



# NEWS

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## **State housing agency seeks management firm to speed delivery of hurricane disaster recovery funds**

*Private contractor to administer \$222.3 million in federal funds to rebuild homes, communities devastated by Hurricane Rita*

(AUSTIN) — In a bid to dramatically increase the pace of recovery efforts in southeast Texas, the Texas Department of Housing and Community Affairs (TDHCA) today announced that it is seeking an outside project management firm to expedite the delivery of \$222.3 million in federal hurricane disaster recovery funds targeting communities devastated by Hurricane Rita.

TDHCA has issued a request for proposals (RFP) to help state housing officials select a contractor with the expertise and resources to provide turnkey service and administer these funds as quickly as possible in accordance with both state objectives and federal guidelines. Assistance will target the coastal community of Sabine Pass, nearly obliterated by the storm, as well as homeowners in a 22-county region whose homes were damaged but not adequately covered by homeowner's insurance.

According to Michael Gerber, TDHCA Executive Director, the Department is taking this action to ensure disaster recovery funds are expended as quickly and in as efficient a manner as possible.

“Given the complex task of managing a recovery program of this magnitude, and the large amount of funds involved, it was clear that the Department would need additional staff resources and technical expertise,” Gerber explained. “As a result, we worked with local leaders to find the best approach to aid them with their recovery, and the Governor, the Department and local leaders all agreed that a third party contractor would be the most effective means for delivery of assistance.”

The RFP is being published in the *Texas Register* and the State of Texas E-Grants system, as well as on the Department's website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us). Funds for this disaster recovery effort were provided through the federal Community Development Block Grant Program (CDBG) by the US Department of Housing and Urban Development (HUD).

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The Department will make \$210.3 million of the \$222.3 million in the form of grants and loans to low to moderate income homeowners in a 22-county area whose homes were destroyed by the 2005 storm. The counties include Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, and Walker.

Financial assistance, capped at \$40,000 per household, will be based on the physical condition of the dwelling and will not include its contents or other personal property. Homeowners must prove ownership of the home and clearly establish that the damage was the direct result of the hurricane.

Gerber said that funds will be made available on a first-come/first-served basis and restricted to households earning no more than 80 percent of the area median family income. Up to 20 percent of the \$210.3 million will be set aside for special needs households, specifically the elderly and persons with disabilities.

The remaining \$12 million will be set aside to help restore the community of Sabine Pass, the point at which Hurricane Rita made landfall. The Department will make up to \$40,000 available per household for home repairs or reconstruction, or for relocation out of the immediate flood zone. While assistance will be available to homeowners earning up to 150 percent of the area median family income, half of all Sabine Pass homeowners are of low to moderate income.

Homeowners may also apply for up to \$30,000 per household to help defray the costs of elevating repaired or reconstructed homes to better survive future flooding events. Gerber added that homeowners whose household includes a person with a disability may apply for an additional \$15,000 for costs associated with making a newly elevated home accessible to the disabled individual.

HUD in April approved TDHCA's action plan to utilize \$428.6 million in federal CDBG funds toward the state's recovery efforts. The Department previously issued a notice of funding availability to eligible applicants for \$105 million in CDBG disaster recovery funds to help restore the region's rental housing stock and make critical infrastructure repairs. The \$222.3 million to be administered by the outside contract management firm represent a portion of the remaining CDBG disaster recovery funds.

### **About The Texas Department of Housing and Community Affairs**

*The Texas Department of Housing and Community Affairs is Texas' lead agency responsible for affordable housing, community and energy assistance programs, and colonia activities. The Department annually administers funds in excess of \$400 million, the majority of which is derived from mortgage revenue bond financing and refinancing, federal grants, and federal tax credits.*