June 21, 2023

Texas General Land Office 
Community Development and Revitalization 
P.O. Box 12873 
Austin, TX 78711-2873

SUBMITTED VIA EMAIL: cdr@recovery.texas.gov

Subject: Comments on GLO Draft Hurricane Harvey CDBG-DR Amendment 12

To whom it may concern:

Texas Housers is a non-profit corporation with offices in Houston, Austin, and San Antonio. It is the principal statewide advocacy group focused on expanding housing opportunities for low-income residents of Texas. We have actively worked to ensure the fair and equitable treatment of Texas hurricane survivors for more than fifteen years. These are the comments of Texas Housers on the Texas General Land Office’s Draft Hurricane Harvey CDBG-DR Amendment 12.

This amendment ends or reduces funding for a number of housing recovery programs and transfers those funds to infrastructure to be carried out by the Harris County Flood Control District.

We oppose ending funding for housing recovery, and we support additional funding for flood control infrastructure from appropriate sources.

CIVIL RIGHTS OBJECTION

The number of low- and moderate-income households assisted with housing recovery post-Hurricane Harvey in Houston and Harris County is far below the numbers that should have been served based on the number of applications received. Despite the fact that Houston and Harris County suffered the most severe impacts from Hurricane Harvey, the rates of households receiving housing assistance are dramatically lower than households in other regions of the state. As shown below, the rates of GLO rejection of applicants and/or closing of applications without providing assistance is significantly greater in Harris County than any other region of Texas. In Amendment 12, the GLO fails to provide any data or analysis disclosing or explaining these disturbing facts. At the least, this represents a dramatic failure of local and state governments to competently administer housing assistance programs in Houston and Harris County and fundamentally undermines the GLO’s assertion that no further housing assistance is needed.

Even more troubling is that, given GLO’s past practices of racial discrimination, Amendment 12 is a continuing part of GLO’s discrimination against African-American and Hispanic survivors of Hurricane Harvey.
The GLO, in violation of Title VI of the Civil Rights Act of 1964, in an earlier awards process withheld CDBG-MIT funds from Harris County, the City of Houston and several other major cities through a racially discriminatory awards process. The GLO has refused HUD’s request to negotiate a remedy to that discrimination.

With this amendment, the GLO proposes to take away the remaining funds needed to repair or rebuild housing in Houston and Harris County from a population of renters and homeowners who are largely African American and Hispanic in order to restore some of the funds for flood control that GLO improperly withheld from these same African American and Hispanic households. The proposed amendment harms the victims of the initial act of discrimination by depriving them of funds to rebuild their homes for the sake of restoring infrastructure funds that were improperly withheld from them. The proper remedy, which GLO has failed to exercise, is to reallocate the funds awarded to other jurisdictions to Harris County, Houston and the other jurisdictions the GLO discriminated against. This Amendment evidences a continuing pattern and practice of racial discrimination on the part of GLO.

**NO SUPPORTING DATA OR ANALYSIS OF REMAINING HOUSING NEED**

Without offering any supporting data, GLO justifies Amendment 12 on the unsupported assertion that there are no remaining unmet housing recovery needs in Houston/Harris County.

Defunding housing assistance should not be carried out in the absence of supporting data.

**INDICATIONS OF A LARGE UNMET HOUSING NEED**

GLO has failed to make available adequate data to permit an assessment of the agency’s performance in administering CDBG-DR funds for housing assistance.\(^1\) This practice is the subject of ongoing litigation.\(^2\) While the public is left to rely on incomplete data, a pattern does emerge suggesting a large unmet need that raises troubling questions regarding the record of the City of Houston, Harris County and the GLO in administering the housing assistance programs.

**WE ESTIMATE ONLY 6.25% OF OWNER-OCCUPIED NEED WILL BE MET**

According to the City of Houston’s end of month transparency report\(^3\), dated September 30, 2020, the City of Houston had 16,643 potential applicants for housing repair or rehabilitation in their intake system. Of those, 10,229 of those Houstonians had been initially screened for LMI status and qualification and invited to apply and 1,656 applicant intakes had been completed. There is no comparable data available for Harris County, but given the population and storm impact, it is reasonable to expect a similar number of likely qualified households to that within the city existed in the county. In other words, the Houston/Harris County application pool was likely in excess of 32,000 households.

The proposal to terminate housing programs disproportionately impacts African Americans and Hispanics. According to a February 2023 GLO newsletter, as of January 25, 2023, over 89 percent of the applicants in the State-administered city of Houston program were African American or Hispanic.

---

\(^1\) There is little transparency about the GLO’s work in Houston and Harris County. The GLO sends out a monthly newsletter that excludes Houston and Harris County numbers. They send a separate newsletter, of which there have been 8 editions from May 2022 - Feb 13, 2023. There has not been another newsletter since the January update sent out in February.

\(^2\) Texas General Land Office v. Paxton, D-1-GN-22-005242 (Travis County District Court)

On October 8, 2020 GLO terminated the City’s administration of the single-family housing program and GLO assumed operation of the program.

According to the GLO’s February Houston/Harris newsletter, as of January 25, 2023, the GLO had “744 completed homes, 201 homes under construction, and 655 approved for construction” in the city of Houston. If none of these numbers overlap or drop out, this totals exactly 1,600 homes that will be repaired or reconstructed. As of June 9, 2023, the GLO reported in unincorporated Harris County that it completed 300 homes, 22 are under construction, and 78 are approved for construction, totaling 400 homes. An additional 2,054 applications were closed or deemed inactive and terminated.

If none of these numbers overlap or drop out, this totals exactly 2000 homes that will be repaired or reconstructed in Houston and Harris County when the program ends. This is only 6.25 percent of the estimate of applications received and screened.

**HIGH NUMBER OF HOUSTON/HARRIS COUNTY APPLICANTS GOT NO ASSISTANCE**

As of June 9, 2023, the GLO reported receiving 2,593 applications from Harris County residents outside the City of Houston. An astounding 2,054 (79.2%) of the applications from county residents received no assistance and were classified “inactive/closed.” We were unable to find data from the GLO concerning “inactive/closed” cases for residents living in the city of Houston, but we expect it to be similar to the extremely high rates experienced in the county.

We created the table below from data reported by the GLO in a report this month. It shows data of applicants received, households whose applications have been approved, construction is underway or construction complete and the number of applications that are classified “closed/inactive”. The GLO reported no data for activities in the city of Houston.

As the epicenter of Hurricane Harvey, the State-administered Harris County program reports receiving 2,593 applications; we are unaware of how many applications were received by the Harris County-administered program before the GLO took over in January 2020. This number is lower than all but two of the State-administered programs in other Councils of Government (COG). This suggests a woeful lack or failure of outreach on the part of GLO to Harris County residents.

The program in Harris County has also been extraordinarily slow to provide assistance. Only 15.4% of the applications are in the “approved/underway/construction complete” category. Two of the five COG programs have rates approaching 50 percent.

As noted earlier, 79.2 percent of the Harris County applications failed to result in any housing assistance. All of the other areas had significantly lower rejection/termination rates.

Taken together this data shows that the GLO’s justification for Amendment 12, the assertion that the housing need in Houston and Harris County has been met, is incorrect.

---

<table>
<thead>
<tr>
<th>Jurisdiction or Council of Government</th>
<th>Applications received</th>
<th>Approved/underway/const. complete</th>
<th>Percent approved/underway/const. complete</th>
<th>Closed/inactive</th>
<th>Percent closed/inactive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central / Golden Crescent region</td>
<td>1,146</td>
<td>569</td>
<td>49.7%</td>
<td>407</td>
<td>35.5%</td>
</tr>
<tr>
<td>Coastal Bend region</td>
<td>2,946</td>
<td>1,557</td>
<td>39.2%</td>
<td>967</td>
<td>32.8%</td>
</tr>
<tr>
<td>Deep East Texas region</td>
<td>1,267</td>
<td>629</td>
<td>49.6%</td>
<td>375</td>
<td>29.6%</td>
</tr>
<tr>
<td>HGAC East Gulf Coast region</td>
<td>3,676</td>
<td>1,325</td>
<td>24.0%</td>
<td>1751</td>
<td>47.6%</td>
</tr>
<tr>
<td>HGAC West Gulf Coast region</td>
<td>1,756</td>
<td>422</td>
<td>24.0%</td>
<td>1121</td>
<td>63.8%</td>
</tr>
<tr>
<td>South East Texas Region</td>
<td>3,675</td>
<td>1,186</td>
<td>32.3%</td>
<td>2232</td>
<td>60.7%</td>
</tr>
<tr>
<td>Harris County</td>
<td>2,593</td>
<td>400</td>
<td>15.4%</td>
<td>2054</td>
<td>79.2%</td>
</tr>
<tr>
<td>City of Houston</td>
<td>no data reported</td>
<td>no data reported</td>
<td>no data reported</td>
<td>no data reported</td>
<td>no data reported</td>
</tr>
</tbody>
</table>

Furthermore, taking into consideration the data originally established in Amendment 1\(^5\) of this Action Plan, there is a drastic difference between the unmet need reported in 2018 and the assistance attained by Houston and Harris County residents through CDBG-DR funds. The Houston area filed almost 250,000 residential property claims to insurance companies with the amount loss rising to $800 million. Harris County residents filed 33,730 National Flood Insurance Program claims and accounted for 68% of properties categorized as repetitive loss.

Figures 22, 24, and 25 from Amendment 1 show the total housing unmet need and the owner-occupied and renter-occupied unmet need. It is clear from these figures that Harris County was one of the most devastated areas hit by Hurricane Harvey and suffered extreme housing loss.

---

IMPROPER LMI TARGETING

Amendment 12 proposes to require the Harris County Flood Control District to expend 50 percent of the new funds on low- and moderate-income (LMI) households. Due to the failure of the GLO to fairly allocate adequate infrastructure funds to Harris County, the county disproportionally allocated county flood bonds and other funds to non-LMI areas. This left a huge deficit in funding for projects that provide flood protection for LMI neighborhoods. This problem has been extensively publicly discussed in the press.

Yet in Amendment 12, GLO proposes to only require Harris County to expend the statutory minimum of 50 percent of these reallocated funds to the benefit of LMI households. Given the past underfunding of LMI neighborhoods (which has a large negative disparate racial impact on African American and Hispanic households) a 50 percent LMI benefit level is completely inadequate.

The LMI targeting of future CDBG-DR funds awarded to Harris County should provide that all CDBG-DR funds received should benefit LMI households.

We ask GLO to withdraw Amendment 12 and remedy the failures to market and operate the housing program to equitably serve Houston and Harris County. We also ask GLO to enter into discussions and reallocate CDBG-MIT funds to the City of Houston, Harris County and other jurisdictions to address the flood control needs in these jurisdictions in a non-discriminatory manner.

Thank you for your consideration of these comments.

Sincerely,

[Signature]

Julia Orduña
Southeast Texas Region Director