



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

ASSISTANT SECRETARY FOR  
COMMUNITY PLANNING AND DEVELOPMENT

**AUG 03 2011**

Mr. Gary Hagood  
Deputy Commissioner  
Texas General Land Office  
1700 N. Congress Street, Suite 220  
Austin, TX 78701

Dear Mr. Hagood:

The Department is accepting Texas' Amendment Number Four to its Action Plan for disaster recovery for Community Development Block Grant (CDBG) supplemental funding under Public Law 110-329 (the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009). The State received a third round allocation under this Act from the Disaster Recovery Enhancement Fund (DREF) in the amount of \$55,481,416. On March 28, 2011, the Department approved the State's Action Plan Amendment Number Three to use \$18,000,000 of the DREF grant to administer the Homeowner Opportunity Program. The entirety of the DREF allocation was subsequently obligated via a grant agreement. Action Plan Amendment Number Four proposes the allocation of the remaining \$37,481,416 of the DREF grant for administration, planning, and program activities.

HUD is accepting the State's proposed Action Plan budget as follows:

<b><u>ROUND 1</u></b>	<b><u>Non-Housing</u></b>	<b><u>Housing</u></b>
Administration	\$29,587,280	\$36,162,231
Planning	\$14,127,258	\$13,671,145
<i>DREF allocation</i>	<i>\$9,656,907</i>	
Program	\$591,232,326	\$541,483,010
<i>DREF allocation</i>	<i>\$17,143,998</i>	
Rental		<u>\$59,926,832</u>
<b>SUB-TOTALS</b>	<b><u>\$661,747,769</u></b>	<b><u>\$651,243,218</u></b>
<b><u>ROUND 2</u></b>	<b><u>Non-Housing</u></b>	<b><u>Housing</u></b>
Administration	\$38,317,527	\$48,832,534
<i>DREF allocation</i>	<i>\$2,774,071</i>	
Planning	\$32,338,259	\$2,324,400
<i>DREF allocation</i>	<i>\$3,225,909</i>	
Program	\$670,493,499	\$823,195,286
<i>DREF allocation</i>	<i>\$4,680,531</i>	
Rental		<u>\$174,299,853</u>
<b>SUB-TOTALS</b>	<b><u>\$751,829,796</u></b>	<b><u>\$1,048,652,073</u></b>
<b>TOTALS WITH DREF</b>	<b>\$1,413,577,565</b>	<b>\$1,699,895,291</b>

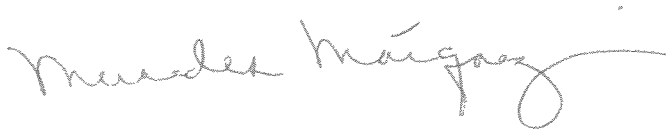
The Department is concerned that the State may not have sufficient funding for the administration of these disaster recovery activities. The amount of CDBG disaster recovery (CDBG-DR) funds that Texas may allocate for administration is limited to five percent of the total grant allocation (\$155,673,643). However, it is unclear whether this amount is sufficient to implement the State's entire \$3.1 billion portfolio of CDBG-DR activities. The State has also indicated it would complete its disaster recovery activities and close out the grant by December 31, 2015, which would require the State to expend an average of \$160 million in CDBG-DR funds *per quarter*. This is more than three times the State's average quarterly expenditure rate over the last three months, which may mean that the recovery will be delayed and outlast the State's administrative budget.

With acceptance of this amendment, the restricted budget balance of \$37,481,416 will be released. However, the Department requests that the State demonstrate how the existing budget for administrative costs is adequate to execute the grant through the closeout process and implement recovery activities in a timely manner. This may be done while HUD staff is monitoring the State's CDBG-DR funding in Austin the week of August 1-5, 2011.

The Department will monitor the DREF-qualifying activities both onsite and in DRGR to ensure that the expenditure of CDBG disaster recovery funds does not result in a duplication of benefits. Please note that the total amount of funds identified by the State as DREF-eligible, \$172,926,391 may not decrease. All CDBG disaster recovery funds must continue to be used in accordance with the federal law compliance statements in the State's Action Plan and certifications required by *Federal Register* Notices 74 FR 7244 and 74 FR 41146. Also, a program accomplishments report should be submitted quarterly through HUD's Disaster Recovery Grant Reporting (DRGR) system.

The Department remains committed to assisting the recovery of the State of Texas from the devastating effects of Hurricanes Ike and Dolly. If you 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, reading "Mercedes Márquez". The signature is written in dark ink and is positioned above the typed name and title.

Mercedes Márquez  
Assistant Secretary

WWW.TDRA.TEXAS.GOV  
1700 N. Congress Avenue, Suite 220  
Austin, Texas 78701  
P: 512-936-6701/800-544-2042  
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**MISSION:**  
*To enhance the quality of life  
for rural Texans.*



GOVERNOR RICK PERRY

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**Howard G. Baldwin, Jr.**  
*Interim Executive Director*

April 19, 2011

The Honorable Mercedes Márquez  
Assistant Secretary, Community Planning and Development  
U.S. Department of Housing and Urban Development  
Washington, D.C. 20410-0700

Dear Ms. Márquez:

Enclosed please find the fourth amendment to the State of Texas State Plan for Disaster Recovery with CDBG Disaster Recovery Funds related to Hurricanes Dolly and Ike. The State of Texas received approval on March 28, 2011, on its Action Plan Amendment #3 to use the \$18,000,000 in Disaster Recovery Enhancement Funds (DREF) to administer the Homeowner Opportunity Program. The purpose of this fourth Action Plan Amendment is to propose that the restricted balance of \$37,481,416 be added to the Non-Housing Round 2 planning activities, consistent with Round 1 program awards and an agreed 45/55 percent split between Non-Housing and Housing Programs.

I respectfully request review and acceptance of this amendment by your staff. Please feel free to contact me if you have questions or need additional information regarding this proposed Action Plan Amendment. Thank you for your consideration and assistance with this request.

Sincerely,

Howard G. Baldwin, Jr.  
Interim Executive Director  
Texas Department of Rural Affairs

Enclosure

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**Howard G. Baldwin, Jr.**  
*Interim Executive Director*

29 de junio del 2011

Mercedes Márquez  
Subsecretaria de Planificación y Desarrollo Comunitario  
Departamento de Vivienda y Desarrollo Urbano de EE.UU.  
Washington, D.C. 20410-0700

Estimada Sra. Márquez:

Mediante la presente adjunto la cuarta modificación al Plan para Recuperación ante Desastres del Estado de Texas con Fondos CDBG para la Recuperación ante Desastres, en relación con los huracanes Dolly e Ike. Mediante la Modificación N° 3 al Plan de Acción, el 28 de marzo del 2011 el Estado de Texas fue autorizado a destinar US\$ 18.000.000 de los Fondos para Mejoramiento en la Recuperación ante Desastres (DREF) para administrar el Programa de Propiedad de Vivienda. Esta cuarta modificación al Plan de Acción propone que el saldo restringido de US\$ 37.481.416 de los fondos DREF sea destinado a actividades de Administración, Planificación y Programación para ayudar a aquellos que presentan solicitudes no relacionadas con la vivienda a solucionar los temas especificados por el Análisis de Impedimentos; y a colaborar, en general, con las actividades de Administración, Planificación y Programación. Esta cuarta Modificación al Plan de Acción está de acuerdo con los subsidios de la Ronda 1 y respeta la relación de 45/55 por ciento entre Actividades Relacionadas con Viviendas y las No Relacionadas con Vivienda. El Estado ha revisado todos los usos propuestos para los fondos recientemente asignados y concluyó que respetan las actividades para las cuales dichos fondos fueron creados.

Por la presente le solicito que su personal revise y acepte esta modificación. No dude en contactarme si tiene dudas o necesita más información respecto de la modificación propuesta al Plan de Acción. Muchas gracias por su consideración y por ayudarnos con nuestra solicitud.

Saludos cordiales,

Howard G. Baldwin, Jr.  
Director Ejecutivo Interino  
Departamento de Asuntos Rurales de Texas

Adjuntos

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**Howard G. Baldwin, Jr.**  
Interim Executive Director

Ngày 29 tháng 6 năm 2011

Ngài Mercedes Márquez  
Phó tổng thư ký, Ủy ban Hoạch định & Phát triển Cộng đồng  
Bộ Phát triển Nhà ở & Đô thị Hoa Kỳ  
Washington, D.C. 20410-0700

Kính gửi ngài Márquez,

Vui lòng tìm thấy theo thư này bản sửa đổi số 4 về Kế hoạch khắc phục thiên tai Tiểu bang Texas với các khoản Quỹ khắc phục thiên tai CDBG liên quan tới bão Dolly và Ike. Ngày 28 tháng 3 năm 2011, Tiểu bang Texas đã được chấp thuận Kế hoạch hành động sửa đổi số 3 để sử dụng \$18,000,000 trong các khoản Quỹ khắc phục thiên tai bổ sung (DREF) nhằm thực hiện Chương trình Cơ hội Nhà ở. Mục đích của Kế hoạch hành động sửa đổi số 4 này là đề xuất sử dụng \$37,481,416 khoản quỹ DREF giới hạn còn lại cho các hoạt động Quản lý, Hoạch định và Chương trình để hỗ trợ các đối tượng phi nhà ở với các nỗ lực nhằm giải quyết những vấn đề được nêu trong Bản phân tích trở ngại cũng như nhằm hỗ trợ các hoạt động Quản lý, Hoạch định và Chương trình chung. Kế hoạch hành động sửa đổi số 4 này phù hợp với các khoản trợ cấp chương trình Giai đoạn 1 và chiếm tỷ lệ thống nhất 45/55% phân bổ giữa chương trình Nhà ở và Phi nhà ở. Tiểu bang đã xem xét mọi đề xuất sử dụng các khoản quỹ mới phân bổ và chúng phù hợp với hoạt động sẽ được cấp quỹ.

Tôi kính mong ủy ban của quý ngài xem xét và chấp thuận bản sửa đổi này. Ngài có thể liên hệ với tôi bất cứ lúc nào nếu có thắc mắc hoặc cần thêm thông tin về Kế hoạch hành động sửa đổi dự kiến này. Cảm ơn ngài đã quan tâm và hỗ trợ yêu cầu này.

Trân trọng kính chào,

Howard G. Baldwin, Jr.  
Giám đốc điều hành lâm thời  
Sở Giao dịch Nông thôn Texas

Tài liệu đính kèm

**Executive Summary**

This document is the fourth amendment to the State of Texas State Plan for Disaster Recovery with CDBG Disaster Recovery Funds related to Hurricanes Dolly and Ike. The State of Texas received approval on March 28, 2011, on its Action Plan Amendment #3 to use the \$18,000,000 in Disaster Recovery Enhancement Funds (DREF) to administer the Homeowner Opportunity Program. This document governs the receipt and use of the restricted portion (\$37,481,416) of the DREF allocation. The U.S. Department of Housing and Urban Development (HUD) agreed to hold \$37,481,416 of DREF funds in a restricted balance until a future Action Plan Amendment programming these funds is submitted by the State and accepted by HUD. The purpose of this fourth Action Plan Amendment is to propose the \$37,481,416 be added to the Non-Housing Round 2 planning activities, consistent with Round 1 program awards and an agreed 45/55% split between Non-Housing and Housing Programs.

**Round 2 DREF Program Allocations**

Table 1 is submitted to re-confirm the State’s commitment to award DREF eligible projects in Round 2. When combined with the Round 1 DREF funding commitment of \$95,304,064, the total Round 1 and Round 2 DREF funding commitment for both Housing and Non-Housing is \$173,304,064. Please note that the DREF eligible project funds are not new funds, but simply an identification of previously allocated dollars.

**Table 1**

<b>DREF Funds Between Housing and Non-Housing</b>							
	<b>Round 1</b>		<b>Round 2</b>		<b>Total</b>		<b>HUD DREF Allocation</b>
	<b>Project Funding</b>	<b>% Split</b>	<b>Project Funding</b>	<b>% Split</b>	<b>Total Project Commitment</b>	<b>% Split</b>	<b>New Funds</b>
TDRA	\$84,128,894	88%	\$35,100,000	45%	\$119,228,894	68%	\$37,481,416
TDHCA	\$11,175,170	12%	\$42,900,000	55%	\$54,075,170	32%	\$18,000,000
<b>Totals</b>	<b>\$95,304,064</b>	<b>100%</b>	<b>\$78,000,000</b>	<b>100%</b>	<b>\$173,304,064</b>	<b>100%</b>	<b>\$55,481,416</b>

**Budget Allocations**

Table 2 (page 2) shows the proposed budget reconciliation for Round 1, Round 2, and DREF for both Non-Housing and Housing. This revised fund structure is consistent with the 45/55% funding split prior to the DREF allocation and with funding caps for Planning and Administration.

As part of the intent and discussions conducted by the State of Texas to reach the Conciliation Agreement, \$26,475,711 will shift between Housing and Non-Housing to reach an exact 45/55% split for Round 1 and Round 2. Housing reduced a portion of Round 1 project delivery dollars and a portion of planning funds to reach this objective. Non-Housing categorized these funds as Round 2 administrative and planning dollars. All Round 1 subrecipient and grantee contracts remain fully funded. The adjustments stay within the administrative and planning caps for the overall grant including DREF funds.

**Table 2**

<b>Proposed Budget Reconciliation for Round 1, Round 2, and DREF</b>		
<b>Round 1 Total</b>		
	<b>Non-Housing</b>	<b>Housing</b>
<b>Administration</b>	\$29,587,280	\$36,162,231
<b>Planning</b>	\$14,127,258	\$13,146,145
<b>Program</b>	\$591,232,326	\$542,008,010
<b>Rental</b>		\$59,926,832
	<b>\$634,946,864</b>	<b>\$651,243,218</b>
<b>Round 2 Total</b>		
<b>Administration</b>	\$41,091,618	\$48,832,534
<b>Planning</b>	\$29,564,168	\$2,324,400
<b>Program</b>	\$670,493,500	\$805,195,287
<b>Rental</b>		\$174,299,853
	<b>\$741,149,286</b>	<b>\$1,030,652,074</b>
<b>Round 1 and Round 2 Total</b>		
<b>\$3,057,991,442</b>	<b>\$1,376,096,150</b>	<b>\$1,681,895,292</b>
<b>DREF Total</b>		
	<b>\$37,481,416</b>	<b>\$18,000,000</b>
<b>Total with DREF</b>		
<b>\$3,113,472,858</b>	<b>\$1,413,577,566</b>	<b>\$1,699,895,292</b>

For illustrative purposes, Table 2 (above) shows DREF Funds in a separate category as distributed to Non-Housing and Housing in the amounts of \$37,481,416 and \$18,000,000 respectively. The \$37,481,416 of Non-Housing DREF Funds is proposed to be added to the Non-Housing Planning activity. When added to the \$29,564,168 shown in Table 2, the total Non-Housing Round 2 Planning budget will be \$67,045,584.

All aspects of the State's final Action Plan dated March 4, 2009, Amendment 1, Amendment 2, and Amendment 3 remain in force for all funding unless specifically modified by this Amendment. This proposed Action Plan Amendment 4 is consistent with the previous Amendment and does not constitute a significant change to the Texas Disaster Recovery Program and does not require additional public hearings.