (*less than \$12,000*)
- Minor-High (*\$12,000 - \$29,999*)
- Major-Low (*\$30,000 - \$64,999*)
- Major-High (*\$65,000 - \$149,000*)
- Severe (*greater than \$150,000*)

Unmet need is calculated as:  
(median damage estimates) x  
(number of small businesses denied an  
SBA loan)

# Overview of Current Methodology

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## Component 4: Method for Estimating Serious Unmet Economic Revitalization Needs



## FEMA PA categories of assistance

Category A: Debris removal

Category B: Emergency protective measures

**Category C: Roads and bridges**

**Category D: Water control facilities**

**Category E: Public buildings and contents**

**Category F: Public utilities**

**Category G: Parks, recreational, and other facilities**

HUD uses the estimated cost share for Categories C through G using the best FEMA data available at the time of allocation

# Overview of Current Methodology

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## Component 5: Method for Estimating Unmet Infrastructure Needs

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HUD uses the amounts of unmet need calculated from:

- Serious unmet housing needs of owners and renters in the most impacted counties and Zip codes
- Serious unmet economic revitalization needs
- Unmet infrastructure need

# Overview of Current Methodology

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## Component 6: Allocation Calculation



HUD has funded some measure of mitigation efforts since Hurricane Sandy.

These methods have varied over the years to include a formula, competitions, and a special CDBG-Mitigation allocation for grantees from 2015 to 2017.

The 2020 and 2021 allocations include a mitigation allocation that equals 15 percent of the unmet need calculation

# Overview of Current Methodology

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## Component 7: Mitigation



CDBG-DR funds are tied to either:

- A specific set of disasters
- A time period

When appropriated funds are less than the calculated unmet need, they are allocated in proportion to the unmet needs across eligible disasters.

# Overview of Current Methodology

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## Component 8: When Appropriations are less than calculated unmet need

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Congress provides the HUD Secretary with discretion to allocate directly to a state, local government, or Indian tribe.

HUD calculates the share of serious unmet housing needs for entitlement areas (*those communities and counties that receive regular CDBG grants*) and in surrounding areas.

If the entitlement areas represented 70 percent or more of the serious unmet housing needs AND the calculated award did not exceed their regular CDBG grant by 20 times or more, the allocation was made to the entitlement area instead of the state.

# Overview of Current Methodology

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## Component 9: Local Allocations

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Housing funds are allocated strictly on those counties or zip codes with enough seriously damaged homes to meet the minimum threshold set by HUD.

Business and infrastructure estimates are for the full disaster area of the state or entitlement area.

For each allocation, HUD specifies its most impacted and distressed areas. A minimum of 80 percent of the allocation must benefit these HUD MID areas.

# Overview of Current Methodology

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## Component 10: Minimum amount to be spent in HUD MID areas



HUD and FEMA have an agreement to share data with each other.

HUD may enter a data sharing agreement with grantees to provide raw FEMA IA data used to develop the HUD formula allocations.

Grantees must work directly with SBA to obtain its data.

# Overview of Current Methodology

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## Component 11: Data provided to CDBG-DR grantees for developing Action Plans

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