



# HARRIS COUNTY, TEXAS

## COMMUNITY SERVICES DEPARTMENT

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United States House of Representatives  
Subcommittee on Oversight and Investigations  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

### Written Testimony

Daphne Lemelle, Executive Director, Harris County Community Services Department  
Statement before the Subcommittee on Oversight and Investigations Committee  
"The Administration of Disaster Recovery Funds in the Wake of Hurricanes Harvey, Irma and Maria"  
March 26, 2019, 10:00 a.m.  
Room 2128 Rayburn House Office Building.

### **Introduction**

Good morning Chairwoman Waters, Ranking Member McHenry and members of the subcommittee. As Executive Director of the Harris County Community Services Department, I serve in the capacity of administrator of the County's Community Development Block Grant program for both the County Entitlement and Disaster Recovery (CDBG-DR) activities.

Thank you for the opportunity to provide information on recovery efforts and activities in Harris County following the aftermath of Harvey, specifically related to the local perspective in carrying out CDBG-DR activities. First I want to express my gratitude to the committee for holding this hearing and for the work that has been done for ensuring disaster relief for the residents of Harris County who are still in recovery 18 months post storm.

For context, it is important to understand the County's make-up. Harris County, Texas, is the third most populous county in the United States and is home to the city of Houston, Texas Medical Center, Port of Houston, NASA Johnson Space Center, and one of the largest petro-chemical industry clusters in the country. By the end of last year (2018), Harris County's total population was estimated to be 4.8 million, up from 3.4 million since the 2000 census. One unique aspect of the county is that nearly half of the population resides in unincorporated areas of the county, and if incorporated it would make up the second largest city in Texas and the fifth largest city in the country.

Hurricane Harvey was the second most costly tropical cyclone impacting the United States, and particularly affecting Harris County with the most devastating flooding in recorded history in the county.

A total of 1 trillion gallons of water fell across Harris County over the four-day period and covered Harris County’s 1,778 sq. miles with an average of 33.7 inches of water. Per the FEMA Individual Assistance (IA) data, 160,695 households applied for assistance in Harris County (not including the City of Houston), of which only slightly over 53 percent were provided FEMA assistance for immediate recovery.

**Hurricane Harvey, FEMA Individual Assistance in Harris County (excluding City of Houston)**

	<b>FEMA Registrants</b>	<b>FEMA LMI* Registrants</b>
<b>Number Registrants reporting damaged</b>	<b>160,695</b>	<b>112,753</b>
<b>FEMA Verified Loss (FVL)</b>	<b>\$566,569,381.64</b>	<b>\$308,563,212.90</b>
Total FEMA Assistance	\$416,901,867.43	\$240,393,369.51
Average FEMA Assistance	\$5,867.73	\$4,883.27
Registrants that Received Assistance	71,050	49,228
Unmet Need	\$2,357,612,518	\$1,395,382,607
<b>Number Owners</b>	<b>94,208</b>	<b>56,973</b>
Owners with a FEMA Verified Loss	\$516,957,788.80	\$268,585,806.60
Owners Average FEMA Assistance	\$7,909.77	\$6,956.78
Owners that Received Assistance	44,371	26,874
<b>Owners Unmet Need</b>	<b>\$1,729,324,743</b>	<b>\$895,223,885</b>
<b>Number Renters</b>	<b>65,922</b>	<b>55,331</b>
Renters with a FVL	\$49,558,079.05	\$39,935,825.38
Renters Average FEMA Assistance	\$2,476.35	\$2,395.65
Renters that Received Assistance	26,588	22,273
<b>Renters Unmet Need</b>	<b>\$628,287,775</b>	<b>\$500,158,722</b>

\*Low and Moderate Income

**Prior Disasters**

Harris County has been impacted by six Presidentially Declared Disasters in the last ten years.

On September 13, 2008, Hurricane Ike, a Category 2 storm, made landfall along the upper Texas Gulf Coast and was at the time the third most destructive hurricane and the third costliest U.S. hurricane. Harris County took a direct hit from the storm, with projected cost of \$3.58 billion in residential housing damage to over 230,502 housing units and infrastructure damage was estimated at \$582 million to repair critical infrastructure and facilities.

In 2015 and 2016, Harris County suffered four Presidentially Declared Disasters: the Memorial Day floods (DR 4223) of 2015, October floods (DR 4245) of 2015, Tax Day floods (DR 4269) of 2016, and May/June floods (DR 4272) of 2016.

In the 2015 events, FEMA Individual Assistance (IA) reported \$10,553,227 in housing damage. The 2016 events were higher in severity, with \$74,642,169 in FEMA reported housing damage affecting 11,164 housing units. The unmet housing need was \$37,553,806.

The cumulative impact of these past disasters with Hurricane Harvey has been devastating to local residents, businesses, and institutions. Recovery from one disaster has been exacerbated by those floods that followed.

### **Harris County and CDBG DR**

While FEMA is the lead agency in the immediate aftermath of disasters, HUD’s role has typically been to aid states and local governments in longer-term recovery and rebuilding efforts, in large part through CDBG-DR appropriations. Harris County has suffered from significant natural disasters as noted earlier, and CDBG-DR funding has helped us to recover and rebuild.

Following Hurricane Ike, Harris County stood up the Harris County Homeowner Disaster Recovery Program (HDRP). HDRP processed nearly 2000 applications, served more than 500 homeowners with home repair and reconstruction throughout the County, and expended more than \$56M. Additionally, Harris County implemented a Local Infrastructure Recovery program that includes road and drainage improvements, public facility improvements, and resiliency improvements which included the installation of more than 28 generators and hurricane proof shutters in public and non-profit facilities.

For Hurricane Harvey, Harris County is utilizing the \$1.2 billion allocation in CDBG-DR from the State of Texas to again stand up recovery programs that will aid in the buyout, rebuilding and replacement of housing and the implementation of local drainage improvement programs county-wide.

### **Local Experience as Subgrantee of the State**

#### **Timelines**

While CDBG-DR has been an effective funding source and program assisting Harris County in its recovery, the process by which the County has received its funds has often been fraught with delays and other impediments to efficient recovery. The delays have occurred because Harris County is not a direct grantee but is a subgrantee of the State. The nature of sub-granting inherently adds time to the implementation of recovery programs due to the required contract negotiations, and pass-through rules and other requirements of the prime grantee. While Harris County did experience some improvement in the reduction of time with Harvey when compared with prior disasters, the processing time frame is still far too long. Harris County executed its contract for \$909 million of its \$1.2 billion in CDBG-DR funds with the State of Texas General Land Office on the January 29, 2019—17 months post Harvey land fall.

As a subgrantee, Harris County had to await the State’s publication of its plan, and following the approval of the State’s plan had to await approval of our own local plan for use of funds. While the County was steadfastly developing its recovery activities and preparing its local plan, the subgrantee process delayed

the distribution of needed recovery resources to our communities simply due to the administrative process.

As a direct grantee, Harris County may submit its plan and receive its grant agreement directly from HUD removing the estimated three to six month delay in receipt of its funds. Harris County is a HUD entitlement community, and has capacity to implement its own programs, and administer grant agreements directly under HUD.

<b>Harris County Timeline- CDBG-DR Harvey Recovery</b>
<b>August 27-30, 2017</b> —Hurricane Harvey creates historic flooding in Harris County
<b>October 30, 2017</b> —launch of <b>Harvey Project Recovery portal</b> for Harris County citizens to complete pre-application/survey registering unmet needs for long-term recovery assistance
<b>February 9, 2018</b> —HUD allocates \$5.025 billion to the State of Texas
<b>June 25, 2018</b> —HUD approves Texas Action Plan for Harvey Recovery
<b>July 10, 2018</b> —Commissioners Court approves submission of local Action Plan
<b>September 6, 2018</b> —Texas General Land Office (GLO) publishes Amendment 1 including Houston and Harris County’s local plans to State Harvey Action Plan
<b>October 12, 2018</b> —GLO submits Amendment 1 to HUD for review and approval
<b>October 23, 2018</b> —Commissioners Court approves Method of Distribution (MOD) for \$120 million for local impacted cities and unincorporated Harris County
<b>December 11, 2018</b> —HUD approves Amendment 1 to State Harvey Action Plan
<b>January 29, 2019</b> —Execution of Contract between Texas GLO and Harris County for first \$909 million of \$1.2 billion includes housing, planning and administrative funding

### **Program Flexibility**

Every disaster is different and requires local flexibility to effectively respond and recover. As a subgrantee, Harris County’s CDBG-DR recovery programs become an extension of the State’s plan which at times may conflict with rules and priorities that are set at the state level. When conflict arises it may be necessary to amend the plan which may again delay program implementation, but in some cases may impact the local delivery of recovery programs.

For example, Harris County is currently opposing a state implemented rule that requires rebuilding of homes based on household size even if it means a reduction in home value. Harris County believes this rule to be detrimental to the local homeowners and housing stock, as well as may have a discriminatory impact on certain households.

As a direct grantee, Harris County would not be subject to State level rule making that is based on a broad geography of a state that must encompass a multitude of communities. Harris County would have the local control and flexibility to respond to the needs of its local residents and stand up programs with rules in the best interest of building a more resilient Harris County and community.

### **Conclusion**

In general, while the regular CDBG program is known to be quite flexible, the CDBG-DR program is considered even more flexible in large part due to the broad waiver authority usually granted by the Secretary, in order to allow states and local governments to quickly and effectively respond to the disaster recovery needs of their communities.

However, given the issues highlighted above with timeliness and the layering of additional rules, it is important to explore options to expedite the recovery process. Previous legislation has provided the Secretary of HUD with the discretion to make direct allocations to local governments. Harris County, home to over 4 million residents, has not been awarded such an allocation, but must continue to operate as a subgrantee of the State.

I would encourage the committee to consider that as a part of any CDBG-DR reform or codification of the CDBG-DR program include the requirement of direct allocation to entitlement communities similar to the process followed for cities and urban counties with populations over 50,000 under the CDBG program. As an added measure, the allocation could be made contingent upon good standing with a community’s administration of its CDBG entitlement funds to ensure local capacity to administer. Alternatively, local grantees could always have the option to defer any CDBG-DR allocation to the State.

It is my hope that any reform of CDBG-DR consider these facts and allow recipients the flexibility they need to respond and recover as quickly as possible from such disastrous events as they occur.

In closing, I appreciate the opportunity to appear before this committee and thank you for the support that you have shown to Harris County, Texas in the aftermath of one of the costliest natural disasters in U.S. history. I welcome any questions you may have.