

March 3, 2025

Houston City Hall
901 Bagby Street
Houston, TX 77002

Subject: 2025 Community Development Block Grant for Disaster Recovery funding

Mayor John Whitmire, Houston City Council, and Housing Director Mike Nichols,

On January 16th, 2025, the U.S. Department of Housing and Urban Development announced that the City of Houston would receive \$314,645,000 in Community Development Block Grant for Disaster Recovery (CDBG-DR) funding for 2024's April floods, May derecho, and Hurricane Beryl. After decades of working beside Texans to ensure they receive the resources they need to quickly and properly recover from disaster, our organizations have the combined experience to understand how crucial CDBG-DR funds must be used for long term recovery. As the City drafts its Action Plan describing how it plans to use CDBG-DR funds to address unmet disaster recovery needs, these basic principles and specific recommendations – put forward by Houstonians who have been directly affected by disasters – will guide the successful development of disaster recovery programs funded by CDBG-DR.

CDBG-DR funds are explicitly appropriated and allocated for “the unmet needs of specific communities, which are the least likely to fully recover without additional assistance”¹ and can only be used to address long-term recovery and restoration of housing and infrastructure, economic revitalization, and mitigation in the most impacted and distressed areas. CDBG-DR is the only funding available for permanent housing recovery for low and moderate-income families after a disaster, and the needs of low and moderate-income disaster survivors must be given “maximum feasible priority.” The City has direct experience of what happens when CDBG-DR funds are allocated away from the most impacted areas and are not used to meet the most urgent disaster recovery needs in violation of federal law. It is that experience that must inform how this appropriation of CDBG-DR funding is spent in order to benefit the most impacted Houston families and to ensure that all Houstonians can fully recover.

Basic principles for disaster recovery program design

1. Disaster recovery programs must fairly benefit the most impacted families and households, especially those with the fewest resources to recover on their own.
2. Disaster recovery programs should be efficient and follow effective administrative practices.
3. Disaster survivors must have a central role in the design and oversight of disaster recovery programs.
4. Disaster recovery programs should replenish and expand the number of affordable units in Houston.

¹ 90 F.R. 1758

Administer Programs in a Manner that Affirmatively Furthers Fair Housing

CDBG-DR and CDBG-MIT grantees must use their funds in a manner that affirmatively furthers fair housing, which means not just refraining from discrimination, but proactively addressing past segregation by ensuring that people can choose where they live and remedying the impact of historical disinvestment on formerly segregated neighborhoods. Consistent with HUD's "Universal Notice" Federal Register (F.R.) guidance, the City must create a citizen advisory group that "represent[s] the demographics of the community it is supporting."² This group, along with the needs assessment and fair housing and civil rights data assessment required by the F.R. guidance, should inform the process as it unfolds, not after project proposals are finalized. The City should explain how they will implement this advisory group and who will be involved.

Principles for High Quality Programs for Homeowners, Renters, and Infrastructure

A large proportion of the homes damaged by the late April floods, May derecho and Hurricane Beryl were owned by low- and moderate-income families. Houston remains a rare place where households of modest means can afford to own homes, so it is vital to use CDBG-DR funds to ensure that this affordability is maintained. By fully leveraging CDBG-DR to protect the city's housing stock, the City will be using one of the only sources of federal housing support for affordable housing. Past disasters have repeatedly taught us that to meet this challenge, the City must ensure accountability, transparency, high levels of care and respect for survivors, responsiveness and income proportionality. We've learned that for buyouts to improve family's lives rather than disrupt them, the buyouts should be voluntary, community-driven, and fairly compensated.

Renters have historically been disproportionately underfunded or excluded from disaster recovery programs, making it harder for these households, who already experience less housing stability as a baseline, to recover. The majority of Houston residents, almost 60%, are renters.³ Assisting and stabilizing renters after a disaster is imperative to the stability of the region. Renter programs should directly target and assist impacted renters in meaningful ways, including rental assistance. Affordable rental housing units damaged and destroyed by the disasters must be repaired and rebuilt, but these programs can result in poor choice and construction standards for renters, and an overall loss of affordable units. Developer accountability, the production of housing units affordable to families at the lowest income levels, and long-term affordability are imperative.

Infrastructure projects must appropriately target disaster-impacted communities and prioritize infrastructure in historically underserved communities that did not have adequate investments in housing, water, and wastewater infrastructure before the disasters.⁴ Infrastructure projects must also prioritize flood mitigation over other infrastructure investments, and electricity and grid

² 90 F.R. 1768-1769 ("For example, a citizen advisory group in a community that is predominantly renters should include individuals who are renters. A citizen advisory group in a community that has a large share of a specific racial or ethnic minority group should include members of that specific racial or ethnic minority group.")

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<https://www.houstontx.gov/planning/Demographics/2024-council-districts/demographics-tables/2024/4.%20Housing%20Tenure.pdf>

⁴ 90 F. R. 1758

investment must go towards publicly owned resilient infrastructure, back up power, and damage. If buyouts are used as a form of mitigation, this should only be pursued after deep coordination and participation of residents of the area.

Houstonians have learned a great deal from the natural disasters the city has faced – our government should capitalize on these hard lessons and work toward an improved, informed recovery. By implementing the lessons learned from past disaster recovery programs and properly using CDBG-DR funds for eligible uses, the City can help all disaster survivors easily access the guaranteed funding these programs are required to provide without the unnecessary further traumatization and frustration of a delayed recovery process.

Attached to this letter, you will find [an appendix with complete policy proposals](#) related to programs for homeowners and renters, as well as infrastructure programs.

Thank you for your time and consideration on this matter.

Sincerely,

Another Gulf Is Possible
Art in the Heart
Bayou City Waterkeeper
Black Heritage Society Inc.
Coalition for Environment, Equity, and Resilience
Coalition of Community Organizations
Denver Harbor Civic Club
Fair Housing Neighborhood Rights
GC Community Development Corporation
Grace Cathedral Church of Houston
Greater Fifth Ward Super Neighborhood Council #55
Gulfton Super Neighborhood Council #27
Harvey Forgotten Survivors Caucus
Hope Disaster Recovery
Houston Climate Justice Museum & Cultural Center
Houston Tenants Union
Impact Fifth Ward Justice

Kashmere Gardens Super Neighborhood Council #52
La Unidad 11
Mi Familia En Accion
Northeast Action Collective
Our Afrikan Family
Prevention Institute
Pure Justice
Sewa International
Solar United Neighbors
Solel International INC
Sunrise Movement Houston
Texas Appleseed
Texas Housers
The Official Sunnyside Civic Club
The Praxis Project
The Restoration Team
Transform Public Health
Verde Forest Section 2 Civic Club
West Street Recovery

This letter was delivered to the Mayor, City Council members and the director of the Housing & Community Development Department on March, 4, 2025. The following organizations have sign-on to this letter after its delivery. Our continued and ongoing disaster recovery efforts employ coalition and cross-sector collaborations where we trust someone's lived experience as expertise. This ever-growing list reflects the network of organizations and communities who are interested in an improved disaster recovery process in the City of Houston.

PLEASE ADD YOUR ORGANIZATION'S NAME BELOW

Freedmen's Town Conservancy
New Economy for Working Houston
Northeast Houston Redevelopment Council
Northwood Manor Civic Club
Trinity/Houston Gardens Super Neighborhood Council #48
Trust CHW

APPENDIX

Basic Principles for Disaster Recovery Program Design

Disaster recovery programs should be fair, efficient, and community-driven.

1. **Disaster recovery programs must benefit the most impacted families and households, especially those with the fewest resources to recover on their own.**

Seventy percent of CDBG-DR funds are intended to benefit Low to Moderate Income (LMI) families. Tailoring programs to benefit communities with a high proportion of LMI households and unmet needs not only complies with federal law but ensures that CDBG-DR funds benefit the most impacted families and communities so that all Houstonians can recover. Fair access to disaster recovery programs means making program materials and case management accessible in a survivor's primary language and at a literacy level that the public can easily understand. Fair disaster recovery programs give participants agency to decide their future, including providing families with resources regardless of whether they decide to relocate or rebuild.

2. **Disaster recovery programs should be efficient and follow effective administrative practices.**

When coordinating an Action Plan, the City should use the most current FEMA maps and floodplain standards to assess area flood risk and heavily impacted areas. This information should be accessible and in easy to understand language for residents to better understand the City's funding plans.

Following Harvey, private client services firms badly botched client management which led to years of stalled progress, a climate of mistrust and a missed opportunity for the City to repair the homes of survivors. To avoid mismanagement and improve accountability and transparency, the City must create a clear interface for applicants. Program information should be spread widely and include a single point of entry for community members to apply, ask questions, and continue interacting with the program administrator and staff. Survivors should be able to enter their information one time into a simple application that assesses their eligibility for multiple programs.

Experienced and knowledgeable case managers can dramatically improve the experience of disaster survivors. Case managers must be familiar with residents' cases and be able to consistently explain case status and clear next steps. The City should prioritize hiring impacted people to serve as case managers, to improve the economic stability of residents and allow clients to better understand where their applications stand, what documents they must provide and how long of a wait time they can expect.

Short-term recovery funds and long-term recovery funds must be coordinated and expanded on, ensuring that short-term recovery funding does not impede survivor's access to long-term recovery programs.

3. **Disaster survivors deserve a central role in the design and oversight of disaster recovery programs.**

The City must include a Community Advisory committee, and should include direct community oversight made up of a representative group of residents in affected

neighborhoods to guide the creation and implementation of large-scale housing and infrastructure projects. These groups can help identify gaps in effective program delivery and disqualify contractors who have provided poor service to disaster survivors after previous storms. These groups will be provided with funding and decision-making power. The jobs created by these projects should be well-paying jobs for locally hired workers that contribute to the financial recovery and future resilience of families and communities.

4. Disaster recovery programs should replenish and expand the number of affordable units in Houston.

Houston families already face a severe shortage of affordable housing; disaster recovery programs must not reduce the number or accessibility of affordable units. The CDBG-DR guidelines mandate that “all occupied and vacant occupiable lower-income dwellings units that are demolished or converted to a use other than lower-income dwelling units in connection with a CDBG-DR assisted activity must be replaced with comparable lower-income dwelling units.” Housing units repaired or constructed with CDBG-DR funds must include homes affordable to families with incomes at 50% and 30% AMI and units accessible to people with disabilities. In addition to adhering to that requirement, Houston should mandate that affordable housing units developed using CDBG-DR funds remain affordable for a period of 45 years.

Follow best practice and HUD Universal Notice requirements to affirmatively further fair housing and ensure effective disaster recovery.

Under the Fair Housing Act, CDBG-DR grantees must use their funds in a manner that affirmatively furthers fair housing, which means not just refraining from discrimination, but taking steps to overcome segregation by both ensuring that people can choose where they live and remedying the impact of historical disinvestment on formerly segregated neighborhoods. This obligation is central to effective disaster recovery for all of Houston. Pre-existing disparities in infrastructure, storm protection, and geographic and social vulnerability are exacerbated by disasters, and recovery programs that do not affirmatively address these disproportionate impacts exacerbate inequality and increase the vulnerability of underserved groups and communities to the next disaster. Disasters can plunge even middle class families into poverty, which hurts not only individual families, but the whole community.

HUD’s Federal Register Notice (“Notice”) requires grantees to base their planned use of CDBG-DR funds on a needs assessment that incorporates unmet disaster recovery needs, mitigation needs, and a fair housing and civil rights data assessment that includes protected classes under the Fair Housing Act, vulnerable populations, like older adults, and underserved communities that were economically distressed before the disaster.⁵ There must be a clear connection between the grantee’s assessments and its proposed programs and projects, reflecting CDBG-DR’s role in addressing the needs of disaster survivors that are not met by other federal programs or funding sources, especially in lower income areas.

To effectively recover and be more resilient when the next disaster hits, the City must consider how past discriminatory investment and development patterns impact vulnerability and ability to

⁵ 90 F.R. 1759-1760.

recover from disasters. For example, redlining in Houston is linked to flood risk disparities.⁶ Simply stating in action plans that “program guidelines will be developed in ways that address fair housing impediments and promote a recovery that is equitable” and committing to affirmative marketing is not adequate.⁷

HUD’s Federal Register (F.R.) guidance requires that administrators consult with advocacy organizations working on behalf of protected classes, vulnerable populations, and underserved communities impacted by the disaster to help address fair housing and civil rights requirements. Consistent with HUD’s guidance, the City must create a citizen advisory group that “represent[s] the demographics of the community it is supporting.”⁸ This advisory group should inform the planning process and the City should not wait to convene this group until after project proposals are finalized. The City should explain how they will implement this advisory group and who will be involved.

Recommendations for Homeowner Programs

- 1. Disaster Survivors deserve the right to choose how to recover by being provided high quality information.**

Homeowners who are receiving assistance have the right to understand what options are available to them and should be given opportunities to choose which program paths are best for their family. For instance, homeowners should be able to decide if they receive a voluntary buyout or rebuild their homes.⁹ High quality information and choice will generate feelings of respect in program participants and will ensure that participants get to the best outcome possible. Too often in the past recovery programs have not given people this sense of dignity.

- 2. The City must continue to serve disaster survivors proportionally by income category to ensure that program beneficiaries are not drawn solely from the most advantaged eligible survivors.**

While many families need help, the City must continue to focus on the lowest income applicants who are the least likely to be able to recover on their own. This requires setting aside a percentage of funds for households with incomes at or below 30% of AMI, 31-50% of AMI, and 51-80% of AMI proportional to their relative percentage of households with unmet housing need as established in the city’s Needs Assessment in the Action Plan.

- 3. The City must create processes that promote trust and accountability between contractors, disaster survivors and the government.**

⁶ Bidadian, B., Strager, M. P., Butler, P., & Ghadimi, H. (2024). Flood Risk Impacts from an Unlikely Source: Redlining Efforts of the 1930s in Houston, Texas. *Environmental Justice*.

<https://doi.org/10.1089/env.2023.0027>

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<https://www.glo.texas.gov/sites/default/files/resources/cdr/documents/action-plans/2017-hurricane-harvey/harvey-5b-sap-amend1.pdf> p 196

⁸ 90 F.R. 1768-1769 (“For example, a citizen advisory group in a community that is predominantly renters should include individuals who are renters. A citizen advisory group in a community that has a large share of a specific racial or ethnic minority group should include members of that specific racial or ethnic minority group.”)

⁹ HOP program

Homeowners should be able to contract their own builders from approved lists who can carry out scopes of work that align with program criteria. The contractor must be accountable to the homeowners, who must be given clear scopes of work and timelines. Homeowners must be given the name and contact information of all firms working on their homes including subcontractors. The City must create and enforce communication standards for contractors that benefit from government-funded work. Furthermore contractors must use high quality materials and adhere to up to date building standards and resilient construction designs. When issues with contractors arise, the City must support homeowners in rapid and just resolution of disputes. At the end of the day, clients should approve work that has been completed before contractors are paid for their work, and clients should be given a clear pathway to request support from contractors if their home breaks down quickly.

4. The City should use the home repair program to support local small businesses so that the benefits of this historic investment are multiplied.

Survivors of past storms believe that working with local contractors and small businesses deepens trust and improves outcomes. Furthermore, it ensures that the benefit of investment is multiplied. The family benefits and so does the community that the contractor is part of, both economically and in terms of increased capacity to respond to future disasters. For this reason, the City should prioritize not just firms from Houston but firms owned by residents of the areas most impacted by the Spring storms and Hurricane Beryl which qualify as LMI communities. Finally, hyper local contracting carried out in an environment of high trust will facilitate a faster response which we know is a key determinant of a survivor's health and financial outcomes. The City should carry out economic engagement opportunities to establish connections and commitments prior to disasters striking.

5. Buyouts should be voluntary, fairly compensated, and community-driven.

Buyout recipients should be given time and resources to select a comparable home in a location of their choosing. This means that the City should provide funding at the cost of comparable replacement not at fair market value for the recipient's current home, which may require the City to supplement CDBG-DR funds with other resources. If the City is unable to provide homeowners with sufficient funds to purchase a comparable home of their choosing, alternatives to buyouts should be pursued.

Recommendations for Renter Programs

1. Fund renters proportionate to impact.

Renters should be funded proportionate to the disaster harm that renters have experienced. Renters are notoriously underserved in most disaster recovery programs, but the harm and loss that they suffer during and after a disaster from housing instability is potentially greater even than owners, who are historically better served after a disaster.

2. Tie renter recovery to renter-survivors themselves, not providers.

Renter-survivors, and not renters in general, must be the direct beneficiaries of recovery funding targeted to renters. In past programs, funding for rental housing has been delivered

to rental housing developers and providers to build and rehab multifamily rental housing. This investment often takes years to come to deliver actual units. By then, it is too late to directly serve renters who were displaced due to the disaster. We have seen other disaster recovery programs that target renters take the form of “counseling services” which are often not helpful or available when needed. The City should consider alternate renter recovery programs such as renter reimbursement programs and funding for storage units, relocation assistance, and security deposits. Funding for development and rehabilitation of rental housing should be tied to strong right to return policies and preferences for renters displaced by the disaster.

3. Keep clear and accurate case files for individual renter survivors.

Renter survivors typically are not tracked well enough to connect them with housing opportunities when they become available. The City must work with rental housing owners and operators, as well as FEMA and HUD, to ensure that they are keeping accurate records of renter survivors who need assistance. Developers and building operators with displaced tenants who receive recovery funding must maintain lines of communication with affected tenants, even after they relocate. They must provide meaningful communication to tenants at the property about rehab efforts, timelines, and expectations. They must notify tenants with appropriate notice of any activities and decisions that are being made about the property. The City must advertise a hotline or direct line of communication for renters who are living in disaster-affected units or displaced due to the disaster and maintain a contact record.

4. Renter recovery should increase the total amount of affordable rental housing available, and those units should be affordable to low-income people.

Units created and rehabilitated with disaster recovery funding should meet or be deeper than the affordability levels required for the incomes of renter-survivors. Affordable rental housing that uses disaster recovery funds should have robust affordability period requirements of 45 years at a minimum. Forty-five years is the standard for low-income housing tax credit (LIHTC) properties in Texas, and this standard should be used as a baseline here as well.

5. Require enhanced construction standards and reserves policies for rental housing production and rehabilitation to avoid having to refund projects in the future.

Too often, rental properties repaired with disaster recovery funding fall back into disrepair and uninhabitable conditions in the next disaster. This is especially true at properties that change ownership multiple times in the years following a disaster. We have seen many of the rental properties identified in the Hurricane Harvey Action Plan continue to experience significant and recurring conditions issues. The City must require higher standards for resilience at these properties, following existing and established local and federal resilient building plans and standards. This includes requirements for the use of appropriate building materials and meeting appropriate pay wage standards. It also includes more robust replacement reserves policies, so that when the next disaster strikes – or even in blue skies – these properties have funds available to handle needed repairs to ensure habitable and

dignified housing for residents there.

6. Site selection criteria should increase access to neighborhood choice and opportunity.

Construction of rental housing with disaster recovery funding should promote neighborhood choice. Renter survivors should have the right to stay in their neighborhood as well as the right to relocate to another neighborhood. Housing in Houston is still segregated to a significant degree. Site selection criteria for rental housing investments made with disaster recovery funding should include fair housing considerations. They should be made in areas that are safe from environmental hazards, including flooding.

Recommendations for Infrastructure Programs

1. Prioritize repairing and hardening infrastructure, especially drainage and flood infrastructure, that directly protects people and property from storms and floods.

CDBG-DR funding must be used directly to recover from specific disasters. Funding may not and must not be used to augment or replace general revenue. Unmet need for drainage and flood mitigation infrastructure is greater than the funding available. The City must prioritize these essential infrastructure investments over other investments that will not have such a direct impact on protecting people and property from storms and floods. Historically disinvested areas with substandard infrastructure should be prioritized for investment.

2. Electricity and grid investment must go to publicly-owned resilient infrastructure, back up power, and storage.

CDBG-DR money should go towards helping Houston improve backup power systems, creating strategic redundancy that builds resilience, and uses these investments to protect the most vulnerable Houstonians from the risks created by power outages. It is essential that these investments are owned by governments and do not enrich private actors who have prioritized profit over community resilience, allowing vulnerabilities to persist.

3. Infrastructure plans should only be pursued after deep coordination with and participation of the residents of the area.

Infrastructure projects that improve the surrounding areas must be done in collaboration and with respect to existing communities. Many of these low-lying areas are located in historic neighborhoods. Planning must ensure that historic landmarks and pillars of the community are preserved.