

ORAL

Chairman Green, Ranking Member Ember, and members of the Financial Services Oversight and Investigation Subcommittee, thank you for the opportunity to discuss the Community Development Block Grant–Mitigation funds of \$4.3 billion allocated to the State of Texas after Hurricane Harvey.

My name is Carol Haddock and I am the Director of Houston Public Works, a department responsible for Houston’s public street, drainage, water, and wastewater infrastructure as well as permitting and inspection of development for more than 2.3 million Houstonians. In this role, I am in the midst of recovery from Hurricane Harvey. Houston has a significant flooding history, but we are committed to Build Houston Forward toward a Resilient Houston that will be ready to withstand the next storm, since we all know that there will be a next storm. However, we still face significant challenges – and one of the biggest ones today is fact that the General Land Office has failed Houstonians.

Even after input and warnings from multiple communities and their leaders, the State of Texas submitted an Action Plan that resulted in no funding award to the areas in Texas that received the most damage from Harvey, which are:

- Aransas and Nueces Counties – where Harvey made landfall as a Category 5 Hurricane
- Jefferson County – which endured the highest rainfall

- The City of Houston and Harris County – which suffered 50 percent of the damage statewide

The Texas General Land Office’s process for allocating granted zero dollars to these localities. It was only after bipartisan political pressure that the GLO retroactively requested \$750 million for Harris County.

The complaints and criticism of the GLO’s process is not new. There have been multiple points where the City of Houston has elevated our concerns – to no avail:

- Both Mayor Turner and Chief Recovery Officer Steve Costello offered comments at a December 11, 2019 hearing on the draft version of the State Action Plan. At this hearing, the City specifically requested that MITIGATION funding be used to:
 - Revise programs to ensure the distribution is proportional to the impacts of Hurricane Harvey and previous storms for areas that are at highest risk.
 - Increase the maximum points for Mitigation/Resiliency Measures to provide actual mitigation.
 - Revise program language to incentivize regional coordination through the joint application process.

These next two really cut to the heart of the matter.

- Remove the limit on project applications by entity and the cap on grant awards

- Remove the percentage of persons benefitting within jurisdictions” language

These two items essentially ensured that Houston and Harris County could not obtain funding – as projects were limited in size by funding caps and then we were punished because these smaller projects didn’t benefit the full population or the 2.3 million Houstonians. These comments were also submitted in writing on January 6, 2020. However, the requested changes were not incorporated in the GLO’s State Action Plan.

More than a year later, on June 17, 2021, the GLO announced the outcome of this flawed State Action Plan. As previously warned, the City of Houston and Harris County received no funding allocation. Every single City of Houston and Harris County elected official signed a joint letter to Commissioner Bush to reconsider, revise the metrics and allocate CDBG-Mitigation funding based on the proportionality of damages.

In my day to day job as Director of Houston Public Works, I see Houstonians that are still struggling to recover from Hurricane Harvey. Next month it will have been four years since these damages were inflicted. Four years. And to date, the response from the GLO is that mitigation is not worthy of funding in Houston.

Houston on the other hand took immediate action to ensure that people would not put themselves in harm’s way. Houston updated our floodplain standards

and issued substantial damage letters to more than a thousand homeowners – requiring that they not be repaired but be brought into code compliance. New homes are required to be built higher above the floodplain and we implemented a proxy for the higher rainfalls amounts from Atlas 14. We have increased required detention for new development. We are doing our part. We need Federal help to get existing, historic development out of harm’s way.

On June 11, 2021, Mayor Turner and Judge Hidalgo requested that Secretary Fudge work with Texas’s GLO to disburse an equitable and proportional amount of the \$4.3 billion to entities within Harris County – specifically to Harris County and The City of Houston as direct subrecipients. To support this ask, we noted approximately half (more than 154,000 of the 300,000) structures that flooded and 36 of the 68 fatalities were in Harris County.

In contrast, over 40% of the funds award under the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program went to the City of Houston and Harris County. We thank the Texas Division of Emergency Management for their great partnership in getting these funds into local hands.

To date, the City of Houston has still not been allocated CDBG-MIT funding under the Hurricane Harvey State Mitigation Competition. In fact, as presented in the June 18, 2021 letter, the State uses previous awards from

2015 and 2016 flooding events as an excuse that Houston doesn't need the current funding.

The City of Houston looks forward to working with the U.S. House Financial Services Committee to address this significant travesty in funding so that the impacted families and businesses in Houston can implement necessary mitigation so that they will thrive in the future.

I would be happy to answer your questions.

Thank you.