

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

Modification # 3

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)]

May 9, 2006

Rick Perry, Governor



TDHCA Modification #3 to State of Texas Action Plan for Department of Defense Appropriations Act 2006 Regarding Additional Housing Delivery Administrators

National Objective: Benefit to Low and Moderate income persons.
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Relevant Action Plan and Modification History:

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 November 10, 2010, TDHCA staff requested Governing Board approval to transfer remaining unutilized CDBG Disaster Recovery funds to the Homeowners' Assistance Program under Public Law 109-234 (known as Rita Round 2) to assist un-served homeowners where possible. To effect this approval, a modification to the Action Plan is required; a substantial Action Plan amendment is not required because the modification does not add or delete an allowable activity; change allowable beneficiaries; or change funding allocations.

Modification # 3 Summary

The Texas Department of Housing and Community Affairs (TDHCA) is considering alterations to its current administrators to allow for a state-run program with the intent that the program will utilize all remaining funding authorized under Public Law 109-148 known as Round 1 that was not spent by the three original administrators including the Deep East Texas Council of Governments, the Houston-Galveston Area Council, and the South East Texas Regional Planning Commission. The goal of this modification is to expand housing activities provided under Public Law 109-234, known as Round 2, by the state's contracted administrator of that program. Services will be expanded under the Rita Round 2 Housing Assistance Program that provides services throughout the 22 county Rita impacted area. Currently, project funds remain under Round 1 that can be used for additional housing activities. TDHCA believes that the best use of these funds at this point is to transfer these funds under the HAP program to provide continuity of housing activities for applicants that were not served under Round 1 and fully utilize the available funds under Round 1 (Public Law 109-148).

To achieve this goal, the Action Plan is modified under the Eligible Applicants section so that the first paragraph on page 15 is modified to read as follows:

For unmet housing needs, the Applicants representing the affected regions will apply on behalf of their respective regions. Individual contracts will be prepared between TDHCA and each Applicant who will be the region's Subgrantee for unmet housing need activities. Each Subgrantee will administer an amount, based on need, within the 22-county Rita affected area, and will be required to work with the affected counties to ensure that their most severe unmet housing needs are addressed and that all state and federal requirements of the CDBG Program are met. Because the COGs that represent the affected regions are already working aggressively to address the housing needs by leveraging funding, TDHCA believes that better consistency and controls can occur if

these entities account for the funding that is being utilized within the region, and thus TDHCA will have better controls to prevent duplication of benefits.

In the event that the Applicants do not utilize all available funds within the terms of the contract, the state may elect to utilize the remaining funds available through a state-administered program serving the same population in the same geographic area.

Summary of Public Comments for Proposed Use of Available Funds

TDHCA requested Governing Board authority to access the unobligated funds on November 10, 2010. No public comment on the Agenda Item was made, and no comments were received by mail or email. This modification was open for public comment from November 2, 2010 through November 10, 2010 and has been posted on TDHCA's website since November 2, 2010.