

**OFFICE OF RURAL COMMUNITY AFFAIRS  
GOVERNING BOARD MEETING**

**August 6-7, 2009  
Texas State Capitol Extension  
1100 Congress Ave., Room E1.028  
Austin, Texas 78701  
1:00 PM**

**NOTICE: Three sub-committees will meet in consecutive order on August 6, 2009 starting at 9:00 AM in E1.028 to review agenda items with ORCA staff. The sub-committees and respective meeting order is as follows:**

- 1. Community Development**
- 2. Finance and Disaster Recovery**
- 3. Rural Health**

**The public is invited to attend the sub-committee meetings.**

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**NOTICE: CHANGE OF LOCATION FOR FRIDAY AUG. 7 Board Meeting**  
**Austin Airport Commerce Park**  
**1340 Airport Commerce Blvd., Building 4, Suite 490**  
**Austin, Texas 78741**  
**8:30 AM**  
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**The Board will discuss, consider and take appropriate action on the following agenda items on August 6 starting at 1:00 PM:**

**A. CALL TO ORDER BY THE CHAIR**

1. Roll call and certification of a quorum.
2. Consider approval of the minutes of the June 8-9 meeting.

**B. PUBLIC COMMENT**

1. The Board will provide interested persons the opportunity to offer public comment on any matter within the jurisdiction of the agency and, if time permits, may offer this more than once. The Board may limit the time of each speaker to three minutes or less and exclude repetitious comments.

## C. EXECUTIVE DIRECTOR

1. Hear an update from TDHCA related to Hurricane Dolly/Ike housing activities.
2. Consider innovative program ideas for the use of General Revenue funding appropriated during the 81<sup>st</sup>. Legislature and consider authorizing staff to develop and post proposed rules in the *Texas Register*. (Action needed)
3. Consider activities related to the Texas Rural Foundation (TRF).
  - A. Hear update on previous activities related to a fund raising event.
  - B. Consider appointment of Board members to the TRF Board. (Action needed)
4. Consider amending the current Internal Audit Plan and consider a contract extension for the internal auditor. (Action needed)
5. Consider a salary increase for the Executive Director. (Action needed)
6. Tour the agency's leased property for disaster recovery. (1340 Airport Commerce Blvd., Building 4, Suite 490--Friday morning)

## D. TEXAS CAPITAL FUND PROGRAM (TCF)

1. Hear report on TCF activities.
2. Consider approving the posting of proposed rule changes for the Texas Capital Fund Program in the *Texas Register* to receive public comment. (Action needed)

## E. FINANCE

1. Hear an update on the agency's Fiscal Year 2009 Operating Budget.
2. Consider adopting Fiscal Year 2010 Operating Budget. (Action needed)

## F. STATE OFFICE OF RURAL HEALTH PROGRAM (SORH)

1. Hear a report on the status of collection efforts by the OAG and ORCA staff related to grants and awards made by the agency.
2. Consider accepting the 2009-2010 Rural Hospital Flexibility (Flex) award from HRSA. (Action needed)

3. Consider accepting the 2009-2010 State Office of Rural Health (SORH) award from HRSA (Action needed)
4. Consider approval of a proposed rule change for the Outstanding Rural Scholar Recognition Program. (Action Needed)

#### G. TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (TxCDBG)

1. Hear an update on disaster declarations and applications received and approved under the Disaster Relief Fund.
2. Proposed Use of Deobligated funds/Program Income. (Action needed)
3. Hear report on the HUD CDBG Neighborhood Stabilization Program.
4. Hear an update on the CDBG Recovery (“Stimulus”) funds. (Action needed)
5. Consider approval of an Interagency Agreement with the Texas Department of Housing and Community Affairs covering the Housing Tax Credit program. (Action needed)
6. Consider approval of a Memorandum of Understanding with the Texas Water Development Board covering the Economically Distressed Areas Program. (Action needed)
7. Consider approval of the 2010 Texas CDBG Action Plan. (Action needed)
8. Timely Expenditure Incentive Pilot Program - Proposed amendment to the 2009 Action Plan. (Action needed)

#### H. DISASTER RECOVERY DIVISION

1. Hear update on the status of disaster recovery for Hurricanes Dolly/Ike.
2. Hear an update on the procurement of Design Engineering, Grant Administration, Environmental, Application Review, and Project Management Company professional services and a staffing update for the division.
3. Hear a disaster recovery status report on TxCDBG non-housing Round 1 & 2 supplemental disaster funding.

4. Hear an update on the HNTB project assessment report and consider a possible extension to the amended HNTB contract related to the “Quick Start Generator Program”. (Action needed)
5. Consider a proposed Action Plan for Hurricanes Dolly/Ike round 2 funding. (Action needed)
6. Hear an oral report on the disaster division’s media activities past, present and future.

## I. OLD BUSINESS AND OTHER ITEMS

1. Consider setting the date and location for future meetings.

## J. EXECUTIVE SESSION

THE BOARD MAY GO INTO CLOSED SESSION ON ANY ITEM LISTED ON THE AGENDA WHERE AUTHORIZED BY THE TEXAS OPEN MEETINGS ACT, CHAPTER 551, TEXAS GOVERNMENT CODE.

1. Executive Session Pursuant to Section 551.071 Government Code to consult with the Board’s attorney concerning contemplated litigation, and all matters identified in the agenda in which the Board members seek the advice of their attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas and pursuant to Section 551.074(a)(1) Government Code, for purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, compensation, reassignment, duties, discipline, or dismissal of the Executive Director.
2. Action, if any, in open session on items discussed in the Executive Session.

## K. ADJOURN

AGENDA ITEMS MAY NOT NECESSARILY BE CONSIDERED IN THE ORDER THAT THEY APPEAR. TIME SPECIFIC ITEMS ARE SO NOTED ON THE AGENDA.

Persons with disabilities, who plan to attend this meeting and are in need of a reasonable accommodation in order to observe or participate, should contact Sandy Seng at 512-936-6706 at least four (4) working days prior to the meeting.

To access this agenda and details on each agenda item in the Board book, please visit our website at [www.orca.state.tx.us](http://www.orca.state.tx.us).

NONE AT THE TIME OF THIS  
POSTING

**OFFICE OF RURAL COMMUNITY AFFAIRS  
GOVERNING BOARD MEETING**

June 8 & 9, 2009  
Texas State Capitol Extension  
1100 Congress Ave., Room E1.028  
Austin, Texas 78701  
1:00 PM

The Office of Rural Community Affairs Governing Board meeting convened at the Texas State Capitol Extension, 1100 Congress Ave., Room E1.028, Austin, Texas at 1:00 PM on June 8, 2009. Chairman Wallace Klussmann recessed the meeting that same afternoon at 5:05 PM.

Chairman Klussmann called the meeting to order at 8:30 AM on Tuesday, June 9, 2009. Chairman Klussmann adjourned the meeting at 11:03 AM that same day.

**Governing Board Members in Attendance**

**Present**

Wallace Klussmann, Chairman  
David Alders, Vice-Chairman  
Mackie Bobo, Secretary  
Dora Alcalá  
Woody Anderson  
Charles Butts  
Remelle Farrar  
Drew DeBerry for TDA Commissioner Todd Staples  
Patrick Wallace

**Not Present**

Charles Graham

**Others Registered in Attendance**

Last Name	First Name	Organization Represented
Rhodes	Rick	Texas Department of Agriculture
Young	Karl	Texas Department of Agriculture
Nichols	Lesley	Texas Department of Agriculture
Inabinet	Michael	HNTB Engineering Firm
Slimp	Robert	HNTB Engineering Firm
Wendorf	Tom	HNTB Engineering Firm
JonMichael	Jason	HNTB Engineering Firm
Parker	Nancy	HNTB Engineering Firm
Tenney	Sean	CDM Engineering Firm
Jones	Ken	LRGVDC
Ruiz	John	MRGDC
Pearson	David	TORCH
Ruiz	Philip	CDMC, Inc.
Hartzell	Eric	GrantWorks, Inc.
Nivin	Steve	SABER

## Agenda Item A

1. Chairman Klussmann called the meeting to order at 1:00 PM noting that the Agency's name will change to the Texas Department of Rural Affairs on September 1, 2009. Chairman Klussmann asked Dr. Mackie Bobo, Secretary, to call the roll. A quorum was present.

Chairman Klussmann made opening comments regarding the ending of the 81<sup>st</sup> Legislative Session. It was a very good legislative session regarding the Office of Rural Community Affairs and Chairman Klussmann thanked Mr. Brian Owens of the Governor's Office and ORCA staff Ms. Kim White, Mr. Eric Beverly, and Mr. Charlie Stone for their tremendous help, hard work and support during the session. We also had a lot of positive support from our state officials.

2. Chairman Klussmann called for a motion to approve the minutes from the April 2 & 3, 2009 Board Meeting as published.

Mr. Drew DeBerry proposed an additional paragraph be added to the language of Agenda Item G.5., the staff proposal that the Board consider approval of a proposed amendment to the TxCDBG Action Plan for the supplemental funds to be received under the American Recovery and Reinvestment Act of 2009, to read: "Mr. Drew DeBerry raised a question, which led to considerable discussion over whether putting these stimulus dollars into the CD program was the best way to stimulate the economy. Staff responded by explaining the time constraints associated with funds distribution, which led into the vote to approve staff's action plan recommendation."

Chairman Klussmann indicated that there was some expression of concern on Agenda Item G.3., in which the Board would hope to get a response from the Texas Department of Housing and Community Affairs (TDHCA) Board on the Memorandum of Understanding (MOU) regarding the HUD CDBG Neighborhood Stabilization Program. Dr. Mackie Bobo indicated that the written communication that the Board approved during the last Board Meeting directing staff to send expressing the will of the ORCA Board to the TDHCA should be sent in a timely manner.

Mr. David Alders noted a correction needed on the word "anyway", a space is needed to make two separate words to put the word into proper context.

Chairman Klussmann added that during the last Board Meeting a sub-committee of the Board was appointed to look at ORCA policies as they relate to Board responsibility to the Executive Director, and the Executive Director's responsibility to the Board, and all other ORCA areas of emphasis that include economic development, community development, rural health, disaster recovery, and housing. This committee is to be chaired by Mr. David Alders and on that committee with Mr. Alders are Mr. Woody Anderson, Ms. Remelle Farrar, and Dr. Mackie Bobo. This information is for use in deliberations of the Board to be of more help to staff and to be of more benefit to Rural Texas.

Dr. Mackie Bobo made the motion to approve the minutes as amended to include the noted changes. Mr. Pat Wallace seconded the motion. The motion passed unanimously.

## Agenda Item B

1. Chairman Klussmann opened the meeting to public comment. None present.

### **Agenda Item C**

1. Ms. Kim White and Mr. Eric Beverly, ORCA's Intergovernmental Specialists, presented an update to the Board on the legislative activities related to the Office of Rural Community Affairs in the 81st Legislative Session. An additional and more current handout was submitted to the Governing Board. No action needed
2. Ms. Remelle Farrar was asked to present an update to the Board on the Texas Rural Foundation and the progress that has been made regarding the activities related to future fundraising and other activities concerning the Texas Rural Foundation. Ms. Farrar introduced Ms. Genora Young, Director of Outreach and Special Programs (OSP) and explained that one of the functions under her new job is to work with the Board to develop the rural foundation to the point that it would be independent of ORCA and this Governing Board, truly Texas' Rural Foundation. They have asked TDA, TX Historical Commission, and the TX Film Commission to partner with TRF on showcasing the foundation. Submitted for the Board's review and feedback was a theme they are looking at, a location for the kick off, a date designated for the fundraising event, and other needs for this event.

### **Agenda Item D**

1. Mr. Rick Rhodes, Assistant Commissioner, for Rural Economic Development and Mr. Karl Young, Finance Programs Coordinator, Texas Capital Fund, both of the Texas Department of Agriculture, gave a report to the Board on the 2009 Texas Capital Fund Programs' awards which reflects the 1<sup>st</sup> round of applications, the 2<sup>nd</sup> round of applications have been received and are under review. Through the efforts of working with stakeholders, they are looking to continue to enhance the program and make it more user friendly for the rural communities in Texas. Two ideas that have received a lot of input from stakeholders are a shorter application to determine if they are in the funding range and an open application process rather than having four rounds of funding which would make time sensitive projects much more accessible to the funding. They are still pursuing these ideas and are hoping to have finalized and bring back to the Board at the August meeting. No action is needed.

### **Agenda Item E**

1. Ms. Sharon Page, ORCA Chief Financial Officer, and Mr. David Flores, ORCA Disaster Recovery Division Director of Operations, presented an update to the Board on the agency's Fiscal Year 2009 Agency Operating Budget. No action needed.

Chairman Klussmann called for a break. The time was 2:56 PM. Chairman Klussmann called the meeting to order at 3:10 PM.

### **Agenda Item H**

5. Ms. Oralia Cardenas, ORCA Director of the Disaster Recovery Division, introduced to the Board information related to the HNTB Engineering Firm's contract and reported that HNTB has meet their goals and exceeded the number of projects to be assessed. A more current summary was presented to the Board. There has been a total of 2751 eligible projects identified, 167 communities visited and more than 350 meetings conducted, 14 community meetings held with HNTB and ORCA staff to provide the communities with a list of their projects and reviewed their priorities. HNTB has identified a potential increase in FEMA



funding of about \$35.7 million. HNTB has met their March 31 deadline and have submitted a draft summary report that will be brought to the Board at the August meeting.

Mr. Tom Wendorf, Project Manager, and Mr. Michael Inabinet, Deputy Program Manager, both with HNTB Engineering Firm, presented a PowerPoint presentation to the Board on the contracted service activities for Hurricanes Ike/Dolly disaster recovery assistance. The work has been accomplished in a large part due to ORCA staff and the facilitative manner in which they have worked. Mr. Steve Nivin, Economist, Strategic Alliance of Business and Economic Research (SABER), presented to the Board an economic analysis estimate on jobs that will be supported, retained, and created as a result of the spending of the first round of non-housing funding through the Hurricanes Ike/Dolly disaster recovery assistance project. No action needed.

1. Ms. Oralia Cardenas, ORCA Director of the Disaster Recovery Division, presented to the Board a program update on the Disaster Recovery activities for Hurricanes Ike/Dolly. Mr. Dan Robertson, Disaster Recovery Public Information Officer, presented a media plan update to the Board. Mr. David Flores, ORCA's Disaster Recovery Division Director of Operations, presented an overview of the Quality Assurance Program that has been established to help ensure program goals and objectives are met. No action needed.
4. Ms. Oralia Cardenas, ORCA Director of the Disaster Recovery Division, presented a report to the Board on the \$1,314,990,193 grant that ORCA has received and executed from the Department of Housing and Urban Development (HUD) for the state of Texas 2008 Community Development Block Grant (CDBG) Plan for Disaster Recovery.

Mr. Charles Butts made the motion to accept the staff recommendation that the Governing Board accept the \$1,314,990,193 grant from the HUD for the state of Texas 2008 CDBG Plan for Disaster Recovery. Mr. Woody Anderson seconded the motion. The motion passed unanimously.

6. Ms. Oralia Cardenas, ORCA Director of the Disaster Recovery Division, proposed that the Board consider transferring \$300,000 from Rita II Disaster Recovery Funding unobligated administrative funds to project funds to allow additional recovery work in Jasper County.

Mr. Woody Anderson made the motion to approve the staff's recommendation and approve the transfer of \$300,000 of DR2 funds from administrative funds to project funds to allow additional recovery work in Jasper County. Ms. Remelle Farrar seconded the motion. The motion passed unanimously.

2. Mr. David Flores, ORCA's Disaster Recovery Division Director of Operations, presented to the Board a report on the procurement of Design Engineering, Grant Administration, Environmental, Application Review, and Project Management Company professional services. No action needed.
3. Ms. Heather Lagrone, ORCA Disaster Recovery Division Manager, presented to the Board a status report on the Supplemental CDBG Disaster Recovery Funds for Round 1 (Rita) and Round 2 (Rita) – Non-Housing and Infrastructure Funds. No action needed.

Chairman Klussmann recessed the meeting at 5:05 PM, Monday, June 8, 2009, until 8:30 AM on Tuesday, June 9, 2009.

The Office of Rural Community Affairs Governing Board meeting reconvened at 8:30 AM on June 9, 2009. Chairman Klussmann adjourned the meeting that same day at 11:03 AM.

### Agenda Item G

1. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), presented to the Board an update on the disaster declarations and applications received and approved under the Disaster Relief Fund. No action needed.
2. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), presented a report to the Board on staff activities on the HUD CDBG Neighborhood Stabilization Program. There was continued expression of concern regarding the Board's will that existing rural community property owners not be disadvantaged in any way in the process of acquiring distressed properties in their communities and existing rural community property owners should receive equal notification and credit availability for acquisition of distressed real estate assets in their communities as any potential real estate investor. No action needed.
3. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), presented to the Board the recommendation for consideration of adoption of an amendment to ORCA TxCDBG programs found in Title 10 Part 6 Chapter 255 of the Texas Administrative Code related to the appeals process as a result of enactment of HB 1079.

Ms. Remelle Farrar made the motion to adopt the amendments, as presented, and authorize staff to provide notification in the *Texas Register*; with a change to capitalize the title of Executive Director in Section 255.8. Dr. Mackie Bobo seconded the motion. The motion passed unanimously.

4. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), presented to the Board the recommendation that the Board consider approval of the proposed 2010 TxCDBG Action Plan.

Mr. Drew DeBerry noted one change with regard to the Application Cycles, page 18, Texas Capital Fund where there are four different programs listed and where the top two programs indicate a submission cycle of 'Four times annually' and the bottom two programs indicate a submission cycle of 'Annually'. Mr. DeBerry suggested changing the top two programs to indicate a submission cycle of 'Continuous' based upon the direction of the TDA's upcoming proposal to the Board at the next meeting in August.

Mr. David Alders made the motion to approve the 2010 TxCDBG Action Plan as amended with respect to the Texas Capital Fund and present that plan to the public for comment. Mr. Woody Anderson seconded the motion. The motion passed unanimously.

5. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), presented to the Board the latest information related to the proposed amendments to the TxCDBG Action Plan for the supplemental funds to be received under the American Recovery and Reinvestment Act of 2009, Public Law 111-05 (sometimes referred to as the "stimulus funds"). No action needed.
6. Mr. Mark Wyatt, Director of the Texas Community Development Block Grant Program (TxCDBG), presented the proposed use of CDBG Deobligated Funds and/or Program Income for the Community Development Fund and the Planning and Capacity Building Fund.

Mr. David Alders made the motion to approve the staff's recommendation of the following motion language: "CD staff would be able to allocate deobligated funds and program income for Community Development Fund applications as needed up to a limit of an additional \$4,750,000 and up to \$260,000 as needed for the Planning and Capacity Building Fund." Ms. Dora Alcalá seconded the motion. The motion passed unanimously.

#### **Agenda Item F**

1. Ms. Theresa Cruz, ORCA Director of the State Office of Rural Health and Compliance Division, presented to the Board a report on the status of collection efforts by ORCA and the Office of Attorney General related to grants and awards made by the agency. No action needed.
2. Ms. Theresa Cruz, ORCA Director of the State Office of Rural Health and Compliance Division, presented to the Board a summary of the award of funding for the Critical Access Hospital/Medicare Rural Hospital Flexibility Program – Health Information Technology (HIT) Network Implementation Grant. No action needed.
3. Ms. Theresa Cruz, ORCA Director of the State Office of Rural Health and Compliance Division, presented to the Board an update on the Tenaha and Washington County Rural Health Demonstration Projects that utilized TxCDBG Funds. No action needed.
4. Ms. Theresa Cruz, ORCA's Director of State Office of Rural Health and Compliance Division, presented to the Board the information for consideration of the recommendation and the acceptance of the appointment of a new proposed Advisory Committee Member for the Outstanding Rural Scholar Recognition Program (ORSRP).

Dr. Mackie Bobo made the motion that the Governing Board accept the appointment of the proposed ORSRP Advisory Committee member. Mr. Pat Wallace seconded the motion. The motion passed unanimously.

5. Ms. Theresa Cruz, ORCA Director of the State Office of Rural Health and Compliance Division, presented to the Board the recommendation that the Board consider approval of the 2009 Rural Health Work Plan.

Mr. Pat Wallace noted one change in regard to the Coordination Efforts for Recruitment and Retention, Launch a Nationwide Physician Recruitment Campaign, page 15, the reference to the appropriation of \$400,000 to ORCA to support the administration of a recruitment and marketing campaign was a recent policy recommendation to the Governor's Office that was not accepted and not budgeted and reference should be dropped. Mr. Wallace re-stated the intent and the desire that is expressed there is that physician recruitment is an important goal for coordinating our agency's efforts with others and we wanted to add to that paragraph a similar statement or intent desire for professional registered nurses. Also, an appendix will be added to the Work Plan to include a list of all the Advisory Groups, Taskforces, and Committees of which Theresa Cruz is an affiliate.

Mr. Pat Wallace made the motion to accept the 2009 Rural Health Work Plan as amended. Dr. Mackie Bob seconded the motion. The motion passed unanimously.

### **Agenda Item I**

1. A discussion occurred regarding consideration of a structure change of future sub-committee meetings. A re-structure of the sub-committee meetings will be reviewed and considered by the Board.

Chairman Klussmann discussed future ORCA Board meeting locations and dates. It was discussed that the next meeting will be August 6 & 7, 2009, and will be held in Austin. Future meetings will be discussed at the August meeting.

Chairman Klussmann called for a break. The time was 10:03 AM. Chairman Klussmann called the meeting to order at 10:15 AM.

### **Agenda Item J**

The Board entered into Executive Session at 10:15 AM on Tuesday, June 9, 2009. At this time, Chairman Klussmann made the following Executive Session announcement:

THE BOARD MAY GO INTO CLOSED SESSION ON ANY ITEM LISTED ON THE AGENDA WHERE AUTHORIZED BY THE TEXAS OPEN MEETINGS ACT, TEXAS GOVERNMENT CODE, CHAPTER 551.

1. Executive Session Pursuant to Government Code Section 551.071 to consult with the Board's attorney concerning contemplated litigation, and all matters identified in the agenda where the Board members seek the advice of their attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas and pursuant to Section 551.074(a)(1) for purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, compensation, reassignment, duties, discipline, or dismissal of the Executive Director.
2. Action, if any, is open session on items discussed in the Executive Session.

At 11:00 AM, Chairman Klussmann announced:

"The Executive Session is ended. The date is Tuesday, June 9, 2009, and the time is 11:00 AM. No formal action was taken on any item in the Executive Session."

### **Agenda Item K**

Chairman Klussmann adjourned the meeting at 11:03 AM on Tuesday, June 9, 2009.

NONE AT THE TIME OF THIS  
POSTING

**SUMMARY**  
**Hurricanes Dolly/Ike**  
**Update from TDHCA**  
Presented by Mike Gerber

**DISCUSSION**

The Texas Department of Housing and Community Affairs was designated by the Governor to manage the housing funding that the state of Texas has received for recovery efforts related to Dolly and Ike. The state will be managing \$3 Billion dollars and approximately 50% of those funds will be under the auspices of TDHCA and the other 50% will be non-housing activities under the control of ORCA.

Chairman Klussmann asked that TDHCA start providing regular reports to the Governing Board and Mike Gerber, TDHCA Executive Director, will attend the Board meeting to provide a status report and answer questions.

**RECOMMENDATION**

No action needed -- for information only.

**RURAL DEFINITION**

The funding for disaster recovery is provided by the U.S. Department of Housing and Urban Development and generally follows CDBG definitions. However, portions of this funding will be expended in urban areas.

**\*Should a Board member have questions concerning this agenda item, please contact Charlie Stone at 512-936-6704 or [cstone@orca.state.tx.us](mailto:cstone@orca.state.tx.us).**

### Hurricanes Ike and Dolly Activities as of July 24, 2009

The Texas Department of Housing and Community Affairs (TDHCA) is in the process of awarding \$621,448,377 for housing activities related to CDBG Disaster Recovery Funding in the hurricane impacted areas with reported housing damage. This funding is comprised of \$562,613,463 that will be directly administered by 19 Subrecipients identified through the Council of Government Method of Distribution Process and \$58,834,914 that will be distributed under a competitive notice of funds availability (NOFA) for rental properties in the 6 COG regions with reported housing damage.

To date, TDHCA has received applications from all 19 Subrecipients as detailed below. TDHCA awarded a total of \$505,793,878 as of July 16, 2009, for 7 applicants and is recommending an additional \$25,319,225 for 6 applicants at the July 30, 2009, TDHCA Governing Board meeting. TDHCA anticipates that the remaining \$31,500,360 will be recommended for funding at the September 3, 2009, Governing Board meeting.

A second major element of the housing component is a \$58 million set-aside for affordable rental housing funded from 15% of the total grant amount that was made available for planning purposes. TDHCA established a deadline of August 14, 2009, to apply under the CDBG Disaster Recovery Affordable Rental Housing NOFA. TDHCA will report on the number of applications received and the amount requested in the next update.

Of the approximately \$32,700,000 reserved for TDHCA administrative expenses, TDHCA expended \$201,570 as of July 24, 2009, related to payroll and travel expenses.

<b>Subrecipient</b>	<b>Allocation</b>
<b>Brazos Valley Council of Governments</b>	<b>N/A</b>
Brazos Valley Affordable Housing Corporation	\$948,929
<b>Deep East Texas Council of Governments</b>	<b>\$5,931,070</b>
<b>East Texas Council of Governments</b>	<b>\$415,117</b>
<b>Houston-Galveston Area Council *</b>	<b>\$11,076,980</b>
Galveston	\$160,432,233
Galveston County	\$99,503,498
Harris County	\$56,277,229
Houston	\$87,256,565
Chambers County	\$20,921,582
Liberty County	\$8,878,923
Fort Bend County	\$1,582,107
Montgomery County	\$6,909,237
<b>Lower Rio Grande Valley Development Council</b>	<b>N/A</b>
Brownsville	\$1,635,318
Cameron County	\$3,093,750
Mission	\$209,638
Hidalgo County	\$2,000,000
Raymondville	\$128,787
Willacy County	\$412,500
<b>South East Texas Regional Planning Commission</b>	<b>\$95,000,000</b>
<b>TOTAL</b>	<b>\$562,613,463</b>
Rental NOFA	\$58,834,914
<b>TOTAL HOUSING</b>	<b>\$621,448,377</b>
<i>** There is an unobligated balance of \$739 in H-GAC's housing allocation that will be obligated to housing activities by H-GAC at a future date</i>	

# SUMMARY

## Rural Sustainability Fund

Presented by Genora Young\*

### DISCUSSION

ORCA hosted three one-hour brainstorming webinars on Tuesday, July 14 and Wednesday, July 15, 2009. Attendance exceeded eighty (80) log-on participants for the webinars but more were actually in attendance since several communities reported multiple participants in the room. Executive Director, Charlie Stone, Genora Young and Kim White welcomed participants, explained the purpose of the webinars and listed the four ORCA focus areas: community development, economic development, healthcare and housing.

Participants with suggested ideas were asked to provide more detailed information in the form of “white papers” by Thursday, July 23, 2009. In addition to the webinars, the ORCA Think Tank met several times to brainstorm and develop internal recommendations for potential projects.

The diversity and number of ideas from the brainstorming webinars are more than can be funded; however, there is the possibility of funding one or more projects in each of the focus areas as the Board chooses. Based upon information from communities, community development projects appear to follow existing CDBG guidelines so at this stage there may be no need for a new program to be developed. Economic development and healthcare proposed ideas appear to be best addressed by the development of a new ORCA program based upon funding awarded for job creation. The housing ideas would require revisions to CDBG guidelines and new programs developed to address the various proposed uses.

**\*\*Please see the attached Excel File for the list of suggested projects.**

### RECOMMENDATION

First, it is suggested that the Board select one or more of the four focus areas to use the first \$4 million of the Rural Sustainability Fund. Once the areas are selected, the Board should discuss eligible uses based upon submitted ideas with CDBG program staff. That discussion should reveal what new rules and/or programs need to be developed to utilize the sustainability funds. Once that is determined, the Board should direct staff to develop appropriate programs and/or program rules and authorize publication in the *Texas Register* for public comment. These rules would then be brought back to the October Board meeting for formal consideration and adoption by the Board.



A note here for an additional important consideration for the Board: The Rural Sustainability Fund was proposed in the agency's exceptional item request as an extension of CDBG program funds and tended to focus on water and wastewater projects. While the CDBG program is very flexible, the Board should carefully consider how far removed from water and wastewater projects it wishes to use the state general revenue funds based upon the exceptional item request. At a minimum, the Board should consider informing the Governor, Lt. Governor and Speaker along with the chairs of both Senate Finance and House Appropriations to determine their views and support for diversification of the Rural Sustainability Fund GR funding.

## **RURAL DEFINITION**

Cities with a population of fifty-thousand (50,000) or less and counties with a population of two-hundred-thousand (200,000) or less meet the definition of "Rural" for the purpose of this funding.

**\*Should a Board member have questions concerning this agenda item, please contact Genora Young at 512-936-6736, or [gyoung@orca.state.tx.us](mailto:gyoung@orca.state.tx.us).**

	A	B	C
1	Rural Sustainability Project - Brainstorming Ideas		
2	<b>CATEGORY</b>	<b>CONCEPT</b>	<b>DESCRIPTION</b>
3	<b>COMMUNITY/ECONOMIC DEVELOPMENT</b>		
4		Multi-use Facilities from ORCA Think Tank	Location adaptable to new or existing structures to house healthcare services, technology labs, educational courses, libraries, meeting facilities, job training, state agencies, shelters, day care, children's gym, rainwater harvesting and water conservation practices; job creation.
5		Planning, design and construction of renewable energy facilities and specifically wind turbine projects as a fundable activity.	Wind turbines would provide 100% of annual electricity needed to support public water, wastewater or transportation facilities or public buildings.
6		College/Commerce Center	Educational facility and commerce facility that will offer classes for degree and non-degree programs and a commerce facility to hold the various events that are needed and desired by a fast growing community.
7		Solar Systems in Municipal Buildings	Utilize ORCA & SECO funding to install in City buildings, emergency facilities, libraries and maintain connections to the grid as a backup energy source.
8		Rainwater Harvesting	Selected sites to showcase appropriate rainwater harvesting and water conservation practices and projects would be designed to enhance community participation in the installation and operation of rainwater harvesting. Incorporate into multiple-use facilities, scalable and adaptable to new or existing structures.
9		Nueces County Rural Resource/Self Help Center	Proposed project will address the common needs of the County rural community by making the significant resources more accessible to the rural areas/colonias and provide a necessary sanctuary of services.
10		Railroad Spur Rehabilitation	Rehabilitate a railroad spur so that Union Pacific (UP) can continue delivery of raw materials and other critical products to local industry.
11		Regional Full-depth reclamation of existing roadways	Regional project in which cities cooperatively own and operate street repair equipment; full-depth reclamation, compact existing base and asphalt into new stabilized base layer, and finish with two-course surface treatment.

	A	B	C
12		Certified Entrepreneurial Community Program and Showcase	12-month certification curriculum, "Certified Entrepreneurial Community" street signs, networking event to showcase and recognize business startups, etc.
13		Regionally owned tub grinder or belt conveyor with grinder	Allows a city to grind large bulky materials into fine pieces for disposal in landfills
14		24-hour Fuel Service Center with credit card ability	City continue to purchase fuel for airplanes; however pilots would fuel up using the credit card system. City receive the revenue after the purchase of fuel.
15		Solar powered street lights	
16		Regional Generation Station	Building would be built so that a regional center may be able to bail the waste to use it to convert to methane gas.
17		Regional Water/Wastewater Testing Lab	COG to purchase all testing equipment, establish a lab, hire and train staff to conduct tests.
18		Community Assessment Matrix	Funding for training in the use of the Assessment Matrix.
19		Texas Rural Business Incubation Consortium	Funding used for adapting educational materials to on-site and online courses/training and presentations for start-up and growing businesses with assistance providers, for delivery of programs, and support of assistance providers and program resources...
20		Communities in Economic Transition (CET)	Funding to cover participant attendance at workshops, preparation of community profiles, community assessments, travel, meeting expenses and materials.
21		Consortium of Community Colleges Serving Rural Texas	Funding to cover attendance at workshops and expenses for a variety of gathering in addition to improving web based and technical support.
22		Developing Certified Entrepreneur Ready Communities	Funding to cover participant attendance at workshops, assessments, specialist expenses, marketing, materials, publications, web site support and other miscellaneous expenses for the first 20 communities.
23		Community data and Resource Website	Provide rural Texans online access to automatically generated, user-friendly data profiles. Communities will be able to use the profiles to attract grant funding, recruit businesses and residents, and engage in planning efforts.
24		Developing Critical Thinking Leaders (DCTL)	Funding use: Participant program fees, mini grants for approved local class projects, several regional educational programs and one statewide summit.

	A	B	C
25		Expert Assistance	List of 25 needs/ideas, personal thoughts and Three tiered concept 1) State; 2) Regional and 3) Local. Suggestions: Funds should be invested in three ways 1) "Expert" assistance and liaisons; 2) Grant Match Funds; and 3) a statewide Revolving Loan Fund that will either 1) do direct loans or b) guarantee loans.
26		Motorcycle Service Technology (MST) Training Program	Harley-Davidson Motor Company to implement, which would create positions for technical instructors, and create opportunities for students enrolled in the program.
27		"Overall List of Needs" - Participant volunteers to serve on "any committee to assist in the continued development of above programs."	Entry level housing for middle class for lease or purchase, main street programs without a heavy drain on local financial commitments, affordable child care centers for all shifts. Employment/housing needs ranging from oilfield/wind energy laborers, school teachers, correctional officers, health care, College Professors and all supporting personnel for these occupations.
28	<b>HOUSING</b>		
29		Home Repair Revolving Loan Fund	Provide an outlet for those with 50% Area Median Income (AMI), but still considered low-to-moderate income, a resource to fund minor home repairs.
30		Regional Housing Plan	Use the existing TXCDBG distribution formula to distribute funds to the 24 Councils of Government for use with non-entitlement units of local government for single or multi-family housing projects. Tailored projects to specific needs to "prevent/eliminate slums and/or blight.
31		Affordable, Energy Efficient Housing Program	Two scenarios: One specific pilot project home or three pilot project homes in different climate areas of Texas - South Plains/Panhandle, East Texas and Gulf Coast.
32		Multi-regional Affordable Housing Proposal	Three components: Pilot projects based with qualifying Regional Council of Governments, Texas Rural Foundation be the central agency, and establish a revolving fund.
33	<b>HEALTHCARE</b>		
34		Regional Cancer Care Medical Center	Raise \$5 million to build a Regional Cancer Care Medical Center to provide radiation therapy for cancer patients and medical specialty services for patients who now must travel long distances at great expense to receive care.

	A	B	C
35		Home Visits Mobile Agent	Mobile tool will communicate with a server and give the caregiver information to perform their task and receive data for reporting and further analysis to the client, service provider, and government agencies.
36		Elder Care Clinic	Build a facility to provide services that could/would be operated by a/or a collaboration of health care provider(s) (hospital, nursing home, FQHC, etc) to address the delivery and maintenance of healthy lifestyles, in collaboration with local health departments, churches, AARP clubs, and other local civic organizations.
37		"Playstation 3" Telemedicine	Allow telemedicine of a simple kind for the purpose of real time visits with the use of DSL.
38		Mobile Unit to Deliver Health Care Services and Communication Disorders Diagnostics and Therapy	Funds to be used to purchase a motor home, complete customization required for the adapted use, and purchase equipment and supplies for the mobile clinic.
39		Rural Community Women, Infants, and Children Expedited Exchange	Facilitate information delivery to the mothers on breastfeeding and healthy diet prior to giving birth and accelerate demographic and health information transmission to the WIC program to enable benefit pre-qualification.
40		Education Center	Train staff, area for public education in CPR, safe-sitters, farm safety, etc., provide a covered area for annual health fairs and other community benefit and wellness programs, alternative care site in multi-casualty situations.
41		Community Outreach, Resource and Education (CORE) Centers	Implement a comprehensive regional training, service and collaboration model in one isolated area of the state, through the creation of a single CORE Center located on or adjacent to a rural hospital campus. Designed with local community input, equipped with the latest video conferencing technology, broadband and remote diagnostic tools related to telemedicine practice, feature an array of computer workstations, public access lab, ADA compliant, ample meeting space.
42		Wound Clinic	Facility includes 4 patient examination rooms, two hyperbaric chambers, with liquid oxygen, added concrete pad
43		Repair Mortar	Repair the mortar between the brick and winterize the window outside the building - \$250, 000

	A	B	C
44		Parking Lot Construction and Paving and Rural Health Clinic Expansion	The number of parking spaces built during construction of new hospital are inadequate to meet our needs today. Estimate \$100,000. Rural Health Clinic Expansion - Expand to accommodate 6 providers, visiting physician specialists, waiting room space and restrooms. Estimate \$1.75M
45		Upgrade 40 year old hospital	Renovation of the facility exterior and parking lot, entire 3rd floor (acute and ICU patient floor)
46		Build larger clinic and Add a neuro-psych unit to the hospital	Build a larger rural health clinic/add a neuro-psych unit to the hospital
47		Remodel Hospital Rooms	Remodel hospital rooms for in-house CT scanner - Estimated \$10K - \$15K
48		Build Physical Medicine Facility Adjacent to Hospital	Physical medicine facility adjacent to our hospital to better care for physical therapy, occupational therapy, and speech therapy patients.
49		Construct Permanent Storage Facility	Construction of fixed storage facility for Emergency Management Mobile Command Center
50		ER Renovation Project	ER Renovation Project including the addition of CT
51		Outside Modernization and Improvement Project	Outside modernization of 1952 hospital, improve energy efficiency
52		Clinic Expansion and Physical Therapy/Wellness Center Remodel	Clinic Expansion needed to accommodate new (6th) physician, added space for patient visits; estimated cost \$400,000. Physical Therapy/Wellness Center Remodel - Remodel a vacant building owned by the hospital and relocate physical therapy department and fitness center to accommodate the growing number of patients. Additional goal to reduce obesity and improve health and fitness for our population.
53		New Clinic Construction	Estimated 5,000 sqf clinic would be main clinic for the community.
54		Construct Facility To House Multiple Health Related Services	Facility where Meals on Wheels, local non-profit food pantry and several local churches with food pantries can combine efforts; a site of consolidated point of social service access.

**SUMMARY**  
**Texas Rural Foundation**  
Presented by Charlie Stone\*

**DISCUSSION**

3. (A) Board member Remelle Farrar in conjunction with Genora Young , Director of Outreach and Special Programs, will provide an oral update to the Board on any activities related to future fundraising and other activities concerning the Texas Rural Foundation (TRF).

3. (B) The ORCA Board will need to appoint at least nine temporary members to the TRF Board. A special called meeting of the TRF Board is scheduled for 8:30 AM on Friday morning (8-7-09) and the newly appointed Board members are needed to provide a quorum. The TRF agenda items are discussed in a separate executive brief supporting the TRF Board agenda.

The temporary TRF Board will be replaced by newly recruited regular TRF Board members as soon as recommendations can be brought back to the ORCA Board for consideration and appointment. That process will include a resignation by a temporary Board member and subsequent immediate appointment of a regular Board member. Tyane Dietze has agreed to be reappointed to the TRF Board.

**RECOMMENDATION**

The ORCA Board should nominate and appoint at least nine members to the TRF Board.

**RURAL DEFINITION**

N/A for this agenda item.

**\*Should a Board member have questions concerning this agenda item, please contact Charlie Stone at 512-936-6704, or [cstone@orca.state.tx.us](mailto:cstone@orca.state.tx.us).**

**SUMMARY**  
**Internal Audit Plan Amendment**  
**And Extension of Internal Auditor Contract**  
Presented by David Alders\*

**DISCUSSION**

The current Internal Audit Plan contract period began on Sept. 1, 2008 and ends on August 31, 2009. There are options to extend the current contract for up to three additional fiscal years if the Board chooses to do so. The current 2009 internal audit is budgeted for \$52,450.

The Internal Auditor is proposing to add additional hours to the current audit plan related to Information Technology (IT) General controls for an estimated budget increase of \$14,700.

**RECOMMENDATION**

The Governing Board should consider approval of an amendment to the 2009 Audit Plan to include the IT audit.

The Board should also consider extending the current contract with PMB Helin Donovan for an additional year effective September 1, 2009 through August 31, 2010.

**RURAL DEFINITION**

N/A for this agenda item.

**\*Should a Board member have questions concerning this agenda item, please contact David Alders at 936-569-1284 or at [dalders@hughes.net](mailto:dalders@hughes.net)**



# Internal Audit Summary

## **Proposed Audit Plan Addition:** Information Technology (IT) General Controls

**Scope:** IT General Controls including:

- Access Administration;
- Change Management;
- Data Management;
- IT Operations; and
- Third-Party Vendor Management.

**Benefits:**

- Assist the new IT Director in establishing a better understanding of the organization's IT control posture;
- Evaluate the adoption and implementation of a wide range of information and risk management policies and procedures developed prior to the new IT Director joining the organization but which have yet to be formally implemented;
- Address specific risks relating to reliance on end-user computing for financial reporting;
- Provide an assessment of controls before efforts to integrate the anticipated RGMS system with existing ORCA systems and IT processes begins; and
- Support ORCA's preparedness for the 2009 Single Audit by identifying potential IT control issues and allowing time for control remediation, if necessary.

**Estimated CY Budget Increase:** \$14,700

**Potential Audit Plan Modifications:** Timing and focus of certain CDBG and Disaster related audits

**Scope:** Three planned audits including:

- *CDBG/Compliance Rural Grant Management System Implementation* (changes to estimated hours and decision to start or not based on RGMS system project status);
- *CDBG On-site Assessment of Federal Disaster Funds* (given dynamism in Disaster, may shift focus); and
- *Disaster Cash Management* (key audit but Agency management wishes to confirm timing, audit will either occur at end of current fiscal year or early in fiscal 2010).

**Benefits:**

- Timely assessment of controls in areas overseeing large volumes of funds;
- Tailored procedures to reflect changes in processes and areas of risk; and

- Balances impact on business units already stretched thin with the need to focus on areas of risk in a timely manner.

**Estimated CY Budget Increase:** None – budget could decrease if audits cannot be performed in current year

**FY 2010 Audit Planning:** Risk assessment, scope of assignments and implementation timetable for Fiscal Year 2010 Internal Audit plan (to be performed early in FY2010)

**Scope:** All Agency Divisions:

- Executive;
- Health and Compliance;
- Community Development;
- Disaster; and
- Finance and Information Technology.

**Benefits:**

- Assessment of auditable units considering risk factors including: internal control structure, changes in organization, complexity of operations, government regulation, public sensitivity, prior audit activity, management interest, budget, and strategic priority; and
- Timely development of a comprehensive risk based audit plan that will:
  - Result in audits being performed earlier in the year than has been the case in the past; and
  - Address dramatic changes in the agency, especially in the Disaster Division.

**Estimated CY Budget Increase:** None – Planning is for FY 2010

**CONTRACT FOR INTERNAL AUDIT SERVICES BETWEEN  
THE OFFICE OF RURAL COMMUNITY AFFAIRS  
AND HELIN, DONOVAN, TRUBEE AND WILKINSON LLP**

The Parties to this Contract for Internal Audit Services (the Contract) are the Office of Rural Community Affairs (ORCA), an agency of the State of Texas with its principal place of business at 1700 N. Congress Avenue, Suite 220, Austin, Texas 78701, and PMB Helin Donovan LLP (PMB), with its principal place of business at 5918 Courtyard West, Suite 400, Austin, Texas 78730. The effective date of this contract is September 1, 2008. The attached Request for Proposals for Internal Audit Services, RFP 357-8RFP-003 (hereinafter referred to as the RFP) and the attached PMB Proposal for Internal Audit Services, which was submitted in response to the RFP and dated July 11, 2008, are incorporated into and made a part of this Contract. In the event of a conflict between any of the provisions of this Contract, the order of the provisions taking precedence will be as follows: (1) the Contract excluding attachments; (2) the RFP attachment; and (3) the PMB response to the RFP attachment. This Contract is entered into pursuant to the Professional Services Procurement Act, Chapter 2254 of the Texas Government Code and the Texas Internal Auditing Act, Chapter 2102 of the Texas Government Code.

**CONTRACT SCOPE**

Pursuant to this Contract, PMB shall provide internal audit services for ORCA that meet the requirements of the Texas Internal Auditing Act, Texas Government Code, Chapter 2102. PMB shall perform a risk assessment and develop a proposed ORCA Fiscal Year 2009 audit plan for consideration by the Board of Directors. The written risk assessment and Fiscal Year 2009 audit plan shall be provided to the Executive Director of ORCA by no later than January, 2009. Prior to developing the audit plan, PMB shall perform a risk assessment using techniques that identify risk factors that affect ORCA's major systems and controls. In developing the proposed audit plan, PMB shall establish a methodology, acceptable to ORCA, for assigning risk factors and weights to develop a prioritized annual audit work schedule that covers all ORCA major systems. The risk assessment shall be documented in writing by PMB to insure reviews of all ORCA major systems and controls. A draft of the audit plan will be available for review by ORCA's Executive Director upon his request.

Upon Board of Directors approval of the audit plan, PMB shall implement the plan, undertaking such audits as are approved by the Board of Directors in a manner that complies with all applicable laws and regulations relating to the provision of internal audit services to a Texas state agency. Audits must be performed in accordance with Generally Accepted Auditing Standards (GAAS). Audits shall be undertaken using a work schedule acceptable to ORCA. **Unless otherwise agreed upon by ORCA, the work schedule must include participation by Donald K. McPhee in all meetings of the Board of Directors and its subcommittees at which the Board of Directors notifies Mr. McPhee of his required attendance.** Follow-up work related to the

## **Internal Audit Contract – PMB/ORCA**

approved audits shall be undertaken relating to the status of implementation by ORCA of audit recommendations made by PMB.

As approved by the Board of Directors, PMB shall perform special audits and shall conduct quality assurance reviews in accordance with professional standards as provided by Texas Government Code, §2102.011. PMB shall also conduct economy and efficiency audits and program results audits as directed by the Board of Directors. If such audits are required, the Contract shall be amended to include additional fees payable to PMB, if necessary, to cover the cost of providing those services if those services are outside the total amount for audit services to be paid for under the Fee section of this Contract and outside the scope of work as identified in ORCA's RFP.

PMB shall prepare and submit before November 1, 2009, the annual internal audit report required by Texas Government Code, §2102.009, using the form and content specified by the State Auditor's Office. The annual report shall be submitted by ORCA to the Governor, Legislative Budget Board, the Sunset Advisory Commission, the State Auditor's Office, and the Board of Directors. A draft of each annual report shall be submitted to ORCA's Executive Director for review by September 15<sup>th</sup> of each year of this Contract.

PMB staff and the ORCA Executive Director shall revise the "Proposed Work Plan" schedule that is set out on pages 21 and 22 of PMB's response to the RFP as necessary to conduct the audits approved by the Board of Directors in the Fiscal Year 2009 audit plan.

### **REPORTING STRUCTURE**

PMB staff who provide internal audit services under this Contract shall report to the Board of Directors. The Executive Director will provide agency support staff as needed by the Board of Directors.

PMB shall make an immediate, written report to the Board of Directors of all material irregularities, illegal acts, or indications of illegal acts of which PMB becomes aware during the term of this Contract.

### **CONTRACT TERM AND WORK PERIOD**

This work period shall commence on September 1, 2008 and PMB's final report shall be completed and submitted to ORCA by November 1, 2009. This Contract may be extended, by mutual agreement for up to **one additional fiscal** year period (Fiscal Year 2010). This Contract may be terminated earlier by either party for breach or by ORCA if sufficient funds are not available from which to pay for services. During the term of this Contract, if funds are not appropriated by the Legislature or are not otherwise available to ORCA to pay for services hereunder, ORCA may terminate this Contract without penalty upon thirty (30) days written notice to PMB.

**WORK PAPER RETENTION AND ACCESS TO RECORDS**

All work papers and reports shall be retained by PMB, at its expense, for a minimum of four years from the date of termination of this Contract. PMB shall retain the work papers and reports for a longer period if notified to do so by ORCA, in writing. PMB shall make the work papers available to local government, state, and federal entities or their representatives without charge upon the written request of ORCA. PMB will respond to the reasonable inquiries of successor internal auditors and will allow successor internal auditors to review work papers relating to matters of continuing audit significance at the request of ORCA.

PMB shall make its books and records relating to this Contract available to ORCA for inspection and copying. ORCA shall provide PMB at least ten business days' notice prior to inspecting and/or copying PMB's records. PMB's records, whether paper or electronic, shall be available during regular office hours. PMB staff familiar with the books and records shall be available to ORCA staff and designees as needed to facilitate ORCA's review of the books and records. PMB shall provide adequate office space to ORCA designees or staff during the review of books and records. The provisions of this section shall survive termination of the Contract.

PMB understands that acceptance of funds under this Contract acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to conduct an audit or investigation in connection with those funds. PMB further agrees to cooperate fully with the State Auditor's Office or its successor in the conduct of the audit or investigation, including providing all records requested. If this Contract is amended to allow PMB to use subcontractors to provide services hereunder, PMB will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through PMB and the requirement to cooperate is included in any subcontract awarded by PMB.

**PMB INTERNAL AUDIT TEAM**

PMB shall perform internal audit services under this Contract using the Austin-based team identified on pages 9-11 of PMB's July 11, 2008 response to the ORCA RFP. ORCA must give written consent before PMB substitutes staff under this Contract or uses subcontractors to provide services hereunder. PMB shall maintain staffing resources dedicated to this Contract at a level that will allow all audits and reports to be completed in a timely and professional manner.

**FEES**

Fees paid to PMB under this Contract shall not exceed \$52,450 for Fiscal Years 2009 audit services and for the follow-up of the Fiscal Year 2008 audit findings unless the Contract is amended to provide for additional payment. The \$52,450 is based on PMB providing 534 hours of audit services at the hourly rates set forth on page 23 of the PMB response to the ORCA RFP.

## **Internal Audit Contract – PMB/ORCA**

PMB may invoice ORCA monthly for services provided during the preceding month. Each invoice shall reflect the services provided, the name and billing rate of the individual providing the services and the amount billed for such services. Payment shall be made within thirty days of receipt of a correct invoice for services satisfactorily provided to ORCA. Interest shall accrue in accordance with Texas Government Code, §2251.025 on late payments. If this Contract is extended, the parties shall amend the Contract to set forth the fees to be charged for the internal audit services provided during the extension period.

If ORCA terminates the Contract early for breach or insufficient funds from which to pay PMB, ORCA shall pay for work satisfactorily performed up to the date ORCA notifies PMB of termination. Any such payments that may be due shall be made at the hourly rate for the individual who provided the services using the applicable hourly rates on page 23 of PMB's response to the ORCA RFP.

### **INDEMNIFICATION**

PMB shall defend, indemnify and hold harmless the State of Texas, its officers, agents, and employees from and against all claims, actions, suits, demands, proceedings, costs, damages and liabilities, including attorneys fees, arising out of, or resulting from any acts or omissions of PMB or its agents (if any), employees, subcontractors (if any), or suppliers of subcontractors (if any) in the execution or performance of this Contract and any Purchase Order issued under this Contract.

### **NON-ASSIGNABILITY BY PMB**

This Contract may not be assigned by PMB without the prior written consent of ORCA. Any attempt to assign this Contract without the written consent of ORCA is void.

### **CONFIDENTIALITY**

PMB, its affiliates (if any), employees, agents (if any) and subcontractors (if any) shall maintain in strict confidence any and all information or materials of any kind that are compiled, created, developed, or otherwise obtained from ORCA under this Contract that are confidential pursuant to state or federal law. This provision shall survive termination of the Contract.

### **CERTIFICATIONS**

PMB certifies: (i) it has not given, offered to give, and does not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract; (ii) it is not currently delinquent in the payment of any franchise tax owed the State of Texas and is not ineligible to receive payment under Texas Family Code, §31.006, and acknowledges this Contract may be terminated and payment withheld if this certification is inaccurate; (iii) neither it, nor anyone acting for it, has violated the antitrust laws of

## **Internal Audit Contract – PMB/ORCA**

the United States or the State of Texas, nor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage; (iv) it has not received payment from ORCA or any of its employees for participating in the preparation of this Contract; (v) it is not ineligible to receive this Contract under Texas Government Code, §2155.004; (vi) it is in compliance with Texas Government Code, §618.003; (vii) it will comply with Texas Government Code, §2155.444 and §2155.4441 in fulfilling the terms of this Contract; (viii) to the best of PMB' knowledge and belief, there are no suits or proceedings pending or threatened against or affecting PMB which, if determined adversely, will have a material adverse effect on the ability of PMB to fulfill its obligations under this Contract; (ix) PMB is a properly licensed certified public accounting firm authorized to practice in Texas, and, as such, is authorized to provide internal audit services under the Texas Internal Auditing Act; (x) no disciplinary actions have been taken or are pending against PMB or any of its employees during the last three years with federal or state regulatory bodies or professional organizations; and (xi) no existing client relationships or professional obligations exist that may pose a conflict with the services provided under the Contract.

### **EQUAL OPPORTUNITY COMPLIANCE**

PMB agrees to abide by all applicable laws, regulations, and executive orders pertaining to equal employment opportunity, including federal and Texas laws. In accordance with such laws, regulations, and executive orders, PMB agrees that no person in the United States shall, on the grounds of race, color, religion, national origin, sex, age, veteran status or handicap, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed by PMB under this Contract. If PMB is found in non-compliance with these requirements during the term of this Contract, it shall take appropriate steps to correct these deficiencies. Upon request, PMB will furnish information regarding its nondiscriminatory hiring and promotion policies, as well as specific information on the composition of its principals and staff, including the identification of minorities and women in management or other positions with discretionary or decision-making authority.

### **SECURITY OF PREMISES, EQUIPMENT, DATA AND PERSONNEL**

During the performance of this Contract, PMB may have access to the personnel, premises, equipment, and other property, including data, files and /or materials (collectively referred to as "Data") belonging to ORCA. PMB shall use its best efforts to preserve the safety, security, and the integrity of the personnel, premises, equipment, Data and other property of ORCA in accordance with the instruction of ORCA. PMB shall be responsible for damage to ORCA's equipment, workplace, and workplace contents when such damage is caused by PMB' employees or subcontractors (if any), or by equipment provided by PMB (if any). PMB shall ensure that all such equipment, property and Data are used only for official state business associated with the conduct of internal audit services.

## **Internal Audit Contract – PMB/ORCA**

PMB shall be solely responsible and liable for the safety, injury, and health of its employees and subcontractors (if any) during the performance of this Contract. PMB shall establish a safety and health program that it manages for workplace safety and health to reduce injuries, illnesses and fatalities by systematically achieving compliance with OSHA standards and its General Duty Clause. The program must be appropriate to conditions in the workplace, such as the hazards to which employees and subcontractors are exposed and the number of employees and subcontractors present. PMB is solely responsible for training its employees and subcontractors (if any) and monitoring its employees' and subcontractors' (if any) compliance with the program. Nothing herein shall be construed to create a duty in ORCA to monitor, inspect or report on the safety practices of any PMB employees and subcontractors (if any) or their compliance with PMB' safety program.

### **DRUG AND ALCOHOL FREE WORKPLACE**

Possession, use, or being under the influence of alcohol or controlled substances by PMB employees and subcontractors (if any) while in the performance of this Contract is prohibited.

### **INVALID TERM OR CONDITION**

If any term or condition of this Contract shall be held invalid or unenforceable, the remainder of this Contract shall not be affected and shall be valid and enforceable.

### **ENFORCEMENT OF CONTRACT, SOVEREIGN IMMUNITY AND DISPUTE RESOLUTION**

PMB and ORCA agree to the following: (i) a party's failure to require strict performance of any provision of this Contract shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision; (ii) for disputes not resolved in the normal course of business, the dispute resolution process provided for in Texas Government Code, Chapter 2260 shall be used; (iii) the laws of the State of Texas shall govern this Contract; (iv) actions or proceedings arising from this Contract shall be heard in a court of competent jurisdiction in Travis County, Texas; and (v) nothing herein shall be construed to waive the State's sovereign immunity.

### **ENTIRETIES**

The Contract supercedes all prior agreements, representations or promises, whether oral or written, made by the parties regarding the subject matter of this Contract.

### **MODIFICATION OF CONTRACT TERMS**



## **Internal Audit Contract – PMB/ORCA**

The Contract may only be modified or amended upon written mutual agreement of ORCA and PMB.

### **USE OF SUBCONTRACTORS**

PMB may not subcontract any services offered under the Contract without the express written consent of ORCA. The parties agree that PMB may subcontract information technology systems internal audit reviews that may be scheduled during the term of this Contract to **David Smith of Ransom Smith, LLC**. Where the use of subcontractors is permitted by ORCA, PMB shall remain solely responsible for the performance of all obligations arising under this Contract. PMB shall provide copies to ORCA of the contract between PMB and its subcontractor through which the subcontractor agrees to the terms and conditions of this Contract with respect to the work performed by the subcontractor that relates to ORCA.

### **CRIMINAL HISTORY RECORD INVESTIGATIONS**

PMB employees, interns and volunteers who provide services under this Contract, and the employees, interns and volunteers of PMB contractors who provide services under this Contract, who are identified by ORCA as having unescorted access to State of Texas information resources and information resources technologies, as defined in Texas Government Code, §411.1405, may be subject to periodic criminal history record investigations performed by the Department of Public Safety and the Federal Bureau of Investigation for ORCA. Individuals whose criminal histories are determined by ORCA to be unsatisfactory under the policy promulgated by ORCA entitled “Use of Criminal History Record Information relating to Information Technology Personnel by the Department of Information Resources” and approved by the Office of the Attorney General shall not be allowed unescorted access to State of Texas information resources and information resources technologies and may, at the discretion of ORCA, be precluded from providing services through this Contract. ORCA shall limit disclosure of any background criminal information that it receives as required by law and as set forth in ORCA’s criminal history policy that was approved by the Office of the Attorney General.

**If ORCA deems a criminal history record investigation necessary, ORCA’s human resources manager will contact PMB and make arrangements for an Original Routing Identification (ORI) card to be picked up by or for each individual subject to a criminal history background investigation. The human resources manager will provide instructions for having the fingerprints of each affected individual taken at the Department of Public Safety office located at 5805 North Lamar, Austin, Texas. Unless otherwise agreed to by ORCA, each individual whose fingerprints are taken must return the completed ORI (fingerprint) card to the ORCA human resources manager (1700 N. Congress, Suite 220, Austin, Texas 78701) within forty-eight hours after ORCA made the ORI card available to PMB, its contractor or the fingerprinted individual.**

**Internal Audit Contract – PMB/ORCA**

**OFFICE OF RURAL COMMUNITY  
AFFAIRS**

**PMB HELIN DONOVAN,  
LLP**

By: \_\_\_\_\_ By: \_\_\_\_\_

Charles S. (Charlie) Stone, Executive Director

Donald K. McPhee, Partner

**SUMMARY**  
**Salary Increase for the**  
**Executive Director**  
Presented by Charlie Stone\*

**DISCUSSION**

The State Auditor's Office performed a classification study of exempt state positions over the interim and recommended numerous salary increases. The report is available here: <http://www.sao.state.tx.us/Reports/report.cfm/report/08-708>

The Senate Finance Committee reviewed the recommendations and included some recommended salary increases in the 2010-11 biennial budget. My position was reclassified from a Group III to a Group IV and the salary included in the General Appropriations Act is \$106,500. The salary range for a Group IV position is \$106,500 to \$167,500. Article IX requires that any salary increase from appropriated funds within the limits provided ..... and salary increases within the limit established under an agency's bill pattern, must be:

- (1) in writing;
- (2) signed by the presiding officer of the governing board;
- (3) submitted to the Governor, the Legislative Budget Board and the Comptroller;
- (4) and approved by the governing board in a public meeting.

**RECOMMENDATION**

The Board should take whatever action it deems appropriate.

**RURAL DEFINITION**

N/A for this agenda item.

**\*Should a Board member have questions concerning this agenda item, please contact Charlie Stone at 512-936-6704 or [cstone@orca.state.tx.us](mailto:cstone@orca.state.tx.us).**

## **SENATE FINANCE COMMITTEE**

### **Proposed top executive salaries: By agency**

Agency/2009 salary/Proposed 2010 salary

Commission on the Arts/\$77,500/\$85,250  
Bond Review Board/\$90,000/\$99,000  
Cancer Research and Prevention Institute/\$61,729/\$214,000  
Emergency Communications/\$82,500/\$90,750  
Office of the Firefighters' Pension Commissioner/\$70,000/\$77,000  
Library and Archives Commission/\$95,000/\$104,500  
Pension Review Board/\$60,000/\$106,500  
Office of Risk Management/\$95,000/\$104,500  
Assistive and Rehabilitative Services/\$132,600/\$145,860  
Texas Education Agency/\$180,000/\$186,300  
Higher Education Coordinating Board/\$180,000/\$181,500  
Office of Court Administration/\$110,770/\$121,847  
State Law Library/\$63,800/\$70,180  
Texas Alcoholic Beverage Commission/\$105,000/\$115,500  
Department of Criminal Justice/\$181,500/\$186,300  
Fire Protection/\$90,000/\$92,600  
Commission on Jail Standards/\$68,500/\$75,350  
Juvenile Probation Commission/\$109,112/\$120,023  
Department of Public Safety/\$157,500/\$162,000  
Parks and Wildlife Department/\$130,000/\$143,000  
Soil and Water Conservation Board/\$90,000/\$92,600  
Texas Lottery Commission/\$135,000/\$140,900  
Office Rural Community Affairs/\$99,000/\$106,500  
Texas Workforce Commission/\$140,000/\$154,000  
Office of Administrative Hearings/\$118,625/\$122,500  
Board of Chiropractic Examiners/\$61,600/\$70,000  
Board of Dental Examiners/\$75,000/\$82,500  
Funeral Service Commission/\$55,816/\$70,000  
Board of Professional Geoscientists/\$57,400/\$70,000  
Office of Injured Employee Counsel/\$105,000/\$115,500  
Public Insurance Counsel/\$99,000/\$106,500  
Board of Professional Land Surveying/\$55,000/\$70,000  
Texas Medical Board/\$110,000/\$121,000  
Texas Board of Nursing/\$89,749/\$92,600  
Optometry Board/\$68,250/\$70,000  
Board of Pharmacy/\$105,000/\$106,500  
Executive Council of Physical Therapy and Occupational Therapy Examiners/\$62,000/\$70,000

Board of Plumbing Examiners/\$70,000/\$77,000  
Board of Podiatric Medical Examiners/\$55,000/\$70,000  
Board of Examiners for Psychologists/\$68,250/\$70,075  
Texas Racing Commission/\$85,536/\$94,090  
Real Estate Commission/\$100,000/\$106,500  
Savings and Mortgage Lending Department/\$100,000/\$106,500  
Board of Tax Professional Examiners/\$60,000/\$70,000  
Board of Veterinary Medical Examiners/\$65,000/\$80,500

Source: Senate Finance Committee

NONE AT THE TIME OF THIS  
POSTING



## 2009 TCF Downtown Revitalization & Main Street Improvements Programs

### Downtown Revitalization Program - apps received 7/7/09 - due diligence in process

Community	County	Business	Request	Match	Total Proj
Cuero	De Witt	Downtown Revitalization Program	\$150,000	\$45,450	\$195,450
Olton	Lamb	Downtown Revitalization Program	\$150,000	\$50,000	\$200,000
San Saba	San Saba	Downtown Revitalization Program	\$150,000	\$50,000	\$200,000
Lockney	Floyd	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Sudan	Lamb	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Hughes Springs	Cass	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Cisco	Eastland	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Goldthwaite	Mills	Downtown Revitalization Program	\$126,200	\$37,900	\$164,100
McCamey	Upton	Downtown Revitalization Program	\$146,700	\$32,357	\$179,057
Spearman	Hansford	Downtown Revitalization Program	\$150,000	\$213,829	\$363,829
Lorenzo	Crosby	Downtown Revitalization Program	\$142,200	\$31,229	\$173,429
Slaton	Lubbock	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Throckmorton	Throckmorton	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Ganado	Jackson	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Emory	Rains	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Whitesboro	Grayson	Downtown Revitalization Program	\$150,000	\$50,000	\$200,000
Wimberley	Hays	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Krum	Denton	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000
Vernon	Wilbarger	Downtown Revitalization Program	\$150,000	\$15,000	\$165,000
Kaufman	Kaufman	Downtown Revitalization Program	\$150,000	\$45,000	\$195,000

\*Shaded applications are outside funding range.

**\$2,965,100      \$1,020,765      \$3,985,865**

### Main Street Improvements Program - applications due 10/13/09

Community	County	Business	Request	Match	Total Proj



**Texas Department of Agriculture**

Todd Staples  
Commissioner

**To: Office of Rural Community Affairs Board Members**

**From: Rick Rhodes  
Assistant Commissioner  
Rural Economic Development**

**Date: July 27, 2009**

**Subject: 2009 Texas Capital Fund Proposed Rule Changes**

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As discussed at the last ORCA board meeting, the Texas Department of Agriculture is proposing rule changes for the Texas Capital Fund Infrastructure and Real Estate Improvements programs. These changes have been developed after receiving input from interested stakeholders. We anticipate these proposed changes would simplify the application process and increase the overall program utility as follows:

- Shorter Application: Institute a new shortened application, with scoring and project info only.
- Open Application process: Discontinue current quarterly application rounds and establish an open application submission process. Funding decisions would be made monthly through competitive scoring. Applications not chosen for funding would carry forward to the next month's competition.
- Distribution of Funds: Up to 70% of the annual funds will be available for projects starting in January versus allocating funds for each round currently.

After the rules for the proposed changes have been published in the *Texas Register* and public comment has been received, we will be asking the ORCA board to consider final approval at the October board meeting. If approved, the new rules will be effective January 2010.

<p> The Office of Rural Community Affairs (ORCA) proposes amendments to <\*>255.7, concerning the Texas Capital Fund. These changes are designed to increase the utility of this rural economic development program by simplifying the application process and expediting the selection of award recipients. If the amendments are adopted, the fund will accept applications continuously throughout the year instead of only quarterly, as is current practice. Additionally, funding decisions will be made on a monthly basis instead of the current practice of only making decisions quarterly.

<p>The proposed amendments to <\*>255.7 are made to revise the allocation of funding and streamline the application process of the Infrastructure and Real Estate Programs. The proposed amendment to <\*>255.7(a)(14) will provide that up to 70% of the allocated funding for the Infrastructure and Real Estate Program may be used to fund qualifying applications during the first six months of the calendar year and that the program guidelines will further describe funding decisions. The amendment to <\*>255.7(c) will allow for applications to be submitted at any time throughout the year. The amendment to <\*>255.7(e) will allow for applications to be funded on a monthly basis; and allows for the use of a shortened application. This proposed amendment will apply to the Infrastructure and Real Estate Programs and will not be effective until January 1, 2010.

<p>Charles (Charlie) S. Stone, Executive Director, has determined that for the first five-year period the proposed amendments are in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the sections, as amended.

<p> Mr. Stone has also has determined that for each year of the first five years the proposed amendments are in effect, the public benefit anticipated as a result of enforcing the sections will be the equitable allocation of CDBG non-entitlement area funds to eligible units of general local government in Texas. There will be no effect on small or large businesses. There is no anticipated economic cost to persons who are required to comply with the sections as proposed.

<p>Comments on the proposal may be submitted to Karl Young, Finance Programs Coordinator, Texas Department of Agriculture, P.O. Box 12847, Austin, Texas 78711. Comments must be received no later than 30 days from the date of publication of the proposed amendments in the <eti>Texas Register<et>.

<p>The amendments to <\*>255.7 are proposed under the Texas Government Code <\*>487.052, which provides the Office of Rural Community Affairs with the authority to adopt rules and administrative procedures to carry out the provisions of Chapter 487 of the Texas Government Code.

<p>The Texas Administrative Code, Title 10, Part 6, Chapter 255, is affected by the proposal.

| <\*>255.7 Texas Capital Fund.

Deleted: ¶

(a) General Provisions. This fund covers projects which will result in either an increase in new, permanent employment within a community or retention of existing permanent employment. Under the main street improvements and downtown revitalization programs, projects must qualify to meet the national program objective of aiding in the prevention or elimination of slum or blighted areas.

(1)-(13) (No change)

(14) <etb>TDA will allocate the available funds for the year, less \$600,000 for the main street program, and \$1,200,000 for the downtown revitalization program, by awarding up to 70% of the annual allocation plus any deobligated and program income funds available during the first half of the calendar year. All remaining funds may be allocated to applications received during the

second half of the calendar year, including any unfunded applications received during the first half of the calendar year. Final funding decisions may be made on a monthly basis as described in further detail in the program guidelines.<et> [TDA will allocate the available funds for the year, less \$600,000 for the main street program, and \$1,200,000 for the downtown revitalization program, as follows:]

[(A) First round. 30% of the annual allocation plus any deobligated and program income funds available, as of the application due date. In the event there are sufficient funds to fund 50% or more of an application request, but less than 100%, additional funds may be allocated to allow full or 100% funding.]

[(B) Second round. 40% of the remaining allocation plus any deobligated and program income funds available, as of the application due date. In the event there are sufficient funds to fund 50% or more of an application request, but less than 100%, additional funds may be allocated to allow full or 100% funding. ]

[(C) Third round. 50% of the remaining allocation plus any deobligated and program income funds available, as of the application due date. In the event there are sufficient funds to fund 50% or more of an application request, but less than 100%, additional funds may be allocated to allow full or 100% funding. If only three application rounds are scheduled, all remaining funds will be allocated to the final round. ]

[(D) Fourth round. Any remaining allocation plus any deobligated and program income funds available, as of the application due date.]

(b) (No change.)

(c) Application Dates. The TCF (except for the main street program and the downtown revitalization program) is available <etb>to eligible applicants on a continuous competitive basis throughout the calendar year <et> [up to four times during the year, on a competitive basis, to eligible applicants statewide]. Applications for the main street program and the downtown revitalization program are accepted annually. Applications will not be accepted after 5:00 p.m. on the final day of submissions, unless the applicant can demonstrate that the untimely submission was due to extenuating circumstances beyond the applicant's control. The application deadline dates are included in the program guidelines.

(d) (No change.)

(e) Application process for the infrastructure and real estate programs. [The] TDA will [only] accept applications <etb>at any time during normal business hours<et> [during the months identified in the program guidelines]. Applications are reviewed after they have been competitively scored. Based upon the scoring, TDA staff makes recommendation for award to the TDA Commissioner. The TDA Commissioner makes the final decision. The application and the selection procedures consist of the following steps:

(1) Each applicant must submit a complete <etb>short form<et> application to TDA's Rural Economic Development Division. No changes to the application will be allowed after <etb>submission<et> [the application deadline date], unless they are a result of TDA staff inquiries. Any change that occurs will only be considered through the amendment/modification process after the contract is signed.

(2) (No change.)

(3) TDA staff will review the applications <etb>on a monthly basis<et> for eligibility and completeness <etb>and list them<et> in descending order based on the scoring. <etb> The communities and businesses of those applications being considered for funding will be notified and given 30 business days to provide additional information and supporting documentation.

Applicants and/or businesses that fail to provide requested information or supporting documentation may be determined to be incomplete and the application will no longer be considered for funding.<et> [The applicant will be given 10 business days to rectify all deficiencies. An application containing an excessive number of deficiencies, or deficiencies of a material nature will be determined incomplete and returned.] In the event staff determines that an application contains activities that are ineligible for funding, the application <etb>may be restructured by staff or returned to the applicant to be amended and resubmitted. Eligible applications not selected for further consideration may be held over for a one-year period and may be re-evaluated and considered for funding. Holdover applications may remain eligible for funding consideration for up to one year from initial submission. <et> [will be restructured or returned to the applicant. An application resubmitted for future funding cycles will be competing with those applications submitted for that cycle. No preferential placement will be given an application previously submitted and not funded.]

Deleted:

(4)-(9) (No change).

(f) – (m). (No change.)

<p>This agency here by certifies that the proposal has been reviewed by legal counsel and found to be within the agency’s authority to adopt.

<p>Filed with the Office of the Secretary of State on August \_\_, 2009.

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Anne O. Reynolds  
General Counsel  
Office of Rural Community Affairs\*n

# SUMMARY

## FY 2009 Agency Operating Budget Update (As of June 30, 2009)

Presented by Sharon Page

### DISCUSSION

#### **Budget Changes**

The 2009 Agency Operating Budget has been increased by \$6,023,402 and is now at \$596,706,004.

**The increase is a result of the following:**

#### **CDBG Adjustments:**

An **increase** of \$5,010,000 to the CDBG Grant line-item in the budget as a result of Board action at the June 2009 meeting approving an additional \$4,750,000 million set-aside for Community Development Fund and an additional \$260,000 set-aside for the Planning and Capacity Building Fund.

The CDBG Grant Allocation for \$73,017,739 was received and the line-of-credit was received in July 2009. An increase of \$700,870 to the CDBG Grant line-item in the budget due to the increase in the 2009 CDBG annual allocation from HUD.

#### **Disaster Recovery Adjustments:**

An **increase** of \$300,000 to the Disaster Recovery Grant line-item in the budget as a result of Board action at the June 2009 meeting approving the transfer of \$300,000 DRII funds from administrative funds to project funds to allow additional recovery work in Jasper County.

#### **State Office of Rural Health Adjustments:**

An **increase** of \$12,532 to the State Office of Rural Health (SORH) non-tobacco grants line-item of the budget from 2008 SORH funded administrative savings.

## **Pending Budget Items**

**Federal Economic Stimulus Bill** – In January 2009, the President signed into law the American Reinvestment and Recovery Act, also known as the Federal Economic Stimulus Bill. ORCA is expected to receive an additional \$19.5 million for the Community Development Block Grant (CDBG) program that will be used to award a supplemental allocation of CDBG grants to non-entitlement rural communities. The federal regulations have been finalized and once the funds are received from HUD, an adjustment will be made to the 2009 Agency Operating Budget.

**HUD CDBG Neighborhood Stabilization Program** – The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by the “Housing and Economic Recovery Act of 2008” (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) program. TDHCA is the lead agency and will be working with ORCA and the Texas State Affordable Housing Corporation to administer \$102 million of the NSP funds. Once the decisions and guidelines are finalized and the funds are received from HUD, an adjustment will be made to the 2009 Agency Operating Budget.

## **Budget Status**

**Utilization** – The Agency Operating Budget schedule shows that ten months (83%) into the year, the:

- **Internal Administration** budget was at 67% expended/obligated
- **External Services** budget was 46% expended/obligated
- **Grants to Communities** budget was 8% expended/obligated

The **Internal Administration** budget activity is below target due to the new Disaster Recovery Division budget and vacant positions in the CDBG Division. As the Disaster Recovery Division becomes fully operational the percentages are expected to recover. The **External Services** budget activity is below target due to the increase in the Professional Services line-item in the budget for the Disaster Recovery Professional Services. As these Disaster Recovery services are obligated the percentages will recover. The **Grants to Communities** budget activity is below target and will most likely recover as the Disaster Recovery staff continue to award the \$470 million in Non-Housing Disaster Recovery grants during July and August. In July, Community Development staff will also begin to award \$54 million in CD and Colonias funds which represent over 74% of the CDBG allocation.

**Disaster Recovery Funds \$74,523,000 – (DR I) Status –As of 06/30/09****ORCA**

	<u>Budget</u>	<u>Expended</u>	<u>Obligated</u>	<u>Remaining</u>
Grants	\$30,537,574	\$28,976,781	\$ 1,423,681	\$ 137,112
Admin	\$ 1,607,241	\$ 1,457,983	\$ 45,567	\$ 103,691
Total	\$32,144,815	\$30,434,764	\$ 1,469,248	\$ 240,803

**TDHCA**

Grants	\$40,259,276	\$29,369,518	\$10,063,769	\$ 825,989
Admin	\$ 2,118,909	\$ 1,787,818	\$ 40,462	\$ 290,628
Total	\$42,378,185	\$31,157,336	\$10,104,231	\$ 1,116,617

**Disaster Recovery Funds \$428,671,849 – (DR II) Status-As of 06/30/09****ORCA**

	<u>Budget</u>	<u>Expended</u>	<u>Obligated</u>	<u>Remaining</u>
Grants	\$43,300,000	\$14,178,461	\$29,121,539	\$ 0
Admin	\$ 800,000	\$ 498,440	\$ 0	\$ 301,560
Total	\$44,100,000	\$14,676,901	\$29,121,539	\$ 301,560

**TDHCA**

Grants	\$365,238,257	\$100,991,964	\$264,135,767	\$ 110,526
Admin	\$ 19,333,592	\$ 6,446,779	\$ 0	\$ 12,886,813
Total	\$384,571,849	\$107,438,743	\$264,135,767	\$ 12,997,339

**Disaster Recovery Funds \$1,314,990,193 – (IKE / Dolly) Status-As of 06/30/09****ORCA**

	<u>Budget</u>	<u>Expended</u>	<u>Obligated</u>	<u>Remaining</u>
Grants	\$591,232,327	\$ 0	\$21,701,096	\$569,531,231
Planning	\$ 36,559,240	\$10,801,041	\$ 6,185,565	\$ 19,572,634
Admin	\$ 33,039,129	\$ 815,315	\$ 459,250	\$ 31,764,564
Total	\$660,830,696	\$11,616,356	\$28,345,911	\$620,868,429

**TDHCA**

Grants	\$621,449,116	\$ 0	\$ 0	\$621,449,116
Admin	\$ 32,710,381	\$ 190,880	\$ 0	\$ 32,519,501
Total	\$654,159,497	\$ 190,880	\$ 0	\$653,968,617

## **TxCDBG Fund Balance Report**

As of June 30, 2009 the TxCDBG Fund Balance Report shows that \$1,059,863 is available from prior year deobligated contracts and program income.

## **Enclosures**

FY 2009 Agency Operating Budget

FY 2009 Departmental Budget

TxCDBG Fund Balance Report

The budget schedules and reports are presented for informational purposes.

**\*Should any ORCA Board member have any questions concerning this agenda item please contact Ms. Page at (512) 936-6717 or [spage@orca.state.tx.us](mailto:spage@orca.state.tx.us)**



**ORCA FY 2009 Agency Operating Budget Schedule**  
As of June 30, 2009

ORCA ADMINISTRATION	ORCA Operating Budget	Expended As of 06/30/09	Obligated As of 06/30/09	Amount Remaining 06/30/09	Expended 06/30/09	Expended & Obligated 06/30/09
<b>INTERNAL ADMINISTRATION</b>						
Salaries and Wages	5,937,107	4,116,162	0	1,820,946	69%	69%
Other Personnel Costs	197,667	130,837	0	66,830	66%	66%
<i>Travel</i>						
In State Travel	562,500	188,143	0	374,357	33%	33%
Out of State Travel	39,960	16,007	0	23,953	40%	40%
<i>Capital Outlay</i>						
Computer Equipment	0	0	0	0	0%	0%
Other Furniture/Equipment	0	0	0	0	0%	0%
<i>Consumable Supplies</i>	68,073	35,122	11,328	21,622	52%	68%
<i>Utilities</i>	86,875	19,753	14,093	53,029	23%	39%
<i>Rent - Building</i>	88,300	11,384	1,672	75,244	13%	15%
<i>Rent Machine and Other</i>	66,410	22,589	16,950	26,871	34%	60%
<i>Other Operating Expense</i>						
Computer - Expensed	324,432	169,771	99,270	55,391	52%	83%
Furniture & Equipment - Expensed	276,688	31,748	228,912	16,028	11%	94%
Postage	52,188	13,693	3,629	34,867	26%	33%
Other	425,250	164,788	121,302	139,160	39%	67%
<b>Subtotal, Internal Administration</b>	8,125,447	4,919,997	497,155	2,708,296	61%	67%
<b>EXTERNAL SERVICES</b>						
Dept of Agriculture	442,781	180,073	262,708	0	41%	100%
Dept of Housing & Community Affairs	82,755	38,167	44,588	0	46%	100%
Councils of Governments	272,761	48,782	209,230	14,749	18%	95%
Rural Health Physician Relief	166,176	0	0	166,176	0%	0%
Professional/Contracted Services	38,296,102	10,865,564	6,382,987	21,047,550	28%	45%
<b>Subtotal, External Services</b>	39,260,575	11,132,585	6,899,514	21,228,475	28%	46%
<b>TOTAL, ORCA ADMINISTRATION</b>	47,386,022	16,052,582	7,396,670	23,936,772	34%	49%
<b>GRANTS TO COMMUNITIES</b>						
TxCDBG Grants	73,119,182	568,458	18,451,531	54,099,193	1%	26%
Disaster Recovery Grants	470,883,178	0	22,125,113	448,758,065	0%	0%
Rural Foundation	32,500	0	0	32,500	0%	0%
SORH Grants (Excluding Tobacco)	2,854,069	1,481,489	1,147,319	225,260	52%	92%
SORH Grants (Tobacco)	2,431,052	957,441	1,469,611	4,000	39%	100%
<b>Subtotal, Grants to Communities</b>	549,319,981	3,007,388	43,193,574	503,119,018	1%	8%
<b>TOTAL, ORCA</b>	596,706,004	19,059,970	50,590,243	527,055,790	3%	12%

<b>CDBG PROGRAM FUNDS AVAILABLE TO OBLIGATE</b>	<b>1,059,863</b>
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**ORCA FY 2009 Agency Operating Budget Schedule**  
As of June 30, 2009

**ORCA FY 2009 Departmental Budget Schedule**  
As of June 30, 2009

ORCA ADMINISTRATION	Community Development	State Office of Rural Health & Compliance	Disaster Recovery	Finance	Executive Director	Proposed Budget
<b>INTERNAL ADMINISTRATION</b>						
<b>Personnel</b>						
Salaries and Wages	1,827,650	787,300	1,674,064	836,547	811,546	5,937,107
Other Personnel Costs	64,000	28,000	54,667	26,000	25,000	197,667
<b>Travel</b>						
In State Travel	180,000	70,000	205,000	25,000	82,500	562,500
Out of State Travel	6,900	6,080	19,980	0	7,000	39,960
<b>Capital Outlay</b>						
Computer Equipment	0	0	0	0	0	0
Furniture & Equipment	0	0	0	0	0	0
<b>Consumable Supplies</b>	17,600	7,700	28,748	7,150	6,875	68,073
<b>Utilities</b>	17,600	7,700	47,550	7,150	6,875	86,875
<b>Rent - Building</b>	6,400	18,600	58,200	2,600	2,500	88,300
<b>Rent Machine and Other</b>	16,845	6,945	29,475	6,681	6,463	66,410
<b>Other Operating Expense</b>						
Computer Equipment Expensed	54,770	22,848	200,000	22,673	24,141	324,432
Furniture & Equipment Expensed	12,000	5,250	249,875	4,875	4,688	276,688
Postage	12,000	5,250	25,375	4,875	4,688	52,188
Other	169,000	35,000	157,500	32,500	31,250	425,250
<b>Subtotal, Internal Administration</b>	<b>2,384,765</b>	<b>1,000,673</b>	<b>2,750,434</b>	<b>976,052</b>	<b>1,013,524</b>	<b>8,125,447</b>
<b>EXTERNAL SERVICES</b>						
Dept of Agriculture	442,781					442,781
Dept of Housing & Community Affairs	82,755					82,755
Councils of Governments	272,761					272,761
Rural Health Physician Relief		166,176				166,176
Professional/Contracted Services	109,600	52,200	38,075,652	29,900	28,750	38,296,102
<b>Subtotal, External Services</b>	<b>907,897</b>	<b>218,376</b>	<b>38,075,652</b>	<b>29,900</b>	<b>28,750</b>	<b>39,260,575</b>
<b>TOTAL, ORCA ADMINISTRATION</b>	<b>3,292,662</b>	<b>1,219,049</b>	<b>40,826,086</b>	<b>1,005,952</b>	<b>1,042,274</b>	<b>47,386,022</b>
<b>GRANTS TO COMMUNITIES</b>						
TxCDBG Grants	73,119,182					73,119,182
Disaster Recovery Grants			470,883,178			470,883,178
Rural Foundation					32,500	32,500
SORH Grants (Excluding Tobacco)		2,854,069				2,854,069
SORH Grants (Tobacco)		2,431,052				2,431,052
<b>Subtotal, Grants to Communities</b>	<b>73,119,182</b>	<b>5,285,121</b>	<b>470,883,178</b>	<b>0</b>	<b>32,500</b>	<b>549,319,981</b>
<b>TOTAL, ORCA</b>	<b>76,411,844</b>	<b>6,504,170</b>	<b>511,709,264</b>	<b>1,005,952</b>	<b>1,074,774</b>	<b>596,706,004</b>

**TxCDBG Fund Balance Report**  
as of June 30, 2009

Program Year	Fund Balance	Amount needed to Obligate TCF	Amount needed to Obligate ORCA	Deobligated Funds Available for TxCDBG	Program Income Funds Available for TxCDBG
1993	0.00	0.00	0.00	0.00	\$0.00
1994	192,773.74	0.00	0.00	192,773.74	\$0.00
1995	0.00	0.00	0.00	0.00	\$0.00
1996	0.00	0.00	0.00	0.00	\$674.67
1997	0.00	0.00	0.00	0.00	\$0.00
1998	188,645.87	0.00	0.00	188,645.87	\$28,782.22
1999	57,356.04	0.00	0.00	57,356.04	\$10,562.00
2000	42,867.01	0.00	0.00	42,867.01	\$35,178.96
2001	48,403.18	0.00	0.00	48,403.18	\$305,382.81
2002	484,164.04	0.00	0.00	484,164.04	\$0.00
2003	288,199.72	0.00	0.00	288,199.72	\$31,488.29
2004	384,594.34	0.00	0.00	384,594.34	\$200,000.00
2005	237,400.53	0.00	0.00	237,400.53	\$0.00
2006	1,557,076.11	0.00	0.00	1,557,076.11	\$12,363.02
2007	2,110,306.99	0.00	0.00	2,110,306.99	\$1,378,190.31
2008	1,999,906.97	0.00	0.00	1,999,906.97	\$2,458,684.47
2009	0.00	0.00	0.00	0.00	\$731,622.29
<b>TOTAL</b>	<b>7,591,694.54</b>	<b>0.00</b>	<b>0.00</b>	<b>7,591,694.54</b>	<b>\$5,192,929.04</b>

IDIS AVAILABLE BALANCE		
Deob Available to Obligate	\$7,591,695	
Program Income Funds (Excluding 2% Admin)	\$5,192,929	
<b>Total IDIS Available Balance</b>		<b>\$12,784,624</b>
<b>Reconciliation Adjustments:</b>		
* Deob Pending IDIS Close Out	(\$1,666,627)	
<b>Total Reconciliation Adjustments</b>		<b>(\$1,666,627)</b>
<b>ORCA Board Set-Asides:</b>		
STEP Fund	(\$756,024)	
Additional Disaster Relief Fund - Reserve	(\$3,268,505)	
Urgent Need Fund	(\$797,820)	
Renewable Energy (REDPP-PI)	(\$177,000)	
CD, CDBG-R	(\$4,750,000)	
Planning Fund	(\$260,000)	
CSH Deob Reserve	(\$48,785)	
<b>Total ORCA Board Set-Asides</b>		<b>(\$10,058,134)</b>
<b>CDBG PROGRAM FUNDS AVAILABLE TO OBLIGATE</b>		<b>\$1,059,863</b>

\* This balance reflects contracts that have been deobligated by ORCA staff in the internal Contract Management System, but not in HUD's Intergrated Disbursement & Information System (IDIS).

**TxCDBG Fund Balance Report**  
**as of June 30, 2009**

# SUMMARY

## Proposed FY 2010 Operating Budget

Presented by Sharon Page

### DISCUSSION

The FY 2010 Agency Operating Budget totaling \$1,256,778,531 is presented for ORCA Governing Board consideration.

#### **The FY 2010 Operating Budget assumes the following:**

- The 2010 CDBG annual allocation will be funded at the 2009 level of \$73 million
- The Rural Health general revenue funded programs will be funded at 2009 levels.
- Three of the four existing Rural Health federal grant programs will continue.
- The Rural Grants Management System will be implemented and deployed in 2010
- Outsourced administrative services for Internal Audit, Workers Assistance Program and Risk Management will continue
- The Disaster Recovery Round 2 Funding for Grant Awards, Engineering, Grant Administrators, and Environmental will not start until November 2009

#### **The FY 2010 Operating Budget includes:**

- The new organizational structure as approved by Executive Management is comprised of seven operating divisions
- An increase in the Executive Directors salary from \$99,000 to \$106,500 as provided for in the General Appropriations Act if approved by the Board
- Funding for 119 staff which includes:
  - 69 total Art VII FTEs which is seven over the approved FTE cap of 62 as provided for in the General Appropriations Act
  - 50 total Art IX FTEs which are 100% dedicated to Disaster Recovery
- \$312 million from Disaster Recovery Round 1 grant awards and \$763 million from Disaster Recovery Round 2 grant awards will be awarded in FY2010
- Funds for our Rural Grants Management System implementation and first year of subscription license costs, totaling \$288,600

- \$4 million in General Revenue funds for the new Rural Sustainability Fund
- \$1.5 million in General Revenue funds for the Water Desalination with Renewable Energy Program.
- \$50,400 in General Revenue for the Rural Fire Department Assistance Program
- \$262,500 in General Revenue funds for the Small Rural Health Information Technology Program
- \$418,453 in General Revenue funds for the Outstanding Rural Scholarship Recognition Program
- Administrative Funds for the Economic Stimulus Bill totaling \$389,474 and for the Neighborhood Stabilization Program-NSP totaling \$250,000
- An increase of \$6,720 in out-of-state funds as provided in the General Appropriations Act
- \$18,120 for the one Capital Budget project approved in Rider 2 of the General Appropriations Act

**The FY 2010 Operating Budget does not include:**

- Prior year Deobligated and Program Income funds approved by the ORCA Board that have not been obligated. These will be added to the 2010 budget after the 2009 fiscal year is closed.

## **Enclosures**

FY 2010 Agency Operating Budget  
FY 2010 Departmental Operating Budget

## **RECOMMENDATION**

Staff recommends approval of the proposed FY 2010 Agency Operating Budget.

**\*Should any ORCA Board member have any questions concerning this agenda item please contact Ms. Page at (512) 936-6717 or [spage@orca.state.tx.us](mailto:spage@orca.state.tx.us)**

**TDRA FY 2010 Proposed Agency Operating Budget Schedule**  
As of September 01, 2009

TDRA ADMINISTRATION	TDRA Operating Budget	Expended As of 09/01/09	Obligated As of 09/01/09	Amount Remaining 09/01/09	Expended 09/01/09	Expended & Obligated 09/01/09
<b>INTERNAL ADMINISTRATION</b>						
Salaries and Wages	7,829,388	0	0	7,829,388	0%	0%
Other Personnel Costs	431,073	0	0	431,073	0%	0%
<i>Travel</i>						
In State Travel	600,000	0	0	600,000	0%	0%
Out of State Travel	46,680	0	0	46,680	0%	0%
<i>Capital Outlay</i>						
Computer Equipment	0	0	0	0	0%	0%
Other Furniture/Equipment	0	0	0	0	0%	0%
<i>Consumable Supplies</i>	71,648	0	0	71,648	0%	0%
<i>Utilities</i>	95,450	0	0	95,450	0%	0%
<i>Rent - Building</i>	205,200	0	0	205,200	0%	0%
<i>Rent Machine and Other</i>	78,125	0	0	78,125	0%	0%
<i>Other Operating Expense</i>						
Computer - Expensed	251,500	0	0	251,500	0%	0%
Furniture & Equipment - Expensed	54,625	0	0	54,625	0%	0%
Postage	54,625	0	0	54,625	0%	0%
Other	291,000	0	0	291,000	0%	0%
<b>Subtotal, Internal Administration</b>	<b>10,009,314</b>	<b>0</b>	<b>0</b>	<b>10,009,312</b>	<b>0%</b>	<b>0%</b>
<b>EXTERNAL SERVICES</b>						
Dept of Agriculture	450,422	0	0	450,422	0%	0%
Dept of Housing & Community Affairs	84,183	0	0	84,183	0%	0%
Councils of Governments	277,467	0	0	277,467	0%	0%
Rural Health Physician Relief	166,176	0	0	166,176	0%	0%
Professional/Contracted Services	90,607,504	0	0	90,607,504	0%	0%
<b>Subtotal, External Services</b>	<b>91,585,752</b>	<b>0</b>	<b>0</b>	<b>91,585,752</b>	<b>0%</b>	<b>0%</b>
<b>TOTAL, TDRA ADMINISTRATION</b>	<b>101,595,066</b>	<b>0</b>	<b>0</b>	<b>101,595,064</b>	<b>0%</b>	<b>0%</b>
<b>GRANTS TO COMMUNITIES</b>						
TxCDBG Federal Grants	70,226,585	0	0	70,226,585	0%	0%
TxCDBG GR Grants	3,710,000	0	0	3,710,000	0%	0%
Disaster Recovery Grants	1,074,275,427	0	0	1,074,275,427	0%	0%
Renewable Grant	1,500,000	0	0	1,500,000	0%	0%
SORH Grants (Excluding Tobacco)	3,289,455	0	0	3,289,455	0%	0%
SORH Grants (Tobacco)	2,182,000	0	0	2,182,000	0%	0%
<b>Subtotal, Grants to Communities</b>	<b>1,155,183,467</b>	<b>0</b>	<b>0</b>	<b>1,155,183,467</b>	<b>0%</b>	<b>0%</b>
<b>TOTAL, TDRA</b>	<b>1,256,778,531</b>	<b>0</b>	<b>0</b>	<b>1,256,778,531</b>	<b>0%</b>	<b>0%</b>

**CDBG PROGRAM FUNDS AVAILABLE TO OBLIGATE 0**



**TDRA FY 2010 Proposed Agency Operating Budget Schedule**  
As of September 01, 2009

**ORCA Rural Health - Outstanding Debt Collections**

As of June 30, 2009

**Collections by ORCA**

	Student Name	Program *	Profession	Original Amount Owed	Year Entered Program	Default Date	Balance as of 6/30/2009	FY09 Collections	Comment
1	Chaka, Ted	ORS	Physician Assistant	\$ 33,933.34	2001	2005	\$ 16,137.17	\$ 7,222.60	
2	Dorman, April	ORS	Registered Nurse	\$ 51,762.77	2005	2008	\$ 41,864.48	\$ 9,898.29	
3	Doss, Sarah	ORS	Family Medicine	\$ 59,196.68	1997	2004	\$ 5,919.74	\$ 9,866.10	
4	Laurel, Patricia	ORS	Internal Medicine	\$ 217,183.80	2001	2009	\$ 206,324.61	\$ 10,859.19	
5	Redman, John	THSCP	Family Medicine	\$ 24,286.88	2007	2009	\$ 23,477.32	\$ 809.56	
6	Simons, Candice	ORS	Family Medicine	\$ 13,326.85	2007	2008	\$ 11,061.57	\$ 2,265.28	
7	Ybarra, Annette	ORS	Pharmacist	\$ 76,500.00	2000	2004	\$ 3,790.00	\$ 12,750.00	
<b>Total (ORCA)</b>				<b>\$ 476,190.32</b>			<b>\$ 308,574.89</b>	<b>\$ 53,671.02</b>	

**Collections by the Office of Attorney General (OAG)**

	Student Name	Program *	Profession	Original Amount Owed	Year Entered Program	Default Date	Balance as of 6/30/2009	FY09 Collections	Comment
1	Cochran, Phillip	ORS	Family Medicine	\$ 133,938.93	1994	2003	\$ 31,157.42	\$ 18,327.90	\$67,958.50 paid in December '07
2	Fulcher, Jesseca	ORS	Registered Nurse	\$ 38,750.73	2005	2005	\$ 38,750.73	\$ -	OAG deemed uncollectible and closed Jan. '09
3	Ginbey, Deborah	ORS	Registered Nurse	\$ 70,356.63	1995	2001	\$ 63,616.69	\$ 3,119.97	Referred to OAG 12/17/08
4	Rizer, Tabbatha	ORS	Registered Nurse	\$ 86,203.20	2005	2007	\$ 84,878.48	\$ -	Referred to OAG 4/18/08 - <i>Paying OAG fees 1st</i>
5	Taylor, Margaret	ORS	Physician Assistant	\$ 7,824.35	1998	2000	\$ 6,029.33	\$ 1,500.00	Referred to OAG 12/4/06
6	Zube, Robert	ORS	Emergency Medicine	\$ 221,634.03	1999	2006	\$ 192,387.61	\$ 13,500.00	
7	Munroe, Joseph	THSC	Family Medicine	\$ 10,250.00	2005	2005	\$ -	\$ 10,249.61	<b>Paid in Full</b> as of 9/8/08
<b>Total (Attorney General)</b>				<b>\$ 558,707.87</b>			<b>\$ 416,820.26</b>	<b>\$ 46,697.48</b>	

	Original Amount Owed	Balance as of 6/30/2009	FY 2009 Collections
<b>Total</b>	<b>\$ 1,034,898.19</b>	<b>\$ 725,395.15</b>	<b>\$ 100,368.50</b>

**Default Cases PENDING**

	Student Name	Program *	Profession	Original Amount Owed	Year Entered Program	Default Date	Balance as of 6/30/2009	FY09 Collections	Comment
1	Steffey, Coral	ORS	Pediatrics	\$ 183,949.31	2002	11/5/2008	\$ 183,949.31	\$ -	First payment due July 20, 2009
<b>Total</b>				<b>\$ 183,949.31</b>			<b>\$ 183,949.31</b>	<b>\$ -</b>	

**SUMMARY**  
**Collection Efforts by**  
**The Office of the Attorney General**  
**and ORCA**

Presented by Theresa Cruz\*

**DISCUSSION**

As part of our continuing effort to keep the Board up to date on collections, a report as of June 30, 2009 collections both by the OAG and by ORCA staff is attached behind this brief.

**RECOMMENDATION**

No action needed. For informational purposes only.

**RURAL DEFINITION**

N/A for this agenda item.

**\*Should a Governing Board member have questions concerning this agenda item, please contact Theresa Cruz at 512-936-6719 or at [tcruz@orca.state.tx.us](mailto:tcruz@orca.state.tx.us).**

**ORCA Rural Health - Outstanding Debt Collections**

As of June 30, 2009

**Collections by ORCA**

	Student Name	Program *	Profession	Original Amount Owed	Year Entered Program	Default Date	Balance as of 6/30/2009	FY09 Collections	Comment
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7	Ybarra, Annette	ORS	Pharmacist	\$ 76,500.00	2000	2004	\$ 3,790.00	\$ 12,750.00	
<b>Total (ORCA)</b>				<b>\$ 476,190.32</b>			<b>\$ 308,574.89</b>	<b>\$ 53,671.02</b>	

**Collections by the Office of Attorney General (OAG)**

	Student Name	Program *	Profession	Original Amount Owed	Year Entered Program	Default Date	Balance as of 6/30/2009	FY09 Collections	Comment
1	Cochran, Phillip	ORS	Family Medicine	\$ 133,938.93	1994	2003	\$ 31,157.42	\$ 18,327.90	\$67,958.50 paid in December '07
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5	Taylor, Margaret	ORS	Physician Assistant	\$ 7,824.35	1998	2000	\$ 6,029.33	\$ 1,500.00	Referred to OAG 12/4/06
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7	Munroe, Joseph	THSC	Family Medicine	\$ 10,250.00	2005	2005	\$ -	\$ 10,249.61	<b>Paid in Full</b> as of 9/8/08
<b>Total (Attorney General)</b>				<b>\$ 558,707.87</b>			<b>\$ 416,820.26</b>	<b>\$ 46,697.48</b>	

	Original Amount Owed	Balance as of 6/30/2009	FY 2009 Collections
<b>Total</b>	<b>\$ 1,034,898.19</b>	<b>\$ 725,395.15</b>	<b>\$ 100,368.50</b>

**Default Cases PENDING**

	Student Name	Program *	Profession	Original Amount Owed	Year Entered Program	Default Date	Balance as of 6/30/2009	FY09 Collections	Comment
1	Steffey, Coral	ORS	Pediatrics	\$ 183,949.31	2002	11/5/2008	\$ 183,949.31	\$ -	First payment due July 20, 2009
<b>Total</b>				<b>\$ 183,949.31</b>			<b>\$ 183,949.31</b>	<b>\$ -</b>	

# SUMMARY

## Award of Funding for the Critical Access Hospital/Medicare Rural Hospital Flexibility Program Grants Presented by Theresa Cruz

### DISCUSSION

**The Medicare Rural Hospital Flexibility Program** encourages the development of a statewide rural health plan; conversion of small rural hospitals to Critical Access Hospital (CAH) status; development of rural health networks associated with the CAH facilities; the integration and strengthening of rural emergency medical systems; and the improving of the quality of healthcare services for rural populations. Programs and activities under this program are designed specifically for hospitals designated as CAHs.

**Funding:** The source of funding comes from the U.S. Department of Health and Human Services, Health Resources Services Administration. For FY 2009, Texas expects to receive an award amount with a slight increase from the FY 08 amount of \$620,194. *[At the time of Board Book preparation, the Notice of Grant Award had not been received. It is anticipated it will be received by the end of July.]*

### RECOMMENDATION

It is recommended that the Governing Board accept the FY 09 Flex award from the Health Resources and Services Administration, Office of Rural Health Policy. Action needed.

### RURAL DEFINITION

For purposes of this grant, eligibility is based on a hospital having a designation as a “Critical Access Hospital”. A hospital is considered “rural” if it is located in a county that is not designated as a “Metropolitan Statistical Area” as defined by the Office of Management and Budget (OMB), or in a county with a population density less than 225 persons per square mile and in city with a population of 10,000 or less.

**\*Should an Executive Committee member have questions concerning this agenda item, please contact Ms. Cruz at 512-936-6719 ([tcruz@orca.state.tx.us](mailto:tcruz@orca.state.tx.us)).**

# SUMMARY

## Award of Funding for the State Office of Rural Health Grant Presented by Theresa Cruz

### DISCUSSION

The purpose of the State Office of Rural Health (SORH) grant program is to assist States in strengthening rural health care delivery systems by maintaining a focal point for rural health within each state. The program provides funding for an institutional framework that links small rural communities with state and federal resources to help develop long term solutions to rural health problems.

The SORH must conduct the following activities:

- (1) Establish and maintain within the State a clearinghouse for collecting and disseminating information on rural health issues; research findings relating to rural health care; and develop innovative approaches to the delivery of health care in rural areas;
- (2) Coordinate the activities carried out in the State that relate to rural health care, including providing coordination for the purpose of avoiding duplication in such activities; and
- (3) Identify federal, state, and nongovernmental programs regarding rural health, and provide technical assistance to public and nonprofit private entities regarding participation in such programs
- (4) Encourage, but not directly fund, the recruitment and retention of health professionals in rural areas; and
- (5) Participate in strengthening state, local and federal partnerships in rural health.

**Funding:** The source of funding comes from the U.S. Department of Health and Human Services, Health Resources Services Administration. Texas received an award amount of \$167,200.00 for FY 2009.

### RECOMMENDATION

It is recommended that the Governing Board accept the award of \$167,200.00 from the Health Resources and Services Administration, Office of Rural Health Policy.

### RURAL DEFINITION

For purposes of Rural Health grants, "Rural" is defined as counties that are not designated as a "Metropolitan Statistical Areas" as defined by the Office of Management and Budget (OMB).

**\*Should an Governing Board member have questions concerning this agenda item, please contact Ms. Cruz at 512-936-6719 ([tcruz@orca.state.tx.us](mailto:tcruz@orca.state.tx.us)).**

<b>1. DATE ISSUED:</b> 07/09/2009		<b>2. PROGRAM CFDA:</b> 93.913		DEPARTMENT OF HEALTH AND HUMAN SERVICES HEALTH RESOURCES AND SERVICES ADMINISTRATION  NOTICE OF GRANT AWARD AUTHORIZATION (Legislation/Regulation) Public Health Service Act, Title III, Section 338J																																																					
<b>3. SUPERCEDES AWARD NOTICE dated:</b> except that any additions or restrictions previously imposed remain in effect unless specifically rescinded.																																																									
<b>4a. AWARD NO.:</b> 5 H95RH00152-08-00		<b>4b. GRANT NO.:</b> H95RH00152	<b>5. FORMER GRANT NO.:</b> H95RH00128																																																						
<b>6. PROJECT PERIOD:</b> <b>FROM:</b> 07/01/2002 <b>THROUGH:</b> 06/30/2013																																																									
<b>7. BUDGET PERIOD:</b> <b>FROM:</b> 07/01/2009 <b>THROUGH:</b> 06/30/2010																																																									
<b>8. TITLE OF PROJECT (OR PROGRAM):</b> STATE OFFICES OF RH																																																									
<b>9. GRANTEE NAME AND ADDRESS:</b> OFFICE OF RURAL COMMUNITY AFFAIRS PO BOX 12877 Austin, TX 78711-2877			<b>10. DIRECTOR:</b> (PROGRAM DIRECTOR/PRINCIPAL INVESTIGATOR) Theresa K Cruz OFFICE OF RURAL COMMUNITY AFFAIRS P.O. Box 12877 Austin, TX 78711																																																						
<b>11. APPROVED BUDGET:</b> (Excludes Direct Assistance) [ ] Grant Funds Only [X] Total project costs including grant funds and all other financial participation			<b>12. AWARD COMPUTATION FOR FINANCIAL ASSISTANCE</b>																																																						
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<b>15. PROGRAM INCOME SUBJECT TO 45 CFR Part 74.24 OR 45 CFR 92.25 SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:</b>																																																									
A=Addition B=Deduction C=Cost Sharing or Matching D=Other <span style="float: right;">[C]</span>																																																									
Estimated Program Income: \$ 0.00																																																									
<b>16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY HRSA, IS ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:</b>																																																									
a. The grant program legislation cited above. b. The grant program regulation cited above. c. This award notice including terms and conditions, if any, noted below under REMARKS. d. 45 CFR Part 74 or 45 CFR Part 92 as applicable. In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.																																																									
<b>REMARKS:</b> (Other Terms and Conditions Attached [X] Yes [ ] No )																																																									
<i>Electronically signed by Stephannie Young, Grants Management Officer on: 07/09/2009</i>																																																									
<b>17. OBJ. CLASS:</b> 41.51		<b>18. CRS-EIN:</b> 1743024533A1		<b>19. FUTURE RECOMMENDED FUNDING:</b>																																																					
<b>FY-CAN</b>	<b>CFDA</b>	<b>DOCUMENT NO.</b>	<b>AMT. FIN. ASST.</b>	<b>AMT. DIR. ASST.</b>	<b>SUBPROGRAM CODE</b>																																																				
09-3704111	93.913	H95RH00152C0	\$ 167,200.00	\$ 0.00	N/A																																																				

## HRSA Electronic Handbooks (EHBs) Registration Requirements

The Project Director of the grant (listed on this NGA) and the Authorizing Official of the grantee organization are required to register (if not already registered) within HRSA's Electronic Handbooks (EHBs). Registration within HRSA EHBs is required only once for each user for each organization they represent. To complete the registration quickly and efficiently we recommend that you note the 10-digit grant number from box 4b of this NGA. After you have completed the initial registration steps (i.e., created an individual account and associated it with the correct grantee organization record), be sure to add this grant to your portfolio. This registration in HRSA EHBs is required for submission of noncompeting continuation applications. In addition, you can also use HRSA EHBs to perform other activities such as updating addresses, updating email addresses and submitting certain deliverables electronically. Visit <https://grants.hrsa.gov/webexternal/login.asp> to use the system. Additional help is available online and/or from the HRSA Call Center at 1-877-464-4772.

### Terms and Conditions

Failure to comply with the special remarks and condition(s) may result in a draw down restriction being placed on your Payment Management System account or denial of future funding.

#### Grant Specific Terms:

1. Grant Specific Terms:

1. SORH is required to attend the following four meetings that will occur within the budget period: 1) SORH Regional meeting, 2) SORH Annual Grantee meeting, 3) NOSORH Annual meeting and 4) NRHA Annual meeting. Meeting dates / locations will be provided by SORH Program Coordinator when available. Budgets to attend these meetings were submitted and approved as part of SORH grant application.
2. Due to reduction of the Office of Rural Health Policy's FY 2009 budget, all State Office of Rural Health grant recipients will not receive the Federal funds they requested. The majority of States will receive \$167,200. Thus the revised budget, dated April 9, 2009, has been reduced by \$12,800. In order to reach the Federal funding level, \$12,800 will be subtracted from the "Other" budget category.

Your Non Federal match has also been reduced to reach 1:3 match requirements.

#### Program Terms:

1. On a regularly scheduled basis, HRSA grantees are required during their project period to participate in a performance review of their HRSA funded program(s) by a review team from HRSA's Office of Performance Review. If your organization has been selected for a performance review, you will be contacted at least twelve weeks before your performance review begins in order to provide you with additional information about the scope and process for your review, and to schedule the dates for the on-site phase. Upon completion of the performance review, grantees are expected to prepare an Action Plan that identifies key actions to improve program performance as well as addresses any identified program requirement issues.

#### Standard Terms:

1. All discretionary awards issued by HRSA on or after October 1, 2006, are subject to the HHS Grants Policy Statement (HHS GPS) unless otherwise noted in the Notice of Award (NoA). Parts I through III of the HHS GPS are currently available at <http://ftp.hrsa.gov/grants/hhsgrantspolicystatement.pdf> and it is anticipated that Part IV, HRSA program-specific guidance will be available at the website in the near future. In addition, HRSA-specific contacts will be appended to Part III of the GPS which identifies Department-wide points of contact. Please note that the Terms and Conditions explicitly noted in the award and the HHS GPS are in effect. Once available, Part IV, HRSA program-specific guidance will take precedence over Parts I and II in situations where there are conflicting or otherwise inconsistent policies.
2. The HHS Appropriations Act requires that when issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with Federal money, all



grantees receiving Federal funds, including but not limited to State and local governments, shall clearly state the percentage of the total costs of the program or project which will be financed with Federal money, the dollar amount of Federal funds for the project or program, and percentage and a dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.

3. Recipients and sub-recipients of Federal funds are subject to the strictures of the Medicare and Medicaid anti-kickback statute (42 U.S.C. 1320a - 7b(b) and should be cognizant of the risk of criminal and administrative liability under this statute, specifically under 42 U.S.C. 1320 7b(b) Illegal remunerations which states, in part, that whoever knowingly and willfully:

(A) Solicits or receives (or offers or pays) any remuneration (including kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, in return for referring (or to induce such person to refer) an individual to a person for the furnishing or arranging for the furnishing of any item or service, OR

(B) In return for purchasing, leasing, ordering, or recommending purchasing, leasing, or ordering, or to purchase, lease, or order, any goods, facility, services, or item

...For which payment may be made in whole or in part under subchapter XIII of this chapter or a State health care program, shall be guilty of a felony and upon conviction thereof, shall be fined not more than \$25,000 or imprisoned for not more than five years, or both.

4. Items that require prior approval from the awarding office as indicated in 45 CFR Part 74.25 [Note: 74.25 (d) HRSA has not waived cost-related or administrative prior approvals for recipients unless specifically stated on this Notice of Grant Award] or 45 CFR Part 92.30 must be submitted in writing to the Grants Management Officer (GMO). Only responses to prior approval requests signed by the GMO are considered valid. Grantees who take action on the basis of responses from other officials do so at their own risk. Such responses will not be considered binding by or upon the HRSA.

In addition to the prior approval requirements identified in Part 74.25, HRSA requires grantees to seek prior approval for significant rebudgeting of project costs. Significant rebudgeting occurs when, under a grant where the Federal share exceeds \$100,000, cumulative transfers among direct cost budget categories for the current budget period exceed 25 percent of the total approved budget (inclusive of direct and indirect costs and Federal funds and required matching or cost sharing) for that budget period or \$250,000, whichever is less. For example, under a grant in which the Federal share for a budget period is \$200,000, if the total approved budget is \$300,000, cumulative changes within that budget period exceeding \$75,000 would require prior approval). For recipients subject to 45 CFR Part 92, this requirement is in lieu of that in 45 CFR 92.30(c)(1)(ii) which permits an agency to require prior approval for specified cumulative transfers within a grantee's approved budget. [Note, even if a grantee's proposed rebudgeting of costs falls below the significant rebudgeting threshold identified above, grantees are still required to request prior approval, if some or all of the rebudgeting reflects either a change in scope, a proposed purchase of a unit of equipment exceeding \$25,000 (if not included in the approved application) or other prior approval action identified in Parts 74.25 and 92.30 unless HRSA has specifically exempted the grantee from the requirement(s).]

5. Payments under this award will be made available through the DHHS Payment Management System (PMS). PMS is administered by the Division of Payment Management, Financial Management Services, Program Support Center, which will forward instructions for obtaining payments. Inquiries regarding payment should be directed to: Payment Management, DHHS, P.O. Box 6021, Rockville, MD 20852, <http://www.dpm.psc.gov/> or Telephone Number: 1-877-614-5533.
6. The DHHS Inspector General maintains a toll-free hotline for receiving information concerning fraud, waste, or abuse under grants and cooperative agreements. Such reports are kept confidential and callers may decline to give their names if they choose to remain anonymous. Contact: Office of Inspector General, Department of Health and Human Services, Attention: HOTLINE, 330 Independence Avenue Southwest, Cohen Building, Room 5140, Washington, D. C. 20201, Email: [Htips@os.dhhs.gov](mailto:Htips@os.dhhs.gov) or Telephone: 1-800-447-8477 (1-800-HHS-TIPS).
7. Submit audits, if required, in accordance with OMB Circular A-133, to: Federal Audit Clearinghouse Bureau of the Census 1201 East 10th Street Jefferson, IN 47132 PHONE: (310) 457-1551, (800)253-0696 toll free <http://harvester.census.gov/sac/facconta.htm>
8. EO 13166, August 11, 2000, requires recipients receiving Federal financial assistance to take steps to ensure that

ple with limited English proficiency can meaningfully access health and social services. A program of language assistance should provide for effective communication between the service provider and the person with limited English proficiency to facilitate participation in, and meaningful access to, services. The obligations of recipients are explained on the OCR website at <http://www.hhs.gov/ocr/lep/revisedlep.html>.

9. This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to <http://www.hrsa.gov/grants/trafficking.htm>. If you are unable to access this link, please contact the Grants Management Specialist identified in this Notice of Grant Award to obtain a copy of the Term.

**Reporting Requirements:**

1. Due Date: Within 90 days of Budget End Date

The grantee must submit a Financial Status Report within 90 days after the budget period end date. This report should reflect cumulative reporting within the project period and must be submitted using the Electronic Handbook (EHB).

**Failure to comply with these reporting requirements will result in deferral or additional restrictions of future funding decisions.**

**NGA Email Address(es):**

[kmidberry@hrsa.gov](mailto:kmidberry@hrsa.gov); [tcruz@orca.state.tx.us](mailto:tcruz@orca.state.tx.us); [dflores@orca.state.tx.us](mailto:dflores@orca.state.tx.us); [spage@orca.state.tx.us](mailto:spage@orca.state.tx.us)

Note: NGA emailed to these address(es)

**Contacts:**

**Program Contact:** For assistance on programmatic issues, please contact Michelle Goodman at:

Office of Rural Health Policy

5600 Fishers Ln

Rockville, MD 20852-1750

Phone: (301)443-7440

Email: [michelle.goodman@hrsa.hhs.gov](mailto:michelle.goodman@hrsa.hhs.gov)

**Division of Grants Management Operations:** For assistance on grants administration issues, please contact Phyllis

Lawson at:

1400-13

DGMO/OFAM

5600 Fishers Ln

Rockville, MD 20852-1750

Phone: (301)443-6381

Email: [plawson@hrsa.gov](mailto:plawson@hrsa.gov)

Responses to reporting requirements, conditions, and requests for post award amendments must be mailed to the attention of the Office of Grants Management contact indicated above. All correspondence should include the Federal grant number (item 4 on the award document) and program title (item 8 on the award document). Failure to follow this guidance will result in a delay in responding to your request.

# SUMMARY

## **Proposed Changes to ORCA State Office of Rural Health Outstanding Rural Scholar Recognition Program**

Presented by Theresa Cruz

### **DISCUSSION**

The State Office of Rural Health Division has determined the need to change language in the Texas Administrative Code, Title 10, Part 6, Chapter 257, Subchapter B, §257.26 (C) (i). The need to change the language is limited to changing the phrase, "...one academic term of grace will be extended..." to: "...one academic term of grace **may** be extended...."

The marked change has been included for the Board's review.

### **RECOMMENDATION**

SORH staff recommends approval of the proposed rule change and authorization for publication in the *Texas Register* for public comment. Action is required.

### **RURAL DEFINITION**

For purposes of Rural Health grants, "Rural" is defined as counties that are not designated as a "Metropolitan Statistical Areas" as defined by the Office of Management and Budget (OMB).

**\*Should an Governing Board member have questions concerning this agenda item, please contact Ms. Cruz at 512-936-6719 ([tcruz@orca.state.tx.us](mailto:tcruz@orca.state.tx.us)).**

Texas Administrative Code

[Next Rule>>](#)

**TITLE 10** COMMUNITY DEVELOPMENT  
**PART 6** OFFICE OF RURAL COMMUNITY AFFAIRS  
**CHAPTER 257** STATE OFFICE OF RURAL HEALTH  
**SUBCHAPTER B** TEXAS OUTSTANDING RURAL SCHOLAR RECOGNITION PROGRAM  
**RULE §257.26 Breach of Contract**

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A contract executed under this subchapter between the Office, the sponsor and the student is a binding contract.

(1) Sponsor.

(A) A sponsor shall be in breach of contract on the date the sponsor failed to meet the conditions of this subchapter.

(B) A sponsor shall notify the Office, in writing within two weeks of any change in status.

(C) A sponsor shall be in breach of contract if the sponsor:

(i) fails to provide 50% of the student's costs of attendance as determined by the academic institution for the duration of the student's agreed upon health care academic program; or

(ii) fails to provide a full-time employment or practice opportunity for the student as a health care professional for which sponsored upon the student's certification or licensure.

(D) If the sponsor is found to be in breach of contract, the Office may require any or all of the following:

- (i) forfeiture of all claim to funds forwarded to the student;
- (ii) cancellation of the student's obligated period of service; and
- (iii) forfeiture of opportunity to sponsor a student in the future.

(E) In the event of a sponsor breach of contract, the Office may assist the student in obtaining alternative sponsorship, employment or practice opportunity in another rural community where loan forgiveness may be granted. In such an event, the original sponsor may not seek reimbursement from either the student, another rural community sponsor nor the Office.

(2) Student.

(A) The student shall be in breach of contract on the date the student failed to meet the conditions of this subchapter.

(B) The Office shall hold the student who breaches a contract liable for liquidated damages equal to one time the total forgiveness loan amount plus all applicable costs, fees and interest at the highest rate allowed by law.

(C) The student shall be considered in breach of contract and shall not be eligible to receive forgiveness loan funds if the student fails to meet any of the conditions of this subchapter. The student shall notify the Office in writing within two weeks of any change in status. The student shall be in breach of contract if the student:

(i) fails to maintain satisfactory academic progress according to the academic institution the student attends except that one academic term of grace **may** be extended to the student if the student is placed on scholastic probation during which time the student

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may receive a loan disbursement;

(ii) fails to attain satisfactory academic progress following an academic term of scholastic probation;

(iii) voluntarily withdraws from the Outstanding Rural Scholar Recognition Program forgiveness loan;

(iv) fails to accept payment or instructs the academic institution not to accept payment, in whole or in part, of a forgiveness loan under contract as described in this subsection;

(v) voluntarily withdraws from or terminates enrollment in the agreed upon academic program or institution before completion of the agreed upon academic program;

(vi) fails to complete the academic program according to the degree plan;

(vii) ceases to be enrolled full-time in an academic program which requires full-time enrollment;

(viii) is dismissed for disciplinary reasons from the agreed upon academic program or institution;

(ix) fails to begin or complete the required practicum, internship or residency;

(x) fails to begin or complete a residency program in family practice, emergency medicine, general internal medicine, general pediatrics, general surgery, or general obstetrics and gynecology, in the case of medical students;

(xi) fails to begin the obligated period of service within 60 days of attaining certification or licensure, or within 60 days of completing a residency program in the case of medical students; or

(xii) fails to complete the obligated period of service.

(D) A student shall sit for the first certification or licensure examination for which eligible upon completion of the prescribed academic program. If certification or licensure is delayed because of failure to pass the examination, the student shall retake it the next time the student is eligible to do so. If the student fails to become certified or licensed after the second attempt, the student shall be in breach of contract.

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**Source Note:** The provisions of this §257.26 adopted to be effective July 11, 1995, 20 TexReg 4629; transferred effective October 31, 2001, as published in the Texas Register December 27, 2002, 27 TexReg 12187; amended to be effective January 24, 2006, 31 TexReg 379

# SUMMARY

## Disaster Relief Fund Update

Presented by Mark Wyatt\*

### DISCUSSION

#### Disaster Relief Fund

2009 Allocation:	\$2,993,727
Deob/Program Income:	<u>\$3,268,505</u>
Total Currently Available:	<b>\$6,262,232</b> <==

#### History of Disaster Relief Awards – TxCDBG by Calendar Year

1992	\$699,534
1993	\$1,820,200
1994	\$1,987,546
1995	\$2,947,042
1996	\$4,285,113
1997	\$6,294,168
1998	\$3,902,787
1999	\$6,562,878
2000	\$6,583,629
2001	\$5,694,158
2002	\$7,442,557
2003	\$6,237,789
2004	\$5,661,479
2005	\$5,915,869
2006	\$2,824,760
2007	\$11,088,331
2008	\$13,318,496
2009	\$3,001,705
<u>Total</u>	<u>\$96,268,041</u>

## Current Status Report

### Recent awards:

On June 11, 2009, three (3) awards were approved as follows: Sabine County (\$350,000), San Augustine County (\$350,000) and the city of Carbon (\$274,030), for a total of \$974,030.

### Anticipated demand based on current disaster declarations:

July and August 2009 - \$974,971

September 2009 - \$1,750,000

October 2009 - \$1,550,000

Total anticipated demand through October 2009 - \$4,274,971 <==

## **RECOMMENDATION**

No action is required. This report is provided for informational purposes only.

## **RURAL DEFINITION**

Non-entitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Mr. Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us)**

**SUMMARY**  
**Proposed Use of CDBG Deobligated Funds**  
**and/or Program Income**

Presented by Mark Wyatt \*

**DISCUSSION**

**Disaster Relief Fund**

As discussed in the previous section, there is likely to be additional demand for the regular Disaster Relief Fund throughout the program year. Below is the amount currently available.

Disaster Relief Fund	
2009 Allocation:	\$2,993,727
<u>Deob/Program Income:</u>	<u>\$3,268,505</u>
Total Currently Available:	\$6,262,232

We are requesting authority for additional funding of \$1,000,000 for the Disaster Relief Fund if needed to meet demand.

**Community Development Fund**

For the 2009 / 2010 Community Development Fund cycle, the TxCDBG program received eligible applications totaling \$159,439,144. In 2009, from the regular allocation, CDBG-Recovery funds, and the \$4,750,000 in deobligated funds/Program Income approved at the June Board meeting, we anticipate ultimately awarding a total of \$68,114,523. In addition, for PY 2010 we are assuming for now that we would be able to award another \$45,059,247 provided the HUD allocation amount remains the same as it was for PY 2009.

That would leave a projected total of \$50,913,045 in 2009/2010 Community Development Fund applications unfunded (or approximately 32% unfunded) due to a substantial over-subscription for this fund category in 19 regions across the state.

We are requesting authority to use Deobligated funds and/or Program Income in the amount of \$1,000,000 to fund CD applications.



## **RECOMMENDATION**

Staff recommends approval of the following motion language:

*CD staff would be able to allocate future deobligated funds and program income for the Disaster Relief Fund as needed up to a limit of an additional \$1,000,000 and for the Community Development Fund applications as needed up to a limit of an additional \$1,000,000."*

## **RURAL DEFINITION**

Non-entitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Mr. Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us)**

# **SUMMARY**

## **HUD's Neighborhood Stabilization Program**

Presented by Mark Wyatt\*

### **DISCUSSION**

#### UPDATE:

This report provides an update of CD staff activities under the Neighborhood Stabilization Program (NSP).

Staff continues to work with the Texas Department of Housing and Community Affairs (TDHCA), which is the lead agency, on implementing this program.

**NSP1 Awards:** On July 16, 2009, the TDHCA Governing Board approved awards for the Select Pool in the amount of \$18,881,500 to 24 applicants across Texas. Much of this funding was provided through the "As Available" mechanism that we promoted for each funding pool. Attached is a list of awards by county. ORCA and TDHCA are working with one remaining Select Pool applicant, Midland County Housing Authority, that did not submit an application in accordance with the latest HUD guidance. This sole remaining application may be considered at the next TDHCA Governing Board meeting.

TDHCA is still reviewing our draft Interagency Agreement between the two agencies. We are seeking a set dollar amount in the MOU that will be known upon the final decision on all NSP applications submitted. We have provided TDHCA language incorporating the ORCA Board's adopted motion.

Should ORCA and TDHCA execute the MOU at the current \$18.73 Million level for administration of the Select Pool awards, the additional administration dollars associated with the NSP program would support approximately 3.4 ORCA FTEs, including all associated indirect costs, depending on the job classifications and underlying assumptions.

#### BACKGROUND INFORMATION:

NSP is a CDBG supplemental program authorized by the "Housing and Economic Recovery Act of 2008" (HERA). The purpose of the program is to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight. NSP provides funds to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and

stem the decline of house values of neighboring homes. The American Recovery and Reinvestment Act of 2009 (ARRA) provided an additional \$2 Billion to the NSP program and made significant changes to certain provisions of HERA such as requirements for program income and limits on demolition.

Texas will receive approximately \$173 Million, approximately \$71 Million of which has already been identified by HUD as a direct allocation to 13 cities and counties with the greatest need. The Texas Department of Housing and Community Affairs, as the lead agency, will implement the NSP funds and will work in cooperation with ORCA and the Texas State Affordable Housing Corporation (TSAHC) to deliver and administer the remaining \$102 Million funds.

TDHCA submitted an application for the second round of funding under this program.

## **RECOMMENDATION**

This report is provided to inform the Board. No action is required at this time.

## **RURAL DEFINITION**

Non-entitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Mr. Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us)**

**2009 Neighborhood Stabilization Program  
Select Pool Awards**

<b>County Served</b>	<b>Legal Name</b>	<b>Financing Mechanisms</b>	<b>Purchase and Rehabilitation</b>	<b>Land Bank</b>	<b>Demolition</b>	<b>Redevelopment</b>	<b>Admin</b>	<b>Total NSP Award</b>
Bastrop	City of Elgin		\$ 1,983,500		\$ 116,500		\$ 105,000	\$ 2,205,000
Brazos	City of Bryan		\$ 269,000		\$ 231,000		\$ 25,000	\$ 525,000
Cooke	Texoma Housing Finance Corporation	\$ 500,000					\$ 25,000	\$ 525,000
Coryell	Fort Hood Habitat for Humanity, Inc.	\$ 600,000					\$ 30,000	\$ 630,000
Ellis	North Central Texas Housing Finance Corp	\$ 1,000,000					\$ 50,000	\$ 1,050,000
Fannin	Texoma Housing Finance Corporation	\$ 500,000					\$ 25,000	\$ 525,000
Gonzales	City of Waelder				\$ 15,000	\$ 485,000	\$ 25,000	\$ 525,000
Grayson	Texoma Housing Finance Corporation	\$ 2,000,000					\$ 125,000	\$ 2,125,000
Guadalupe	City of Seguin	\$ 180,000			\$ 45,000	\$ 1,275,000	\$ 75,000	\$ 1,575,000
Hays	City of San Marcos	\$ 60,000	\$ 390,000		\$ 50,000		\$ 25,000	\$ 525,000
Hood	Northwest Central Texas Housing Finance Corporation	\$ 500,000					\$ 25,000	\$ 525,000
Howard	City of Big Spring		\$ 275,000		\$ 40,000	\$ 450,000	\$ 39,250	\$ 804,250
Hunt	North Central Texas Housing Finance Corporation	\$ 500,000					\$ 25,000	\$ 525,000
Johnson	Northwest Central Texas Housing Finance Corporation	\$ 500,000					\$ 25,000	\$ 525,000
Kaufman	City of Terrell	\$ 295,000	\$ 450,000	\$ 155,000	\$ 100,000		\$ 42,250	\$ 1,042,250
Kaufman	North Central Texas Housing Finance Corporation	\$ 500,000					\$ 25,000	\$ 525,000
Maverick	FUTURO Communities, Inc.		\$ 500,000				\$ 25,000	\$ 525,000
Navarro	North Central Texas Housing Finance Corporation	\$ 500,000					\$ 25,000	\$ 525,000
Orange	Nautical Affordable Housing, Inc.		\$ 500,000				\$ 25,000	\$ 525,000
Parker	Northwest Central Texas Housing Finance Corporation	\$ 500,000					\$ 25,000	\$ 525,000
Rockwall	North Central Texas Housing Finance Corporation	\$ 500,000					\$ 25,000	\$ 525,000
Tom Green	City of San Angelo		\$ 500,000				\$ 25,000	\$ 525,000
Walker	City of Huntsville		\$ 1,000,000				\$ 50,000	\$ 1,050,000
Wise	Northwest Central Texas Housing Finance Corporation	\$ 500,000					\$ 25,000	\$ 525,000
	<b>Total</b>	<b>\$ 9,135,000</b>	<b>\$ 5,867,500</b>	<b>\$ 155,000</b>	<b>\$ 597,500</b>	<b>\$ 2,210,000</b>	<b>\$ 916,500</b>	<b>\$ 18,881,500</b>

# **SUMMARY**

## **Update on the CDBG Recovery (“Stimulus”) funds**

Presented by Mark Wyatt \*

### **DISCUSSION**

#### **Action Plan Amendment Submission**

On June 29, 2009, we submitted the Substantial Amendment to the TxCDBG Action Plan to HUD covering the use of the \$19.47 Million of supplemental CDBG funds (known as CDBG-Recovery or CDBG-R funds) that were part of the appropriations signed into law on February 17, 2009.

**Community Development Fund Selection Finished Two Months Ahead of Planned Schedule:** Instead of the state submitting a “method of distribution” that describes how the state will allocate and distribute these supplemental funds to cities and counties at a future date, HUD required states to complete their selection and submit a list of the recipients of CDBG-R funds by June 29th. HUD’s incredibly brief timeframe meant the ORCA staff had to finish with the application review, scoring, and allocation process in all 24 regions months approximately two months ahead of the timeframe contemplated, particularly for the three regions affected by the recent hurricanes that received a four month application extension until February 20th. We are extremely proud of the entire CD staff and Roger Huffman in Information Systems for the incredible team effort.

**Initial HUD feedback:** The HUD Ft. Worth staff expressed their appreciation for submitting a very well prepared Action Plan Amendment within the brief time period allowed. We are still awaiting HUD review and their decision on our underlying allocation method and proposed activities.

#### **Allocation of CDBG-Recovery Funds to Each Region**

A chart that shows the amount of CDBG Recovery funds allocated to each region, along with the number of Community Development Fund applications, is attached for your review.

#### **List of Selections for CDBG-Recovery Funds – All Regions**

The list of selected CDBG-Recovery projects is attached for your review.

## **Recommendation of five regions for the use of allocated funds under the 2009 / 2010 Community Development Fund Application Cycle**

As shown on the attached chart, in five regions the dollar amount of the applications submitted for the 2009 / 2010 Community Development Fund cycle does not equal the amount of funds allocated to the region.

The five regions are:

Lower Rio Grande Valley Development Council,  
Middle Rio Grande Development Council  
Rio Grande Council of Governments  
South Texas Development Council  
Texoma Council of Governments

It is possible that representatives from these five regions may present a proposal to the Board for consideration.

## **RECOMMENDATION**

That the Board consider any related proposal and take any action it considers appropriate.

## **RURAL DEFINITION**

Non-entitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Mr. Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us)**



July 27, 2009

Dear ORCA Board Members:

The Community Development Block Grant Program, operated by the Office of Rural Community Affairs (ORCA), has assisted small cities and counties each year through infrastructure grants, which are used for projects such as water and wastewater improvements, street paving and public facilities. Now, the Reinvestment and Recovery Act of 2009 (ARRA) has given ORCA the opportunity to award more funds to more cities and counties in plan year (PY) 2009, than ever before. However, with this opportunity an unforeseen circumstance has arisen for several regions in the State of Texas.

The additional funding that ORCA received from the ARRA will propel many cities and counties to receive funding in the first year of a two year funding cycle. In some regions that do not have enough applicants to fund in the second year, this could have negative consequences, assuming the region allocation will be the same in PY 2010.

Various regions will be negatively affected. However, the regions that will experience the greatest negative impacts include the Lower Rio Grande Development Council, Middle Rio Grande Development Council, Rio Grande Council of Governments, South Texas Development Council and Texoma Council of Governments. Based on the PY 2010 forecasted regional allocation for each of the regions noted above, collectively the group stands to lose \$4,659,573.

In light of this, we respectfully request that the ORCA Board take action that will enable regions to receive all of their allocated funding. Without an equitable solution, 1,160,109 low to moderate income people will not receive the full benefit of the TxCDBG program.

The affected regions have collaborated to provide a unified solution. We intend to provide the ORCA Board with a realistic proposed solution which will ensure that all funds are made available to the local governments for which they were intended. . Our collective belief is that the most efficient and cost effective approach for ORCA to employ is to amend all contracts for PY 2009 and PY 2010 and allow 100% utilization of all funds allocated to each region. The affected regions are confident that ORCA staff has the ability to amend all contracts, as similar amendments have been made in the past.



The affected regions further request that the ORCA board allow the Regional Review Committees from each region to make the local decision in determining how to distribute the funds to existing applicants.

We thank you for your consideration in this matter and look forward to having further discussions with you in the near future.

Respectfully,

A handwritten signature in black ink, appearing to read "David N. Winstead".

Honorable David N. Winstead  
Mayor, Los Fresnos, TX  
Chairman LRGVDC RRC

A handwritten signature in black ink, appearing to read "William R. Mitchell".

Honorable William R. Mitchell  
Judge, Uvalde County  
Chairman MRGDC RRC

A handwritten signature in blue ink, appearing to read "Val C. Beard".

Honorable Val C. Beard  
Judge, Brewster County  
Chairman RGCOG RRC

A handwritten signature in blue ink, appearing to read "Eloy Vera".

Honorable Eloy Vera  
Judge, Starr County  
Chairman STDC RRC

A handwritten signature in blue ink, appearing to read "Bill Goodson".

Honorable Bill Goodson  
Mayor, Whitewright, TX  
Chairman Texoma RRC



Allocation of 2009 CDBG-Recovery Funds - Amendment to Action Plan - as submitted to HUD on 6/29/2009

2009 - 2010 Community Development Fund Cycle

REGION	2009 CD Allocation	Estimated 2010 CD Allocation - (Assumed to be the same as 2009)	CDBG-Recovery (Stimulus) Funds	Total Amount Available	Number of Apps on File	CD Applications on File	Shortfall
AACOG	\$2,403,371	\$2,403,371	\$973,804	\$5,780,546	25	\$6,250,000	(\$469,454)
ATCOG	\$1,706,480	\$1,706,480	\$687,527	\$4,100,487	35	\$8,636,927	(\$4,536,440)
BVCOG	\$1,041,773	\$1,041,773	\$432,425	\$2,515,971	18	\$4,500,000	(\$1,984,029)
CAPCOG	\$1,656,622	\$1,656,622	\$678,719	\$3,991,963	25	\$6,250,000	(\$2,258,037)
CBCOG	\$2,266,744	\$2,266,744	\$913,483	\$5,446,971	28	\$8,600,000	(\$3,153,029)
CTCOG	\$1,332,743	\$1,332,743	\$545,567	\$3,211,053	22	\$5,500,000	(\$2,288,947)
CVCOG	\$748,224	\$748,224	\$313,324	\$1,809,772	18	\$3,649,900	(\$1,840,128)
DETCOG	\$2,430,424	\$2,430,424	\$978,295	\$5,839,143	43	\$10,750,000	(\$4,910,857)
ETCOG	\$3,141,722	\$3,141,722	\$1,255,193	\$7,538,637	36	\$8,995,375	(\$1,456,738)
GCRPC	\$1,051,957	\$1,051,957	\$429,168	\$2,533,082	16	\$4,000,000	(\$1,466,918)
H-GAC	\$3,316,241	\$3,316,241	\$1,363,615	\$7,996,097	33	\$11,550,000	(\$3,553,903)
HOTCOG	\$1,367,046	\$1,367,046	\$551,750	\$3,285,842	24	\$5,932,950	(\$2,647,108)
LRGVDC	\$2,090,044	\$2,090,044	\$864,248	\$5,044,336	14	\$4,027,815	\$1,016,521
MRGVDC	\$1,987,987	\$1,987,987	\$812,566	\$4,788,540	13	\$4,074,223	\$714,317
NCTCOG	\$4,846,113	\$4,846,113	\$1,970,377	\$11,662,603	54	\$18,096,270	(\$6,433,667)
NORTEX	\$1,058,544	\$1,058,544	\$423,972	\$2,541,060	22	\$5,438,600	(\$2,897,540)
PBRPC	\$1,561,612	\$1,561,612	\$631,217	\$3,754,441	17	\$5,950,000	(\$2,195,559)
PRPC	\$1,728,147	\$1,728,147	\$675,023	\$4,131,317	27	\$6,658,863	(\$2,527,546)
RGCOG	\$1,887,861	\$1,887,861	\$779,887	\$4,555,609	14	\$3,288,032	\$1,267,577
SETRPC	\$1,218,236	\$1,218,236	\$498,086	\$2,934,558	13	\$3,250,000	(\$315,442)
SPAG	\$1,572,786	\$1,572,786	\$633,230	\$3,778,802	28	\$6,941,428	(\$3,162,626)
STDC	\$1,975,762	\$1,975,762	\$827,850	\$4,779,374	9	\$3,780,000	\$999,374
TEXOMA	\$890,762	\$890,762	\$368,358	\$2,149,882	12	\$1,500,000	\$649,882
WCTCOG	\$1,778,046	\$1,778,046	\$697,592	\$4,253,684	47	\$11,818,761	(\$7,565,077)
<b>TOTAL</b>	<b>\$45,059,247</b>	<b>\$45,059,247</b>	<b>\$18,305,276</b>	<b>\$108,423,770</b>	<b>593</b>	<b>\$159,439,144</b>	<b>(\$55,663,045)</b>

19 Regions

Less Deob/PI provided: \$4,750,000  
(\$50,913,045)

CDBG-R  
Activity Data Spreadsheet

		Jurisdiction/Grantee Name: <b>State of Texas</b>		CDBG-R Formula Grant \$19,473,698				Date: 6/26/2009	
Number	Local Government Undertaking the Activity	Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
1	City of Alpine	Street Improvements	The grant recipient will provide street improvements on the southside of the city. Construction shall take place at the following locations: W Avett from Dawson Street to Halbert Street and W Ave I from S 14th Street to Nation Street.	03K	LMA	\$228,065		\$17,615	\$245,680
2	City of Alpine	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$6,794			\$6,794
3	City of Anthony	Water/Sewer Improvements	The grant recipient will provide citywide water system improvements. Improvements will be on water well #2 by installing a new pump and motor, installation of a sand separator and a new well chlorinator system with a building.	03J	LMA	\$73,111		\$35,229	\$108,340
4	City of Anthony	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$2,189			\$2,189
5	City of Austwell	Water/Sewer Improvements	The grant recipient will replace undersized water lines with 7,500 lf of 6" PVC line, eleven fire hydrants, service reconnections, fittings, valves, and pavement repair throughout the city.	03J	LMA	\$291,080		\$15,000	\$306,080
6	City of Austwell	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$8,920			\$8,920
7	City of Bandera	Water/Sewer Improvements	The grant recipient will replace deteriorated vitrified clay trunk sewer lines. The grant recipient will install 1,600 LF of 10" sewer lines, 9 manholes, and reconnections. Construction shall take place on 12th Street, Oak, Cherry, Pecan and the alleyway between 12th Street and Main.	03J	LMA	\$242,520		\$12,500	\$255,020
8	City of Bandera	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,480			\$7,480
9	City of Bartlett	Water/Sewer Improvements	The grant recipient will address water pressure and TCEQ other concerns by relocating a main water line. The city shall install approximately 2,550 linear feet of water line, 5 fire hydrants, bored crossings, and necessary appurtenances on Emma and Pietzsch streets.	03J	LMA	\$44,219		\$25,000	\$69,219

CDBG-R  
Activity Data Spreadsheet

		Jurisdiction/Grantee Name: <b>State of Texas</b>		CDBG-R Formula Grant \$19,473,698				Date: 6/26/2009	
Number	Local Government Undertaking the Activity	Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
10	City of Bartlett	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$1,348			\$1,348
11	City of Big Lake	Water/Sewer Improvements	The grant recipient will construct a 700 lf of 4" water line with 12 service re-connections from North 10th Street to North 12th Street. The grant recipient will also construct a 1,750 lf of 6" sewer line with 44 re-connections from Third Street to Fifth Street and from Georgia Avenue to Luisiana Avenue.	03J	LMA	\$113,324		\$20,000	\$133,324
12	City of Bovina	Water/Sewer Improvements	The grant recipient will construct a new water well to ensure a safe and reliable water supply to tie into the Bovina Municipal WSC. Construction shall include one new water well, a well house and all necessary appurtenances. The new well site is located on the easement SW of East Street 1/2 mile SE of the existing storage tank.	03J	LMA	\$242,580		\$44,500	\$287,080
13	City of Bovina	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,420			\$7,420
14	City of Caldwell	Water/Sewer Improvements	The grant recipient will make sewer plant improvements to avoid partially treated wastewater from being released. Construction shall include drive assembly, scraper mechanism skirt, race skimmer, mechanical overload device, bridge assembly, and aluminum handrails. Construction shall take place at WWTP located on SH 36 South.	03J	LMA	\$250,000		\$237,900	\$487,900
15	Culberson County	Fire Stations/Equipment	The grant recipient will improve the county fire protection facilities. Construction shall be a new two bay fire station on county owned property in the 1,000 block of W. Broadway in Van Horn.	03O	LMA	\$227,234		\$0	\$227,234
16	Culberson County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,635			\$7,635
17	Delta County	Water/Sewer Improvements	The grant recipient will address TCEQ violations issued to Delta County MUD for failure to meet minimum water capacity requirements through the installation of a 84,000 gallon ground storage tank, chlorination system improvements and all necessary appurtenances. Construction shall take place at the Enloe facility on FM 198.	03J	LMA	\$242,420		\$12,500	\$254,920

CDBG-R  
Activity Data Spreadsheet

		Jurisdiction/Grantee Name: <b>State of Texas</b>		CDBG-R Formula Grant \$19,473,698				Date: 6/26/2009	
Number	Local Government Undertaking the Activity	Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
18	Delta County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,580			\$7,580
19	Dickens County	Water/Sewer Improvements	The grant recipient will, on behalf of Valley Water Supply Corporation, address TCEQ violations through the installation of a new standpipe and a new ground storage tank including a pump station. The standpipe shall be located off of CR 419, the ground storage tank and pump station shall be located off of FM 1868.	03J	LMA	\$242,540		\$22,000	\$264,540
20	Dickens County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,460			\$7,460
21	City of Domino	Water/Sewer Improvements	The grant recipient will replace older undersized water mains through the installation of 10,000 l.f. of 8" PVC water line, 2 fire hydrants, reconnections and all necessary appurtenances. Construction shall take place on FM 3129 along U.S. Hwy. 59 and FM 3129.	03J	LMA	\$242,348		\$12,600	\$254,948
22	City of Domino	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,652			\$7,652
23	City of Driscoll	Water/Sewer Improvements	The grant recipient will address wastewater treatment standards by replacing rotor assembly and adding a secondary assembly, refurbish catwalks and handrails, and making modifications to the plant's discharge piping. Construction shall take place at the wastewater treatment plant, located on Daisy Lane.	03J	LMA	\$291,240		\$15,000	\$306,240
24	City of Driscoll	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$8,760			\$8,760
25	City of Eagle Lake	Water/Sewer Improvements	The grant recipient will perform wastewater system improvements by rehabilitating the City's wastewater treatment plant. Construction shall include improvements to the plant's aeration system, blowers, controls, and other appurtenances. Construction shall take place at the wastewater treatment plant located east of McCarty Ave.	03J	LMA	\$339,020		\$52,500	\$391,520

CDBG-R  
Activity Data Spreadsheet

		Jurisdiction/Grantee Name: <b>State of Texas</b>		CDBG-R Formula Grant \$19,473,698				Date: 6/26/2009	
Number	Local Government Undertaking the Activity	Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
26	City of Eagle Lake	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$10,980			\$10,980
27	City of East Mountain	Water/Sewer Improvements	The grant recipient will install a 100,000 gallon water storage tank, tank foundation, painting, yard piping, and associated appurtenances. Construction shall take place at FM 726 and Grouse Rd.	03J	LMA	\$242,080		\$12,500	\$254,580
28	City of East Mountain	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,920			\$7,920
29	City of Eden	Water/Sewer Improvements	The grant recipient will replace 4,600 linear ft of water lines on Jenkins St, Baxter St, McCall St, Trott St, Wallis St, Kelly St, and Tillman St with 4, 6, and 8 inch pvc.	03J	LMA	\$194,560		\$0	\$194,560
30	City of Eden	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$5,440			\$5,440
31	City of Farmersville	Water/Sewer Improvements	The grant recipient will replace 7500 lf of sewer line and rehabilitate 22 manholes on streets throughout the city and rehabilitate 8 lift stations on Main, Abbey, Wilcoxson, and Greenville Road.	03J	LMA	\$279,182		\$52,500	\$331,682
32	City of Farmersville	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$9,195			\$9,195
33	City of Fayetteville	Water/Sewer Improvements	The grant recipient will replace a deteriorated dead end cast iron water line. Construction shall consist of 2,260 LF of 8" water line, 7 fire hydrants, reconnections, and 500 LF of boring under railroad tracks. Construction shall take place along Bell Street, FM 1291, and the railroad crossings at Rusk Street and Fayette Streets.	03J	LMA	\$173,359		\$25,000	\$198,359
34	City of Fayetteville	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$5,360			\$5,360

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35	Gregg County	Street Improvements	The grant recipient will repair roads using force account labor and equipment to install 150 LF of 18" dia. culvert pipe, 80 LF of 96" dia. culvert pipe, 4,450 tons of hot mix asphalt, and 1,600 tons of crushed limestone. Construction shall take place on Mary Lawson Rd (CR 4328) and on Camp Switch Rd (CR 4393) in the unincorporated area south of White Oak & west of SH 42.	03K	LMA	\$241,200		\$157,200	\$398,400
36	Gregg County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$8,800			\$8,800
37	City of Hackberry	Water/Sewer Improvements	The grant recipient will replace 2" water lines with 6" and 8" water lines for the target area between Lulane Drive and Snug Harbor Circle to increase water pressure and provide fire protection with 7 new fire hydrants.	03J	LMA	\$338,328		\$30,255	\$368,583
38	City of Hackberry	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$11,672			\$11,672
39	Hall County	Water/Sewer Improvements	The grant recipient will, on behalf of the Brice-Lesley WSC, replace and install one 40,000 gallon ground storage tank. Construction shall include the installation of 4,075 l.f. of 4" water line, pad foundation and appurtenances. Construction shall take place in the Brice-Lesley WSC service area.	03J	LMA	\$169,731		\$12,500	\$182,231
40	Hall County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$5,292			\$5,292
41	City of Hallsville	Water/Sewer Improvements	The grant recipient will install a sewer lift station, generator, access drive, security fence, 2 manholes, approximately 100 lf of 12" sewer line, and 3,000 lf of 6" force main; acquisition of property to construct the lift station shall be Willow Creek from Willow Creek to North Central Street.	03J	LMA	\$240,900		\$25,000	\$265,900
42	City of Hallsville	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,600			\$7,600

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43	City of Hamlin	Water/Sewer Improvements	The grant recipient will replace deteriorated cast iron water lines through the installation of 10,500 l.f. of 6" and 4" water main, 8 fire hydrants, reconnections and appurtenances to improve water pressure and eliminate health hazards. Construction shall take place in South and South East Hamlin.	03J	LMA	\$192,045		\$29,000	\$221,045
44	City of Hamlin	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$5,597			\$5,597
45	City of Hawley	Water/Sewer Improvements	The grant recipient will provide first-time sewer services to 35 households through the installation of 3,500 l.f. of 8", 6" and 4" sewer line, 4 manholes, decommission of existing septic systems and necessary appurtenances. Construction will take place on Ave. G, F and 5th Street.	03J	LMA	\$208,924		\$12,500	\$221,424
46	City of Hawley	Rehab; Single-Unit Residential	The grant recipient will provide first-time sewer service and install yard lines, and septic tank mitigation for 35 low income households. Work will take place on Ave. G, F and 5th Street.	14A	LMH	\$33,916			\$33,916
47	City of Hawley	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,160			\$7,160
48	Hays County	Water/Sewer Improvements	The grant recipient will improve the water storage capacity in Cedar Oaks Mesa. Construction shall consist of the installation of 100,000 gallon ground water storage tank, yard piping valves and fitting, cathodic protection, and all associated appurtenances. Construction shall take place at the water plant for Cedar Oaks Mesa WSC.	03J	LMA	\$242,480		\$12,500	\$254,980
49	Hays County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,520			\$7,520
50	City of Hemphill	Street Improvements	The grant recipient will make street improvements including pulverizing existing surface, regrading, reshaping and compaction, regrading of ditches, application of asphaltic prime coat, and surfacing with hot-mix asphalt. Construction shall take place on Smith, Howell, Bass, Hackmore, Lindsey, Goodart, Short, and Ballpark streets.	03K	LMA	\$242,634			\$242,634

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51	City of Hemphill	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,366			\$7,366
52	City of Holland	Water/Sewer Improvements	The grant recipient will address TCEQ violations for a failing lift station south of Old Vilas Road and deteriorated sewer lines in target areas east of Hackberry Road and west of U.S. Highway 95. Construction shall include the installation of 2,100 lf in 6" sewer line, 6 manholes, 1 lift station, SCADA system and appurtenances.	03J	LMA	\$250,000		\$25,000	\$275,000
53	City of Hughes Springs	Water/Sewer Improvements	The grant recipient will replace older undersized water and sewer lines through the installation of 3,450 l.f. of 6" PVC water line, 1 fire hydrant, 1,155 l.f. of 6" PVC sewer line, 2 manholes, abandonment of existing lines and appurtenances. Construction shall take place on E. First Street and Estes Street.	03J	LMA	\$182,064		\$25,100	\$207,164
54	City of Hughes Springs	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$5,463			\$5,463
55	City of Huxley	Water/Sewer Improvements	The grant recipient will provide first-time water service to 3 households and replace undersized water lines. Construction shall the installation of 10,280 lf of 2" to 4" water main, 12 water service meters and service lines, install 3 first-time service meters with 2 service line connections and related appurtenances. Construction shall take place along CR 2603, CR2657, and FM 139.	03J	LMA	\$237,340			\$237,340
56	City of Huxley	Rehab; Single-Unit Residential	The grant recipient will provide first-time water service to 3 households and replace undersized water lines. Construction shall the installation of 10,280 lf of 2" to 4" water main, 12 water service meters and service lines, install 3 first-time service meters with 2 service line connections and related appurtenances. Construction shall take place along CR 2603, CR2657, and FM 139.	14A	LMH	\$5,537			\$5,537
57	City of Huxley	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,123			\$7,123



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58	City of Ingram	Rehab; Single-Unit Residential	The grant recipient will provide first-time wastewater service to approximately 125 low-to-moderate income households by decommissioning 125 existing on-site sewage facilities and installing 125 residential yard lines connecting to the newly constructed USDA wastewater system.	14A	LMH	\$242,040		\$25,000	\$267,040
59	City of Ingram	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,960			\$7,960
60	Jackson County	Water/Sewer Improvements	The grant recipient, along with Jackson County WCID #2, will construct a 45,000 gpd extended aeration wastewater treatment plant consisting of an aeration basis, a 20-foot diameter clarifier, a return activated sludge lift station, and a sludge thickener/digester to benefit the Vanderbilt Community. Construction shall take place on CR 14 and CR 314.	03J	LMA	\$250,000		\$214,000	\$464,000
61	City of Johnson City	Water/Sewer Improvements	The grant recipient will replace undersized sewer mains connecting to the city's wastewater treatment plant. Construction shall consist of the installation of 2,050 LF of 18" sewer main, 7 manholes, reconnections, and associated appurtenances. Construction shall take place along Highway 281.	03J	LMA	\$246,250		\$25,000	\$271,250
62	City of Johnson City	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$3,750			\$3,750
63	City of Josephine	Water/Sewer Improvements	The grant recipient will replace deteriorated water lines and loop water system to improve pressure. The grant recipient will install 7,500 lf of water main, boring, valves, and all appurtenances along FM 6 (Cook Street) and Main Street.	03J	LMA	\$338,850		\$17,500	\$356,350
64	City of Josephine	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$11,150			\$11,150
65	City of Kaufman	Water/Sewer Improvements	The grant recipient will address infiltration and inflow by replacing deteriorated sewer lines. Construction shall include the installation of 2,410 lf of 6" to 10" sewer mains, manholes and reconnections along Houston, Jackson, and E. First North Street.	03J	LMA	\$281,560		\$58,170	\$339,730

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66	City of Kaufman	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$1,440			\$1,440
67	City of Kemah	Water/Sewer Improvements	The grant recipient will, on behalf of Galveston County WCID #12, address infiltration and overflow issues caused by deteriorated sewer lines. Construction shall consist of cleaning and reconstructing 5,120 l.f. of 6", 8", and 10" sewer line, reconstructing manholes, and related appurtenances. Construction shall take place on 6th, 5th, 4th, Grove, and Miller Streets.	03J	LMA	\$350,000		\$109,560	\$459,560
68	City of Ladonia	Street Improvements	The grant recipient will reconstruct approximately 2,670 l.f. of pavement on West Bonham Street and East Paris Street.	03K	LMA	\$118,358		\$21,050	\$139,408
69	City of Lampasas	Water/Sewer Improvements	The grant recipient will address water pressure and infiltration problems by replacing deteriorated water and sewer lines in the southeast sector of the city. The grant recipient will install 2,170 lf of water line and 3 fire hydrants. The grant recipient will also install 880 lf of sewer line and 2 manholes on Bridge and Briggs Streets.	03J	LMA	\$241,200		\$50,000	\$291,200
70	City of Lampasas	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$8,800			\$8,800
71	City of Los Indios	Neighborhood Facilities	The grant recipient will construct an all purpose community center, located at the intersection of Ohio Station Road and 6th Avenue, with kitchen facilities, community meeting room, 2 to 3 additional rooms, restroom and shower facilities.	03E	LMA	\$288,083			\$288,083
72	Loving County	Water/Sewer Improvements	The grant recipient will provide first-time water service to 12 households in the Mentone community. Construction shall include the installation of 35,000 l.f. of 3 & 2" water line, 12 service connections and all necessary appurtenances. Construction shall take place southwest of Mentone along Highway 302.	03J	LMA	\$336,596		\$181,666	\$518,261
73	Loving County	Rehab; Single-Unit Residential	The grant recipient will provide first-time water service to 12 households in the Mentone community. Construction shall include the installation of 35,000 l.f. of 3 & 2" water line, 12 service connections and all necessary appurtenances. Construction shall take place southwest of Mentone along Highway 302.	14A	LMH	\$13,404		\$7,234	\$20,639

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74	Matagorda County	Water/Sewer Improvements	The grant recipient will perform water and sewer system improvements by replacing deteriorated lines. Construction shall consist of installation of 3,030 l.f. of 6" and 8" sewer main, 330 l.f. of 3" water main, manholes, and related appurtenances. Construction shall take place on 1st St, Ave. E, Ave. F, and they alleyways between Ave. I, J, and K.	03J	LMA	303,759		\$17,500	\$321,259
75	Matagorda County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		9,856			\$9,856
76	Maverick County	Flood Drain Improvements	The grant recipient will make flood and drainage improvements in the Seco Mines Colonia. Construction shall include the excavation and installation of a 2,300 lf of concrete lined channel measuring 20 ft wide at bottom from Loop 277 to Seco Creek.	03I	LMA	\$600,516			\$600,516
77	City of Mexia	Water/Sewer Improvements	The grant recipient will rehabilitate an elevated storage tank to meet TCEQ standards. Construction shall include shrouding, sandblasting, repainting inside and outside and modifications to replace/enlarge two manways to allow access and replacement of the existing roof vent. Construction shall take place at the intersection of Grayson and Bonham.	03J	LMA	\$250,000		\$50,000	\$300,000
78	City of Moody	Water/Sewer Improvements	The grant recipient will replace deteriorated sewer mains to reduce infiltration and eliminate unauthorized discharges. Construction shall include the installation of 2,120 lf of 8" and 12" sewer line, boring, 7 manholes, service re-connections and appurtenances. Construction shall take place along Avenues E & F, 7th Street and Avenue G.	03J	LMA	\$50,260		\$25,000	\$75,260
79	City of Moody	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$1,490			\$1,490
80	City of Navasota	Water/Sewer Improvements	The grant recipient will provide wastewater treatment plant improvements to resolve unauthorized discharges. Construction shall include demolition, excavation, reinforced concrete structure, yard piping, electrical controls and appurtenances. Construction shall take place at the existing treatment plant located on 2nd Street.	03J	LMA	\$182,425		\$50,000	\$232,425

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81	City of New Deal	Water/Sewer Improvements	The grant recipient will construct and replace two lift stations, wet wells and pumps serving residents along Monroe Avenue, North of Lion Drive to Main, and South of Encino to Hardin. Construction shall take place at lift station #1 on the west side of Monroe Avenue & lift station #2 on the east side of Monroe Avenue.	03J	LMA	\$242,840		\$12,500	\$255,340
82	City of New Deal	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,160			\$7,160
83	City of O'Donnell	Water/Sewer Improvements	The grant recipient will replace undersized, dilapidated water lines with 4", 6", and 8" water line, install valves & looping, one fire hydrant, street repairs and all necessary appurtenances. Construction shall take place in the alley between 12th & 13th, Doak, 3rd and alley between 3rd & 4th.	03J	LMA	\$129,713		\$25,000	\$154,713
84	City of O'Donnell	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$3,517			\$3,517
85	City of Olney	Water/Sewer Improvements	The grant recipient will address infiltration and inflow by replacing deteriorated clay sewer trunk line. Construction shall include the installation of 3,700 LF of 10" sewer line, road boring, manholes and appurtenances along Avenue B and Spring Creek.	03J	LMA	\$212,400		\$40,400	\$252,800
86	City of Palmer	Water/Sewer Improvements	The grant recipient will replace undersized and dilapidated water lines. Construction shall include the installation of 5,590 LF of 6" to 12" water lines, 3 fire hydrants and all necessary appurtenances. Construction shall take place on Marshall, Cooper, Lamar, Elizabeth and Suzanne.	03J	LMA	\$336,714		\$35,820	\$372,534
87	City of Palmer	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$12,286			\$12,286
88	City of Panhandle	Water/Sewer Improvements	The grant recipient will replace undersized water lines to address water loss and pressure. Construction shall include the installation of 11,780 l.f. of 4" PVC water line and all necessary appurtenances. Construction shall take place in the alleys between Flora, Goddard, Ritchie, Elsie, Broadway, Third, Cora and on Third and Seventh streets.	03J	LMA	\$242,292		\$62,330	\$304,622

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89	City of Panhandle	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,708			\$7,708
90	City of Poth	Water/Sewer Improvements	The grant recipient will install 1,500 lf of 8" PVC sewer line, 8 manholes, and 730 lf of 12" bore. Construction shall take place on Carroll St., Schneider St., the extensions of Brickhoeter and Schiewer, and the intersection of Chambers and Highway 181.	03J	LMA	\$217,180		\$25,000	\$242,180
91	City of Poth	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$6,624			\$6,624
92	Presidio County	Flood Drain Improvements	The grant recipient will provide flood and drainage improvements northwest of the City of Presidio. Construction shall make repairs to the Cibolo Creek Levee.	03I	LMA	\$228,385		\$17,615	\$246,000
93	Presidio County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$6,474			\$6,474
94	City of Primera	Street Improvements	The grant recipient will construct 2,640 l.f. of new street along El Campo Drive from Carver Road to Primera Road to serve a densely populated neighborhood.	03K	LMA	\$278,960		\$0	\$278,960
95	City of Primera	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$9,123			\$9,123
96	City of Refugio	Water/Sewer Improvements	The grant recipient will replace and relocate failing sewer lines for proper access for each of the homes in the Humble Camp area of the city's ETJ, which shall include 2,250 lf 8" sewer line, 5 manholes, 2 cleanouts, and 45 service reconnections.	03J	LMA	\$13,088		\$30,000	\$43,088
97	City of Refugio	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$395			\$395

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98	City of Rockport	Water/Sewer Improvements	The grant recipient will provide first-time sewer service and install 1,320 lf of 24" sewer line, 800 lf 8" sewer line, 20 lf force main, 7 manholes, one duplex lift station, for 22 low income households in the Smith & Wood Division.	03J	LMA	\$234,197		\$48,402	\$282,599
99	City of Rockport	Rehab; Single-Unit Residential	The grant recipient will provide first-time sewer service and install 2,640 lf yard line, and septic tank mitigation for 22 low income households in the Smith & Wood Division.	14A	LMH	\$56,120		\$11,598	\$67,718
100	City of Rockport	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$9,683			\$9,683
101	City of Rose City	Water/Sewer Improvements	The grant recipient will make improvements at the water treatment plant on Rose City Drive. The recipient will remove sludge and grade settling pond, install reinforced concrete liner, and extend overflow piping on elevated storage tank ground level.	03J	LMA	\$240,624		\$12,500	\$253,124
102	City of Rose City	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,462			\$7,462
103	City of Rule	Water/Sewer Improvements	The grant recipient will rehabilitate evaporation ponds by reshaping and compacting the berms and embankments, install required impervious lining, and construct additional drainage channel. Construction shall take place at the Wastewater Treatment Plant located 2 miles southwest of Rule.	03J	LMA	\$249,950		\$25,000	\$274,950
104	City of Sadler	Water/Sewer Improvements	The grant recipient will make the following wastewater treatment plant improvements: bar rack screen, degritting system, ditch aerators, outlet w/ calibrated flume, electrical system, and all necessary appurtenances. Construction shall take place at the existing wastewater treatment plant located south of Siebert Road & E. Pecan Street.	03J	LMA	\$125,000		\$20,000	\$145,000
105	City of San Perlita	Neighborhood Facilities	The grant recipient will construct a 50' x 70' multipurpose community center to be located at the intersection of Sunset Boulevard and Ninth Street.	03E	LMA	\$215,484		\$0	\$215,484
106	City of San Perlita	Fire Stations/Equipment	The grant recipient will purchase fire protection equipment.	03O	LMA	\$63,278		\$0	\$63,278
107	City of San Perlita	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$9,320			\$9,320

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108	City of Seminole	Water/Sewer Improvements	The grant recipient will replace undersized water lines and loop the system to improve pressure and meet TCEQ regulations. Construction shall include the installation of 14,860 lf of 6" water line, one fire hydrant and all necessary appurtenances. Construction shall take place in the eastern area of the city.	03J	LMA	\$281,217		\$385,000	\$666,217
109	City of Seven Oaks	Street Improvements	The grant recipient will perform street improvements consisting of reshaping and resurfacing 2,800 lf on Pickens Loop and Franklin Street.	03K	LMA	\$242,730			\$242,730
110	City of Seven Oaks	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,270			\$7,270
111	Shelby County	Street Improvements	The grant recipient will make road improvements consisting of compacting 4" crushed limestone base on 1.1 miles of 18' wide roadway. Construction shall be in the south east portion of Shelby County on the north end of CR2569 at intersection of CR2571 and FM139 and proceeds for 1.1 miles south.	03K	LMA	\$221,549			\$221,549
112	Shelby County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$6,746			\$6,746
113	City of Sour Lake	Water/Sewer Improvements	The grant recipient will replace gravity lines by installing 1000 lf of 6" line, install 6 manholes, rehabilitate 10 manholes, and related appurtenances along Fannin and Third Street.	03J	LMA	\$242,082		\$25,000	\$267,082
114	City of Sour Lake	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,918			\$7,918
115	Starr County	Street Improvements	The grant recipient will reconstruct approximately 11,612 lf of roadway to improve access to 139 households. Construction shall take place at the following locations: Elizabeth St, Garcia Ln, Pio Ave, Barrera Rd, Tulip St, Placido Rd, LaPrima St, Jose Lopez St, Nicolas Lopez St, Jose Maria, Chapa St, Cenica St, New Gonzales St.	03K	LMA	\$405,198		\$0	\$405,198

CDBG-R  
Activity Data Spreadsheet

		Jurisdiction/Grantee Name: <b>State of Texas</b>		CDBG-R Formula Grant \$19,473,698				Date: 6/26/2009	
Number	Local Government Undertaking the Activity	Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
116	Starr County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$14,802			\$14,802
117	City of Stockdale	Water/Sewer Improvements	The grant recipient will install 3,850 lf of 15" wastewater line, 11 manholes, and 155 lf of 22" bore. Construction shall take place on CR 401, Highway 87, and 100 ft North of Jackson St.	03J	LMA	\$242,565		\$12,500	\$255,065
118	City of Stockdale	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,435			\$7,435
119	City of Strawn	Water/Sewer Improvements	The grant recipient will modify WWTP to meet discharge limits by installing an irrigation system at the plant; and upgrade old and breaking main water supply lines along Central from N. Front to Caddo Street to improve water pressure and provide fire protection.	03J	LMA	\$338,940		\$20,000	\$358,940
120	City of Strawn	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$11,060			\$11,060
121	City of Streetman	Water/Sewer Improvements	The grant recipient will make water system improvements to ensure an adequate supply. City shall construct a new 40,000 gallon ground storage tank, well improvements, booster pump flow meter and all necessary appurtenances. Construction shall take place at the existing water plant located off of HWY 75.	03J	LMA	\$242,520		\$12,500	\$255,020
122	City of Streetman	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,480			\$7,480
123	Upshur County	Water/Sewer Improvements	The grant recipient will provide first-time water service to 34 households in the Pritchett community. Construction shall include the installation 29,300 LF of 2" to 6" water main, bore and encasement, long and short water services, 6,800 LF of 1" water main, 4 fire hydrants, gate valves, and all associated appurtenances.	03J	LMA	\$242,460		\$59,500	\$301,960



CDBG-R  
Activity Data Spreadsheet

		Jurisdiction/Grantee Name: <b>State of Texas</b>		CDBG-R Formula Grant \$19,473,698				Date: 6/26/2009	
Number	Local Government Undertaking the Activity	Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
124	Upshur County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,540			\$7,540
125	Val Verde County	Water/Sewer Improvements	The grant recipient will, on behalf of the Comstock community, replace a deteriorated water main and install a new ground water storage tank to reduce water loss and increase water pressure. Construction shall include the installation of 8,400 lf of 8" water main, one 5,000 gallon storage tank, service pumps, pump house, and all associated appurtenances.	03J	LMA	\$204,296		\$110,685	\$314,981
126	Val Verde County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$7,754			\$7,754
127	City of Vernon	Street Improvements	The grant recipient will make street improvement along Maiden Street. Construction shall include reconstructing 865 LF of Maiden Street, installing 1,730 LF curb and gutter, excavation and rough grading, and 865 LF of 2" hot mix asphalt paving.	03K	LMA	\$211,572		\$65,255	\$276,827
128	City of Waelder	Water/Sewer Improvements	The grant recipient will provide first-time service to 11 households. install 3 grinder stations, abandon 3 septic, and related appurtenances. The grant recipient will also upgrade sewer facilities to serve the 11 households, with 2,800 lf of 6" , 2,650 lf of 2", and 8 manholes. Construction shall take place near N. 4th Street and S. 1st Street.	03J	LMA	\$179,168		\$45,000	\$224,168
129	Webb County	Water/Sewer Improvements	The grant recipient will, on behalf of the Mirando Rural WSC, drill one new water well to bring its system into TCEQ compliance. The new well shall be located 4.2 miles southwest of Mirando.	03J	LMA	\$186,415		\$0	\$186,415
130	Webb County	Fire Stations/Equipment	The grant recipient will expand the existing fire station located of Bruni and Oilton. The expansion shall provide sleeping quarters and an additional fire truck bay.	03O	LMA	\$207,879		\$0	\$207,879
131	Webb County	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$13,556			\$13,556

CDBG-R  
Activity Data Spreadsheet

		Jurisdiction/Grantee Name: <b>State of Texas</b>		CDBG-R Formula Grant \$19,473,698				Date: 6/26/2009	
Number	Local Government Undertaking the Activity	Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
132	City of Wharton	Water/Sewer Improvements	The grant recipient will perform sewer system improvements to replace severely disintegrated sewer lines. Construction shall consist of 3,420 l.f. of sewer line, 9 manholes, and related appurtenances. Construction shall take place on Belle Ave, Mulberry St. Wayside St. and Dahlgren St.	03J	LMA	\$350,000		\$70,000	\$420,000
133	City of White Oak	Water/Sewer Improvements	The grant recipient will install 3,690 lf of 6" water main, 260 lf 2" water line, bore & encasement, gate valves, 7 fire hydrants, water service reconnections, and tie into existing water main. Construction shall take place on Brazos, Miller, Trinity, East Ward, Sabine, S. Sun Camp, and Campbell streets.	03J	LMA	\$6,693		\$49,375	\$56,068
134	City of Whitewright	Street Improvements	The grant recipient will install 8,900 s.y. of cement stabilized base and 8,000 s.yl. of hot mix asphaltic concrete (HMAC) to a thickness of 1 1/2" on portios of the following five (5) streets: Spruce Street, Maple Street, Benedict Street, Gardner Street and Locust Street.	03K	LMA	\$120,660		\$12,500	\$133,160
135	City of Whitewright	General Program Administration	Administrative costs related to the execution of community development activities, including project management, coordination, monitoring, and evaluation. This does not include activity delivery costs directly related to carrying out activities since those costs are eligible as part of such activities.	21A		\$4,340			\$4,340
136	City of Winona	Water/Sewer Improvements	The grant recipient will install 3600 lf of 6" water lines to upgrade water service in 2 areas of town, replace 2 fire hydrants, service connections, and clearance activities. Construction shall take place on Lado De Loma Dr, Old Hwy 155, and Jones St.	03J	LMA	\$250,000		\$53,017	\$303,017
						<b>\$18,305,276</b>	<b>\$0</b>	<b>\$3,079,576</b>	<b>\$21,384,852</b>
	State of Texas	General Program Administration (including Technical Assistance)	Administrative costs related to the planning and execution of community development activities, including overall program management, coordination, monitoring, and evaluation. This includes providing technical assistance to jurisdictions carrying out these activities.			\$1,168,422			
	<b>Total</b>					<b>\$19,473,698</b>			

# **SUMMARY**

## **Interagency Agreement with the Texas Department of Housing and Community Affairs (TDHCA) covering the Housing Tax Credit Program**

Presented by Mark Wyatt \*

### **DISCUSSION**

This Interagency Agreement provides for the Texas Department of Housing and Community Affairs (TDHCA) and TDRA to jointly administer the rural regional allocation established by TDHCA under the Housing Tax Credit program in accordance with Sections 2306.6723 and 2306.111 of the Texas Government Code.

The current Interagency Agreement with TDHCA on the Housing Tax Credit program expires on August 31, 2009. This draft agreement would extend the agreement until August 31, 2011.

There are no substantive changes in the agreement.

### **RECOMMENDATION**

Staff recommends approval of the following motion:

“That staff be authorized to enter into an Interagency Agreement with the Texas Department of Housing and Community Affairs (TDHCA) to jointly administer the rural regional allocation established by TDHCA under the Housing Tax Credit program.”

### **RURAL DEFINITION**

Non-entitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Mark Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us)**

**INTERAGENCY CONTRACT BY AND BETWEEN**  
**THE TEXAS DEPARTMENT OF RURAL AFFAIRS~~OFFICE OF RURAL~~**  
**~~COMMUNITY AFFAIRS~~ AND**  
**THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

STATE OF TEXAS           §  
  §  
COUNTY OF TRAVIS       §

**SECTION 1. PARTIES TO THE CONTRACT**

This contract and agreement is made and entered into by and between the Texas Department of Rural Affairs~~Office of Rural Community Affairs~~, an agency of the State of Texas, hereinafter referred to as “TDRA~~ORCA~~TDRA,” and the **Texas Department of Housing and Community Affairs**, an agency of the State of Texas, hereinafter referred to as “TDHCA,” pursuant to the authority granted and in compliance with the provisions of the Interagency Cooperation Act, Chapter 771, Texas Government Code, and Sections 2306.6723 and 2306.111, Texas Government Code.

**SECTION 2. PERIOD OF PERFORMANCE**

This contract shall commence on September 1, 2009~~2007~~ and shall terminate on August 31, 2011~~2009~~, unless otherwise specifically provided by the terms of this contract.

**SECTION 3. CONTRACT PERFORMANCE**

A. Joint Performance. TDHCA and ~~ORCA~~TDRA shall during the period of performance specified in Section 2 of this contract jointly administer the rural regional allocation established by TDHCA under the Housing Tax Credit (HTC) program to ensure the maximum use and optimum geographic distribution of housing tax credits in rural areas and to provide for information sharing, efficient procedures, and the fulfillment of development compliance requirements in rural areas. In addition, TDHCA and ~~ORCA~~TDRA shall jointly

implement an outreach and training program to promote rural area capacity building and the maximum use and dispersal of tax credits in rural areas.

- B. TDHCA Performance. TDHCA shall train ORCATDRA staff, as needed, on site inspection requirements and HTC application threshold and scoring review. Following Sections 2306.111 (d-3) and 2306.1115 of the Texas Government Code, the allocation shall be no less than 20% of the total tax credit ceiling and not less than \$500,000 per region unless the regional allocation formula calls for additional funds. The housing tax credit set-aside for rural development within a state service region that remains unallocated to rural development projects will be made available for allocation to rural development projects in other rural areas before being made available for allocation to any urban area. The joint report issued by ORCATDRA and TDHCA for rural rental housing should be taken into consideration when developing the Regional Allocation Formula as required in §2306.1115.
- C. ORCATDRA Performance ORCATDRA shall perform the following activities:
1. ORCATDRA shall assist TDHCA in developing all threshold, scoring, and underwriting criteria applied to applications eligible for the HTC rural regional allocation. Such criteria shall be approved by ORCATDRA. Pursuant to Section 2306.6724(a) of the Texas Government Code, the TDHCA Board must adopt the qualified allocation plan (“QAP”) which includes threshold and scoring criteria not later than September 30 each year. ORCATDRA agrees to provide its input on the QAP and underwriting criteria while the rules are being drafted prior to the notice and comment rulemaking period for the QAP and the Underwriting Rules. The Executive Director’s may call a meeting for such purposes or ORCATDRA may submit its recommendations directly to the Executive Director and TDHCA staff responsible for rule development. If TDHCA concurs with the ORCATDRA recommendations, they shall be included in the plan submitted to the TDHCA Board for approval, if TDHCA staff does not concur, then the Executive Directors will work to reach a mutually acceptable agreement. If no agreement is reached, then both suggestions will be submitted to the TDHCA Board for a determination of how the draft QAP should be presented for public comment.
  2. ORCATDRA shall participate in the site inspections of all projects proposed under the rural regional allocation. ORCATDRA staff assigned to perform such inspections shall have completed sufficient training to enable them to perform the inspections.

3. ~~ORCA~~[TDRA](#) shall assign a representative to attend HTC public hearings relating to the Qualified Allocation Plan and other application requirements.
4. ~~ORCA~~[TDRA](#) shall assist TDHCA in developing and negotiating the Memorandum of Understanding between TDHCA and the U.S. Department of Agriculture relating to the administration of the Rural Development set-aside or allocation.

#### **SECTION 4. TDHCA FUNDING OBLIGATIONS**

From the total amount of HTC application fees collected by TDHCA during the most recent allocation cycle from applicants for the rural regional allocation, ~~ORCA~~[TDRA](#) shall be reimbursed for any costs documented, unless specifically not allowed in the General Appropriations Act, in carrying out the requirements of this contract in an amount not to exceed 50% of the application fees received from rural applicants. ~~ORCA~~[TDRA](#) shall submit a statement to TDHCA that provides a detailed description of the work performed and hours spent on such work, including the names of the employees performing the work.

#### **SECTION 5. AMENDMENTS AND CHANGES**

Any alteration, addition or deletion to the terms of this contract shall be by amendment hereto in writing and executed by both parties hereto except as may be expressly provided for in some other manner by the terms of this contract.

#### **SECTION 6. POLITICAL ACTIVITY**

None of the activities or performances rendered hereunder by TDHCA or ~~ORCA~~[TDRA](#) shall involve any political activity, including but not limited to any activity to further the election or defeat of any candidate for public office, or any activity undertaken to influence the passage, defeat, or final contents of legislation.

#### **SECTION 7. SECTARIAN ACTIVITY**

None of the activities or performances rendered hereunder by TDHCA or ~~ORCA~~TDRA shall support any sectarian or religious activity.

**SECTION 8. ORAL AND WRITTEN AGREEMENTS**

All oral or written agreements between the parties hereto relating to the subject matter of this contract that were made prior to the execution of this contract have been reduced to writing and are contained herein.

**SECTION 9. TERMINATION**

- A. This contract may be terminated prior to the date specified in Section 2 of this contract only upon 14 days written notice from one party to the other.
- B. Upon notice of termination, ~~ORCA~~TDRA shall no longer be reimbursed for any costs hereunder.

~~WITNESS OUR HANDS EFFECTIVE~~ \_\_\_\_\_

Signed: \_\_\_\_\_

Charles S. (Charlie) Stone  
Executive Director, Texas Department of Rural Affairs~~Office of Rural Community Affairs~~

Approved and accepted on behalf of the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, an agency of the STATE OF TEXAS.

Signed: \_\_\_\_\_

Michael Gerber  
Executive Director, Texas Department of Housing and Community Affairs

# **SUMMARY**

## **MOU with TWDB Covering Coordination on the Economically Distressed Assistance Program (EDAP)**

Presented by Mark Wyatt \*

### **DISCUSSION**

The General Appropriations Act for the 2010 – 2011 Biennium provides that the Texas Department of Rural Affairs (TDRA) and the Texas Water Development Board (TWDB) enter into a Memorandum of Understanding (MOU) covering coordination of financing under TWDB's Economically Distressed Assistance Program (EDAP). The current MOU between ORCA and TWDB covering EDAP expires after August 31, 2009.

The attached draft Memorandum of Understanding (MOU) between the TDRA and the TWDB would continue the existing coordination on EDAP. CD staff and TWDB staff work exceptionally well together coordinating the EDAP assistance provided under the TxCDBG program. This MOU would extend the coordination through August 31, 2011.

The only substantive change was the incorporation of the adopted revision to Rider 6 that we had proposed to the Legislature. (see Section VI, page 3, of the MOU)

### **RECOMMENDATION**

Staff recommends approval of the following motion:

“That staff be authorized to enter into a Memorandum of Understanding with the Texas Water Development Board covering coordination of financing under TWDB's Economically Distressed Assistance Program (EDAP).”

### **RURAL DEFINITION**

Non-entitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Mark Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us)**



MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE TEXAS DEPARTMENT OF RURAL AFFAIRS~~OFFICE OF RURAL COMMUNITY  
AFFAIRS~~  
AND  
THE TEXAS WATER DEVELOPMENT BOARD

SECTION I. RECITALS

~~A. Pursuant to the 1995 Appropriations Act of the Texas Legislature, and continued in the 2003 Appropriations Act of the Texas Legislature, the Texas Water Development Board (TWDB) and the Texas Department of Housing and Community Affairs (TDHCA) were required to develop a Memorandum of Understanding (Memorandum) to detail the responsibility of each agency regarding the coordination of funds of the Economically Distressed Areas Program (EDAP), administered by the TWDB, and the Colonia Fund of the Community Development Block Grant Program, administered by the TDHCA, so as to maximize delivery of the funds and minimize administrative delay in their expenditure. The TWDB and the TDHCA executed a Memorandum and performed pursuant to the terms of that Memorandum.~~

~~B. In 2003, pursuant to Chapter 487 of the Texas Government Code, the Office of Rural Community Affairs (Office) was created and the functions and obligations of TDHCA related to the Colonia Fund were transferred to the Office including the requirement to execute a Memorandum of Understanding to detail the responsibility of each agency regarding the coordination of funds out of the EDAP, administered by the TWDB, and the Colonia Fund of the Community Development Block Grant Program, now administered by Office. To implement the requirements of the 2003 Appropriations Act, the TWDB and the Office executed a Memorandum and have successfully performed the terms of that Memorandum.~~

~~C. Pursuant to Rider 8, Texas Water Development Board (TWDB) and Rider 6, ~~Office of Rural Community Affairs (Office)~~ Texas Department of Rural Affairs (TDRA) of the 2010 - 2011 Appropriations Act of the Texas Legislature, the TWDB and the TDRA are required to continue to coordinate funds as outlined in a Memorandum of Understanding to assure that none of the funds appropriated therein are expended in a manner that aids the proliferation of colonias or are otherwise used in a manner inconsistent with the intent of the Economically Distressed Areas Program (EDAP), administered by the TWDB ~~EDAP~~ and maximize delivery of the funds and minimize administrative delay in their expenditure.~~

SECTION II. PARTIES

This Memorandum is made and entered into between the TDRA, an agency of the State of Texas, and the TWDB, an agency of the State of Texas.

SECTION III. PURPOSE

The purpose of this Memorandum is to assure that none of the funds appropriated under the Colonia Fund are expended in a manner that aids the proliferation of colonias or are otherwise used in a manner inconsistent with the intent of the EDAP operated by the TWDB, so as to maximize delivery of the funds and minimize administrative delay in their expenditure.

#### SECTION IV. PERIOD OF PERFORMANCE

This Memorandum shall begin on September 1, ~~2009~~2007, and shall terminate on August 31, ~~2011~~2009. ~~This Memorandum may be extended for an additional period of time to ensure compliance with the Office's Rider No. 6, the responsibility for which was assigned to the Office by Chapter 487 of the Texas Government Code and the TWDB Rider No. 8 to the General Appropriation's Act, 80<sup>th</sup> Legislature for the 2008-2009 Biennium.~~

#### SECTION V. PERFORMANCE

Each party to this Memorandum shall coordinate with the other in delivering water and sewer service lines, hook-ups, and plumbing improvements to residents of selected colonias in order to connect those residents' housing units to EDAP-funded water and sewer systems.

(A) ~~OFFICE~~TDRA RESPONSIBILITIES The ~~Office~~TDRA shall be responsible for the following functions:

- a. develop an application process for projects submitted by eligible units of local government;
- b. assist units of general local government in preparing an application to the Colonia Fund;
- c. determine whether projects meet federal requirements;
- d. select projects to receive funding in conjunction with the TWDB;
- e. make Colonia Fund grant awards for selected projects on an as-needed basis;
- f. prepare and execute contracts with units of general local government (Contractor localities);
- g. provide oversight and guidance to Contractor localities regarding applicable federal and state laws and program regulations (environmental, labor, acquisition of real property, relocation, procurement, financial management, fair housing, equal employment opportunity, etc.);
- h. provide on-site technical assistance if necessary to ensure that funds are efficiently and effectively used to accomplish the activities for which they were intended;
- i. review, approve, process, and honor valid reimbursement requests from Contractor localities;
- j. monitor each project prior to contract completion to ensure compliance with applicable federal and state laws and program regulations;
- k. consult with the TWDB regarding specific projects on an as-needed basis; and
- l. notify communities on list provided by the TWDB of the availability of funds.

(B) TWDB RESPONSIBILITIES The TWDB shall be responsible for the following functions:

- a. provide the ~~Office~~TDRA with descriptions of and schedules for EDAP-funded projects that need Colonia Fund assistance to provide connections and plumbing improvements at least six (6) weeks before such assistance would be required;

- b. assist eligible units of general local government in preparing an application for assistance through the ~~Office~~TDRA's Colonia Fund;
- c. select projects to receive funding in conjunction with the ~~Office~~TDRA; and
- d. provide assistance with technical project-related concerns brought forward by Contractor localities or the ~~Office~~TDRA during the course of the project.

SECTION VI. LIMITATIONS

Eligible applicants shall be those counties eligible under both ~~Office~~TDRA's Colonia Fund and TWDB's EDAP. Non-entitlement cities located within eligible counties are also eligible applicants. Eligible projects shall be located in unincorporated colonias identified by the TWDB and in eligible cities that annexed the colonia where improvements are to be made within five years after the effective date of the annexation, or are in the process of annexing the colonia where improvements are to be made. Eligibility shall be denied to any project in a county that has not adopted or is not enforcing the Model Subdivision Rules established pursuant to §16.343 of the Texas Water Code. If there is an insufficient number of TWDB EDAP projects ready for Colonia Economically Distressed Areas Program (CEDAP) funding ~~within 12 months after the Office receives the federal letter of credit~~, the CEDAP funds may be transferred at the ~~Office~~TDRA's discretion as stated within the current Community Development Block Grant action.

SECTION VII. REPORTING REQUIREMENTS

Each party to this Memorandum shall submit, on or before the fifteenth day of the month following the end of the calendar quarter, to the other party a report of its activities and expenditures during the previous calendar quarter. No later than September 15, ~~2010~~2008, the ~~Office~~TDRA and the TWDB shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts.

SECTION VIII. TERMINATION

This Memorandum shall terminate upon ten (10) days written notice by either party to the other party in this contract.

by: \_\_\_\_\_

Charles S. (Charlie) Stone  
Executive Director

Texas Department of Rural Affairs~~Office of Rural Community Affairs~~  
Water Development Board

by: \_\_\_\_\_

J. Kevin Ward  
Executive Administrator

Texas

# **SUMMARY**

## **2010 Texas CDBG Action Plan**

Presented by Mark Wyatt\*

### **DISCUSSION**

The following is the 2010 Action Plan for the Texas Community Development Block Grant Program.

There was one public comment received that recommended a change.

The comment was that the “proposed changes to the Action Plan do not deal with how ORCA will handle funds in five (5) regions of the state, since the proposed funding for 2010 will be equal to the 2009 allocation, there will be an excess of funds than applicants in some regions. What will happen to the additional funds for those regions (border regions & TEXOMA)?” The recommended comment was that for the Community Development Fund “those additional funds be redistributed to cover regions throughout the state that have applicants that were not funded in 2009 and who will not be receiving funds in 2010.”

CD Staff’s reasoned response: The proposed Action Plan provides that unobligated funds, which would include remaining funds in regions under the Community Development Fund, may be used for other established 2010 program year fund categories. It also addresses the circumstance of re-allocating extra funds in a region from a withdrawn award if no other applicants in the region remain unfunded. In that case as well, the extra funds may be used for other established 2010 fund categories.

While it is certainly possible that the extra Community Development funds remaining in certain regions would be reallocated to other Community Development Fund applications in other regions with unfunded applications, the TxCDBG program has the option under the 2010 Action Plan of selecting other established fund categories.

The only revision made to the proposed Action Plan was to change the name of the “Office of Rural Community Affairs (ORCA)” to the “Texas Department of Rural Affairs (TDRA)”.

## **RECOMMENDATION**

Staff recommends approval of the 2010 Action Plan for the Texas Community Development Block Grant Program as presented in the attachment.

## **RURAL DEFINITION**

Non-entitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Mr. Wyatt at 512-936-6725 ([mwyatt@orca.state.tx.us](mailto:mwyatt@orca.state.tx.us)).**

# TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM 2010 ACTION PLAN

## I. PROGRAM YEAR 2010 GENERAL PROGRAM INFORMATION

### A. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ADMINISTRATION

The [Texas Department of Rural Affairs \(TDRA\)](#) ~~Office of Rural Community Affairs (ORCA)~~ administers the State of Texas Community Development Block Grant Program (CDBG), called the Texas Community Development Block Grant Program (Texas CDBG). The Texas Department of Agriculture (TDA) administers the Texas Capital Fund through an interagency agreement between [TDRA](#) ~~ORCA~~ and TDA. The Tx CDBG will continue to fund the Colonia Self-Help Centers Fund but administration of that program will remain with the Texas Department of Housing and Community Affairs (TDHCA) Office of Colonia Initiatives through a Memorandum of Understanding between [TDRA](#) ~~ORCA~~ and TDHCA.

The mission of the [Texas Department of Rural Affairs](#) ~~Office of Rural Community Affairs~~ is to enhance the quality of life for rural Texans. .

### B. ELIGIBLE APPLICANTS

Eligible applicants are nonentitlement general purpose units of local government including cities and counties that are not participating or designated as eligible to participate in the entitlement portion of the federal Community Development Block Grant Program (CDBG). Nonentitlement cities that are not participating in urban county programs through existing participation agreements are eligible applicants (unless the city's population is counted towards the urban county CDBG allocation).

Nonentitlement cities are located predominately in rural areas and are cities with populations less than 50,000 thousand persons; cities that are not designated as a central city of a metropolitan statistical area; and cities that are not participating in urban county programs. Nonentitlement counties are also predominately rural in nature and are counties that generally have fewer than 200,000 persons in the nonentitlement cities and unincorporated areas located in the county.

Hidalgo County, a designated CDBG urban county, is eligible to receive assistance under the Texas Community Development Block Grant (Tx CDBG) Program Colonia Fund (and each fund category included under the Colonia Fund).

Counties eligible under both the Tx CDBG Colonia Fund and the Texas Water Development Board's Economically Distressed Areas Program (EDAP) are eligible under the Tx CDBG Colonia Economically Distressed Areas Program Fund. Non-entitlement cities located within eligible counties that meet other eligibility criteria, including the geographic requirements of the Colonia Fund, are also eligible applicants for the Tx CDBG Colonia Economically Distressed Areas Program Fund.

With the enactment of §43.907 of the Texas Local Government Code, a colonia meeting specified requirements that is annexed by a municipality remains eligible for five years after the effective date of the annexation to receive any form of assistance for which the colonia would be eligible if the annexation had not occurred. This only applies to a colonia annexed by a municipality on or after September 1, 1999.

### C. ELIGIBLE ACTIVITIES

Eligible activities under the Texas Community Development Block Grant Program are listed in 42 U.S.C Section 5305. The Tx CDBG staff reviews all proposed project activities included in applications for all fund categories, except the Texas Capital Fund, to determine their eligibility. The Texas Department of Agriculture determines the eligibility of activities included in Texas Capital Fund applications.

**All proposed activities must meet one of the following three National Program Objectives:**

1. principally benefit low- and moderate-income persons; or

2. aid in the elimination of slums or blight; or
3. meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community

Area benefit can be used to qualify street paving projects. However, for street paving projects that include multiple and non-contiguous target areas, each target area must separately meet the principally benefit low and moderate income national program objective. At least fifty-one percent (51%) of the residents located in each non-contiguous target area must be low and moderate income persons. A target area that does not meet this requirement cannot be included in an application for Tx CDBG funds. The only exception to this requirement is street paving eligible under the Disaster Relief/Urgent Need Fund.

#### **D. INELIGIBLE ACTIVITIES**

In general, any type of activity not described or referred to in 42 U.S.C Section 5305 is ineligible. Specific activities ineligible under the Texas Community Development Block Grant Program are:

1. construction of buildings and facilities used for the general conduct of government (e.g. city halls, courthouses, etc.);
2. new housing construction, except as last resort housing under 49 CFR Part 24 or affordable housing through eligible subrecipients in accordance with 24 CFR 570.204;
3. the financing of political activities;
4. purchases of construction equipment (except in limited circumstances under the STEP Program);
5. income payments, such as housing allowances; and
6. most operation and maintenance expenses (including smoke testing, televising / video taping line work, or any other investigative method to determine the overall scope and location of the project work activities)

The Texas Capital Fund (TCF) will not accept applications in support of public or private prisons, racetracks and projects that address job creation/retention through a government supported facility. The Texas Capital Fund Program may be used to financially assist/facilitate the relocation of a business when certain requirements, as defined in the application guidelines, are met.

#### **E. PRIMARY BENEFICIARIES**

The primary beneficiaries of the Texas Community Development Block Grant Program are low to moderate income persons as defined under the U.S. Department of Housing and Urban Development (HUD) Section 8 Assisted Housing Program (Section 102(c)). Low income families are defined as those earning less than 50 percent of the area median family income. Moderate income families are defined as those earning less than 80 percent of the area median family income. The area median family can be based on a metropolitan statistical area, a non-metropolitan county, or the statewide non-metropolitan median family income figure.

#### **F. DISPLACEMENT OF PERSONS ASSISTED**

Applicant localities must certify that they will minimize the displacement of persons as a result of activities assisted with Texas Community Development Block Grant Program grant funds.

### **II. ALLOCATION OF CDBG FUNDS**

#### **A. AVAILABLE FUND CATEGORIES**

Assistance is available in six funding categories and one pilot program under the Texas Community Development Block Grant Program as indicated below:

Funds:

1. Community Development Fund
2. Texas Capital Fund
3. Colonia Fund
  - 3a. Colonia Planning and Construction Fund
  - 3b. Colonia Economically Distressed Areas Program Legislative Set-Aside
  - 3c. Colonia Self-Help Centers Legislative Set-Aside

4. Planning and Capacity Building Fund
5. Disaster Relief/Urgent Need Fund
6. Tx CDBG STEP Fund

Pilot Program:  
Renewable Energy Demonstration Pilot Program

## **B. DESCRIPTION OF FUNDS**

### **1. Community Development Fund**

This fund is available on a biennial basis for funding from program years 2009 and 2010 through a 2009 annual competition in each of the 24 state planning regions. Applications received by the 2009 program year application deadline are selected to receive grant awards from the 2009 and 2010 program year allocations. The scoring of the applications is shared between TDRAORCA and the 24 Regional Review Committees (RRC), with the RRC having the predominate percentage of the total possible score.

Regional Priority Set-asides: Housing and Non-Border Colonia projects - Each Regional Review Committee (RRC) is encouraged to allocate a percentage or amount of its Community Development Fund allocation to housing projects and, for RRCs in eligible areas, non-border colonia projects proposed in and for that region. Under a set-aside, the highest ranked applications for a housing or non-border colonia activity, regardless of the position in the overall ranking, would be selected to the extent permitted by the housing or non-border colonia set-aside level. If the region allocates a percentage of its funds to housing and/or non-border colonia activities and applications conforming to the maximum and minimum amounts are not received to use the entire set-asides, the remaining funds may be used for other eligible activities. (Under a housing and/or non-border colonia set-aside process, a community would not be able to receive an award for both a housing or non-border colonia activity and an award for another Community Development activity during the biennial process. Housing projects/activities must conform to eligibility requirements in 42 U.S.C Section 5305 and applicable HUD regulations.)

Funds for projects under the Community Development Fund are allocated among the 24 state planning regions based on the following:

#### **REGIONAL ALLOCATION METHOD:**

The original CD formula is used to allocate 40 percent of the annual state CDBG allocation; and the HUD formula is used to allocate 21.71 percent of the annual state CDBG allocation.

Original CD formula (40%) factors:

- |                                     |     |
|-------------------------------------|-----|
| a. Non-Entitlement Population       | 30% |
| b. Number of Persons in Poverty     | 25% |
| c. Percentage of Poverty Persons    | 25% |
| d. Number of Unemployed Persons     | 10% |
| e. Percentage of Unemployed Persons | 10% |

To the extent possible, the information used to calculate the regional allocations through these factors will be based on the eligible nonentitlement applicants within each region. The population and poverty information used is from the current available decennial census data. The unemployment information used is the current available annual average information.

HUD formula (21.71%) - the formula is the same methodology that HUD uses to allocate CDBG funds to the non-entitlement state programs. The HUD factors, percentages, and methodology are specified in 42 U.S.C. 5306(d). The Tx CDBG will use available data to calculate the allocations to each region.

Using the HUD methodology, the allocation for each region shall be the greater of an amount that bears the same ratio to the allocation for all 24 regions available as either:



(A) the average of the ratios between:

- the population of the nonentitlement areas in that region and the population of the nonentitlement areas of all 24 regions (counted one time - 25% weight);
- the extent of poverty in the nonentitlement areas in that region and the extent of poverty in the nonentitlement areas of all 24 regions (counted two times - 50% weight); and
- the extent of housing overcrowding in the nonentitlement areas in that region and the extent of housing overcrowding in the nonentitlement areas of all 24 regions (counted one time - 25% weight);

OR

(B) the average of the ratios between:

- the age of housing in the nonentitlement areas in that region and the age of housing in the nonentitlement areas in all 24 regions (counted two and one half times - 50% weight);
- the extent of poverty in the nonentitlement areas in that region and the extent of poverty in the nonentitlement areas of all 24 regions (counted one and one half times - 30% weight); and
- the population of the nonentitlement areas in that region and the population of the nonentitlement areas of all 24 regions (counted one time - 20% weight).

The Tx CDBG will continue to involve the non-entitlement communities and the public in a review of the regional allocation formula through public hearings, meetings of the [TDRAORGA](#) board, Task Forces, and input from the State Community Development Review Committee, Regional Councils of Governments, local and state government officials, and other interested parties.

Some regions in the state have a small number of eligible applicants and these regions may receive regional allocations large enough to allow each eligible applicant in that region to apply for an equal share of the regional allocations. The share available to each eligible applicant in the region may amount to an equal share based on the number of eligible applicants and the 2009 and 2010 regional allocations for that region. Or the share available to each eligible applicant in the region may be based on an allocation formula used by the region to allocate the funds available through the 2009 and 2010 regional allocations for the region. Each applicant in one of these regions must meet all state and federal eligibility requirements including but not limited to Tx CDBG applicant threshold requirements, federal requirements for eligible activities, and federal requirements that each activity in an application meet one of the three national program objectives. Applicants in these regions are scored by the Regional Review Committees and the Tx CDBG staff in accordance with the established Community Development Fund selection criteria. The total score received by each applicant in these regions determines if the applicant receives funding from the 2009 regional allocation or 2010 regional allocation. Depending on the State of Texas' CDBG allocations for the 2009 and 2010 program years, there could be a large variance between the 2009 and 2010 regional allocations. If the 2010 regional allocation for one of these regions decreases significantly from the 2009 regional allocation, then the total scores received by applicants in these regions could in fact prevent some of the applicants from receiving funds from the 2010 regional allocation.

A significant increase or decrease to the State's current Program Year CDBG allocation may result in corresponding increases or decreases to the current Program Year Community Development Fund allocation and correspondingly higher or lower regional allocations.

Non-border colonia projects – available to eligible county applicants for projects in severely distressed unincorporated areas located farther than 150 miles from the Texas-Mexico border and non-entitlement counties, or portions of counties, within 150 miles of the Texas-Mexico border that are not eligible for the Colonia Fund because they are located in a standard metropolitan statistical area that has a population exceeding 1,000,000, as specified the Cranston-Gonzalez National Affordable Housing Act. Non-border colonia areas would be an identifiable unincorporated community that is determined to be colonia-like on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and was in existence as a colonia before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act (November 28, 1990).

Applicants must demonstrate they are adequately addressing water supply and water conservation issues (in particular contingency plans to address drought-related water supply issues), as described in the application guidance.

Applications requesting funds for projects other than water and sewer must include a description of how the applicant's water and sewer needs would be met and the source of funding that would be used to meet these needs.

## **2. Texas Capital Fund**

This economic development funding is used for projects that will create or retain permanent employment opportunities, primarily for low to moderate income persons, and for county economic and management development activities. Responsibility for this fund is contracted to the Texas Department of Agriculture through an interagency agreement. The funds may be used to provide financial assistance for eligible activities as cited in 42 U.S.C Section 5305, including the following activities.

- a. Infrastructure improvements to assist a for-profit entity or a non-profit entity.
- b. Acquisition of real property or to acquire, construct, reconstruct, or rehabilitate public facilities to assist a for-profit entity.
- c. Infrastructure improvements to assist Texas Main Street Program designated municipalities.
- d. Downtown Revitalization Program that is designed to foster and stimulate economic development in downtown areas by providing financial assistance for public improvements to non-entitlement cities. This program encourages the elimination of slum and blighted areas by targeting the renovation and/or construction of sidewalks, lighting, drainage and other infrastructure improvements in downtown areas. Communities eligible for the Texas Main Street Program are not eligible for the Downtown Revitalization Program.
- e. County economic and management development activities as approved by [TDRAORCA](#). Not more than five percent (5%) of the Texas Capital Fund allocation may be used for these activities. Section 487.3521 of the Texas Government Code requires [TDRAORCA](#) to "allocate not more than five percent of the funds allocated to the Department of Agriculture under the Texas Capital Fund to be used for county economic and management development." [TDRAORCA](#) will review activities proposed for this assistance and determine if the activities are consistent with the federal law governing the CDBG program.
- f. Assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that:
  - (1) creates or retains jobs for low- and moderate-income persons;
  - (2) prevents or eliminates slums or blight;
  - (3) meets urgent needs;
  - (4) creates or retains businesses owned by community residents;
  - (5) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or
  - (6) provides technical assistance to promote any of the activities under subparagraphs (1) through (5).

The Texas Capital Fund program will require repayment for Real Estate and Infrastructure projects, as follows:

- a. Real Estate Development (including improvements to the business site) projects require full repayment with no interest accruing; and
- b. Infrastructure Program (awards for infrastructure or railroad improvements on private property require full repayment with no interest accruing).

## **3. Colonia Fund**

This fund is available to eligible county applicants for projects in severely distressed unincorporated areas which meet the definition as a "colonia" under this fund. Scoring of all the selection criteria for Colonia

Fund applications is completed by Tx CDBG staff. The term “colonia” means any identifiable unincorporated community that is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and was in existence as a colonia before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act (November 28, 1990). Except for fund categories where additional restrictions apply, a county can only submit applications on behalf of eligible colonia areas located within 150 miles of the Texas-Mexico border region, except that any county that is part of a standard metropolitan statistical area with a population exceeding 1,000,000 is not eligible under this fund.

### **3a. Colonia Planning and Construction Fund**

The allocation is available on a biennial basis for funding from program years 2009 and 2010 through a 2009 annual competition. Applications received by the 2009 program year application deadline are eligible to receive grant awards from the 2009 and 2010 program year allocations. Funding priority shall be given to Tx CDBG applications from localities that have been funded through the Texas Water Development Board Economically Distressed Areas Program (TWDB EDAP) where the Tx CDBG project will provide assistance to colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with access to the TWDB EDAP-funded water or sewer system.

An eligible county applicant may submit one (1) application for the following eligible construction activities:

- (1) Assessments for Public Improvements – The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low- and moderate-income to recover the capital cost for a public improvement.
- (2) Other Improvements – Other activities eligible under 42 U.S.C Section 5305 designed to meet the needs of colonia residents.

### **Colonia Planning Component**

A portion of the funds will be allocated to two separate biennial competitions for applications that include planning activities targeted to selected colonia areas – (Colonia Area Planning activities), and for applications that include countywide comprehensive planning activities (Colonia Comprehensive Planning activities). Applications received by the 2009 program year application deadline are eligible to receive a grant award from the 2009 and 2010 program year allocations.

In order to qualify for the Colonia Area Planning activities, the county applicant must have a Colonia Comprehensive Plan in place that prioritizes problems and colonias for future action. The targeted colonia must be included in the Colonia Comprehensive Plan.

A Colonia Planning activities application must receive a minimum score for the Project Design selection factor of at least 70 percent of the maximum number of points allowable under this factor to be considered for funding.

#### **(1) Colonia Area Planning Activities**

An eligible county may submit an application for eligible planning activities that are targeted to one or more colonia areas. Eligible activities include:

- Payment of the cost of planning community development (including water and sewage facilities) and housing activities;
- costs for the provision of information and technical assistance to residents of the area in which the activities are located and to appropriate nonprofit organizations and public agencies acting on behalf of the residents; and

- costs for preliminary surveys and analyses of market needs, preliminary site engineering and architectural services, site options, applications, mortgage commitments, legal services, and obtaining construction loans.

**(2) Colonia Comprehensive Planning Activities**

To be eligible for these funds, a county must be located within 150 miles of the Texas-Mexico border. The applicant's countywide comprehensive plan will provide a general assessment of the colonias in the county, but will include enough detail for accurate profiles of the county's colonia areas. The prepared comprehensive plan must include the following information and general planning elements:

- Verification of the number of dwellings, number of lots, number of occupied lots, and the number of persons residing in each county colonia
- Mapping of the locations of each county colonia
- Demographic and economic information on colonia residents
- The physical environment in each colonia including land use and conditions, soil types, and flood prone areas
- An inventory of the existing infrastructure (water, sewer, streets, drainage) in each colonia and the infrastructure needs in each colonia including projected infrastructure costs
- The condition of the existing housing stock in each colonia and projected housing costs
- A ranking system for colonias that will enable counties to prioritize colonia improvements rationally and systematically plan and implement short-range and long-range strategies to address colonia needs
- Goals and Objectives
- Five-year capital improvement program

**3b. Colonia Economically Distressed Areas Program (CEDAP) Legislative Set-aside**

The allocation is distributed on an as-needed basis. Eligible applicants are counties, and nonentitlement cities located in those counties, that are eligible under the Tx CDBG Colonia Fund, including meeting the geographic requirements, and Texas Water Development Board's Economically Distressed Areas Program (TWDB EDAP). Eligible projects shall be located in unincorporated colonias; in colonias located in eligible nonentitlement cities that annexed the colonia and the application for improvements in the colonia is submitted within five (5) years from the effective date of the annexation; or in colonias located in eligible nonentitlement cities where the city is in the process of annexing the colonia where the improvements are to be made.

Eligible applicants may submit an application that will provide assistance to colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB EDAP-funded water and sewer system improvement project. An application cannot be submitted until the construction of the TWDB EDAP-funded water or sewer system begins.

Eligible program costs include water distribution lines and sewer collection lines providing connection to water and sewer lines installed through the Texas Water Development Board's Economically Distressed Areas Program (when approved by the Tx CDBG), taps and meters (when approved by the Tx CDBG), yard service lines, service connections, plumbing improvements, and connection fees, and other eligible approved costs associated with connecting an income-eligible family's housing unit to the TWDB improvements.

An applicant may not have an existing CEDAP contract open in excess of 48 months and still be eligible for a new CEDAP award.

**3c. Colonia Self-Help Centers Legislative Set-aside**

In accordance with Subchapter Z, Chapter 2306, Government Code, and Title 10, Texas Administrative Code, Part 1, Chapter 3, TDHCA has established self-help centers in Cameron County, El Paso County, Hidalgo County, Starr County, and Webb County. If deemed necessary and appropriate, TDHCA may establish self-help centers in other counties (self-help centers have been established in Maverick County

and Val Verde County) as long as the site is located in a county that is designated as an economically distressed area under the Texas Water Development Board Economically Distressed Areas Program (EDAP), the county is eligible to receive EDAP funds, and the colonias served by the center are located within 150 miles of the Texas-Mexico border.

The geographic area served by each self-help center is determined by TDHCA. Five (5) colonias located in each self-help center service area are designated to receive concentrated attention from the center. Each self-help center sets a goal to improve the living conditions of the residents located in the colonias designated for concentrated attention within a two-year period set under the contract terms. TDHCA has the authority to make changes to the colonias designated for this concentrated attention.

The TDHCA grant contract for each self-help center must be executed with the county where the self-help center is located. TDHCA will enter into a Texas Community Development Block Grant Program contract with each affected county. Each county enters into a subcontract with a non-profit community action agency, a public housing authority, or a non-profit organization.

A Colonia Residents Advisory Committee was established and not fewer than five persons who are residents of colonias were selected from the candidates submitted by local nonprofit organizations and the commissioners' court of a county where a self-help center is located. One committee member shall be appointed to represent each of the counties in which a self-help center is located. Each committee member must be a resident of a colonia located in the county the member represents but may not be a board member, contractor, or employee of or have any ownership interest in an entity that is awarded a contract through the Texas Community Development Block Grant Program. The Advisory Committee shall advise TDHCA regarding:

- (1) the needs of colonia residents;
- (2) appropriate and effective programs that are proposed or are operated through the centers; and
- (3) activities that may be undertaken through the centers to better serve the needs of colonia residents.

The purpose of each center is to assist low income and very low income individuals and families living in colonias located in the center's designated service area to finance, refinance, construct, improve or maintain a safe, suitable home in the designated service area or in another suitable area. Each self-help center may serve low income and very low income individuals and families by:

- (1) providing assistance in obtaining loans or grants to build a home;
- (2) teaching construction skills necessary to repair or build a home;
- (3) providing model home plans;
- (4) operating a program to rent or provide tools for home construction and improvement for the benefit of property owners in colonias who are building or repairing a residence or installing necessary residential infrastructure;
- (5) helping to obtain, construct, access, or improve the service and utility infrastructure designed to service residences in a colonia, including potable water, wastewater disposal, drainage, streets and utilities;
- (6) surveying or platting residential property that an individual purchased without the benefit of a legal survey, plat, or record;
- (7) providing credit and debt counseling related to home purchase and finance;
- (8) applying for grants and loans to provide housing and other needed community improvements;
- (9) providing other eligible services that the self-help center, with TDHCA approval, determines are necessary to assist colonia residents in improving their physical living conditions, including help in obtaining suitable alternative housing outside of a colonia's area;
- (10) providing assistance in obtaining loans or grants to enable an individual or family to acquire fee simple title to property that originally was purchased under a contract for a deed, contract for sale, or other executory contract;
- (11) monthly programs to educate individuals and families on their rights and responsibilities as property owners; and
- (12) providing access to computers, the internet, and computer training.

A self-help center may not provide grants, financing, or mortgage loan services to purchase, build, rehabilitate, or finance construction or improvements to a home in a colonia if water service and suitable wastewater disposal are not available.

For any award made on or after September 1, 2005, any political subdivision that receives community development block grant program money targeted toward street improvement projects in eligible colonia areas must allocate not less than five percent but not more than 15 percent of the total amount of street improvement money to providing financial assistance to colonias within the political subdivision to enable the installation of adequate street lighting in those colonias if street lighting is absent or needed.

#### **4. Planning And Capacity Building Fund**

This fund is available on a biennial basis to assist eligible cities and counties in conducting planning activities that assess local needs, develop strategies to address local needs, build or improve local capacity, or that include other needed planning elements (including telecommunications and broadband needs). All planning projects awarded under this fund must include a section in the final planning document that addresses drought-related water supply contingency plans and water conservation plans.

A significant increase or decrease to the State's 2010 CDBG allocation may result in corresponding increases or decreases to the 2010 Planning and Capacity Building Fund allocations.

#### **5. Disaster Relief/Urgent Need Fund**

Disaster Relief assistance is available through this fund as needed for eligible activities in relief of disaster situations where either the Governor has proclaimed a state disaster declaration or the President has issued a federal disaster declaration. Tx CDBG may prioritize throughout the program year the use of Disaster Relief assistance funds based on the type of assistance or activity under consideration and may allocate funding throughout the program year based on assistance categories. Depending on the nature and extent of the damage caused by the natural disaster, priority for the use of Tx CDBG funds is the restoration of basic human needs such as water and sewer facilities, housing, and roads.

Urgent Need assistance is contingent upon the availability of funds for activities that will restore water or sewer infrastructure whose sudden failure has resulted in death, illness, injury, or pose an imminent threat to life or health within the affected applicant's jurisdiction. The infrastructure failure must not be the result of a lack of maintenance and must be unforeseeable. As an initial step, Tx CDBG undertakes an assessment of whether the situation is reasonably considered unforeseeable. An application for Urgent Need assistance will not be accepted by the Tx CDBG until discussions between the potential applicant and representatives of the Tx CDBG, the Texas Commission on Environmental Quality (TCEQ), and the Texas Water Development Board (TWDB) have taken place. Through these discussions, a determination shall be made whether the situation meets Tx CDBG Urgent Need threshold criteria; whether shared financing is possible; whether financing for the necessary improvements is, or is not, available from the TWDB; or that the potential applicant does, or does not, qualify for TWDB assistance. If Tx CDBG funds are still available, a potential applicant that meets these requirements will be invited to submit an application for Urgent Need funds.

#### **To qualify for Disaster Relief funds:**

- The situation addressed by the applicant must be both unanticipated and beyond the control of the local government.
- The problem being addressed must be of recent origin. For Disaster Relief assistance, this means that the application for assistance must be submitted no later than 12 months from the date of the Presidential or Governor's declaration.
- Under Disaster Relief, funds will not be provided under FEMA's Hazard Mitigation Grant Program for buyout projects unless TxCDBG receives satisfactory evidence that the property to be purchased was not constructed or purchased by the current owner after the property site location was officially mapped and included in a designated flood plain area.

- Each applicant for these funds must demonstrate that adequate local funds are not available, i.e., the entity has less than six months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, or funds from other state or federal sources are not available to completely address the problem.
- Tx CDBG will consider whether funds under an existing Tx CDBG contract are available to be reallocated to address the situation.
- The distribution of these funds will be coordinated with other state agencies.

**To qualify for Urgent Need funds:**

- The situation addressed by the applicant must not be related to a proclaimed state disaster declaration or a federal disaster declaration.
- The situation addressed by the applicant must be both unanticipated and beyond the control of the local government (e.g., not for facilities or equipment beyond their normal, useful life span).
- The problem being addressed must be of recent origin. For Urgent Need assistance, this means that the situation first occurred or was first discovered no more than 30 days prior to the date that the potential applicant provides a written request to the Tx CDBG for Urgent Need assistance. The Urgent Need Fund will not fund projects to address a situation that has been known for more than 30 days or should have been known would occur based on the applicant's existing system facilities.
- Each applicant for these funds must demonstrate that local funds or funds from other state or federal sources are not available to completely address the problem.
- The distribution of these funds will be coordinated with other state agencies.
- The infrastructure failure cannot have resulted from a lack of maintenance.
- Urgent Need funds cannot be used to restore infrastructure that has been cited previously for failure to meet minimum state standards.
- The infrastructure failure cannot have been caused by operator error.
- The infrastructure requested by the applicant cannot include back-up or redundant systems.
- Tx CDBG will consider whether funds under an existing Tx CDBG contract are available to be reallocated to address the situation.
- The Urgent Need Fund will not finance temporary solutions to the problem or circumstance.

Construction on an Urgent Need fund project must begin within ninety (90) days from the start date of the Tx CDBG contract. The Tx CDBG reserves the right to deobligate the funds under an Urgent Need Fund contract if the grantee fails to meet this requirement.

Each applicant for Urgent Need funds must provide matching funds. If the applicant's 2000 Census population is equal to or fewer than 1,500 persons, the applicant must provide matching funds equal to 10 percent of the Tx CDBG funds requested. If the applicant's 2000 Census population is over 1,500 persons, the applicant must provide matching funds equal to 20 percent of the Tx CDBG funds requested. For county applications where the beneficiaries of the water or sewer improvements are located in unincorporated areas, the population category for matching funds is based on the number of project beneficiaries.

**6. Tx CDBG STEP Fund**

Funds will be available for grants on a competitive award basis to cities and counties to provide grant assistance to cities and communities recognizing the need and willingness to solve water and sewer problems through the Texas Small Towns Environment Program (STEP) self-help techniques. The program will accept applications two times a year and utilize a competitive process to evaluate, score and award these projects.

Cities and counties receiving 2009 and 2010 Community Development Fund grant awards for applications that did not include water, sewer, or housing activities are not eligible to receive a 2010 STEP Fund grant award. However, the Tx CDBG will give consideration to a city's or county's request to transfer funds (that are not financing basic human needs activities such as water, sewer, or housing activities) under a 2009 or 2010 Community Development Fund grant award to finance water and sewer activities that will be addressed through self-help.

The Texas STEP approach to solving water and sewer needs recognizes affordability factors related to the construction and operations/maintenance of the necessary water or sewer improvements and then initiates a local focus of control based on the capacity and readiness of the community's residents to solve the problem through self-help. By utilizing the community's own resources (human, material and financial), the necessary water or sewer construction costs, engineering costs, and related administration costs can be reduced significantly from the cost for the installation of the same improvements through conventional construction methods.

Tx CDBG staff will provide guidance, assistance, and support to community leaders and residents willing to use self-help to solve their water and sewer problems.

#### Eligible Activities

For the Tx CDBG STEP Fund eligible activities are limited to:

- the installation of facilities to provide first-time water or sewer service
- the installation of water or sewer system improvements
- ancillary repairs related to the installation of water and sewer systems or improvements
- the acquisition of real property related to the installation of water and sewer systems or improvements (easements, rights of way, etc.)
- sewer or water taps and water meters
- water or sewer yard service lines (for low and moderate income persons)
- water or sewer house service connections (for low and moderate income persons)
- plumbing improvements associated with providing water or sewer service to a housing unit
- water or sewer connection fees (for low and moderate income persons)
- rental of equipment for installation of water or sewer
- reasonable associated administrative costs
- reasonable associated engineering services costs

#### Ineligible Activities

- any activity not described in the preceding ELIGIBLE ACTIVITIES section is ineligible under the Tx CDBG STEP Fund unless the activity is approved by the Texas Community Development Block Grant Program
- temporary solutions, such as emergency inter-connects that are not used on an on-going basis for supply or treatment and back-ups not required by the regulations of the Texas Commission on Environmental Quality.

The Tx CDBG will not reimburse for force account work for construction activities on the STEP project.

#### Funding Cycle

Applications are accepted two times a year for Texas STEP Funding as long as funds are available. Funds will be divided among the two application periods. After all projects are ranked, only those that can be fully funded will be awarded a grant. There will be no marginally funded grant awards.

The Tx CDBG will not accept an application for STEP Fund assistance until Tx CDBG staff and representatives of the potential applicant have evaluated the self-help process and Tx CDBG staff determine that self-help is a feasible method for completion of the water or sewer project, the community is committed to self-help as the means to address the problem, and the community is ready and has the capacity to begin and complete a self-help project. If it is determined that the community meets all of the STEP criteria then an invitation to apply for funds will be extended to the community and the application may be submitted.

#### Threshold Criteria

The self-help response to water and sewer needs may not be appropriate in every community. In most cases, the decision by a community to utilize self-help to obtain needed water and sewer facilities is



based on the community's realization that it cannot afford even a "no frills" water or sewer system based on the initial construction costs and the operations/maintenance costs (including debt service costs) for water or sewer facilities installed through conventional financing and construction methods.

The following are threshold requirements for the Texas STEP framework. Without all these elements the project will not be considered under the Texas STEP fund:

- 1) one or more sparkplugs (preferably three)—local leaders willing to both lead and sustain the effort;
- 2) readiness—local perception of the problem and the willingness to take action to solve it;
- 3) capacity— manpower including some skills required to solve the problem and operate applicable construction equipment;
- 4) 40% Savings off of retail price; and
- 5) must be performed predominately by community volunteer workers.

To be eligible for additional STEP awards, an applicant must have demonstrated to TxCDBG management that its existing STEP contracts are currently being implemented on schedule in accordance with the applicable contracts and in accordance with any TxCDBG-approved allowances.

Upon completion of the project, the award recipient will be required to certify that work was performed predominately by community volunteer workers and a minimum of 40 percent savings off of retail prices was maintained (or the savings percentage specified in the application if greater).

Some of the key points staff will review for these thresholds include but are not limited to the following:

- 1) one or more sparkplugs (preferably three)—local leaders willing to both lead and sustain the effort; Leaders that have been identified and agreed on by the community:
  - at least two of the three sparkplugs must be residents and not local officials (local officials may serve as sparkplugs)
  - one should be detailed enough to maintain the paperwork needed for the project
  - one should have some knowledge or skills to lead the self-help effort
  - And one can have a combination of these skills or just be the motivator and problem solver of the groupThese are not absolutes but the best scenario for any project.
- 2) readiness—local perception of the problem and the willingness to take action to solve it:
  - a strong local perception of the problem
  - community perception that local implementation is the best and maybe only solution
  - community has confidence that they can do it adequately
  - community has no strong competing priority
  - local government is supportive and understands the urgency
  - public and private willingness to pay additional costs if needed (fees, hook-ups for churches, other)
  - effort and attention have already been given to local assessment of the problem
  - enthusiastic, capable support by the community from the county or regional field staff of the regulatory agency
- 3) capacity— manpower including some skills required to solve the problem:
  - Skilled workers within the community (heavy equipment operation, pipe laying, electrician, plumber, engineer, water operator, construction skills)
  - List of Volunteers by task
  - Possible equipment in community (not a requirement)
  - Letters stating support from local businesses in form of donation of supplies or manpower
  - Letter from service provider supporting project and agreeing to provide service

- CPA Letter documenting that the applying locality has financial and management capacity to compete project

4) 40% Savings off of retail price.

Documentation of the 40% savings off of the retail price:

- Two engineering break-outs of cost, one that shows the retail construction cost and another that shows the self-help cost and demonstrates the 40% savings
- Back-up documents of material quotes, pledges of equipment
- List of Volunteers by task
- Determination of appropriate technology and feasibility of project. (letter from engineer)

**Pilot Program:**

**Renewable Energy Demonstration Pilot Program (Using Deobligated and/or Program Income)**

The TxCDBG will develop a renewable energy pilot program funded solely through deobligated funds / program income for demonstration projects that employ renewable energy for at least 20% of the total energy requirements, (excluding the purchase of energy from the electric grid that was produced with renewable energy).

The priority will be for projects that are connected with providing public facilities to meet basic human needs such as water or waste water. It is anticipated that the projects funded would meet the National Objective of benefiting a “target area” where at least 51 percent of the residents are low and moderate income persons, although the project would be allowed to qualify under other National Objective alternatives. The maximum amount of the project would be \$500,000 and the minimum would be \$50,000.

The projects will be selected on the following basis (which are assigned points under Section IV(C)(6) of this Action Plan):

(A) Type of Project: Primarily used in conjunction with providing public facilities to meet basic human needs such as water or waste water and/or benefit to low/moderate-income persons.

(B) Innovative Technology / Methods – A project that would demonstrate the application of innovative technology and/or methods.

(C) Duplication in Other Rural Areas – A project that could have widespread application (although it would not need to be applicable in every portion of the state.)

(D) Long-term Cost / Benefit and Texas Renewable Energy Goals – Projects that demonstrate long term cost / benefit analysis including benefits to the human environment and consistency with Texas renewable energy goals.

(E) Partnership / Collaboration – Projects that have a demonstrated partnership and collaboration with other entities focusing on promoting renewable energy including universities, funding agencies, associations, or businesses.

(F) Leveraging – projects with committed funds from other entities including funding agencies, local governments, or businesses – percent of portion of total project receiving TxCDBG funds is leveraged with other funds.

(G) Location in Rural Areas – Projects that benefit cites with populations under 10,000 or counties under 100,000.

**C. ALLOCATION OF AVAILABLE FUNDS BY FUND CATEGORY**

The U.S. Department of Housing and Urban Development has not yet announced the State's 2010 program year CDBG allocation. The State's 2010 allocation could be lower than the 2009 allocation of \$73,017,739.

The amount available for Tx CDBG assistance will be the 2010 State CDBG allocation amount plus an estimated \$2,500,000 in program income. Funds will be allocated according to the following percentages of the State's 2010 allocation upon the execution of the grant agreement with HUD:

FUND	2010 PERCENT	AMOUNT AVAILABLE
Community Development Fund	61.71 <sup>1</sup>	
Texas Capital Fund (TCF) Program Income from TCF	14.51	\$ 2,000,000 <sup>4</sup>
Colonia Fund		
Colonia Planning and Construction Fund	7.26	
Colonia EDAP Legislative Set-aside	2.74 <sup>6</sup>	
Colonia Self-Help Centers Legislative Set-aside	2.50	
Planning And Capacity Building Fund	0.90	
Disaster Relief/Urgent Need Fund		
Disaster Relief	4.10	
Urgent Need	0 <sup>2</sup>	
Tx CDBG STEP Fund	3.14	
Administration - Percentage	2.00 <sup>5</sup>	
Administration - \$100,000	0.1370	
Technical Assistance	1.00 <sup>5</sup>	
Pilot Programs (Deobligated Funds/ Program Income):		
Renewable Energy Demonstration Pilot Program	0 <sup>3</sup>	
Other Program Income:		\$ 500,000

**Note:** The percentages shown above are based on the State's actual 2009 allocation percentages. Changes to the above percentages may occur if the State's 2010 CDBG allocation is higher or lower than the 2009 allocation of \$73,017,739.

- Deobligated funds/program income notes:
- <sup>1</sup> Allocated to each region based on Section II (B).
  - <sup>2</sup> Deobligated funds and/or program income sufficient to replenish to \$1,000,000 is made available for the Urgent Need Fund on the first day of PY 2010. Based on a Tx CDBG Program determination of respective demand for financial assistance under the Urgent Need and Disaster Relief portions of the Disaster Relief/Urgent Need Fund, Urgent Need funds may be used for Disaster Relief projects.
  - <sup>3</sup> Deobligated funds and/or program income of \$500,000 is made available on the first day of PY 2010.

The amounts for these fund categories may be adjusted during PY 2010 as needed.

- <sup>4</sup> Used based on Section II (C) (a).
- <sup>5</sup> Fungible – May be adjusted per statutory CDBG rules.

<sup>6</sup> May be transferred for other projects benefitting Colonias if there are an insufficient number of EDAP-eligible projects ready for CEDAP connection funding

## **Summary of Activities That Utilize 1% Technical Assistance Funding**

### ***Technical Assistance Performed Through the Community Development Program***

The Texas Community Development Block Grant Program will conduct numerous on-site technical assistance visits funded with the one percent technical assistance (1% TA) set-aside approved by HUD. These visits will be conducted throughout the year when the Tx CDBG staff recognizes that assistance is needed at the local level or when assistance is requested by the grantees.

Tx CDBG Community Development staff, including [TDRA](#)~~ORCA~~ field office staff, will visit localities that are preliminarily recommended for funding to verify information provided in the applications, to view the project sites, to distribute Project Implementation Manuals, and to provide technical assistance regarding the initial Tx CDBG project implementation procedures.

Other technical assistance visits will be conducted with 1% TA funds for special cases dealing with investigations, compliance issues, and to help contractor localities comply with all program requirements.

The 1% TA funds are utilized for a portion of staff salaries which allows Tx CDBG staff to provide greater one-on-one technical assistance to the small communities throughout the contract period.

The Texas Department of Agriculture is using 1% technical assistance funds for on-site technical assistance on the Texas Capital Fund program.

The Texas Department of Housing and Community Affairs is using 1% technical assistance funds for on-site technical assistance on the Colonia Self-Help Centers program.

The Tx CDBG is utilizing the 1% technical assistance funds to introduce, facilitate, and provide community access to the Texas Small Towns Environment Program (Texas STEP) which targets water and wastewater needs. Staff visits localities that are interested in utilizing the Texas STEP method of self-help and provides technical assistance on the development of a financial framework, managing a self-help project and building capacity within a community through self-help.

The Tx CDBG may utilize the 1% technical assistance funds to support Tx CDBG activities related to [TDRA's](#)~~ORCA's~~ disaster relief efforts. State efforts for response to disasters and the mitigation of the consequences of disasters have required that [TDRA](#)~~ORCA~~ dedicate considerable resources for disaster recovery efforts.

In 2010, the Tx CDBG will use a portion of the 1% technical assistance to provide outreach information regarding the CDBG program to local officials of non-entitlement cities and counties. The technical assistance will include information on the application process, program administration, and to improve their capacity to implement a CDBG program.

The 1% technical assistance funds will also be used by each of the 24 State Planning Regions to provide non-project specific technical assistance to cities and counties that are eligible for Tx CDBG funds in each region.

The 1% technical assistance funds may be used to support the operations of the border colonia technical assistance field offices.

The 1% technical assistance funds may be used to support the operations of [TDRA's](#)~~ORCA'~~ technical assistance field offices in West Texas, South Texas ([two offices](#)), [Central Texas](#), and East Texas and other [TDRA](#)~~ORCA~~ Community Development-related field office activities.

### **Deobligated Funds, Unobligated Funds, and Program Income**

(a) Deobligated funds, unobligated funds and program income generated by Texas Capital Fund projects shall be retained for expenditure in accordance with the Consolidated Plan. Program income derived

from Texas Capital Fund projects will be used by the Tx CDBG for eligible Texas Community Development Block Grant Program activities in accordance with the Consolidated Plan.

Any deobligated funds, unobligated funds, program income, and unused funds from this year's allocation or from previous years' allocations derived from any Texas Community Development Block Grant Program

Fund, including program income recovered from Texas Capital Fund local revolving loan funds, and any reallocated funds which HUD has recaptured from Small Cities may be redistributed among the established 2010 program year fund categories, for otherwise eligible projects. The selection of eligible projects to receive such funds is approved by the Executive Director and the [TDRAORCA](#) Board on a priority needs basis with eligible disaster relief and urgent need projects as the highest priority, followed by, established priority uses within existing fund categories or programs, any awards necessary to resolve appeals under fund categories covered by Texas Administrative Code at 10 T.A.C., Part 6, Chapter 255.1(g), TCF projects, special needs projects, projects in colonias, housing activities, and other projects as determined by the Executive Director of [TDRAORCA](#). Other purposes or initiatives may be established as a priority use of such funds within existing fund categories or programs by the [TDRAORCA](#) Board.

If a portion of the State's 2010 Community Development Block Grant allocation is rescinded by the federal government, or if the State's 2010 allocation is decreased or increased significantly from the State's 2009 allocation, the Tx CDBG may make corresponding changes within the fund allocation percentages as required.

**(b) Re-distribution of Funds Recaptured from Withdrawn Awards.** Should the applicant fail to substantiate or maintain the claims and statements made in the application upon which the award is based, including failure to maintain compliance with application thresholds in Section III, F.(1) through F.(4), within a period ending 90 days after the date of the Tx CDBG's award letter to the applicant, the award will be immediately withdrawn by the Tx CDBG (excluding the colonia self-help center awards). Should the applicant fail to execute the Tx CDBG's award contract (excluding Texas Capital Fund and colonia self-help center contracts) within 60 days from the date of the letter transmitting the award contract to the applicant, the award will be withdrawn by the Tx CDBG. For an award that is withdrawn from an application, the Tx CDBG follows different procedures for the use of those recaptured funds depending on the fund category where the award is withdrawn.

(1) Funds recaptured under the Community Development Fund from the withdrawal of an award made from the first year of the biennial funding are offered to the next highest ranked applicant from that region that was not recommended to receive an award from the first year regional allocation. Funds recaptured under the Community Development Fund from the withdrawal of an award made from the second year of the biennial funding are offered to the next highest ranked applicant from that region that was not recommended to receive full funding (the applicant recommended to receive marginal funding) from the second year regional allocation. Any funds remaining from the second year regional allocation after full funding is accepted by the second year marginal applicant are offered to the next highest ranked applicant from the region as long as the amount of funds still available exceeds the minimum Community Development Fund grant amount. Any funds remaining from the second year regional allocation that are not accepted by an applicant from the region or that are not offered to an applicant from the region may be used for other Tx CDBG fund categories and, if unallocated to another fund, are then subject to the procedures described in paragraph (a) of this section.

(2) For the Community Development Fund, if there are no remaining unfunded eligible applications in the region from the same biennial application period to receive the withdrawn funding, then the withdrawn funds may be used for other Tx CDBG fund categories and, if unallocated to another fund, are considered as deobligated funds, subject to the procedures described in paragraph (a) of this section.

(3) Funds recaptured under the Planning and Capacity Building Fund from the withdrawal of an award made from the first year of the biennial funding are offered to the next highest ranked applicant from that statewide competition that was not recommended to receive an award from the first year allocation. Funds recaptured under the Planning and Capacity Building Fund from the withdrawal of an award made

from the second year of the biennial funding are offered to the next highest ranked applicant from that statewide competition that was not recommended to receive full funding (the applicant recommended to receive marginal funding) from the second year allocation. Any funds remaining from the second year allocation after full funding is accepted by the second year marginal applicant are offered to the next highest ranked applicant from the statewide competition. Any funds remaining from the second year allocation that are not accepted by an applicant from the statewide competition or that are not offered to an applicant from the statewide competition may be used for other Tx CDBG fund categories and, if unallocated to another fund, are then subject to the procedures described in paragraph (a) of this section.

(4) Funds recaptured under the Colonia Planning and Construction Fund from the withdrawal of an award remain available to potential Colonia Program Fund applicants during that program year to meet the 10 percent colonia set-aside requirement and, if unallocated within the colonia fund, may be used for other Tx CDBG fund categories. Remaining unallocated funds are then subject to the procedures described in paragraph (a) of this section,.

(5) Funds recaptured under the Colonia Economically Distressed Areas Program Legislative Set-Aside from the withdrawal of an award remain available to potential Colonia Economically Distressed Areas program set-aside applicants during that program year. Any funds remaining from the program year allocation that are not used to fund Colonia Economically Distressed Areas Program set-aside applications within twelve months after the Tx CDBG receives the federal letter of credit would remain available to potential Colonia Program Fund applicants during that program year to meet the 10 percent colonia set-aside requirement and, if unallocated within the colonia fund, may be used for other Tx CDBG fund categories. Remaining unallocated funds are then subject to the procedures described in paragraph (a) of this section.

(7) Funds recaptured under the program year allocation for the Disaster Relief/Urgent Need Fund from the withdrawal of an award are subject to the procedures described in paragraph (a) of this section.

(8) Funds recaptured under the Small Towns Environment Program (STEP) Fund from the withdrawal of an award will be made available in the next round of STEP competition following the withdraw date in the same program year. If the withdrawn award had been made in the last of the two competitions in a program year, the funds would go to the next highest scoring applicant in the same STEP competition. If there are no unfunded STEP applicants, then the funds would be available for other Tx CDBG fund categories. Any unallocated STEP funds are subject to the procedures described in paragraph (a) of this section.

(9) Funds recaptured under the Texas Capital Fund from the withdrawal of an award are subject to the procedures described in paragraph (a) of this section.

#### **D. PROGRAM INCOME**

Program income is defined as gross income received by a state, a unit of general local government or a subrecipient of a unit of general local government that was generated from the use of CDBG funds. When program income is generated by an activity that is only partially funded with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. Any remaining program income must be used to establish an approved Revolving Loan Fund (RLF) or returned to the State.

The State may use up to the maximum allowable percentage of the amount recaptured and reportable to HUD each year for administrative expenses under the Texas Community Development Block Grant Program. This amount will be matched by the State on a dollar-for-dollar basis.

Program income includes, but is not limited to, the following:

- Payments of principal and interest on loans using CDBG funds
- Proceeds from the sale of loans made with CDBG funds
- Gross income from the use or rental of real or personal property acquired by the unit of general local government or a subrecipient with CDBG funds

- Gross income from the use, sale, or rental of real property and/or real property improvements owned by the unit of general local government or subrecipient that was constructed or improved with CDBG funds
- Gross income from the use of infrastructure improvements constructed or improved with CDBG funds
- Funds collected through special assessments, impact fees or other additional fees from benefiting businesses, if the special assessments or fees are used to recover all or part of the CDBG portion of public improvements
- Proceeds from the disposition of equipment purchased with CDBG funds
- Interest earned on funds held in an RLF account

## **1. Texas Capital Fund Program Income**

For program income generated through Texas Capital Fund projects, communities that elect to participate in the recapture of program income for use at the local level through a designated Revolving Loan Fund (RLF) will be limited to receiving one Texas Capital Fund contract award per program year. If a community elects not to participate in the recapture of program income, the community may apply for as many Texas Capital Fund awards as it has eligible projects. This determination must be made at the time of the original award and cannot be changed with subsequent awards.

A local government, electing to retain program income at the local level, must have a Revolving Loan Fund Plan (RLFP) approved in writing by the Tx CDBG, prior to committing and expending any program income. The RLFP shall be approved and must be used for economic development in accordance with Title I of the United States Housing and Community Development Act of 1974, as amended. The RLFP must be submitted for approval no later than six (6) months from the commencement date of the contract. Program income generated by the award prior to the Tx CDBG approval of an RLFP must be returned to the State.

Funds retained in the local RLF must be committed within three years of the original Tx CDBG contract programmatic close date. Every award from the RLF must be used to fund the same type of activity, for the same business, from which such income is derived. A local Revolving Loan Fund (RLF) may retain a cash balance not greater than 33 percent of its total cash and outstanding loan balance. If the local government does not comply with the local RLF requirements, all program income retained in the local RLF and any future program income received from the proceeds of the RLF must be returned to the State.

Communities electing to retain program income through an approved RLF are required to monitor and report to the State program income account balances reflecting amounts received and disbursed and the status of outstanding loans or leases. Such report should also include information regarding RLF loans, leases, and commitments made.

If the local government elects not to participate in program income recapture, fails to meet all requirements of this section or requirements identified in Section 6 of its TCF/Tx CDBG contract or an RLFP is not submitted for approval within the first six (6) months from the commencement date of the contract, then all program income must be returned to the state. This section, "Texas Capital Fund Program Income," replaces the Texas Capital Fund Program Income Sections of the Final Statements for program years 1989, 1990, 1991, 1992, 1993, 1994, and 1995 and affects all TCF local revolving loan funds established by contracts awarded in program years 1989, 1990, 1991, 1992, 1993, 1994, and 1995. The following provisions, however, do not apply: 1) "The RLFP must be submitted for approval no later than six (6) months from the commencement date of the contract. Program income generated by the award prior to Tx CDBG approval of an RLFP must be returned to the State." 2) "...every award from the RLF must be used to fund the same type of activity, for the same business, from which such income is derived." 3) "...contract or an RLFP is not submitted for approval within the first six (6) months from the commencement date of the contract, then all program income must be returned to the state."

## **2. Program Income Generated Through Housing Activities**

For program income generated through housing activities funded through the Housing Fund or Tx CDBG fund categories other than the Texas Capital Fund, a local government, electing to retain program income

at the local level, must have a Revolving Loan Fund Plan (RLFP) approved in writing by the Tx CDBG, prior to committing and expending any program income. The RLFP shall be approved and must be used for housing activities principally benefiting low to moderate income persons in accordance with Title I of the United States Housing and Community Development Act of 1974, as amended.

The RLFP must be submitted for approval at least sixty (60) days prior to the termination date of the contract award generating the program income. This requirement shall also apply to 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, and 2004 Housing Fund contract awards. Program income generated by the contract award prior to Tx CDBG approval of an RLFP must be returned to the State.

Funds retained in the local RLF must be committed within three years of the original Tx CDBG contract programmatic close date. A local Revolving Loan Fund (RLF) may retain a cash balance not greater than 33 percent of its total cash and outstanding loan balance. If the local government does not comply with the local RLF requirements, all program income retained in the local RLF and any future program income received from the proceeds of the RLF must be returned to the State.

Communities electing to retain program income through an approved RLF are required to monitor and report the amount of program income recaptured to the state with updates concerning the status of outstanding loans or leases on a quarterly basis, including but not limited to payments received and amendments to the original loan or lease agreement, as required by the Tx CDBG.

If the local government elects not to participate in program income recapture or an RLFP is not approved prior to the contract close-out, then all program income must be returned to the Tx CDBG.

### **III. APPLICATION INFORMATION**

#### **A. TYPES AND NUMBER OF APPLICATIONS**

The following two types of applications are permitted under the Texas Community Development Block Grant Program:

##### **1. Single Jurisdiction Applications**

An eligible applicant may submit one application on its own behalf. When certain situations exist, which will be defined in Tx CDBG application guides, an eligible city may submit an application which benefits persons residing inside of the extraterritorial jurisdiction of the city, and a county may submit a single jurisdiction application on behalf of a city. The submitting city or county is accountable to the Tx CDBG for financial compliance and program performance. If a city or county submits a single jurisdiction application, or its residents are the beneficiaries of a single jurisdiction application, then the city or county cannot participate in another single jurisdiction or multi-jurisdiction application for the same funding category. Local accountability cannot be assigned to another party.

An application from an eligible city or county for a project that would primarily benefit another city or county that was not meeting the Tx CDBG application threshold requirements would be considered ineligible.

##### **2. Multi-Jurisdiction Applications**

Multi-Jurisdiction applications will be accepted from two or more eligible units of general local government where the application clearly demonstrates that the proposed activities will mutually benefit the residents of

the city(ies)/county(ies) applying for such funds. One of the participating units of general local government must be designated to act as the authorized applicant for the multi-jurisdiction application and the authorized applicant is accountable to the Tx CDBG for financial compliance and program performance; however, all entities participating in the multi-jurisdiction application will be accountable for application threshold compliance. A multi-jurisdiction application generally cannot be submitted solely on the basis of administrative convenience. Any city or county participating in a multi-jurisdiction application may not submit a single jurisdiction application for the same funding category.



Under the Community Development Fund regional competitions, a multi-jurisdiction application that includes participating units of general local government from more than one state planning region will compete in the regional competition where the majority of the application activity beneficiaries are located.

## B. APPLICATION CYCLES

Based on the support from cities and counties for previous biennial funding cycles, applications for the Community Development, Colonia Planning and Construction Fund, and Planning and Capacity Building Fund will be accepted on a biennial basis. The biennial funding cycles for these fund categories will improve the timeliness of the expenditure of CDBG funds and therefore prove more cost effective.

The following table summarizes the proposed frequency of application submission for various application types. The application deadline dates are subject to change:

TYPE OF APPLICATION	SUBMISSION CYCLE	APPLICATION DEADLINE
1. Community Development Fund	Biennial <sup>1</sup>	December 12, 2008 in 21 regions and February 20, 2009 in 3 regions
2. Texas Capital Fund		
Real Estate Program	Continuous	
Infrastructure Program	Continuous	
Main Street Program	Annually	
Downtown Revitalization Program	Annually	
3. Colonia Fund:		
Planning and Construction Fund	Biennial	March 27, 2009
EDAP Set-aside	As-needed	
4. Planning/Capacity Building Fund	Biennial <sup>1</sup>	December 12, 2008 in 21 regions and February 20, 2009 in 3 regions
5. Disaster Relief/Urgent Need Fund:		
Disaster Relief	As needed	
Urgent Need <sup>2</sup>	By notification	
6. Tx CDBG STEP Fund	Two times annually	
Renewable Energy Demonstration Pilot Program	As announced, at least once annually.	

<sup>1</sup> The applications submitted for the program year 2010 Community Development Fund and Planning and Capacity Building Fund as part of the 2009/2010 biennial application process will be scored and ranked. Applications will be funded to the extent that allocated 2010 funds are available. Applications submitted for the Colonia Planning and Construction Fund will be scored and ranked. The final 2009 program year rankings under the Community Development Fund, Planning and Capacity Building Fund, Colonia Planning and Construction Fund will be used to determine the 2009 applicants that are selected for funding from the 2010 program year allocations. Only one application may be submitted for the combined 2009 program year and 2010 program year period under the Community Development Fund, Colonia Construction component, Colonia Planning component, and the Planning and Capacity Building Fund.

## C. CONTRACT AWARDS

With the qualified exceptions of the Texas Capital Fund, Colonia Fund, and Disaster Relief/Urgent Need Fund, an applicant is eligible to receive only one grant award per fund. Maximum and minimum contract

awards for any single project allowable under the Texas Community Development Block Grant Program are:

FUND	CONTRACT AWARD	
	MAXIMUM	MINIMUM
<b>Community Development Fund</b>		
Single Applicant	\$ 800,000 <sup>1</sup>	\$ 75,000 <sup>1</sup>
Multi-Jurisdiction Application	\$ 800,000 <sup>1</sup>	\$ 75,000 <sup>1</sup>
<b>Texas Capital Fund</b>		
Real Estate Program	\$ 750,000 <sup>2</sup>	\$ 50,000
Infrastructure Program	\$ 750,000 <sup>2</sup>	\$ 50,000
Main Street Program	\$ 150,000 <sup>3</sup>	\$ 50,000
Downtown Revitalization Program	\$ 150,000 <sup>3</sup>	\$ 50,000
<b>Colonia Fund</b>		
Construction Fund Component	\$ 500,000	\$ 75,000
EDAP Set-aside	\$ 500,000	None
Area Planning Component	\$ 100,000 <sup>4</sup>	None
Comprehensive Planning Component	\$ 200,000 <sup>4</sup>	None
<b>Planning/Capacity Building Fund</b>	\$ 50,000	None
<b>Disaster Relief/Urgent Need Fund</b>		
Disaster Relief Fund	\$ 350,000	\$ 50,000
Urgent Need Fund	\$ 250,000	\$ 25,000
<b>Tx CDBG STEP Fund</b>	\$ 350,000	None
<b><u>Renewable Energy Demonstration Pilot Program</u></b>	\$ 500,000	\$ 50,000

<sup>1</sup> Regional Review Committees are authorized to establish a grant maximum for their respective regions between \$250,000 and \$800,000 for a single jurisdiction application and between \$350,000 and \$800,000 for a multi-jurisdiction application. The maximum amount for a housing or non-border colonia priority activity application is the same as other Community Development Fund applications in the region.

<sup>2</sup> The maximum contract award amount allows for administrative costs as outlined in the Texas Capital Fund Application Guidelines. The maximum award amount may be increased to an amount greater than \$750,000, but may not exceed \$1,000,000, if a unit of local government is applying for an award to provide infrastructure or real estate development improvements on behalf of a specific business, and that specific business will create or retain a designated number of jobs at a cost per job level that qualifies for the increased award amount. These increased award amounts are referred to as “jumbo” awards. The number of jobs, the cost per job, and the maximum percentage of Texas Capital Fund financing of the total project costs that will qualify an application for the increased award amount will be defined in Texas Capital Fund Application Guidelines. Texas Capital Funds are not specifically reserved for projects that could receive up to the \$1,000,000 increased maximum grant amount, however, projects that receive an amount greater than \$750,000 may not exceed \$2,000,000 in total awards during the program year.

<sup>3</sup> Texas Capital Funds are specifically reserved for Main Street and the Downtown Revitalization infrastructure activities. The maximum award amount for a Main Street or Downtown Revitalization project is \$150,000. Main Street Program projects may not exceed \$600,000 in total awards. The Downtown Revitalization Program projects may not exceed \$1,200,000 in total awards.

- <sup>4</sup> The maximum grant award for the Colonia Comprehensive Planning component is set at \$200,000. However, a sliding scale may be used to establish smaller maximum grant amounts based on an eligible county's total unincorporated area population.

Amounts shown are maximum funding levels or contract "ceilings," since the Program can fund only the actual, allowable, and reasonable costs of the proposed project, not to exceed these amounts. All grants, except Texas Capital Fund, awarded under the Texas Community Development Block Grant Program are subject to negotiation between [TDRAORCA](#) and the applicant regarding the final grant amount. Texas Capital Fund applications are subject to negotiation between the Texas Department of Agriculture and the applicant regarding the final award amount.

#### **D. PROJECT LENGTH**

All funded projects, except the Texas Capital Fund and Colonia Self-Help Centers Fund projects, must be completed within two years from the start date of the contract agreement. STEP contracts for awards made in PY 2010 will continue to be for a twenty-four (24) month term with no automatic extension to 36 months, which is the same as PY 2009 STEP awards. The Texas Capital Fund Main Street and Downtown Revitalization program awards will be made for a twenty-four (24) month term. The other Texas Capital Fund programs must be completed within three years from the start date of the contract agreement. Contract end dates for Colonia Self-Help Center contracts may be adjusted to account for each program year award. Waivers through a contract amendment of these requirements for any Tx CDBG contract will only be granted when a waiver request is submitted in writing to [TDRAORCA](#) or TDA (for Texas Capital Fund contracts) and [TDRAORCA](#) or TDA finds that compelling circumstances exist outside the control of the local government that justify the approval of such a waiver.

#### **E. REVIEW PROCESS**

##### **1. Regional Review Committees (RRC) - Composition**

There is a Regional Community Development Review Committee in each of the 24 state planning regions. Each committee will be comprised of 12 members appointed at the pleasure of the Governor.

The Regional Review Committees may review and comment on applications to other Tx CDBG fund categories.

##### **2. Texas Capital Fund Review Process**

The Texas Capital Fund applications will be reviewed and evaluated by Texas Department of Agriculture staff in accordance with the established selection criteria. Recommendations will be made to the Commissioner of the Texas Department of Agriculture for final award.

##### **3. Clearinghouse Review**

Regional review of projects will be consistent with guidelines adopted by the Governor's Office for review and comment under the Texas Review and Comment System and Chapter 391, Texas Local Government Code.

##### **4. Regional Water Plans**

Water activities included in Tx CDBG applications must be consistent with Regional Water Plans promulgated in accordance with Section 16.053, Water Code.

#### **F. APPLICANT THRESHOLD AND PAST PERFORMANCE REQUIREMENTS**

A city or county must meet the following requirements in order to submit an application or to receive funding through the Texas Community Development Block Grant Program:

1. Demonstrate the ability to manage and administer the proposed project, including meeting all proposed benefits outlined in its application, by using the following criteria:
  - a. Provide the roles and responsibilities of local staff designated to administer or work on the proposed project. Also, include a plan of project implementation;
  - b. Indicate intention to use a third-party administrator, if applicable;
  - c. If local staff, along with a third-party administrator, will jointly administer the proposed project, the respective roles and responsibilities of the designated local staff; or
  - d. TxCDBG management may determine that an applicant has or does not have the capacity to manage and administer the proposed project based on an applicant's prior performance on a TxCDBG contract.
2. Demonstrate the financial management capacity to operate and maintain any improvements made in conjunction with the proposed project, by using the following criteria:
  - a. Evidence of a financial person on staff, or evidence of intent to contract financial oversight;
  - b. Provide evidence or a statement certifying that financial records for the proposed project will be kept at an officially designated city/county site, accessible by the public, and will be adequately managed on a timely basis using generally accepted accounting principles; and/or
  - c. TxCDBG management may determine that an applicant has or does not have the financial management capacity to operate and maintain any improvements made in conjunction with the proposed project based on a review of audited financial records, current financial status, or current financial management of a TxCDBG contract.
3. Levy a local property (ad valorem) tax or local sales tax option.
4. Demonstrate satisfactory performance on all previously awarded Texas Community Development Block Grant Program contracts, by using the following criteria:
  - a. Exhibited past responses to audit and monitoring issues (over the most recent 48 months before the application due date) within prescribed times as indicated in [TDRAORCA's](#) resolution letter(s);
  - b. Evidence related to past contracts (over the most recent 48 months before the application due date), through close-out monitoring and reporting, that the activity or service was made available to all intended beneficiaries, that low and moderate income persons were provided access to the service, or there has been adequate resolution of issues regarding beneficiaries served.
  - c. No outstanding delinquent response to a written request from Tx CDBG regarding a request for repayment of funds to Tx CDBG; or
  - d. Not more than one outstanding delinquent response to a written request from Tx CDBG regarding compliance issues such as a request for closeout documents or any other required information.
5. Resolve any and all outstanding compliance and audit findings on previous and existing Texas Community Development Block Grant Program contracts, by using the following criteria:
  - a. Applicant is actively participating in the resolution of any outstanding audit and/or monitoring issues by responding with substantial progress on outstanding issues within the time specified in the [TDRAORCA](#) resolution process.
6. Submit any past due audit to [TDRAORCA](#) in accordance with Title 10, Chapter 255, Subchapter A, Section 255.1 of the Texas Administrative Code.
  - a. A community with one year's delinquent audit may be eligible to submit an application for funding by the established deadline, but the TXCDBG may withhold the award or issuance of a contract until it receives a satisfactory audit.

The Colonia Self-Help Center Fund and the Disaster Relief/Urgent Need Fund are exempt from the threshold.

- b. A community with two years of delinquent audits may not apply for additional funding and may not receive a contract award. This applies to all funding categories under the Texas Community Development Block Grant Program.

The Colonia Self-Help Center Fund may be exempt from this threshold, since funds for the self-help center funding is included in the program's state budget appropriation. Failure to meet the threshold will be reported to the Texas Department of Housing and Community Affairs for review and recommendation.

- (c) If an audit becomes due after the award date, the Office may withhold the issuance of a contract until it receives a satisfactory audit. If a satisfactory audit is not received by the Office within four months of the audit due date, the Office may withdraw the award and re-allocate the funds in accordance with Section II(C)(b) (excludes the colonia self-help center awards and Texas Capital Fund awards).

**7. 12-Month Applicant Threshold Requirement**

Obligate at least fifty percent (50%) of the total Tx CDBG funds awarded under an open Tx CDBG contract within twelve (12) months from the start date of the contract or prior to the application deadlines and have received all applicable environmental approvals from Tx CDBG covering this obligation. This threshold is applicable to Tx CDBG contracts with an original 24-month contract period.

To meet this threshold, 50% of the Tx CDBG funds must be obligated through executed contracts for administrative services, engineering services, acquisition, construction, materials purchase, etc. The Tx CDBG contract activities do not have to be 50% completed, nor do 50% of the Tx CDBG contract funds have to be expended to meet this threshold.

**Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories**

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**Not Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories**

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Community Development Fund  
 Community Development Supplemental Fund  
 Colonia Construction Fund  
 Colonia Fund Planning  
 Disaster Relief / Urgent Need Fund  
 Planning/Capacity Building Fund  
 Non-Border Colonia Fund  
 Texas STEP (except for STEP contracts awarded prior to PY 2010)

Texas Capital Fund  
 Colonia Self-Help Centers Fund  
 Housing Rehabilitation Fund  
 Housing Infrastructure Fund  
 Texas STEP  
 Colonia Economically Distressed Areas  
 Disaster Recovery Initiative  
 Young vs. Martinez  
 Microenterprise Loan Fund  
 Small Business Loan Fund  
 Renewable Energy Demonstration Pilot Program

This threshold is not applicable when an applicant meets the eligibility criteria for the Tx CDBG Disaster Relief Fund or for the Renewable Energy Demonstration Pilot Program

**8. 24-Month Applicant Threshold Requirement**

Submit to [TDRA](#) [ORCA](#) the Certificate of Expenditures (COE) report showing the expended Tx CDBG funds and a final drawdown for any remaining Tx CDBG funds as required by the latest

edition of the Texas Community Development Block Grant Program Project Implementation Manual. Any reserved funds on the COE must be approved in writing by Tx CDBG staff.

For purposes of meeting this threshold “expended” means that the construction and services covered by the Tx CDBG funds are complete and a drawdown for the Tx CDBG funds has been submitted prior to the application deadlines.

This threshold will apply to an open Tx CDBG contract with an original 24-month contract period and to Tx CDBG Contractors that have reached the end of the 24-month period prior to the application deadlines as described below:

<b>Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories</b>	<b>Not Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories</b>
Community Development Fund Community Development Supplemental Fund Colonia Construction Fund Colonia Fund Planning Disaster Relief / Urgent Need Fund Planning/Capacity Building Fund Non-Border Colonia Fund Texas STEP (except for STEP contracts awarded prior to PY 2009)	Texas Capital Fund Colonia Self-Help Centers Fund Housing Rehabilitation Fund Housing Infrastructure Fund Texas STEP (original 24-month contract, extended to 36-months) awarded prior to PY 2009 (See note) Colonia Economically Distressed Areas Disaster Recovery Initiative Young vs. Martinez Microenterprise Loan Fund Small Business Loan Fund Renewable Energy Demonstration Pilot Program

This threshold is not applicable when an applicant meets the eligibility criteria for the Tx CDBG Disaster Relief Fund.

**9. 36-Month Applicant Threshold Requirement**

Submit to [TDRAORCA](#) the Certificate of Expenditures (COE) report showing the expended Tx CDBG funds and a final drawdown for any remaining Tx CDBG funds as required by the latest edition of the Texas Community Development Block Grant Program Project Implementation Manual. Any reserved funds on the COE must be approved in writing by Tx CDBG staff.

For purposes of meeting this threshold “expended” means that the construction and services covered by the Tx CDBG funds are complete and a drawdown for the Tx CDBG funds has been submitted prior to the application deadlines.

This threshold is applicable for a previously awarded Tx CDBG contract with an original 36-month contract period or a STEP 24-month contract, extended to 36 months, and to Tx CDBG Contractors that have reached the end of the 36-month period prior to the application deadlines as described below:

<b>Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories</b>	<b>Not Applicable to previously awarded Tx CDBG contracts under the following Tx CDBG fund categories</b>
Texas STEP (original 36-month contract or original 24-month contract,	Texas Capital Fund (see Texas Capital Fund Section) Colonia Self-Help Centers Fund

extended to 36 months)

Housing Rehabilitation Fund  
Colonia Economically Distressed Areas  
Disaster Recovery Initiative  
Young vs. Martinez  
Microenterprise Loan Fund  
Small Business Loan Fund  
Renewable Energy Demonstration Pilot Program

This threshold is not applicable when an applicant meets the eligibility criteria for the Tx CDBG Disaster Relief Fund.

10. Tx CDBG funds cannot be expended in any county that is designated as eligible for the Texas Water Development Board Economically Distressed Areas Program unless the county has adopted and is enforcing the Model Subdivision Rules established pursuant to Section 16.343 of the Water Code.
11. Texas Capital Fund contractors must expend all but the reserved audit funds, or other reserved funds that are pre-approved by Texas Department of Agriculture staff, awarded under a Texas Capital Fund contract executed at least 36 months prior to the current program year application deadline and submit to the Texas Department of Agriculture the Certificate of Expenditures required by the most recent edition of the Texas Capital Fund Implementation Manual. Texas Capital Fund contractors intending to submit a new application may not have an existing contract with an award date in excess of 48 months prior to the application deadline date, regardless of extensions granted.
12. Based on a pattern of unsatisfactory (a.) performance on previously awarded Texas Community Development Block Grant Program contracts, (b.) management and administration of Tx CDBG contracts, or (c) financial management capacity based on a review of official financial records and audits, [TDRAORCA](#) (or TDA, in the case of the Texas Capital Fund applications) may determine that an applicant is ineligible to apply for Tx CDBG funding even though at the application date it meets the threshold and past performance requirements. [TDRAORCA](#) (or TDA, in the case of Texas Capital Fund applications) will consider the most recent 48 months before the application due date. An applicant would still remain eligible for funding under the Disaster Fund.

## **G. ADMINISTRATION OF TxCDBG CONTRACTS**

In order to administer a TxCDBG contract awarded in PY 2010, the administrator (contracted administrators on behalf of the client community or the city or county staff of self-administering award recipients) must attend, and retain the completion certificate, from the most recent cycle of TxCDBG Project Implementation Manual workshops. (This requirement excludes Texas Capital Fund and Colonia Self-Help Center Set-aside contracts.) The TxCDBG contract recipient (city or county) is strongly encouraged to attend the TxCDBG Project Implementation Workshops even if it anticipates using an outside firm to provide it with contract administration services.

The TxCDBG is under no obligation to approve any changes in a performance statement of a TxCDBG contract that would result in a program year score lower than originally used to make the award if the lower score would have initially caused that project to be denied funding. This does not apply to colonia self-help centers or the Texas Capital Fund.

## **IV. APPLICATION SELECTION CRITERIA**

### **A. GENERAL DESCRIPTION**

The scoring criteria used in the TxCDBG are described in Section C below.

The points awarded under these criteria are combined to rank the projects in descending order. The projects in each fund are selected based on this descending order and the availability of dollars in each fund.

Texas Capital Fund Real Estate Program, and Infrastructure Program projects are evaluated based upon selection criteria that include, but are not limited to:

- (1) Jobs
- (2) Business Emphasis
- (3) Feasibility
- (4) Community Need

Texas Capital Fund Main Street Program and Downtown Revitalization Program projects are evaluated based upon selection criteria that include, but are not limited to:

- (1) Community Profile
- (2) Project Feasibility
- (3) Leverage Ratio
- (4) Aiding in the Elimination of Slum an/or Blight Conditions

Except for Main Street Program applications, Texas Capital Fund applications are reviewed and evaluated by Texas Department of Agriculture staff. The Texas Department of Agriculture staff and the Texas Historical Commission review and evaluate the Main Street Program applications. Recommendations for all Texas Capital Fund applications will be made to the Commissioner of the Texas Department of Agriculture for final award.

In accordance with Section 2310.403, Government Code, preference will be given to applications from governing bodies of communities designated as defense economic readjustment zones over other eligible applications for Tx CDBG grants and loans if at least fifty percent (50%) of the grant or loan will be expended for the direct benefit of the readjustment zone and the purpose of the grant or loan is to promote Tx CDBG-eligible economic development in the community or for Tx CDBG-eligible construction, improvement, extension, repair, or maintenance of Tx CDBG-eligible public facilities in the community.

Disaster Relief/Urgent Need applications must meet the threshold factors as discussed under the "Description of Funds" section.

**Readiness to Proceed Requirements:** In order to determine that the project is ready to proceed, the applicant must provide in its application information that:

- a. Identifies the source of matching funds and provides evidence that the applicant has applied for the non-local matching funds, and for local matching funds, evidence that local matching funds would be available.
- b. Provides written evidence of a ratified, legally binding agreement, contingent upon award, between the applicant and the utility that will operate the project for the continual operation of the utility system as proposed in the application. For utility projects that require the applicant or service provider to obtain a Certificate of Convenience and Necessity for the target area proposed in the application, provides written evidence that the Texas Commission on Environmental Quality has received the applicant or service provider's application.
- c. Where applicable, provide a written commitment from service providers, such as the local water or sewer utility, stating that they will provide the intended services to the project area if the project is constructed.

Any applicant's cash match included in the Tx CDBG contract budget may not be obtained from any person or entity that provides contracted professional or construction-related services (other than utility providers) to the applicant to accomplish the purposes described in the Tx CDBG contract, in accordance with 24 CFR Part 570.



## B. RESOURCES FOR DESCRIPTIONS OF SELECTION CRITERIA BY FUND CATEGORY

Starting on the next page, the descriptions for the selection criteria for each fund category provide a basic framework of the selection criteria and selection factors used to distribute the funds under each fund category. Additional information on the selection criteria, selection factors and methods used to determine scores for these fund categories is provided in the application guide for each fund category and in the Texas Administrative Code at 10 T.A.C., Part 6, Chapter 255, Subchapter A.

The information currently available for fund categories in the Texas Administrative Code may not yet reflect changes to selection criteria contained in this 2010 Action Plan for the 2010 program year. Any changes to the selection criteria will be published in the *Texas Register* prior to final adoption.

The Texas Administrative Code can be found on the Texas Secretary of State website at [www.sos.state.tx.us](http://www.sos.state.tx.us). Listed below are the Tx CDBG fund categories that are currently contained in the Texas Administrative Code. Certain Texas Administrative Code sections are retained for previous Fund Categories to govern existing TxCDBG contracts.

Texas Administrative Code, Title 10 T.A.C., Part 6, Chapter 255, Subchapter A

<u>Section</u>	<u>Section Title</u>
255.1	General Provisions
255.2	Community Development Fund
255.4	Planning/Capacity Building Fund
255.5	Disaster Relief Fund
255.6	Urgent Need Fund
255.7	Texas Capital Fund
255.8	Regional Review Committees
255.9	Colonia Fund
255.11	Small Towns Environment Program Fund
255.17	Renewable Energy Demonstration Pilot Program

## C. DESCRIPTION OF SELECTION CRITERIA BY FUND CATEGORY

### 1. COMMUNITY DEVELOPMENT FUND

#### **a. Regional Review Committee (RRC) Objective Scoring**

(1) Responsibilities of the RRC:

Each Regional Review Committee is responsible for determining local project priorities and objective factors for all its scoring components based on public input.

(2) Maximum RRC Points Possible:

The RRC shall establish the numerical value of the points assigned to each scoring factor and determine the total combined points for all RRC scoring factors.

(3) RRC Selection of the Scoring Factors:

The RRCs are responsible for convening public hearings to discuss and select the objective scoring factors that will be used to score applications at the regional level. The public must be given an opportunity to comment on the priorities and the scoring criteria considered. The final selection of the scoring factors is the responsibility of each RRC. Each RRC shall develop a Regional Review Committee Guidebook, in the format provided by TxCDBG staff, to notify eligible applicants of the objective scoring factors and other RRC procedures for the region.

(4) Examples of RRC Objective Scoring Factors:

Examples of objective scoring factors are shown in Appendix A to further clarify the term objective.

The RRC must clearly indicate how responses would be scored under each factor and use data sources that are verifiable to the public. After the RRC's adoption of its scoring factors, the score awarded to a particular application under any RRC scoring factor may not be dependent upon an individual RRC member's judgment or discretion. (This does not preclude collective RRC action that the state TxCDBG has approved under any appeals process.)

(5) RRC Priority Set-asides:

Housing and Non-Border Colonia projects - Each Regional Review Committee is highly encouraged to allocate a percentage or amount of its Community Development Fund allocation to housing projects and for RRCs in eligible areas, non-border colonia projects, for that region. Under a set-aside, the highest ranked applications for a housing or non-border colonia activity, regardless of the position in the overall ranking, would be selected to the extent permitted by the housing or non-border colonia set-aside level. If the region allocates a percentage of its funds to housing and/or non-border colonia activities and applications conforming to the maximum and minimum amounts are not received to use the entire set-asides, the remaining funds may be used for other eligible activities. (Under a housing and/or non-border colonia set-aside process, a community would not be able to receive an award for both a housing or non-border colonia activity and an award for another Community Development Fund activity during the biennial process. Housing projects/activities must conform to eligibility requirements in 42 U.S.C Section 5305 and applicable HUD regulations.) The RRC must include any set-aside in its Regional Review Committee Guidebook.

(6) RRC Designation of Staff Support:

The RRC shall select one of the following entities to develop the RRC Guidebook, calculate the RRC scores, and provide other administrative RRC support:

- (i) Regional Council of Governments (COG), or
- (ii) TxCDBG staff or TxCDBG designee, or
- (iii) A combination of COG and TxCDBG staff or TXCDBG designee.

The RRC Guidebook should be adopted by the RRC and approved by TxCDBG staff at least 90 days prior to the application deadline.

The selection of the entity responsible for calculating the RRC scores must be identified in the RRC Guidebook and must define the role of each entity selected. [TDRA.ORG](http://TDRA.ORG) shall be responsible for reviewing all scores for accuracy and for determining the final ranking of applicants once the RRC and TxCDBG scores are summed. The RRC is responsible for providing to the public the RRC scores, while the TxCDBG is responsible for publishing the final ranking of the applications.

(7) Tie-breaker in a region:

If needed in the ranking of applications within a region based on available funds remaining, a tie between multiple applications shall be broken based on the per capita income ranking, with a lower per capita income level ranking higher, followed by a second tie-breaker, if needed, of the highest poverty rate ranking higher, followed by a third tie-breaker, if needed, of the highest annual unemployment rate ranking higher.

**b. State Scoring (TxCDBG Staff Scoring) - Other Considerations – Maximum Points - 10% of Maximum Possible Score for Each RRC**

(1) Past Selection – Maximum Points - 2% of Maximum Possible RRC Score for each region - are awarded to each applicant that did not receive a 2007 or 2008 Community Development Fund or Community Development Supplemental Fund contract award

(2) Past Performance - Maximum Points - 4% of Maximum Possible RRC Score for each region  
An applicant can receive points based on the applicant's past performance on previously awarded Tx CDBG contracts. The applicant's score will be primarily based on our assessment of the applicant's performance on the applicant's most recent Tx CDBG contract that has reached the end of the original

contract period stipulated in the contract within the past 4 years (for CD/CDS contracts only the 2003/2004 and 2005/2006 cycle awards will be considered). The Tx CDBG will also assess the applicant's performance on existing Tx CDBG contracts that have not reached the end of the original contract period. Applicants that have never received a Tx CDBG grant award will automatically receive these points. The Tx CDBG will assess the applicant's performance on Tx CDBG contracts up to the application deadline date. The applicant's performance after the application deadline date will not be evaluated in this assessment. (Adjustments may be made for contracts that are engaged in appropriately pursuing due diligence such as bonding remedies or litigation to ensure adequate performance under the TxCDBG contract.) The evaluation of an applicant's past performance will include the following:

- The applicant's completion of the previous contract activities within the original contract period.
- The applicant's submission of all contract reporting requirements such as Quarterly Progress Reports.
- The applicant's submission of the required close-out documents within the period prescribed for such submission.
- The applicant's timely response to monitoring findings on previous Tx CDBG contracts especially any instances when the monitoring findings included disallowed costs.
- The applicant's timely response to audit findings on previous Tx CDBG contracts.
- The expenditure timeframes on the applicable TXCDBG contracts.

(3) Benefit To Low/Moderate-Income (LMI) Persons -- Applications that meet the Low and Moderate Income National Objective for each activity (51 percent low/moderate-income benefit for each activity within the application) will receive 2% of the Maximum Possible RRC Score for each region.

(4) Cost per Household (CPH) – The total amount of TxCDBG funds requested by the applicant is divided by the total number of households benefiting from the application activities to determine the TxCDBG cost per household. (Use pro rata allocation for multiple activities.) – Up to 2% of the Maximum RRC Score for each region.

- (i) Cost per household is equal to or less than \$8,750 – 2%.
- (ii) Cost per household is greater than \$8,750 but equal to or less than \$17,500 – 1.75%.
- (iii) Cost per household is greater than \$17,500 but equal to or less than \$26,500 – 1.25%.
- (iv) Cost per household is greater than \$26,500 but equal to or less than \$35,000 – 0.5%.
- (v) Cost per household is greater than \$35,000 – 0%.

(When necessary, a weighted average is used to score to applications that include multiple activities with different beneficiaries. Using as a base figure the TxCDBG funds requested minus the TxCDBG funds requested for administration, a percentage of the total TxCDBG construction and engineering dollars for each activity is calculated. Administration dollars requested is applied pro-rata to these amounts. The percentage of the total TxCDBG dollars for each activity is then multiplied by the appropriate score and the sum of the calculations determines the score. Related acquisition costs are applied to the associated activity.)

(Maximum State points - the calculated maximum score is rounded to a whole integer, with Past Selection, Past Performance, and LMI being rounded to a whole integer and CPH points being the difference.)

The RRC may not adopt scoring factors that directly negate or offset these state factors.

### **c. Other TxCDBG State Responsibilities:**

The state TxCDBG staff will review each RRC Guidebook to ensure that the scoring procedures are in compliance with 24 CFR 91.320(k)(1)(iv). The regulation states in part that "The statement of method of distribution must provide sufficient information so that units of general local government will be able to understand and comment on it and be able to prepare responsive applications." TxCDBG staff will also review the scoring factors selected to ensure that all scoring factors are objective. Each RRC must obtain written approval from TxCDBG staff before implementing the RRC scoring process. As part of the approval process of the RRC Guidebook, the TxCDBG state staff may provide further details or

elaboration on the objective scoring methodology, data sources and other clarifying details without the necessity of a subsequent RRC meeting.

The state TxCDBG staff may establish:

- (i) a deadline for the RRC to adopt objective factors for all of its scoring components and submit its adopted Guidebook incorporating the objective scoring methodology to the state TxCDBG staff for approval;
- (ii) an RRC scoring review appeals process in the Guidebook Instructions and/or the Texas Administrative Code.

Only the state TxCDBG staff may disqualify an application submitted in a region. The regional scores for RRC factors and the ranking of applications are not considered final until they have been reviewed and approved by the state TxCDBG staff.

### **Community Development Fund Marginal Competition**

Due to the two-year funding cycle proposed for program years 2009 and 2010, a Community Development Fund pooled marginal competition was not conducted for program year 2009. A pooled marginal competition may be conducted for program year 2010 using available funds if the State's 2010 allocation is not decreased significantly from the State's estimated 2010 Community Development allocation.

All applicants whose marginal amount available is under \$75,000 will automatically be considered under this competition.

When the marginal amount left in a regional allocation is equal to or above the Tx CDBG grant minimum of \$75,000, the marginal applicant may scale down the scope of the original project design, and accept the marginal amount, if the reduced project is still feasible. Alternatively, such marginal applicants may choose to compete under the pooled marginal fund competition for the possibility of full project funding.

This fund consists of all regional marginal amounts of less than \$75,000, any funds remaining from regional allocations where the number of fully funded eligible applicants does not utilize a region's entire allocation and the contribution of marginal amounts larger than \$75,000 from those applicants opting to compete for full funding rather than accept their marginal amount.

The scoring factors used in this competition are the percentage of the State score received to the maximum possible State score in the region, followed by the per capita income ranking, if needed, with a lower per capita income level ranking higher, followed by a second tie-breaker, if needed, of the highest poverty rate ranking higher; both based on a city's incorporated area and a county's total unincorporated area.

<b>2a. TEXAS CAPITAL FUND      Real Estate, And Infrastructure Programs</b>
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The selection criteria for the Real Estate, and Infrastructure Programs of the Texas Capital Fund will focus upon factors which may include, but which are not limited to, the following:

- a. Creation or retention of jobs primarily for low to moderate income persons
- b. Creation or retention of jobs primarily in areas of above average unemployment and poverty
- c. Generation of a greater ratio of private investment to Texas Capital Fund investment
- d. Expansion of markets through manufacturing and/or value-added processing
- e. Provision of job opportunities at the lowest possible Texas Capital Fund cost per job
- f. Benefit to areas of the state most in need by considering job impact to community
- g. Assistance for small businesses and Historically Underutilized Businesses
- h. Feasibility of project and ability to create and/or retain jobs

Following the assessment based on the selection criteria described above, projects will be reviewed and evaluated upon the following additional factors: history of the applicant community in the program;

strength of business or marketing plan; management experience of the business' principals; and justification of minimum Texas Capital Fund contribution necessary to serve the project.

<b>2b. TEXAS CAPITAL FUND</b>	<b>Main Street Program</b>
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The selection criteria for the Main Street Program of the Texas Capital Fund will focus upon factors which may include, but which are not limited to, the following:

- a. Aid in the elimination of slum or blight
- b. The applicant must have been designated by the Texas Historical Commission as a Main Street City
- c. Feasibility of project
- d. Generation of a greater ratio of private investment to Texas Capital Fund investment
- e. Texas Historical Commission scoring
- f. Community profile

Following the assessment based on the selection criteria described above, projects will be reviewed and evaluated upon the following additional factors: history of the applicant community in the program; strength of marketing plan; and justification of minimum Texas Capital Fund contribution necessary to serve the project.

<b>2c. TEXAS CAPITAL FUND</b>	<b>Downtown Revitalization Program</b>
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The selection criteria for the Downtown Revitalization Program of the Texas Capital Fund will focus upon factors which may include, but which are not limited to, the following:

- a. Aid in the elimination of slum or blight
- b. Feasibility of project
- c. Generation of a greater ratio of private investment to Texas Capital Fund investment
- d. Community profile

Following the assessment based on the selection criteria described above, projects will be reviewed and evaluated upon the following additional factors: strength of marketing plan and justification of minimum Texas Capital Fund contribution necessary to serve the project.

<b>3a. COLONIA CONSTRUCTION COMPONENT</b>	<b>430 Total Points Maximum</b>
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**a. Community Distress -- 35 Points (Maximum)**

- Percentage of persons living in poverty 15 points
- Per Capita Income 10 points
- Percentage of housing units without complete plumbing 5 points
- Unemployment Rate 5 points

**b. Benefit To Low/Moderate-Income Persons -- 30 Points (Maximum)**

A formula is used to determine the percentage of Tx CDBG funds benefiting low to moderate income persons. The percentage of low to moderate income persons benefiting from each construction, acquisition, and engineering activity is multiplied by the Tx CDBG funds requested for each corresponding construction, acquisition, and engineering activity. Those calculations determine the amount of Tx CDBG benefiting low to moderate income person for each of those activities. Then, the funds benefiting low to moderate income persons for each of those activities are added together and divided by the Tx CDBG funds requested minus the Tx CDBG funds requested for administration to determine the percentage of Tx CDBG funds benefiting low to moderate income persons. Points are then awarded in accordance with the following scale;

100% to 90% of Tx CDBG funds benefiting low to moderate income persons	30
89.99% to 80% of Tx CDBG funds benefiting low to moderate income persons	25

79.99% to 70% of Tx CDBG funds benefiting low to moderate income persons	20
69.99% to 60% of Tx CDBG funds benefiting low to moderate income persons	15
Below 60% of Tx CDBG funds benefiting low to moderate income persons	5

**c. Project Priorities -- 195 Points (Maximum)**

- Activities (service lines, service connections, and/or plumbing improvements) providing public access to EDAP-funded water or sewer systems 195
- First time public Water service activities (including yard service lines) 145
- First time public Sewer service activities (including yard service lines) 145
- Installation of approved residential on-site wastewater disposal systems for providing first time service 145
- Installation of approved residential on-site wastewater disposal systems for failing systems that cause health issues 140
- Housing Activities 140
- First time Water and/or Sewer service through a privately-owned for-profit utility 135
- Expansion or improvement of existing Water and/or Sewer service 120
- Street Paving and Drainage activities 75
- All Other eligible activities 20

A weighted average is used to assign scores to applications that include activities in the different Project Priority scoring levels. Using as a base figure the Tx CDBG funds requested minus the Tx CDBG funds requested for engineering and administration, a percentage of the total Tx CDBG construction dollars for each activity will be calculated. The percentage of the total Tx CDBG construction dollars for each activity will then be multiplied by the appropriate Project Priorities point level. The sum of these calculations determines the composite Project Priorities score.

**d. Project Design -- 140 Points (Maximum)**

Each application is scored by a committee composed of Tx CDBG staff using the following information submitted in the application to generate scores on the project design factor:

- For projects other than water and waste water, whether the applicant has already met its basic water and waste water needs.
- Whether the project has provided for future funding necessary to sustain the project.
- The severity of need within the colonia area(s) and how the proposed project resolves the identified need. Additional consideration is given to water system improvements addressing the impacts from the current drought conditions in the state.
- The applicant will use Tx CDBG funds to provide water or sewer connections, yard service lines, and/or plumbing improvements associated with providing access for colonia residents to water or sewer systems funded by the Texas Water Development Board Economically Distressed Areas Program (EDAP).
- The applicant's past efforts (with emphasis on the applicant's most recent efforts) to address water, sewer, and housing needs in colonia areas through applications submitted under the Tx CDBG Community Development Fund or through the use of CDBG entitlement funds.
- The Tx CDBG cost per low/moderate income beneficiary.
- Whether the applicant has provided any local matching funds for administrative, engineering, or construction activities.
- If applicable, the projected water and/or sewer rates after completion of the project based on 3,000 gallons, 5,000 gallons and 10,000 gallons of usage.
- The ability of the applicant to utilize the grant funds in a timely manner.
- Whether the applicant has waived the payment of water or sewer service assessments, capital recovery fees, and any other access fees for the low and moderate income project beneficiaries.
- The availability of grant funds to the applicant for project financing from other sources.
- The applicant's past performance on previously awarded Tx CDBG contracts.
- Proximity of project site to entitlement cities or metropolitan statistical areas.

**e. Matching Funds -- 20 Points (Maximum)**

Applicant(s) population equal to or less than 1,500 according to the 2000 Census:

- Match equal to or greater than 5% of grant request 20 points
- Match at least 2%, but less than 5% of grant request 10 points
- Match less than 2% of grant request 0 points

Applicant(s) population equal to or less than 3,000 but over 1,500 according to the 2000 Census:

- Match equal to or greater than 10% of grant request 20 points
- Match at least 2.5%, but less than 10% of grant request 10 points
- Match less than 2.5% of grant request 0 points

Applicant(s) population equal to or less than 5,000 but over 3,000 according to the 2000 Census:

- Match equal to or greater than 15% of grant request 20 points
- Match at least 3.5%, but less than 15% of grant request 10 points
- Match less than 3.5% of grant request 0 points

Applicant(s) population over 5,000 according to the 2000 Census:

- Match equal to or greater than 20% of grant request 20 points
- Match at least 5%, but less than 20% of grant request 10 points
- Match less than 5% of grant request 0 points

The population category under which county applications are scored is dependent upon the project type and the beneficiary population served. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county. For county applications addressing water and sewer improvements in unincorporated areas, the population category is based on the actual number of beneficiaries to be served by the project activities.

The population category under which multi-jurisdiction applications are scored is based on the combined populations of the applicants according to the 2000 Census.

Applications that include a housing rehabilitation and/or affordable new permanent housing activity for low- and moderate-income persons as a part of a multi-activity application do not have to provide any matching funds for the housing activity. This exception is for housing activities only. The Tx CDBG does not consider sewer or water service lines and connections as housing activities. The Tx CDBG also does not consider on-site wastewater disposal systems as housing activities.

Demolition/clearance and code enforcement, when done in the same target area in conjunction with a housing rehabilitation activity, is counted as part of the housing activity. When demolition/clearance and code enforcement are proposed activities, but are not part of a housing rehabilitation activity, then the demolition/clearance and code enforcement are not considered as housing activities. Any additional activities, other than related housing activities, are scored based on the percentage of match provided for the additional activities.

**Past Performance – 10 points (Maximum)**

An applicant can receive from ten (10) to zero (0) points based on the applicant's past performance on previously awarded Tx CDBG contracts. The applicant's score will be primarily based on our assessment of the applicant's performance on the applicant's two (2) most recent Tx CDBG contracts that have reached the end of the original contract period stipulated in the contract. The Tx CDBG will also assess the applicant's performance on existing Tx CDBG contracts that have not reached the end of the original contract period. Applicants that have never received a Tx CDBG grant award will automatically receive these points. The Tx CDBG will assess the applicant's performance on Tx CDBG contracts up to the application deadline date. The applicant's performance after the application deadline date will not be

evaluated in this assessment. The evaluation of an applicant's past performance will include, but is not necessarily limited to the following:

- The applicant's completion of the previous contract activities within the original contract period.
- The applicant's submission of all contract reporting requirements such as Quarterly Progress Reports, Certificates of Expenditures, and Project Completion Reports.
- The applicant's submission of the required close-out documents within the period prescribed for such submission.
- The applicant's timely response to monitoring findings on previous Tx CDBG contracts especially any instances when the monitoring findings included disallowed costs.
- The applicant's timely response to audit findings on previous Tx CDBG contracts.

### **Colonia Construction Component Marginal Applicant**

The marginal applicant is the applicant whose score is high enough for partial funding of the applicant's original grant request. If the marginal amount available to this applicant is equal to or more than the Colonia Construction Component grant minimum of \$75,000, the marginal applicant may scale down the scope of the original project design, and accept the marginal amount, if the reduced project is still feasible. In the event that the marginal amount remaining in the Colonia Construction Component allocation is less than \$75,000, then the remaining funds will be used to either fund a Colonia Planning Fund application or will be reallocated to other established Tx CDBG fund categories.

### **3b. COLONIA ECONOMICALLY DISTRESSED AREAS PROGRAM SET-ASIDE**

The allocation is distributed on an as-needed basis to eligible counties, and nonentitlement cities located in those counties, that are eligible under the Tx CDBG Colonia Fund and Texas Water Development Board's Economically Distressed Areas Program (TWDB EDAP). Unutilized funds under this program may be redistributed among the established current program year fund categories, for otherwise eligible projects.

Eligible projects shall be located in unincorporated colonias; in colonias located in eligible nonentitlement cities that annexed the colonia and the application for improvements in the colonia is submitted within five (5) years from the effective date of the annexation; or in colonias located in eligible nonentitlement cities where the city is in the process of annexing the colonia where the improvements are to be made.

Eligible applicants may submit an application that will provide assistance to colonia residents that cannot afford the cost of service lines, service connections, and plumbing improvements associated with being connected to a TWDB EDAP-funded water and sewer system improvement project. An application cannot be submitted until the construction of the TWDB EDAP-funded water or sewer system begins.

Eligible program costs include water distribution lines and sewer collection lines providing connection to water and sewer lines installed through the Texas Water Development Board's Economically Distressed Areas Program (when approved by the Tx CDBG), taps and meters (when approved by the Tx CDBG), yard service lines, service connections, plumbing improvements, and connection fees, and other eligible approved costs associated with connecting an income-eligible family's housing unit to the TWDB improvements.

Tx CDBG staff will evaluate the following factors prior to awarding Colonia Economically Distressed Areas Program funds:

- The proposed use of the Tx CDBG funds including the eligibility of the proposed activities and the effective use of the funds to provide water or sewer connections/yard lines to water/sewer systems funded through EDAP.
- The ability of the applicant to utilize the grant funds in a timely manner.
- The availability of grant funds to the applicant for project financing from other sources.
- The applicant's past performance on previously awarded Tx CDBG contracts.
- Cost per beneficiary.
- Proximity of project site to entitlement cities or metropolitan statistical areas.



**3c. COLONIA AREA PLANNING COMPONENT****340 Total Points Maximum****a. Community Distress -- 35 Points (Maximum)**

- Percentage of persons living in poverty 15 points
- Per Capita Income 10 points
- Percentage of housing units without complete plumbing 5 points
- Unemployment Rate 5 points

**b. Benefit To Low/Moderate-Income Persons -- 30 Points (Maximum)**

Points are then awarded based on the low to moderate income percentage for all of the colonia areas where planning activities are located according to the following scale;

100% to 90% of Tx CDBG funds benefiting low to moderate income persons	30
89.99% to 80% of Tx CDBG funds benefiting low to moderate income persons	25
79.99% to 70% of Tx CDBG funds benefiting low to moderate income persons	20
69.99% to 60% of Tx CDBG funds benefiting low to moderate income persons	15
Below 60% of Tx CDBG funds benefiting low to moderate income persons	5

**c. Matching Funds -- 20 Points (Maximum)**

Applicant(s) population equal to or less than 1,500 according to the 2000 Census:

- Match equal to or greater than 5% of grant request 20 points
- Match at least 2%, but less than 5% of grant request 10 points
- Match less than 2% of grant request 0 points

Applicant(s) population equal to or less than 3,000 but over 1,500 according to the 2000 Census:

- Match equal to or greater than 10% of grant request 20 points
- Match at least 2.5%, but less than 10% of grant request 10 points
- Match less than 2.5% of grant request 0 points

Applicant(s) population equal to or less than 5,000 but over 3,000 according to the 2000 Census:

- Match equal to or greater than 15% of grant request 20 points
- Match at least 3.5%, but less than 15% of grant request 10 points
- Match less than 3.5% of grant request 0 points

Applicant(s) population over 5,000 according to the 2000 Census:

- Match equal to or greater than 20% of grant request 20 points
- Match at least 5%, but less than 20% of grant request 10 points
- Match less than 5% of grant request 0 points

The population category under which county applications are scored is based on the actual number of beneficiaries to be served by the colonia planning activities.

**d. Project Design -- 255 Points (Maximum)**

Each application is scored by a committee composed of Tx CDBG staff using the following information submitted in the application to generate scores on the project design factor:

- The severity of need within the colonia area(s), how clearly the proposed planning effort will remove barriers to the provision of public facilities to the colonia area(s) and result in the development of an implementable strategy to resolve the identified needs.
- The planning activities proposed in the application.
- Whether each proposed planning activity will be conducted on a colonia-wide basis.
- The extent to which any previous planning efforts for colonia area(s) have been accomplished.

- The Tx CDBG cost per low/moderate-income beneficiary.
- The availability of grant funds to the applicant for project financing from other sources.
- The applicant's past performance on previously awarded Tx CDBG contracts.

A Colonia Planning Component application must receive a minimum score for the Project Design selection factor of at least 70 percent of the maximum number of points allowable under this factor to be considered for funding.

**Colonia Area Planning Component Marginal Applicant**

The marginal applicant is the applicant whose score is high enough for partial funding of the applicant's original grant request. The marginal applicant may scale down the scope of the original project design, and accept the marginal amount, if the reduced project is still feasible. Any unobligated funds remaining in the Colonia Area Planning allocation will be reallocated to either fund additional Colonia Comprehensive

Planning applications, Colonia Construction Component applications, or will be reallocated to other established Tx CDBG fund categories.

<b>3d. COLONIA COMPREHENSIVE PLANNING COMPONENT</b>	<b>200 Total Points Maximum</b>
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**a. Community Distress -- 25 Points (Maximum)**

- |   |           |
|---|-----------|
| • Percentage of persons living in poverty               | 10 points |
| • Per Capita Income                                     | 5 points  |
| • Percentage of housing units without complete plumbing | 5 points  |
| • Unemployment Rate                                     | 5 points  |

**b. Project Design -- 175 Points (Maximum)**

Each application will be scored by a committee composed of Tx CDBG staff using the following information submitted in the application to generate scores on the project design factor:

- The severity of need for the comprehensive colonia planning effort and how effectively the proposed comprehensive planning effort will result in a useful assessment of colonia populations, locations, infrastructure conditions, housing conditions, and the development of short-term and long term strategies to resolve the identified needs.
- The extent to which any previous planning efforts for colonia area(s) have been accomplished.
- Whether the applicant has provided any local matching funds for the planning or preliminary engineering activities.
- The applicant's past performance on previously awarded Tx CDBG contracts.
- An applicant that has previously received a Tx CDBG comprehensive planning award would receive lower priority for funding.

A Colonia Planning Component application must receive a minimum score for the Project Design selection factor of at least 70 percent of the maximum number of points allowable under this factor to be considered for funding.

**Colonia Comprehensive Planning Component Marginal Applicant**

The marginal applicant is the applicant whose score is high enough for partial funding of the applicant's original grant request. The marginal applicant may scale down the scope of the original project design, and accept the marginal amount, if the reduced project is still feasible. Any unobligated funds remaining in the Colonia Comprehensive Planning allocation will be reallocated to either fund additional Colonia Area Planning Fund applications, Colonia Construction Component applications, or will be reallocated to other established Tx CDBG fund categories.

**4. PLANNING AND CAPACITY BUILDING FUND****430 Total Points Maximum****a. Community Distress -- 55 Points (Maximum)**

- Percentage of persons living in poverty 25 points
- Per Capita Income 20 points
- Unemployment rate 10 points

**b. Benefit to Low/Moderate Income Persons - 0 Points**

Applicants are required to meet the 51% low/moderate income benefit as a threshold requirement, but no score is awarded on this factor.

**c. Project Design -- 375 Points (Maximum)**

- (1) Program Priority 50 points

Applicant chooses its own priorities here with 10 points awarded per priority as provided below.

Base studies (base mapping, housing, land use, population components) are recommended as one selected priority for applicants lacking updated studies unless they have been previously funded by TXCDBG or have been completed using other resources.

An applicant requesting TxCDBG funds for fewer than five priorities may receive point credit under this factor for planning studies completed within the last 10 years that do not need to be updated. An applicant requesting TxCDBG funds for a planning study priority that was completed within the past 10 years using TxCDBG funds would not receive scoring credit under this factor.

Applicants should not request funds to complete a water or sewer study if funds have been awarded within the last two years for these activities or funds are being requested under other TxCDBG fund categories.

- (2) Base Match 0 points

- Five percent match required from applicants with population equal to or less than 1,500.
- Ten percent match required from applicants with population over 1,500 but equal to or less than 3,000.
- Fifteen percent match required from applicants with population over 3,000 but equal to or less than 5,000.
- Twenty percent match required from applicants with population over 5,000.

The population will be based on available information in the latest national decennial census.

- (3) Areawide Proposals 50 points

Applicants with jurisdiction-wide proposals because the entire jurisdiction is at least 51 percent low/moderate-income qualify for these points. County applicants with identifiable, unincorporated communities may also qualify for these points provided that incorporation activities are underway. Proof of efforts to incorporate is required. County applicants with identifiable water supply corporations may apply to study water needs only and receive these points.

- (4) Planning Strategy and Products 275 points

- New applicants receive up to 50 points while previous recipients of planning funds receive either up to 30 or 20 points depending on the level of implementation of previously funded activities.

Recipients of Tx CDBG planning funds prior to PY 2000 will be considered new applicants for this scoring factor

- Up to 225 points are awarded for the applicant's Proposed Planning Effort based on an evaluation of the following:
  - the extent to which any previous planning efforts have been implemented or accomplished;
  - how clearly the proposed planning effort will resolve community development needs addressed in the application;
  - whether the proposed activities will result in the development of a viable and implementable strategy and be an efficient use of grant funds; and
  - demonstration of local commitment.

<b>5. Tx CDBG STEP FUND</b>	<b>120 Total Points Maximum</b>
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The following is the selection criteria to be used by Tx CDBG staff for the scoring of assessments and applications under the Texas STEP Fund. The maximum score of 120 points is divided among five scoring factors:

**a. Project Impact – 60 Points (Maximum)**

Activity	Score
• First time service	60-40
• To address drought	60-40
• To address a severe impact to a water system (imminent loss of well, transmission line, supply impact)	60-40
• TCEQ relevant documentation or Texas Department of Health Imminent Threat to Health	60-40
• Problems due to severe sewer issues that can be addressed through the STEP process (documented)	60-40
• Problems due to severe pressure problems (documented)	50-40
• Line replacement (water or sewer) other than for above	40-30
• All other proposed water and sewer projects that are not reflected above	30-20

A weighted average will be used to assign scores to applications that include activities in the different Project Impact scoring levels. Using as a base figure the Tx CDBG funds requested minus the Tx CDBG funds requested for engineering and administration, a percentage of the total Tx CDBG construction dollars for each activity will be calculated. The percentage of the total Tx CDBG construction dollars for each activity will then be multiplied by the appropriate Project Impact point level. The sum of these calculations will determine the composite Project Impact score.

Factors that are evaluated by the Tx CDBG staff in the assignment of scores within the predetermined scoring ranges for activities include, but are not limited to, the following:

1. how the proposed project will resolve the identified need and the severity of the need within the applying jurisdiction; and
2. projects designed to bring existing services up to at least the state minimum standards as set by the applicable regulatory agency are generally given additional consideration.

**b. STEP Characteristics, Merits of the Project, and Local Effort - 30 points (Maximum)**

The Tx CDBG staff will assess the proposal for the following STEP characteristics not scored in other factors:

1. degree work will be performed by community volunteer workers, including information provided on the volunteer work to total work;
2. local leaders (sparkplugs) willing to both lead and sustain the effort;
3. readiness to proceed – the local perception of the problem and the willingness to take action to solve it;
4. capacity – the manpower required for the proposal including skills required to solve the problem and operate applicable construction equipment;
5. merits of the projects, including the severity of the need, whether the applicant sought funding from other sources, cost in Tx CDBG dollars requested per beneficiary, etc.; and
6. local efforts being made by applicants in utilizing local resources for community development.

**c. Past Participation and Performance – 15 Points (Maximum)**

An applicant would receive ten (10) points if they do not have a current Texas STEP grant.

An applicant can receive from five (5) to zero (0) points based on the applicant’s past performance on previously awarded Tx CDBG contracts. The applicant’s score will be primarily based on our assessment of the applicant’s performance on the applicant’s two (2) most recent Tx CDBG contracts that have reached the end of the original contract period stipulated in the contract. The Tx CDBG will also assess the applicant’s performance on existing Tx CDBG contracts that have not reached the end of the original contract period. Applicants that have never received a Tx CDBG grant award will automatically receive these points. The Tx CDBG will assess the applicant’s performance on Tx CDBG contracts up to the application deadline date. The applicant’s performance after the application deadline date will not be evaluated in this assessment. The evaluation of an applicant’s past performance will include, but is not necessarily limited to the following:

- The applicant’s completion of the previous contract activities within the original contract period.
- The applicant’s submission of all contract reporting requirements such as Quarterly Progress Reports, Certificates of Expenditures, and Project Completion Reports.
- The applicant’s submission of the required close-out documents within the period prescribed for such submission.
- The applicant’s timely response to monitoring findings on previous Tx CDBG contracts especially any instances when the monitoring findings included disallowed costs.
- The applicant’s timely response to audit findings on previous Tx CDBG contracts.

**d. Percentage of Savings off of the retail price – 10 Points (Maximum)**

For STEP, the percentage of savings off of the retail price is considered a form of community match for the project. In STEP, a threshold requirement is a minimum of 40 percent savings off the retail price for construction activities.

For Communities that are equal to or below 1,500 in Population

55% or more Savings	10 points
50% - 54.99% Savings	9 points
45% - 49.99% Savings	7 points
41% - 44.99% Savings	5 points

For Communities that are above 1,500 but equal to or below 3,000 in Population

55% or more Savings	10 points
50% - 54.99% Savings	8 points
45% - 49.99% Savings	6 points
41% - 44.99% Savings	3 points

For Communities that are above 3,000 but equal to or below 5,000 in Population

55% or more Savings	10 points
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50% - 54.99% Savings	7 points
45% - 49.99% Savings	5 points
41% - 44.99% Savings	2 points

For Communities that are above 5,000 but equal to or below 10,000 in Population

55% or more Savings	10 points
50% - 54.99% Savings	6 points
45% - 49.99% Savings	3 points
41% - 44.99% Savings	1 points

For Communities that are 10,000 or above in Population

55% or more Savings	10 points
50% - 54.99% Savings	5 points
45% - 49.99% Savings	2 points
41% - 44.99% Savings	0 points

The population category under which county applications are scored is dependent upon the project type and the beneficiary population served. If the project is for beneficiaries for the entire county, the total population of the county is used. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county. For county applications addressing water and sewer improvements in unincorporated areas, the population category is based on the actual number of beneficiaries to be served by the project activities.

The population category under which multi-jurisdiction applications are scored is based on the combined populations of the applicants according to the 2000 Census.

**e. Benefit To Low/Moderate-Income Persons – 5 Points (Maximum)**

Applicants are required to meet the 51 percent low/moderate-income benefit for each activity as a threshold requirement. Any project where at least 60 percent of the Tx CDBG funds benefit low/moderate-income persons will receive 5 points.

A project must score at least 75 points overall and 15 points under factor 12(b) to be considered for funding.

<b>6. RENEWABLE ENERGY DEMONSTRATION PILOT PROGRAM</b>	<b>70 Total Points Maximum</b>
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**(A) Type of Project:** Primarily used in conjunction with providing public facilities to meet basic human needs such as water or waste water and/or benefit to low/moderate-income persons – up to 15 points.

**(B) Innovative Technology / Methods –** A project that would demonstrate the application of innovative technology and/or methods – up to 10 points.

**(C) Duplication in Other Rural Areas –** A project that could have widespread application (although it would not need to be applicable in every portion of the state.) – up to 10 points

**(D) Long-term Cost / Benefit and Texas Renewable Energy Goals –** Projects that demonstrate long term cost / benefit analysis including benefits to the human environment and consistency with Texas renewable energy goals – up to 10 points

**(E) Partnership / Collaboration –** Projects that have a demonstrated partnership and collaboration with other entities focusing on promoting renewable energy including universities, funding agencies, associations, or businesses – up to 10 points.

**(F) Leveraging** – projects with committed funds from other entities including funding agencies, local governments, or businesses.

Applicant(s) population equal to or less than 2,500 according to the latest decennial Census:

- Match equal to or greater than 15% of grant request 10 points
- Match at least 8% but less than 15% of grant request 5 points
- Match at least 3%, but less than 8% of grant request 3 points
- Match at least 2%, but less than 3% of grant request 1 point
- Match less than 2% of grant request 0 points

Applicant(s) population equal to or less than 5,000 but over 2,500 according to the latest decennial Census:

- Match equal to or greater than 25% of grant request 10 points
- Match at least 13% but less than 25% of grant request 5 points
- Match at least 5%, but less than 13% of grant request 3 points
- Match at least 3%, but less than 5% of grant request 1 point
- Match less than 3% of grant request 0 points

Applicant(s) population equal to or less than 10,000 but over 5,000 according to the latest decennial Census:

- Match equal to or greater than 35% of grant request 10 points
- Match at least 18% but less than 35% of grant request 5 points
- Match at least 7%, but less than 18% of grant request 3 points
- Match at least 4%, but less than 7% of grant request 1 point
- Match less than 4% of grant request 0 points

Applicant(s) population over 10,000 according to the latest decennial Census:

- Match equal to or greater than 50% of grant request 10 points
- Match at least 25% but less than 50% of grant request 5 points
- Match at least 10%, but less than 25% of grant request 3 points
- Match at least 5%, but less than 10% of grant request 1 point
- Match less than 5% of grant request 0 points

The population category under which county applications are scored is dependent upon the project type and the beneficiary population served. If the project is for beneficiaries for the entire county, the total population of the county is used. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county.

**(G) Location in Rural Areas** – Projects that benefit cities with populations under 10,000 or counties under 100,000 – 5 points.

Tiebreaker – If needed in the ranking of applications based on available funds, a tie between multiple applications shall be broken based on the score of (D) Long-term Cost / Benefit and Texas Renewable Energy Goals, followed by the per capita income ranking for the entire population of the city or county that applied.

## **V. PERFORMANCE MEASURES** - Goals, Objectives, Outcomes, Strategies, and Outputs

### **Tx CDBG Strategic Plan Performance Measures:**

The Tx CDBG currently has a performance measurement system in place that is part of its strategic plan and the Texas legislative budgeting process. The Tx CDBG has already implemented a performance measurement system that supports the HUD goals as stated in *CPD Notice – 03-09*, issued September 3,

2003, which “strongly encouraged each CPD formula grantee to develop and use a state or local performance measurement system.” In this notice, HUD asked the State CDBG programs, along with all other CDBG grantees, that currently have and use a state or local performance measurement system to “(1) describe, in their next Consolidated Plan or Annual Action Plan, the method they use to measure the outputs and outcomes of their CPD formula grant programs.”

The Tx CDBG has the following Performance Measures system in place for administering and evaluating the success of the CDBG non-entitlement program.

#### GOALS, OBJECTIVES AND OUTCOMES – For FY 2009-2010

Goal 1: Support Community and Economic Development Projects  
Objective 1: Fund Facility, Economic Development, Housing, and Planning Projects  
Outcome 1: Percent of the Small Communities’ Population Benefiting from Projects  
Outcome 2: Percent of Requested Project Funds Awarded to Projects Using Annual HUD Allocation

#### STRATEGIES AND EFFICIENCY, EXPLANATORY AND OUTPUT MEASURES – For 2009-2010

Goal 1: Support Community and Economic Development Projects  
Objective 1: Fund Facility, Economic Development, Housing and Planning Projects  
Strategy 1: Provide Grants for Community and Economic Development Projects  
Efficiency 1: Average Agency Administrative Cost per Contract Administered  
Output 1: Number of New Contracts Awarded  
Output 2: Number of Projected Beneficiaries from New Contracts Awarded  
Output 3: Number of Jobs Created/Retained through Contracts Awarded Annually  
Output 4: Number of Projected Beneficiaries from Self-Help Center Contracts Funded  
Output 5: Number of Programmatic Monitoring Visits Conducted  
Output 6: Number of Single Audit reviews Conducted Annually

#### **HUD CDBG Performance Outcome Measurement System:**

The Tx CDBG has implemented the HUD CDBG Performance Outcome Measurement System, which is a nationwide reporting system based on standardized Objective categories, Outcome categories, and specific Output Indicators.

The outcome performance measurement system has three objectives: (1) Creating Suitable Living Environments, (2) Providing Decent Affordable Housing, and (3) Creating Economic Opportunities. There are also three outcomes under each objective: (1) Availability/Accessibility, (2) Affordability, and (3) Sustainability. Thus, the three objectives, each having three possible outcomes, produce nine possible outcome/objective combinations within which to categorize CDBG grant activities. Specific Output Indicators, many of which Tx CDBG has used in the HUD Integrated Disbursement and Information System reporting system, will be used to provide the quantifiable information used to actually measure the outcome/objective combinations for the funded CDBG projects (such as the number of persons who have new access to water facilities).

## **VI. OTHER 2010 CDBG PROGRAM GUIDELINES**

### **A. COMMUNITY NEEDS ASSESSMENT**

Each applicant for Tx CDBG funds must prepare an assessment of the applicant’s housing and community development needs. The needs assessment submitted by an applicant in an application for the Community Development Fund must also include information concerning the applicant’s past and future efforts to provide affordable housing opportunities in the applicant’s jurisdiction and the applicant’s past efforts to provide infrastructure improvements through the issuance of general obligation or revenue bonds.



## **B. LEVERAGING RESOURCES**

### **Texas Capital Fund**

The following matching funds requirements apply under the Real Estate, Infrastructure, Main Street and Downtown Revitalization Program:

- a. The leverage ratio between all funding sources to the Texas Capital Fund (TCF) request may not be less than 1:1 for awards of \$750,000 or less (except for the Main Street and Downtown Revitalization programs which both require 0.1:1, or more match), and 4:1 for awards of \$750,100 to \$1,000,000.
- b. All businesses are required to make financial contributions to the proposed project. A cash injection of a minimum of 2.5% of the total project cost is required. Total equity participation must be no less than 10% of the total project cost. This equity participation may be in the form of cash and/or net equity value in fixed assets utilized within the proposed project. A minimum of a 33% equity injection (of the total projects costs) in the form of cash and/or net equity value in fixed assets is required, if the business has been operating for less than three years and is accessing the Real Estate program.

Over the past five program years the ratio of matching funds to Texas Capital Fund awards is approximately 3.75:1. If this ratio continues for the 2009 program year then the estimated amount of leveraged funds for the 2010 program year is approximately \$45 million.

## **C. MINORITY HIRING/PARTICIPATION**

The Tx CDBG encourages minority employment and participation among all applicants under the Community Development Block Grant Program. All applicants to the Community Development Block Grant Program shall be required to submit information documenting the level of minority participation as part of the application for funding.

## **D. CITIZEN PARTICIPATION**

A grant to a locality under the Texas Community Development Block Grant Program may be awarded only if the locality certifies that it is following a detailed citizen participation plan that provides for and encourages citizen participation at all stages of the community development program. Tx CDBG applicants and funded localities are required to carry out citizen participation in accordance with the Citizen Participation Plan requirements described in Tx CDBG application guides.

## APPENDIX A – Examples of Objective Scoring Factors

**1. Per Capita Income – 20 points maximum** - Compare each applicant's per capita income level to all other applicants in the region.

Method: The base amount for the entire region is divided by the applicant's per capita income level and then multiplied by the maximum possible score of 20, provided the product may not exceed 20 points. The base amount is the average (mean) of the per capita income levels of all the applicants in the region multiplied by a factor 0.75.

Details:

Incorporated City Applications:

For an incorporated city, the data used to score is based on the 2000 decennial Census SF 3 information for the city's entire population.

For a new incorporated city that was not included in the 2000 decennial Census as an incorporated city, the data used to score is based on the 2000 decennial Census information for the entire county unincorporated population.

County Applications:

For a county, the data used to score is based on the 2000 decennial Census SF 3 information for:

- the county's entire population (for county-wide benefit activities);
- the county's entire unincorporated population (for activities that only benefit persons in unincorporated areas); or
- the 2000 decennial census geographic area information specific to the unincorporated areas benefiting from the county's application activities (for activities that only benefit persons in unincorporated areas)  
(only census tracts, or block numbering areas, and block groups are allowable census geographic areas)

Geographic area information may be substituted only for county applications where the application activities benefit no more than two separate unincorporated target areas. County applications that include application activities for unincorporated areas that are located in more than two county precincts are scored for the entire county unincorporated population or the entire county population.

If a county elects to use census geographic area information that is specific to the unincorporated areas benefiting from the application activities, the county must submit the census geographic area identification number and the associated per capita income amount for each target area.

Multi-Jurisdiction applications - For multi-jurisdiction applications, the data used for scoring is based on a simple average of the per capita income amounts for all of the participating jurisdictions.

Data Source – US Bureau of the Census - 2000 Census – SF 3, Per Capita Income

### **2. Matching Funds -- 60 Points Maximum**

Applicant(s) population equal to or less than 1,500 according to the 2000 Census:

- Match equal to or greater than 5% of grant request 60 points
- Match at least 4% but less than 5% of grant request 40 points
- Match at least 3%, but less than 4% of grant request 20 points
- Match at least 2%, but less than 3% of grant request 10 points

- Match less than 2% of grant request 0 points

Applicant(s) population equal to or less than 3,000 but over 1,500 according to the 2000 Census:

- Match equal to or greater than 10% of grant request 60 points
- Match at least 7.5% but less than 10% of grant request 40 points
- Match at least 5%, but less than 7.5% of grant request 20 points
- Match at least 2.5%, but less than 5% of grant request 10 points
- Match less than 2.5% of grant request 0 points

Applicant(s) population equal to or less than 5,000 but over 3,000 according to the 2000 Census:

- Match equal to or greater than 15% of grant request 60 points
- Match at least 11.5% but less than 15% of grant request 40 points
- Match at least 7.5%, but less than 11.5% of grant request 20 points
- Match at least 3.5%, but less than 7.5% of grant request 10 points
- Match less than 3.5% of grant request 0 points

Applicant(s) population over 5,000 according to the 2000 Census:

- Match equal to or greater than 20% of grant request 60 points
- Match at least 15% but less than 20% of grant request 40 points
- Match at least 10%, but less than 15% of grant request 20 points
- Match at least 5%, but less than 10% of grant request 10 points
- Match less than 5% of grant request 0 points

The population category for an incorporated city is based on the city's 2000 Census population. The population category under which county applications are scored is dependent upon the project type and the beneficiary population served. If the project is for beneficiaries for the entire county, the total population of the county is used. If the project is for activities in the unincorporated area of the county with a target area of beneficiaries, the population category is based on the unincorporated residents for the entire county. For county applications addressing water and sewer improvements in unincorporated areas, the population category is based on the actual number of beneficiaries to be served by the project activities.

The population category under which multi-jurisdiction applications are scored is based on the combined populations of the applicants according to the 2000 Census.

Multi-Jurisdiction Applications - The population category under which multi-jurisdiction applications will be scored will be based on the combined populations of the participating applicants according to the 2000 census. The guidelines for determining the population category for county applications will also apply to multi-jurisdiction applications when a county or counties are participants in a multi-jurisdiction application.

Data Source - US Bureau of the Census - 2000 Census, SF 3.

### **3. Project Priorities – 30 Points Maximum**

- a. Activities providing or improving water or wastewater (including yardlines on residential property) – 30 Points
- b. Housing rehabilitation activities - 15 Points
- c. All other eligible activities – 5 Points

(When necessary, a weighted-average is used to score to applications that include multiple activities. Using as a base figure the TxCDBG funds requested minus the TxCDBG funds requested for administration, a percentage of the total TxCDBG construction and engineering dollars for each activity is

calculated. Administration dollars requested is applied pro-rata to these amounts. The percentage of the total TxCDBG dollars for each activity is then multiplied by the appropriate score and the sum of the calculations determines the score. Related acquisition costs are applied to the associated activity.)

# SUMMARY

## Timely Expenditure Incentive - Pilot Program for the 2009 Community Development Fund

Presented by Mark Wyatt \*

### DISCUSSION

This is a new idea within the Texas CDBG program designed to improve the timely expenditure of CDBG funds. It would also complement other enhancements within TxCDBG over the last few years that will be described below. All of these initiatives are designed to encourage the prompt delivery of these CDBG funds for crucial investments that will further enrich the lives of those living in and depending upon rural Texas.

As a pilot program, the TxCDBG would establish a program that provides an opportunity for the reimbursement of additional demonstrated costs incurred to complete the project activities **earlier than the regular contract implementation schedule** based on specific criteria.

Briefly, we would consider reimbursement of up to **one percent (1%)** of the TxCDBG funds budgeted for construction and acquisition/relocation for **additional demonstrated costs** incurred **to complete the project activities 2 months earlier** than the original contract end date (in accordance with other criteria described in the attached language);

Examples of eligible costs include: additional contacts made with other entities involved in the TxCDBG contract activities, additional monitoring of the status of the contract activities; attendance at additional meetings directly related to the contract activities, and other additional activity delivery costs.

This idea seeks to recognize and apply the basic realities of project management that it takes additional expense, effort, and personal drive to finish ahead of the contract's prescribed timeframe.

If HUD approves of the concept, we will implement it with the 2009 Community Development Fund, which is the largest fund category within the TxCDBG program. Therefore, to the extent it improves the timely expenditure of funds, it will have the greatest impact on the expenditure rate for the state.

## **Recent Actions to Improve Timely Expenditure of CDBG funds and Enhancements to TxCDBG Project Management:**

The TxCDBG program has implemented in a series of steps a number of enhancements recently that should improve the timely expenditure of funds and concurrently improve project management for both the agency staff as well as grant recipients.

### **Steps Taken:**

1. Revising the contract to include a Project Implementation Schedule with specific dates for activities and expenditures that can be tracked and progress measured, particularly adding specific dates for expenditures during the construction completion schedule. (see Exhibit B)
2. Adding within the TxCDBG Contract Tracking Database, a new schedule that mirrors the implementation schedule within the contract with the ability to compare the schedule's target date for each stage of the project against the actual completion date. This provides the CD Regional Coordinator assigned the contract and Management with a tool that can be used to prioritize those projects that have fallen behind schedule. (see Exhibit C)
3. Creation of an automated "reporting" tool within the CDBG Contract Database that allows the Manager and CD Regional Coordinators to run reports showing the current status of all contracts based on their contract Implementation Schedule. (see Exhibit D)
4. A new Administrative Policy Issuance that rewards those grant recipients who are currently on schedule while requiring improved project management techniques for those grant recipients who have fallen behind their schedule. As part of this process, it will ensure the grant recipient's chief elected official is fully informed of the current status of their contract. As part of the process for those behind schedule it will require a Plan of Action from the grant recipient.

**Recognition and Rewards** – While the Issuance requires contracts behind schedule to undertake certain specific activities designed bring it back on schedule, it also will establish a means of recognizing and rewarding those who are on schedule and complete their contracts in a timely manner in the following manner.

- ▶ Simplified Quarterly Progress Report – the quarterly report for those on schedule would be simplified resulting in less paperwork.

- ▶ Published List of Top Achievers - We will publish a list of “Project Completion Stars” with the name of the Grant Recipient, the administrative consulting firm and point of contact (if any), and the engineering firm and point of contact (if any).
- ▶ TxCDBG Award - TxCDBG will present an award to the first Grant Recipient in a funding cycle to complete a contract under three categories. We would welcome the opportunity for the Board to present these awards to the recipients.

(See Exhibit E for a copy of this recent administrative issuance.

### **RECOMMENDATION**

The proposed initiative would complement the initiatives already implemented within the TxCDBG. Staff recommends that the Board approve the proposed pilot program for the 2009 Community Development Fund.

### **RURAL DEFINITION**

Non-entitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Mr. Wyatt at 512-936-6725 (mwyatt@orca.state.tx.us)**

**Amendment to the 2009 TxCDBG Action Plan** (with emphasis added)

**Timely Expenditure Initiative – Pilot Program for the 2009 Community Development Fund**

As a pilot program, the TxCDBG will establish a program that provides an opportunity for the reimbursement of additional demonstrated costs incurred to complete the project activities **earlier than the regular contract implementation schedule** based on all of the following criteria.

To be eligible to be considered for the program, construction must have started for **all** budgeted activities using TxCDBG funds **by the end of the 12<sup>th</sup> month** from the original contract start date;

All construction funded with TxCDBG funds **must be completed and 90 percent** of the TxCDBG budget must be requested from TxCDBG for eligible costs with acceptable supporting documentation **not later than 60 days earlier** than the original contract end date;

The TxCDBG will consider reimbursement of up to **one percent (1%)** of the TxCDBG funds budgeted for construction and acquisition/relocation for **additional demonstrated costs** incurred to complete the project activities **60 days earlier** than the original contract end date;

The opportunity to receive any additional reimbursement under this program will automatically end without any further action being necessary by either party to the TxCDBG contract and it will no longer be possible to be considered regardless of circumstances for reimbursement of any additional costs under this program **after a date 60 days prior to the end of the original contract period**;

These funds cannot replace local funds already provided for activity delivery costs or local administration;

The reimbursement is contingent on available TxCDBG funds at the time; and

TxCDBG may use either 2009 allocation funds, deobligated funds, or program income to fund these additional costs incurred.

Examples of eligible costs include: additional contacts made with other entities involved in the TxCDBG contract activities, additional monitoring of the status of the TxCDBG-funded activities; attendance at additional meetings directly related to the TxCDBG-funded activities, and other additional activity delivery costs.



EXHIBIT C

PROJECT IMPLEMENTATION SCHEDULE

CONTRACT NUMBER «Contract\_Number»

«City\_of\_or\_County»

Activity	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Completed by Last Day of Month:																								
Procurement of Professional Services Completed		X																						
Plans and Specifications Completed				X																				
Plans and Specifications Submitted for Approval					X																			
Environmental Review Completed						X																		
Clearance of Special Conditions							X																	
Wage Rate Request/Decision/10-Day Call							X																	
Bid Advertisement / Construction Contract Awarded								X																
Construction - 50% TxCDBG project complete												X												
Construction - 50% TxCDBG funds requested from Office													X											
Construction - 75% TxCDBG project complete														X										
Construction - 75% TxCDBG funds requested from Office															X									
Construction - 90% TxCDBG project complete																		X						
Construction - 90% TxCDBG funds requested from Office																			X					
Final Inspections Completed																				X				
General Administration																								X
Close-out documents submitted to Office																								X

CONTRACT START DATE CONTRACT ENDING DATE

«Start\_Date»

«End\_Date»

Exhibit B



# CDBG Contract Tracking

<p>Contract Search</p> <p>Find Contract</p> <p>Advanced Search</p> <p>Main Menu</p> <p>ORCA Homepage</p>	<p><b>Contract Information</b></p> <p>Contract: _____ Contractor: _____ Region: NCTCOG</p> <p>Description: sewer system improvements IDIS Num: _____</p>																																																																																																																																				
<p>Contract Details</p> <p>Contract</p> <p>Activities</p> <p>Monitoring</p> <p>Project Status</p> <p>Environmental</p> <p>Acquisitions</p> <p>Labor</p> <p>Amendments</p> <p>Additional Contractors</p> <p>Professional Services</p> <p>Special Conditions</p> <p>Budget</p> <p>Financial Data</p> <p>Audits</p> <p>Revolving Loan Fund</p> <p>Head of Household</p> <p>Payment History</p> <p>Planning</p> <p>Housing Rehab</p> <p>TA Visit</p> <p>Documents</p> <p>Performance</p> <p>Photos</p>	<p><b>Project Status (Problems)</b></p> <p>Contract Short Description: sewer system improvements <span style="float: right;">Save Changes</span></p> <p>Project Risk Assessment: No Problems / Resolved Problems - performing according to contractual obligations, no action required <span style="float: right;">Updated on: 06/16/2009 Updated by: JHARTLEY</span></p> <p>Contract Status: Project programmatically closed</p> <p>If 'Other', please explain: <i>Added</i></p> <table border="1"> <thead> <tr> <th>Implementation Schedule - Key Target Dates - Timely Expenditure</th> <th>Req</th> <th>Contract Target Date</th> <th>Actual Date</th> <th>Difference in Days</th> <th>Completed at this Percentage of Contract Period</th> <th>Days Elapsed since Prior Event Completed</th> </tr> </thead> <tbody> <tr> <td>Use Schedule # 1</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1 Procurement of Professional Services Completed</td> <td><input checked="" type="checkbox"/></td> <td>10/31/2007</td> <td>07/10/2007</td> <td>113</td> <td>16%</td> <td></td> </tr> <tr> <td>2 Plans and Specifications Completed by Engineer</td> <td><input checked="" type="checkbox"/></td> <td>12/31/2007</td> <td>06/20/2008</td> <td>-172</td> <td>25%</td> <td>346</td> </tr> <tr> <td>3 Plans and Specifications Submitted for Approval to Regulatory Agency</td> <td><input checked="" type="checkbox"/></td> <td>01/31/2008</td> <td>06/20/2008</td> <td>-141</td> <td>29%</td> <td>0</td> </tr> <tr> <td>4 Plans and Specifications Approved</td> <td><input checked="" type="checkbox"/></td> <td></td> <td>06/25/2008</td> <td></td> <td></td> <td>5</td> </tr> <tr> <td>5 Environmental Review Completed</td> <td>R</td> <td>01/31/2008</td> <td>08/23/2007</td> <td>161</td> <td>29%</td> <td>-307</td> </tr> <tr> <td>6 Clearance of Special Conditions, except those cleared after construction has been completed</td> <td><input checked="" type="checkbox"/></td> <td>03/31/2008</td> <td>03/02/2008</td> <td>29</td> <td>37%</td> <td>192</td> </tr> <tr> <td>7 Wage Rate Request/Decision/10-Day Call</td> <td><input checked="" type="checkbox"/></td> <td>03/31/2008</td> <td>06/02/2008</td> <td>-63</td> <td>37%</td> <td>92</td> </tr> <tr> <td>8 Bid Advertisement / Construction Contract Awarded</td> <td><input checked="" type="checkbox"/></td> <td>04/30/2008</td> <td>07/14/2008</td> <td>-75</td> <td>41%</td> <td>42</td> </tr> <tr> <td>9 Construction - 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*Exhibit C*

17 Close-out documents submitted to TxCDBG	R	07/31/2009	05/11/2009	81	100%	-8
Timely Expenditure Calculation						
Implementation Status Code				On Schedule		
Percentage of Contract Period Completed as of Today				100% - Earlier dates are all entered.		

Project Notes

8/20/07: contract executed  
 8/23/07: environmental cleared  
 2/13/08: wage rates issued  
 6/9/08: bids opened  
 6/9/08: prime cleared with debarred list  
 6/25/08: TCEQ cleared plans  
 10/22/08: construction began  
 3/31/09: construction is 90% complete  
 5/1/09: construction is 100% complete  
 5/6/09: monitoring scheduled  
 5/11/09: close-out report rec'd.  
 6/16/09: contract closed

Quarterly Reports				
	Report	Progress?	MBE?	PBE?
Q1	04/09/2009	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Q2	07/14/2008	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q3	10/15/2008	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Q4	01/20/2009	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

MBE Status			Add New Report
Business Name	Reporting Period		
Hibbs & Todd	3:July-Sept 2007		Delete
Raymond K. Vann & Associates	3:July-Sept 2007		Delete
Bowles Construction	3:July-Sept 2008		Delete
<b>Total Count: 3</b>			

Actual Accomplishments

The city converted the wastewater treatment plant to a zero discharge plant. City also constructed a sludge settling pond, installed pumps and an irrigation system consisting of 7,000 lf of 6" piping, one pump station, one chlorine injection system, and modified the aeration basin and wetwell. Construction occurred at the site of the current wastewater treatment plant.

Proposed Additional Benefit

Actual Additional Benefit



# CDBG Contract Tracking

[Main Menu](#)

<b>Implementation Status</b>	
<b>Fund(s)</b> To select more than one item, hold down the Ctrl key while clicking on each item you want	All APPR - Application & Survey Review AR - Area Revitalization CD - Community Development Fund CD-D - Community Development - Deobligated Funds CD-PI - Community Development-Program Income CDBG - CDBG CDBG-R - Community Development Supplemental Recovery
<b>Region</b>	All AACOG - Alamo Area COG ATCOG - Ark-Tex COG BVCOG - Brazos Valley COG CAPCO - Capital Area COG CTCOG - Central Texas COG CBCOG - Coastal Bend COG CVCOG - Concho Valley COG
<b>Implementation Status</b>	All On Schedule Less than 3 months behind schedule 3 to 6 months behind schedule More than 6 months but less than 9 months behind schedule 9 or more months behind schedule
<b>Year of Award</b>	All 2006 2007 2008 2009 2010
<a href="#">Run</a>	

Exhibit D

## Technical Assistance Strategies for TxCDBG Contracts

The 2007 TxCDBG Project Implementation Manual includes guidance to Grant Recipients in implementing and completing TxCDBG-funded projects. This Policy Issuance provides additional guidance on technical assistance strategies adopted by TxCDBG to support the successful completion of projects in a timely manner.

TxCDBG contracts are generally funded for a two-year contract period. While ORCA recognizes that circumstances beyond the Grant Recipient's control may delay projects and necessitate extension requests in some cases, it is essential that the vast majority of contracts are completed within the original contract period. The timely expenditure of funds by the CDBG program demonstrates the continued need for such funding at a national as well as local level, providing critical information to elected officials allocating limited funds to grant programs.

To support the timely expenditure of TxCDBG funds, the following strategies have been adopted for all TxCDBG contracts (excluding those funded under the Planning and Capacity Building Fund, Colonia Planning Fund, Texas Capital Fund, or Colonia Self-Help Center Fund):

- **Project Implementation Schedule Milestones**

**Applies to:** all contracts

TxCDBG has adopted a strategy of focusing on the Project Implementation Schedule included in the TxCDBG contract as Exhibit C (also known as Schedule C) milestone target dates to determine that a contract is "on schedule". These milestones begin early in the project; Grant Recipients that adhere to the milestone target dates throughout the contract will complete all activities within the contract period. Grant Recipients that experience delays should use the milestone dates as a goal to return to a timely expenditure schedule.

- **4-Month Conference Call**

**Applies to:** all contracts with start dates on or after August 3, 2009.

**Requirement:** conduct an initial call – to include the Grant Recipient, contract administrator, and project engineer, with an invitation to ORCA staff – approximately four months after the contract start date.

This strategy was adopted to ensure that all Grant Recipients have begun work on their projects in the first several months of the contract by procuring professional services and providing those professionals with the information needed to move forward on the project. At a minimum, the participants must discuss the items listed in the 4-Month Conference Call Agenda which is included in the TxCDBG Project Implementation Manual text attached to this Policy Issuance.

- **Additional Quarterly Reporting**

**Applies to:** contracts more than 3 months behind the Schedule C milestone dates.

**Requirement:** complete Part II of the *Interactive Quarterly Progress Report*.

This strategy was adopted to ensure that projects not meeting the original milestones provide detailed information on the cause of the delays so that the Regional Coordinator and other ORCA staff may work with the Grant Recipient to develop solutions. The chief elected official must sign Part II to ensure that the Grant Recipient is aware of the delays.

- **Revised Timelines**

**Applies to:** contracts more than 3 months behind the Schedule C milestone dates.

**Requirement:** propose a revised timeline based on the Schedule C milestones.

Exhibit E

This strategy requires Grant Recipients to provide a timeline for project completion that accounts for delays experienced during the contract. The revised dates should allow the project to be completed within the contract period whenever possible. Once approved by TxCDBG, future quarterly reports will evaluate the "timeliness" of the project based on the revised timeline. However, any scoring criteria related to timely expenditures adopted for future funding cycles will be based on the original Schedule C milestones.

- **Plan of Action**

**Applies to:** contracts more than 3 months behind revised timeline dates.

**Requirement:** submit a written Plan of Action for completing the project in a timely manner.

This strategy was adopted to clearly document the delays experienced and specific steps to be taken by the Grant Recipient or others in order to resolve these issues.

- **Conference Calls and On-Site Technical Assistance Visits**

**Applies to:** contracts more than 3 months behind the Schedule C milestone dates.

**Requirement:** conduct meetings between the Grant Recipient, contract administrator, project engineer, and ORCA staff to discuss project delays.

This strategy was adopted to ensure that all key participants in the project have the opportunity to discuss project delays and develop possible resolutions as early as possible. The ORCA Regional Coordinator will determine when the technical assistance meetings may be conducted by phone and when it is appropriate to meet in person.

## Recognition and Rewards

TxCDBG also intends to recognize and reward those Grant Recipients and professional service providers that complete TxCDBG projects on or ahead of schedule. The following actions will be implemented beginning September 1, 2009:

- **Simplified Quarterly Progress Report**

Grant Recipients reporting an "on schedule" status on the *Interactive Quarterly Progress Report (Form A104)* will only be required to complete Part I of the report. Part I has been simplified so that Grant Recipient currently on schedule do not need to provide detailed quarterly reports beyond the basic information needed for ORCA to track the project progress. For example, the Financial Status section and MBE reporting sections have been eliminated from the report, as this information is reported elsewhere.

In addition, the report will include a note below the report thanking them for their timely progress. Administrative consultants that may complete these reports on behalf of the Grant Recipient are encouraged to share the report with all project participants. Consulting and engineering firms may also track the number of "on schedule" reports received to use as a success measure.

- **Project Completion Stars**

TxCDBG will publish a quarterly list of all contracts completed ahead of schedule, with "star" ratings based on the number of months ahead of schedule the project is completed. "Completed" will be defined as having submitted closeout documentation and resolved any and all monitoring findings; however, the contract will appear on the Star list only after the TxCDBG compliance monitor has issued an "administratively complete" letter.

The list will be posted to the ORCA website using the following categories:

- 4 Stars: Contracts completed more than twelve months ahead of the original Schedule C
- 3 Stars: Contracts completed six thru twelve months ahead of the original Schedule C

- o 2 Stars: Contracts completed up to six months ahead of the original Schedule C

Contracts completed ahead of the original Schedule C with additional work, adding a minimum of 15% of the original project scope, will receive one bonus star. Contracts will not be included on the Star list if the scope of project as constructed has been reduced from that proposed in the application.

The list will include the name of the Grant Recipient, the administrative consulting firm and point of contact (if any), and the engineering firm and point of contact (if any).

- TxCDBG Award

TxCDBG will present an award to the first Grant Recipient in a funding cycle to complete a contract. "Complete" will be defined as having completed construction of the project described in the original contract Performance Statement, submitted closeout documentation, and resolved any and all monitoring findings. However, the award will be announced only after the TxCDBG compliance monitor has issued an "administratively complete" letter.

The award will be presented to the Grant Recipient, and all members of the Project Team will receive a certificate in recognition of the award. The award announcement and photo of the presentation will be posted to the ORCA website.

A separate award will be presented for each of the following categories:

- All water or sewer improvement projects funded during the Program Year under the Community Development fund (also including CDBG-R funds) based on the predominant activity;
- All other projects funded during the Program Year under the Community Development fund (also including CDBG-R funds) based on the predominant activity; and
- All projects awarded during the Program Year under the STEP Fund (including both funding cycles).

In addition, TxCDBG anticipates awarding additional points during future application cycles to Grant Recipients that have expended grant funds and completed projects ahead of schedule on previous contracts.

**ACTION:** This Policy Issuance adds the attached pages of the 2007 TxCDBG Project Implementation Manual, **Chapter 1 Administration and Reporting Requirements**. This Policy Issuance also replaces the *Quarterly Progress Report Form A104* with the *Interactive Quarterly Progress Report Form A104* available on the ORCA website in Adobe format.

**EFFECTIVE DATE:** All guidance in this document is effective as of the date of this policy issuance. Grant Recipients submitting a Quarterly Progress Report on or after September 1, 2009 must submit the revised form.

Thank you for your efforts to ensure compliance with all federal, state and program requirements. If you have any questions or if we can provide any further assistance, please contact me or Community Development Manager Susan Grosz at 512-936-0232 or [sgrosz@orca.state.tx.us](mailto:sgrosz@orca.state.tx.us).

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Mark Wyatt, Director  
Texas Community Development Block Grant Program

# SUMMARY

## Update on the Status of Disaster Recovery for Hurricane Ike/Dolly

Presented by Oralia Cardenas\*

### DISCUSSION

Below is a summary update on the status of disaster recovery activities for Hurricanes Ike/Dolly.

#### Program Update

- We have received 209 applications totaling \$511,905,248. Most of the applications were received as of June 30, 2009, while remaining applications are expected by July 31<sup>st</sup>. All applications go through a 1<sup>st</sup> and 2<sup>nd</sup> review to ensure that the applications are complete, activities are eligible and that each activity meets a CDBG national objective. Applications are being screened to determine complexity and amount requested. Once screened, applications that are determined to be less complex and the amount requested is less than \$3 million are assigned to one of the four application review vendors for first review. ORCA staff will conduct both 1<sup>st</sup> and 2<sup>nd</sup> second reviews for 40 applications that have been determined to be complex and contain requests for over \$3 million in funding. Also, we have started to hold weekly meetings with the application review vendors to exchange information, conduct problem solving and to provide for consistency in application reviews.
- As of July 6, 2009, all 11 Councils of Governments (COGS) have received full approval of their proposed Methods of Distribution (MODs). We are awaiting competitive process scoring results from HGAC (Harris County) and LRGVDC (Willacy County). These are expected to be received by July 31, 2009. Based on the final approved MODs, the final split between housing and non-housing has been calculated to be 48.76% for housing and 51.24% for non-housing. The final split indicates an increase of approximately \$1.3 million for non-housing then was earlier estimated prior to the approval of all of the MODs.
- Disaster Recovery staff has been meeting with Finance, IS, and Legal Counsel in working group settings to develop and document business models and processes for professional services, including application reviews, grant administration, environmental review, and engineering services and to prepare for project management as applications are funded and project activity commences. The meetings begin with development of concepts through group discussions and result in visual presentations through flow charts. The final product will result in



## Operations Update

- On July 9, 2009 the Executive Director reassigned eight DR administrative positions to the Executive, IS and Finance Divisions. The reassignment was for administrative supervision in the three divisions to allow for close coordination of critical administrative support functions. The eight staff remain under DR Division programmatic oversight. Thirty-one (31) DR positions have been filled and DR management is working with Human Resources to expedite the hiring of 19 additional DR staff for a total of 50.
- Quality Assurance staff has been participating in the working groups that are developing the business models and processes for professional services, including application reviews, grant administration, environmental review, and engineering services. Quality Assurance staff will be assisting with the development of a high-level business plan for the Internal Auditor and the related sub-processes. The Quality Assurance program is also coordinating with the ORCA Compliance Division on several site monitoring visits to consider adaptation of monitoring tools and techniques for use in the Quality Assurance program.
- DR Environmental Regulatory Officers (ERO) are developing business processes to ensure that the environmental reviews are done in compliance with HUD regulations. DR staff plans to meet with the Environmental Service Providers and HUD Environmental staff in the near future to hold a technical assistance meeting.

## **RECOMMENDATION**

The information is provided for information only and no action is needed.

## **RURAL DEFINITION**

Non-entitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Oralía Cardenas, Disaster Recovery Director, at 512/936-7890 or (ocardenas@orca.state.tx.us).**

# **SUMMARY**

## **Report on Professional Services**

Presented by David Flores

## **DISCUSSION**

### **Background**

In the June Board meeting Disaster Recovery (DR) staff provided the Board an overview of the new business model that will be used for non-housing grant projects in order to expedite Disaster Recovery projects and ensure timely performance. This model requires the DR division to contract directly for the Professional Services that will support the construction part of the projects. The following is an update for each of the professional services the DR division is procuring:

**Damage Assessment Services** - This procurement provided for the identification, scoping, and cost estimating for over 2,700 eligible projects, the review of 1,300 FEMA Project Worksheets, the identification and scoping of 570 ineligible projects, development and maintenance of a Disaster Recovery website & program dashboard, conduct community meetings, provide technical assistance, provide Summary Reports. Work continues on a Quick Start Generator Program, a Public Involvement Plan and the Project Management for the transition of services to ORCA.

**Application Review Services** - In May 2009 the Disaster Recovery Division secured the services of four firms to provide Application Review services. These firms began assisting the DR division in reviewing the Disaster Recovery Fund applications in June.

The application review process will be a two stage process, with the Application Review service providers completing the 1<sup>st</sup> review of application and DR staff completing a 2<sup>nd</sup> quality control review. On complex applications, DR staff is completing the 1<sup>st</sup> and 2<sup>nd</sup> reviews.

**Environmental Review Services** - In July the DR division negotiated pricing for Environmental Review services with each of the top eight vendors that submitted proposals for this procurement. DR staff has conducted a combined conference call with all selected vendors to provide technical assistance on the business processes and procedures that will be used to provide these services. Contract negotiations have begun and we expect to complete these in the very near future. These service

providers will be ready to begin work as grants are awarded to communities and projects begin.

**Design Engineering** - As of July 6<sup>th</sup>, 254 communities and special utility districts have selected their Design Engineers, which represents **54 different firms**. We will be negotiating a contract for the Design Engineering Services with the firms selected by the communities as grants are awarded.

**Grant Administration** – As of July 6<sup>th</sup>, 199 communities and special utility districts have selected their Grant Administrator, which represents **17 different firms**. We will be negotiating a contract for the Design Engineering Services with the firms selected by the communities as grants are awarded.

**Project Management Company** – The DR division staff released a Request for Qualifications (RFQ) procurement to obtain Project Management Company services from a firm that will work with staff, grantee communities and professional services vendors to provide oversight of engineering, grant administration, construction and general project management for the eligible disaster recovery funded projects. The desired firm will have the capacity and staff resources to provide engineering, project management and oversight activities for approximately 2,700 concurrent projects within 300 grantee localities.

The Project Management Company RFQ was released on July 3, 2009 and it will close on July 27, 2009. Purchasing staff screening of the proposals will take place the week of July 28<sup>th</sup> and the Evaluation Team review will be completed the week of August 3, 2009. Quality Assurance review, interviews & presentations and the recommendation to Executive Management will be completed through August 19<sup>th</sup> with the expected announcement of the PMC selected on August 19, 2009.

## **RECOMMENDATION**

The Professional Services information is presented for informational purposes.

### **Enclosures**

List of Application Review Service Providers  
List of Environment Review Service Providers  
List of Qualified Engineers  
List of Qualified Grant Administrators

**\*Should any ORCA Board member have any questions concerning this agenda item please contact Mr. Flores at (512) 936-6707 or [dflores@orca.state.tx.us](mailto:dflores@orca.state.tx.us)**

### Contracted Administrators for the Review of Disaster Recovery Fund Applications

#	APPLICATION REVIEW	CONTACT PERSON	PHYSICAL ADDRESS	CITY	STATE	ZIP CODE	PHONE	E-MAIL
1	Community Development Management Co.	Rudy Ruiz	317 South Main St.	Lockhart	TX	78644	512-398-7129	<a href="mailto:rudyr@ccaustin.com">rudyr@ccaustin.com</a>
2	Grant Development Services	Gandolf Burrus	14511 Echo Bluff	Austin	TX	78737	512-301-2682	<a href="mailto:texasgrants@austin.rr.com">texasgrants@austin.rr.com</a>
3	Langford Community Management Svcs	Judy Langford	13740 Research Blvd.	Austin	TX	78750	512-452-0432	<a href="mailto:Judy@LCMSInc.com">Judy@LCMSInc.com</a>
4	Richardo Gomez & Associates	Ricardo Gomez	36068 Marshall Hutts	Rio Hondo	TX	78583	956-578-9559	<a href="mailto:RGainArroyoCity@aol.com">RGainArroyoCity@aol.com</a>

### Qualified Administrators for the Review of Disaster Recovery Fund Applications

#	APPLICATION REVIEW	CONTACT PERSON	PHYSICAL ADDRESS	CITY	STATE	ZIP CODE	PHONE	E-MAIL
1	Community Development Management Co.	Rudy Ruiz	317 South Main St.	Lockhart	TX	78644	512-398-7129	<a href="mailto:rudyr@ccaustin.com">rudyr@ccaustin.com</a>
2	Gary R. Traylor & Associates	Gary R. Traylor	201 Cambridge Rd.	Tyler	TX	75711	903-581-0500	<a href="mailto:gary@grtraylor.com">gary@grtraylor.com</a>
3	Grant Development Services	Gandolf Burrus	14511 Echo Bluff	Austin	TX	78737	512-301-2682	<a href="mailto:texasgrants@austin.rr.com">texasgrants@austin.rr.com</a>
4	Ibanez Consulting	Sylvia Rivera-Ibanez	12310 Blue Water Dr.	Austin	TX	78758	512-653-4376	<a href="mailto:ibanezconsulting@austin.rr.com">ibanezconsulting@austin.rr.com</a>
5	Langford Community Management Svcs	Judy Langford	13740 Research Blvd.	Austin	TX	78750	512-452-0432	<a href="mailto:Judy@LCMSInc.com">Judy@LCMSInc.com</a>
6	Naismith Engineering	Anna A. Smith	789 East Washington St.	Brownsville	TX	78523	956-541-1155	<a href="mailto:asmith@naismith-engineering.com">asmith@naismith-engineering.com</a>
7	Raymond K. Vann & Associates	Raymond (Ray) K. Vann, Jr.	402 E. Shepherd Ave.	Lufkin	TX	75901	936-634-2550	<a href="mailto:rkv@consolidated.net">rkv@consolidated.net</a>
8	Richardo Gomez & Associates	Ricardo Gomez	36068 Marshall Hutts	Rio Hondo	TX	78583	956-578-9559	<a href="mailto:RGainArroyoCity@aol.com">RGainArroyoCity@aol.com</a>
9	Tim Glendening & Associates	Tim Glendening	5021 Trail Lake Dr.	Plano	TX	75093	972-398-9424	<a href="mailto:tim@tfgainc.com">tim@tfgainc.com</a>

## Contracted Environmental Service Providers of Disaster Recovery Applications

#	ENVIRONMENTAL SERVICE PROVIDERS	CONTACT PERSON	PHYSICAL ADDRESS	CITY	STATE	ZIP CODE	PHONE	E-MAIL
1	Community Development Resources	Robert Chavira	4807 Hale Dr.	Austin	TX	78749	512-947-7212	<a href="mailto:RLChavira1@aol.com">RLChavira1@aol.com</a>
2	Future Link Technologies	Latrice Hertzler	401 Cole St.	Austin	TX	78737	512-443-4100	<a href="mailto:lhertzler@future-link.biz">lhertzler@future-link.biz</a>
3	Gary R. Traylor & Associates	Gary Traylor	201 Cambridge Rd.	Tyler	TX	75711	903-581-0500	<a href="mailto:gary@grtraylor.com">gary@grtraylor.com</a>
4	Langford Community Mgmt Svcs	Judy Langford	13740 Research Blvd.	Austin	TX	78750	512-452-0432	<a href="mailto:Judy@LCMSInc.com">Judy@LCMSInc.com</a>
5	Raymond K. Vann & Associates	Ray Vann, Jr.	1015 Lee Ave.	Lufkin	TX	75901	936-634-2550	<a href="mailto:rkv@consolidated.net">rkv@consolidated.net</a>
6	Talon/LPE	David Adkins	911 W. Anderson Lane, Ste 202	Austin	TX	78757	512-989-3428	<a href="mailto:dadkins@talonlpe.com">dadkins@talonlpe.com</a>
7	Tim Glendening & Associates	Tim Glendening	5021 Trail Lake Dr.	Plano	TX	75093	972-398-9424	<a href="mailto:tim@tfgainc.com">tim@tfgainc.com</a>
8	TLC Engineering Co	David Fedrick	8204 Westglen Dr.	Houston	TX	77063	713-868-6900	<a href="mailto:dfedrick@tlceng.com">dfedrick@tlceng.com</a>

## Qualified Environmental Service Providers of Disaster Recovery Applications

#	ENVIRONMENTAL SERVICE PROVIDERS	CONTACT PERSON	PHYSICAL ADDRESS	CITY	STATE	ZIP CODE	PHONE	E-MAIL
1	Berg-Oliver Assoc	Susan Alford	14701 St. Mary's Lane, Ste 400	Houston	TX	77079	287-589-0898	<a href="mailto:salford@bergoliver.com">salford@bergoliver.com</a>
2	Camp Dresser and McKee, Inc	Sean Tenney	12357-A Riata Trace Pkwy, Ste 210	Austin	TX	78727	512-346-1100	<a href="mailto:tenneysp@cdm.com">tenneysp@cdm.com</a>
3	Community Development Management Co.	Rudy Ruiz	317 South Main St.	Lockhart	TX	78644	512-398-7129	<a href="mailto:rudyr@ccaustin.com">rudyr@ccaustin.com</a>
4	Community Development Resources	Robert Chavira	4807 Hale Dr.	Austin	TX	78749	512-947-7212	<a href="mailto:RLChavira1@aol.com">RLChavira1@aol.com</a>
5	Enercon Services, Inc	Charles Harlan	12100 Ford Road, Ste 200	Dallas	TX	75234	972-484-3854	<a href="mailto:charlan@enercon.com">charlan@enercon.com</a>
6	Environ International Corp	Brent Jones	10333 Richmond Ave., Ste 910	Houston	TX	77094	713-470-6651	<a href="mailto:bjones@environcorp.com">bjones@environcorp.com</a>
7	Freese and Nichols	Jeff Taylor	3100 Wilcrest Dr., Ste 200	Houston	TX	77042	713-600-6831	<a href="mailto:jt@freese.com">jt@freese.com</a>
8	Future Link Technologies	Latrice Hertzler	401 Cole St.	Austin	TX	78737	512-443-4100	<a href="mailto:lhertzler@future-link.biz">lhertzler@future-link.biz</a>
9	Gary R. Traylor & Associates	Gary Traylor	201 Cambridge Rd.	Tyler	TX	75711	903-581-0500	<a href="mailto:gary@grtraylor.com">gary@grtraylor.com</a>
10	Guzman & Munoz Engineering	Richard LeFerve	1100 E. Jasmine Ave., Ste 107	McAllen	TX	78501	956-682-3812	<a href="mailto:rlefevre@gmes.biz">rlefevre@gmes.biz</a>

#	ENVIRONMENTAL SERVICE PROVIDERS	CONTACT PERSON	PHYSICAL ADDRESS	CITY	STATE	ZIP CODE	PHONE	E-MAIL
11	L&G Engineering	Velma Garcia	2100 W. Expressway 83	Mercedes	TX	78570	956-565-9813	<a href="mailto:velma@lgengineers.com">velma@lgengineers.com</a>
12	Langford Community Management Svcs	Judy Langford	13740 Research Blvd.	Austin	TX	78750	512-452-0432	<a href="mailto:Judy@LCMSInc.com">Judy@LCMSInc.com</a>
13	Municipal Consulting Agency	Valree Thompson	1800 Linda Ln.	Richardson	TX	75081	972-918-0795	<a href="mailto:valreethompson@hotmail.com">valreethompson@hotmail.com</a>
14	Naismith Engineering	Anna Smith	789 East Washington St.	Brownsville	TX	78523	956-541-1155	<a href="mailto:asmith@naismith-engineering.com">asmith@naismith-engineering.com</a>
15	Public Mgmt, Inc	J. Andrew Rice	207 South Bonham	Cleveland	TX	77327	281-592-0437	<a href="mailto:jrice@publicmgt.com">jrice@publicmgt.com</a>
16	Raymond K. Vann & Associates	RayVann, Jr.	402 E. Shepherd Ave.	Lufkin	TX	75901	936-634-2550	<a href="mailto:rkv@consolidated.net">rkv@consolidated.net</a>
17	SWCA Environmental Consultants	Gary Galbraith	4407 Monterey Oaks Blvd., Bldg 1, Ste 100	Austin	TX	78749	512-476-0891	<a href="mailto:ggalbraith@swca.com">ggalbraith@swca.com</a>
18	Talon/LPE	David Adkins	911 W. Anderson Lane, Ste 202	Austin	TX	78757	512-989-3428	<a href="mailto:dadkins@talonlpe.com">dadkins@talonlpe.com</a>
19	Tim Glendening & Associates	Tim Glendening	5021 Trail Lake Dr.	Plano	TX	75093	972-398-9424	<a href="mailto:tim@tfgainc.com">tim@tfgainc.com</a>
20	TLC Engineering Co	David Fedrick	8204 Westglen Dr.	Houston	TX	77063	713-868-6900	<a href="mailto:dfedrick@tlceng.com">dfedrick@tlceng.com</a>
21	URS Houston	Chantelle Billiot	10550 Richmond Ave., Ste 155	Houston	TX	77042	713-914-6548	<a href="mailto:chantelle_billiot@urscorp.com">chantelle_billiot@urscorp.com</a>

#	ENGINEERING FIRM	CONTACT PERSON	PHYSICAL ADDRESS	CITY	STATE	ZIP CODE	PHONE	FAX	E-MAIL
1	AIA Engineers, LTD	Sandeep Patil	15310 Park Row	Houston	TX	77084	281-493-4140	281-493-2211	<a href="mailto:sdp@aiainc.com">sdp@aiainc.com</a>
2	Alan Plummer Associates, Inc.	John D'Antoni	3100 Wilcrest Dr., Ste 270	Houston	TX	77042	713-464-2724	713-464-2725	<a href="mailto:jdantoni@apaienv.com">jdantoni@apaienv.com</a>
3	Alliance Transportation Group, Inc.	J. Michael Heath	11500 Metric Blvd., Building M-1, Ste 150	Austin	TX	78758	512-821-2081	512-821-2085	<a href="mailto:mheath@emailatg.com">mheath@emailatg.com</a>
4	Ambiotec Civil Engineering Group	Vicente Mendez	5420 Paredes Line Rd.	Brownsville	TX	78526	956-548-9333	956-548-9399	<a href="mailto:vmendez@ambiotec.com">vmendez@ambiotec.com</a>
5	Arceneaux & Gates Consulting Engineers, Inc.	Ronald Arceneaux	3501 Turtle Creek Dr., Ste 102	Port Arthur	TX	77642	409-724-7888	409-724-1447	<a href="mailto:ron@ageng.com">ron@ageng.com</a>
6	Baker & Lawson, Inc.	Herbert Smith	300 E. Cedar	Angleton	TX	77515	979-849-6681	979-849-4689	<a href="mailto:hsmith@bakerlawson.com">hsmith@bakerlawson.com</a>
7	BEFCO Engineering, Inc.	Gene Kruppa	485 North Jefferson St.	La Grange	TX	78945	979-968-6474	979-968-3056	<a href="mailto:gene.befco@cmaaccess.com">gene.befco@cmaaccess.com</a>
8	Benchmark Design Group	Edward Snodgrass	2026-B Republic Dr.	Tyler	TX	75701	903-534-5353	903-534-5352	<a href="mailto:els@benchmark-engineers.com">els@benchmark-engineers.com</a>
9	Bendicion Engineering, LLC.	Salvador Flores	19215 Deer Elk Crest	San Antonio	TX	78258	210-392-0036	210-490-4885	<a href="mailto:sflores1969@satx.rr.com">sflores1969@satx.rr.com</a>
10	Binkley & Barfield, Inc.	Don Primosic	8700 Manchaca Rd., Ste 301	Austin	TX	78748	512-292-0006	512-292-0015	<a href="mailto:dp@binkleybarfield.com">dp@binkleybarfield.com</a>
11	Bleyl & Associates	William Kotlan	100 Nugent St.	Conroe	TX	77301	936-441-7833	936-760-3833	<a href="mailto:bkotlan@bleylengineering.com">bkotlan@bleylengineering.com</a>
12	Bocci Engineering	Lianne Lami	12200 Northwest Fwy, Ste 509	Houston	TX	77092	713-255-8100	713-255-8101	<a href="mailto:Lianne.Lami@BocciEngineering.com">Lianne.Lami@BocciEngineering.com</a>
13	Bury Partners, Engineering Solutions	John Lindner	221 West Sixth St., Ste 600	Austin	TX	78701	512-328-0011	512-328-0325	<a href="mailto:jlindner@burypartners.com">jlindner@burypartners.com</a>
14	Camacho-Hernandez & Associates	John Hernandez	1603 Babcock Rd., Ste 260	San Antonio	TX	78229	210-341-6200	210-341-6300	<a href="mailto:john.hernandez@camachohernandez.com">john.hernandez@camachohernandez.com</a>
15	Camp, Dresser & McKee, Inc.	Sean Tenney	12357-A Riata Trace Pkwy, Ste 210	Austin	TX	78727	512-346-1100	512-345-1483	<a href="mailto:tenneysp@cdm.com">tenneysp@cdm.com</a>
16	Carnes Engineering, Inc.	Donald Carnes Jr.	12605 IH 10 East	Baytown	TX	77523	281-385-1200	281-385-0920	<a href="mailto:scarnes@careng.net">scarnes@careng.net</a>
17	Carroll & Blackman, Inc.	Allen Sims	3120 Fannin St.	Beaumont	TX	77701	409-833-3363	409-833-0317	<a href="mailto:asims@cbieng.com">asims@cbieng.com</a>
18	CDS/Muery Services Engineering & Surveying	Kenneth Rothe	3411 Magic Dr.	San Antonio	TX	78229	210-581-1111	210-581-5555	<a href="mailto:krothe@cdsmuery.com">krothe@cdsmuery.com</a>
19	Century Engineering, Inc	Dayton Spain Jr.	3030 South Gessner Rd., Ste 100	Houston	TX	77063	713-780-8871	713-780-7662	<a href="mailto:dspain@centuryengineering.com">dspain@centuryengineering.com</a>
20	CES Network Services, Inc.	E. Flores	P.O. Box 810256	Dallas	TX	75381	972-241-3683	972-241-8973	<a href="mailto:ehflores@cesnetser.com">ehflores@cesnetser.com</a>
21	Chica & Associates	Rod Thrailkill	505 Orleans, Ste 106	Beaumont	TX	77701	409-351-4325	409-833-8326	<a href="mailto:rthrail@chicaandassociates.com">rthrail@chicaandassociates.com</a>
22	CivilCorp, LLC	Ben Galvan	1501 E. Mockingbird Ln., Ste 406	Victoria	TX	77904	361-570-7500	361-570-7501	<a href="mailto:bgalvan@civilcorp.us">bgalvan@civilcorp.us</a>
23	CivilTech Engineering, Inc.	Darrell Kaderka	11821 Telge Rd.	Cypress	TX	77429	281-304-0200	281-304-0210	<a href="mailto:dlkaderka@civiltcheng.com">dlkaderka@civiltcheng.com</a>
24	Cobb, Fendley & Associates, Inc.	Allen Watson	13430 Northwest Fwy, Ste 1100	Houston	TX	77040	713-462-3242	713-462-3262	<a href="mailto:awatson@cobfen.com">awatson@cobfen.com</a>
25	Conley Group, Inc.	Greg Walterscheid	5800 East Campus Circle, Ste 250	Irving	TX	75063	972-444-9020	972-444-9737	<a href="mailto:gwalterscheid@conleygroup.com">gwalterscheid@conleygroup.com</a>
26	Consulting Environmental Engineers, Inc.	Charles Gillespie	150 N. Harbin Dr., Ste 408	Stephenville	TX	76401	254-485-4216	254-968-8130	<a href="mailto:ceeinc@ceeinc.org">ceeinc@ceeinc.org</a>
27	Costello, Inc.	Samuel Kruse	9990 Richmond Ave., Ste 450N	Houston	TX	77042	713-783-7788	713-783-3580	<a href="mailto:skruse@coseng.com">skruse@coseng.com</a>
28	Coyle Engineering, Inc.	Beth Coyle	9120 Old Dietz Elkhorn Rd.	Fair Oaks Ranch	TX	78015	830-755-8434	830-755-8435	<a href="mailto:bethcoyle@coyleengineering.com">bethcoyle@coyleengineering.com</a>
29	Coym Rehmert & Gutierrez Engineering	J. Don Rehmert	5656 S. Staples St., Ste 230	Corpus Christi	TX	78411	361-991-8550	361-993-7569	<a href="mailto:donr@crgei.com">donr@crgei.com</a>
30	CP&Y	Sanjay Ramabhadran	2925 Briarpark, Ste 850	Houston	TX	77042	713-532-1730	713-532-1734	<a href="mailto:sanjay@cpvi.com">sanjay@cpvi.com</a>
31	Cruz-Hogan Consultants, Inc.	Orlando Cruz	1221 East Tyler, Ste A	Harlingen	TX	78550	956-425-8968	956-423-5083	<a href="mailto:orlando@cruzhogan.net">orlando@cruzhogan.net</a>
32	d.p. Consulting Engineers, Inc.	William Larrain	3727 Doctors Dr.	Port Arthur	TX	77642	409-983-6263	409-983-6265	<a href="mailto:dpportarthur@sbcglobal.net">dpportarthur@sbcglobal.net</a>
33	Dannenbaum Engineering Corp.	F. Paul Celauro	3100 West Alabama	Houston	TX	77098	713-520-9570	713-527-6338	<a href="mailto:Paul.Celauro@dannenbaum.com">Paul.Celauro@dannenbaum.com</a>
34	Dos Logistics, Inc.	Hugo Gonzalez	212 West 3rd St.	Weslaco	TX	78596	956-968-8800	956-447-8194	<a href="mailto:hugogonzalez@doslogistics.com">hugogonzalez@doslogistics.com</a>
35	Doucet & Associates, Inc.	C. Rick Coneway	7401B Hwy 71 West, Ste 160	Austin	TX	78735	512-583-2600	512-583-2601	<a href="mailto:rick.coneway@doucet-austin.com">rick.coneway@doucet-austin.com</a>
36	Duplantis Design Group, P.C.	Matthew Newchurch	7155 Old Katy Rd., Ste 250	Houston	TX	77024	832-369-8170	832-369-8165	<a href="mailto:mnewchurch@ddgpc.com">mnewchurch@ddgpc.com</a>
37	Edminster, Hinshaw, Russ and Associates	Edward Gamel	10555 Westoffice Dr.	Houston	TX	77042	713-784-4500	713-784-4577	<a href="mailto:esabol@ehrainc.com">esabol@ehrainc.com</a>
38	Elledge Engineering Group	Phil Elledge	1121 ESE Loop 323, Ste 119	Tyler	TX	75701	903-531-0131	903-526-2913	<a href="mailto:pelledge@suddenlinkmail.com">pelledge@suddenlinkmail.com</a>
39	Enprotec/Hibbs & Todd, Inc.	Scott Hay	402 Cedar	Abilene	TX	79601	325-698-5560	325-691-0058	<a href="mailto:shay@e-ht.com">shay@e-ht.com</a>
40	Environ International Corp.	Brent Jones	10333 Richmond Ave., Ste 910	Houston	TX	77094	713-470-6651	713-470-6547	<a href="mailto:bjones@environcorp.com">bjones@environcorp.com</a>
41	Espey Consultants, Inc.	Chris Stewart	3809 South 2nd St., Ste B-300	Austin	TX	78704	512-326-5659	512-326-5723	<a href="mailto:cstewart@espeyconsultants.com">cstewart@espeyconsultants.com</a>
42	Everett Griffith, Jr. & Associates, Inc.	R.F. (Rick) Freeman	408 North Third St.	Lufkin	TX	75901	936-634-5528	936-634-7989	<a href="mailto:rfreeman@everettgriffith.com">rfreeman@everettgriffith.com</a>
43	Freese & Nichols, Inc.	Jeff Taylor	3100 Wilcrest Dr., Ste 200	Houston	TX	77042	713-600-6831	713-600-6801	<a href="mailto:jt@freese.com">jt@freese.com</a>
44	G & W Engineers, Inc.	David Hargus	205 West Live Oak St.	Port Lavaca	TX	77979	361-552-4509	361-552-4987	<a href="mailto:dhargus@gwengineers.com">dhargus@gwengineers.com</a>
45	Gary Burton Engineering, Inc.	Gary Burton III	14531 State Hwy 151 South	Tyler	TX	75703	817-599-9067	817-599-9104	<a href="mailto:gburton@gbei-tx.com">gburton@gbei-tx.com</a>
46	Goodwin-Lasiter, Inc.	Pat Oates	1609 South Chestnut, Ste 202	Lufkin	TX	75901	936-637-4900	936-637-6330	<a href="mailto:poates@goodwinlasiter.com">poates@goodwinlasiter.com</a>
47	Grounds Anderson, LLC	Elle Anderson	3801 Kirby Dr., Ste 400	Houston	TX	77098	832-613-9800	832-613-9799	<a href="mailto:eanderson@groundsanderson.com">eanderson@groundsanderson.com</a>
48	Gunda Corporation, Inc.	Raj Tanwani	7322 Southwest Fwy, Ste 1802	Houston	TX	77074	713-541-3530	713-541-0032	<a href="mailto:rtanwani@gundacorp.com">rtanwani@gundacorp.com</a>
49	Guzman & Munoz Engineering & Surveying	Richard LeFerve	1100 E. Jasmine Ave., Ste 107	McAllen	TX	78501	956-685-3812	956-685-3813	<a href="mailto:rlfevre@gmes.biz">rlfevre@gmes.biz</a>
50	Half Associates, Inc.	Greg Kuhn	1201 North Bowser Rd.	Richardson	TX	75081	214-346-6252	214-739-7086	<a href="mailto:gkuhn@half.com">gkuhn@half.com</a>

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52	Hayes Engineering	Stanley Hayes	2126 Alpine St.	Longview	TX	75601	903-758-2010	903-758-2099	<a href="mailto:stan@hayesengineering.net">stan@hayesengineering.net</a>
53	HDR Engineering, Inc.	Chris Claunch	4635 Southwest Fwy, Ste 1000	Houston	TX	77027	713-662-9264	713-622-9265	<a href="mailto:chris.claunch@hdrinc.com">chris.claunch@hdrinc.com</a>
54	Horizon MEP	Janet Hoffman	3651 Foremast Dr.	Galveston	TX	77554	409-621-6332	409-737-9233	<a href="mailto:jhoffman@horizonmep.com">jhoffman@horizonmep.com</a>
55	Howard R. Green Company	Edgar Barlow	11000 Richmond Ave., Ste 300	Houston	TX	77042	713-965-9996	713-965-0044	<a href="mailto:ebarlow@hrgreen.com">ebarlow@hrgreen.com</a>
56	Huitt-Zollars, Inc	Gregory Wine	1500 South Dairy Ashford, Ste 200	Houston	TX	77077	281-496-0066	281-496-0220	<a href="mailto:gwine@huitt-zollars.com">gwine@huitt-zollars.com</a>
57	J. F. Fontaine & Associates, Inc.	Jerry Fontaine	700 North Sycamore	Palestine	TX	75801	903-729-6005	903-729-7310	<a href="mailto:jffontaine@jffontaine.com">jffontaine@jffontaine.com</a>
58	Jay Engineering Co., Inc.	Frank Phelan	1500 C.R. 269	Leander	TX	78646	512-626-0717	512-259-8016	<a href="mailto:fphelan@jaeco.net">fphelan@jaeco.net</a>
59	Jaymark Engineering Corp.	Brandon Taylor	16000 Stuebner Airline, Ste 320	Spring	TX	77379	281-251-6005	281-251-6193	<a href="mailto:brandon@jaymarkengineering.com">brandon@jaymarkengineering.com</a>
60	John D. Mercer & Assoc., Inc.	John Mercer	P.O. Box 930	Galveston	TX	77553	409-741-8500	409-741-8501	<a href="mailto:jdmgalveston@jdmercer.com">jdmgalveston@jdmercer.com</a>
61	Johnson & Pace Incorporated	Wade Johnson	1201 West Loop 281, Ste 100	Longview	TX	75604	903-753-0663	903-753-8803	<a href="mailto:wadej@johnsonpace.com">wadej@johnsonpace.com</a>
62	Jones & Carter, Inc.	John Pledger III	1500 South Day St.	Brenham	TX	77833	979-836-6631	979-836-5686	<a href="mailto:jpledger@jonescarter.com">jpledger@jonescarter.com</a>
63	K+ Architects	Stanford Knowles	333 Ebony Ave.	Brownsville	TX	78520	956-542-7660	956-550-8118	<a href="mailto:knowlesaia@aol.com">knowlesaia@aol.com</a>
64	Kelly R. Kaluza & Associates, Inc.	Kelly Kaluza	3014 Avenue I	Rosenberg	TX	77471	281-341-0808	281-341-6333	<a href="mailto:kkaluza@kellykaluza.com">kkaluza@kellykaluza.com</a>
65	Kimley-Horn & Associates	Cole Webb	45 NE Loop 410, Ste 890	San Antonio	TX	78216	210-541-9166	210-541-8699	<a href="mailto:cole.webb@kimley-horn.com">cole.webb@kimley-horn.com</a>
66	Klotz Associates	Tom Ramsey	1160 Dairy Ashford, Ste 500	Houston	TX	77079	281-589-7257	281-589-7309	<a href="mailto:tom.ramsey@klotz.com">tom.ramsey@klotz.com</a>
67	KMS Engineering, LLP	David Keel	2550 Gray Falls Dr., Ste 215	Houston	TX	77077	281-598-0000	281-598-0007	<a href="mailto:david.keel@kmsllp.com">david.keel@kmsllp.com</a>
68	KSA Engineers	Stephen Dorman	4833 Spicewood Springs Rd., Ste 204	Austin	TX	78759	512-342-6868	512-342-6877	<a href="mailto:sdorman@ksaeng.com">sdorman@ksaeng.com</a>
69	L&L Engineers & Planners, Inc.	Larry Sheppard	103 West Gibson, Ste 150	Jasper	TX	75951	409-383-0000	409-383-0024	<a href="mailto:llengineer@sbcglobal.net">llengineer@sbcglobal.net</a>
70	LandTech Consultants, Inc.	Thomas Staudt	2525 North Loop West, Ste 300	Houston	TX	77008	713-861-7068	713-861-4131	<a href="mailto:tstaudt@landtech-inc.com">tstaudt@landtech-inc.com</a>
71	Langford Engineering, Inc.	John Davis	1080 West Sam Houston Pkwy North, Ste 200	Houston	TX	77043	713-461-3530	713-932-7505	<a href="mailto:johnd@langford-engineering.net">johnd@langford-engineering.net</a>
72	LEAP Engineering, LLC	Robert Hickman	550 Fannin, Ste 510	Beaumont	TX	77701	409-813-1862	409-813-1916	<a href="mailto:robert.hickman@leapengineering.com">robert.hickman@leapengineering.com</a>
73	Lentz Engineering, L.C.	Alfred Lentz	4710 Bellaire Blvd., Ste 250	Bellaire	TX	77401	713-839-8900	713-839-9020	<a href="mailto:al@lentzengineering.net">al@lentzengineering.net</a>
74	LJA Engineering & Surveying, Inc.	Wallace Trochesset	11821 East Fwy, Ste 400	Houston	TX	77029	713-450-1300	713-450-1385	<a href="mailto:wtrochesset@ljaengineering.com">wtrochesset@ljaengineering.com</a>
75	LVN, Inc. Engineering	Robert Viera	801 Navigation, Ste 300	Corpus Christi	TX	78408	361-883-1984	361-883-1986	<a href="mailto:RMViera@LVNinc.com">RMViera@LVNinc.com</a>
76	Lockwood, Andrews, & Newman, Inc	Stephen Gilbreath	2925 Briarpark Dr., Ste 400	Houston	TX	77042	713-266-6900	713-266-8971	<a href="mailto:sagilbreath@lan-inc.com">sagilbreath@lan-inc.com</a>
77	Longaro & Clarke, LP	Alex Clarke	7501 N. Capital of Texas Hwy, Bldg A, Ste 250	Austin	TX	78731	512-306-0228	512-306-0338	<a href="mailto:aclarke@longaroclarke.com">aclarke@longaroclarke.com</a>
78	MACTEC Engineering & Consulting, Inc.	Samuel Watson	3520 Executive Center Dr., Ste 200	Austin	TX	78731	512-795-0360	512-795-8423	<a href="mailto:smwatson@mactec.com">smwatson@mactec.com</a>
79	Matkin Hoover Engineering & Surveying	John-Mark Matkin	8 Spencer Rd., Ste 100	Boerne	TX	78006	830-249-0600	830-249-8153	<a href="mailto:johmark@matkinhoover.com">johmark@matkinhoover.com</a>
80	Mejia & Rose, Inc.	James Rose	1643 West Price Rd.	Brownsville	TX	78520	956-544-3022	956-544-3068	<a href="mailto:jrose@cngmail.com">jrose@cngmail.com</a>
81	Merit Environmental	Chibuzo Onwuchekwa	3845 FM 1960 West, Ste 345	Houston	TX	77068	281-440-0201	281-440-4568	<a href="mailto:jgwemazi@aol.com">jgwemazi@aol.com</a>
82	MRB Group, PC	Carl Schoenthal	4407 Monterey Oaks Blvd.	Austin	TX	78749	512-627-6459	512-637-5570	<a href="mailto:carl.schoenthal@mrbgroup.com">carl.schoenthal@mrbgroup.com</a>
83	Naismith Engineering	David Underbrink Sr.	4501 Gollihar Rd.	Corpus Christi	TX	78411	361-814-9900	361-814-4401	<a href="mailto:dunderbrink@naismith-engineering.com">dunderbrink@naismith-engineering.com</a>
84	O'Malley Engineers, LLP	Craig Kankel	203 South Jackson	Brenham	TX	77834	979-836-7937	979-836-7936	<a href="mailto:ckankel@omalleyengineers.com">ckankel@omalleyengineers.com</a>
85	Othon, Inc.	F. William Othon	11111 Wilcrest Green Dr., Ste 128	Houston	TX	77042	713-975-8555	713-975-9068	<a href="mailto:fwothon@othon.com">fwothon@othon.com</a>
86	Pape Dawson Engineers, Inc.	K. Stephen Bonnette	555 East Ramsey	San Antonio	TX	78216	210-375-9000	210-375-9010	<a href="mailto:sbonnette@pape-dawson.com">sbonnette@pape-dawson.com</a>
87	Pate Engineers, Inc.	Debra Anglin	13333 Northwest Fwy, Ste 300	Houston	TX	77040	713-462-3178	713-462-1631	<a href="mailto:danglin@pateeng.com">danglin@pateeng.com</a>
88	PBK Architecture Engineering Planning Facility	Trey Schneider	11 Greenway Plaza, 22nd Floor	Houston	TX	77046	800-938-7272	713-961-4571	<a href="mailto:trey.schneider@pbk.com">trey.schneider@pbk.com</a>
89	PlaGar Engineering, LLC	Placido Garcia Jr.	1155 Military Hwy	Brownsville	TX	78520	956-550-9995	956-550-9939	<a href="mailto:plagareng@aol.com">plagareng@aol.com</a>
90	Poznecki-Camarillo, Inc.	Fernando Camarillo	5835 Callaghan Rd., Ste 220	San Antonio	TX	78228	210-349-3273	210-349-4395	<a href="mailto:fcamarillo@pozcam.com">fcamarillo@pozcam.com</a>
91	PTI Inc., Engineers, Architects, Planners	David Collins	2925 Briarpark Dr., Ste 950	Houston	TX	77042	713-266-6145	713-974-4812	<a href="mailto:dcollins@pti-engineers.com">dcollins@pti-engineers.com</a>
92	R.E. Garcia & Associates	Raul Garcia	116 North 12th	Edinburg	TX	78541	956-381-1061	956-318-1280	<a href="mailto:regaassoc@aol.com">regaassoc@aol.com</a>
93	Raba-Kistner Consultants	Chris Schultz	12821 W Golden Ln.	San Antonio	TX	78249	210-699-9090	210-699-6426	<a href="mailto:cschultz@rkci.com">cschultz@rkci.com</a>
94	Reynolds, Smith & Hills, Inc.	Donald Glenn	11011 Richmond Ave., Ste 900	Houston	TX	77042	713-914-4455	713-914-0155	<a href="mailto:Donald.Glenn@rsandh.com">Donald.Glenn@rsandh.com</a>
95	River City Engineering, Ltd.	Barbara Lackey	1011 West County Line Rd.	New Braunfels	TX	78130	830-626-3588	830-626-3601	<a href="mailto:blackey@rcetx.com">blackey@rcetx.com</a>
96	RVE, Inc.	Patrick Veteto	820 Buffalo St.	Corpus Christi	TX	78401	361-887-8851	361-887-8855	<a href="mailto:patveteto@rve-inc.com">patveteto@rve-inc.com</a>
97	S&B Infrastructure	Harold "JR" Reddish	3535 Sage Rd.	Houston	TX	77056	713-845-5401	713-993-9301	<a href="mailto:hjreddish@sbinfra.com">hjreddish@sbinfra.com</a>
98	S.D. Kallman, L.P. Engineers & Environmental	Steven Kallman	1106 S. Mays, Ste 100	Round Rock	TX	78664	512-218-4404	512-218-1668	<a href="mailto:steve@sdkallman.com">steve@sdkallman.com</a>
99	SAM Engineering & Surveying, Inc.	Samuel Maldonado	2606 Woods Drive South	Edinburg	TX	78539	956-702-8880	956-702-8883	<a href="mailto:sam@samengineering-surveying.com">sam@samengineering-surveying.com</a>
100	Schaumberg & Polk	Glenn Graham	11767 Katy Fwy, Ste 900	Houston	TX	77498	281-920-0487	281-920-9924	<a href="mailto:gdraham@spi-eng.com">gdraham@spi-eng.com</a>



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102	Skinner Engineering Services Company	Scott Skinner	P.O. Box 67	Silsbee	TX	77656	409-385-2074	409-385-0263	<a href="mailto:jscottskinner@yahoo.com">jscottskinner@yahoo.com</a>
103	Slay Engineering Co., Inc.	Michael Slay	123 Altgelt Ave.	San Antonio	TX	78201	210-734-4388	210-734-6401	<a href="mailto:mslay@slayengineering.com">mslay@slayengineering.com</a>
104	Southwest Engineers, Inc.	Clarence Littlefield	307 St. Lawrence St.	Gonzales	TX	78629	830-672-7546	830-672-2034	<a href="mailto:clarence.littlefield@swengineers.com">clarence.littlefield@swengineers.com</a>
105	Stanley Consultants, Inc.	Shawn Fleming	6836 Austin Center Blvd., Ste 350	Austin	TX	78731	512-427-3600	512-427-3699	<a href="mailto:flemingshawn@stanleygroup.com">flemingshawn@stanleygroup.com</a>
106	Stokes & Associates	Neal Holland	605 S. Main, Ste 200	Henderson	TX	75654	903-657-7558	903-657-7864	<a href="mailto:neal@stokesandassociates.com">neal@stokesandassociates.com</a>
107	Stolz Engineering & Consultants	Wayne Stolz	117 East Shepherd Ave.	Lufkin	TX	75901	936-639-4369	936-639-4374	<a href="mailto:wstolz@stolzengineering.com">wstolz@stolzengineering.com</a>
108	TEDSI Infrastructure Group, Inc.	Mark Lupher	10260 Westheimer, Ste 460	Houston	TX	77042	713-975-8337	713-975-7194	<a href="mailto:mlupher@tedsi.com">mlupher@tedsi.com</a>
109	Tetra Tech	Brad Groves	700 North Saint Mary's, Ste 300	San Antonio	TX	78205	210-226-2922	210-226-8497	<a href="mailto:brad.groves@tetrattech.com">brad.groves@tetrattech.com</a>
110	The Arizpe Group, Inc.	Cesar Arizpe	6330 Highway 290 East, Ste 375	Austin	TX	78723	512-339-3707	512-339-3709	<a href="mailto:Caesar@Arizpe.com">Caesar@Arizpe.com</a>
111	The Brannon Corp.	Kirk Bynum	1321 South Broadway Ave.	Tyler	TX	75701	903-597-2122	903-597-3346	<a href="mailto:bynum@brannoncorp.com">bynum@brannoncorp.com</a>
112	Thonhoff Consulting Engineers, Inc.	Robert Thonhoff Jr.	1301 Capital of Texas Hwy, Ste A-236	Austin	TX	78746	512-328-6736	512-328-6848	<a href="mailto:thonhoff@swbell.net">thonhoff@swbell.net</a>
113	TLC Engineering, Inc.	David Fedrick	8204 Westglen Dr.	Houston	TX	77063	713-868-6900	713-868-0001	<a href="mailto:dfedrick@tlceng.com">dfedrick@tlceng.com</a>
114	United Engineers, Inc.	Sherif Mohamed	8303 Southwest Fwy, Ste 600	Houston	TX	77074	713-271-2900	713-271-2999	<a href="mailto:sherifm@unitede.com">sherifm@unitede.com</a>
115	Urban Engineering	Thomas Schmidt	2004 N. Commerce St.	Victoria	TX	77901	361-578-9837	361-576-9836	<a href="mailto:tschmidt@urbanvictoria.com">tschmidt@urbanvictoria.com</a>
116	Vandewiele Engineering, Inc.	John Van De Wiele	2975 Briarpark, Ste 275	Houston	TX	77042	713-782-0042	713-782-5337	<a href="mailto:jvandewiele@vandewiele-eng.com">jvandewiele@vandewiele-eng.com</a>
117	Vertex Engineering	Noelle Ibrahim	6860 North Dallas Pkwy, Ste 200	Plano	TX	75024	972-381-2767	972-381-2791	<a href="mailto:rfrp@vertex-eng.com">rfrp@vertex-eng.com</a>
118	Walker Restoration Consultants	Casey Wagner	17049 El Camino Real, Ste 202	Houston	TX	77058	281-280-0068	281-280-0373	<a href="mailto:casey.wagner@walkerparking.com">casey.wagner@walkerparking.com</a>
119	Walker, Wiederhold, & Associates	Otto Wiederhold	2100 Trimmier Rd., Ste 102	Killeen	TX	76541	254-690-1478	254-699-0737	<a href="mailto:owiederhold@ge-walker.com">owiederhold@ge-walker.com</a>
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121	Winn Professional Engineers	Walter Winn Jr.	P.O. Box 2727	Longview	TX	75606	903-553-0500	903-553-0555	<a href="mailto:twinn@winnpec.com">twinn@winnpec.com</a>

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3	Business Services Company	Carlos Mondragon	Route 2 Box 82	Lyford	TX	78569	956-607-9925	None	<a href="mailto:cmondragon@rgv.rr.com">cmondragon@rgv.rr.com</a>
4	Camp Dresser & McKee	Sean Tenney	12357-A Riata Trace Pkwy, Ste 210	Austin	TX	78728	512-346-1100	512-345-1483	<a href="mailto:tenneysp@cdm.com">tenneysp@cdm.com</a>
5	Carl R. Griffith & Associates	John Johnson	2901 Turtle Creek Dr., Ste 101	Port Arthur	TX	77642	409-722-5100	409-722-5101	<a href="mailto:jjohnson@carlgriffith.com">jjohnson@carlgriffith.com</a>
6	Carlos Colina-Vargas, AICP	Carlos Colina-Vargas	4512 Cliffstone Cove	Austin	TX	78735	512-892-1653	512-892-2360	<a href="mailto:connie_colina@yahoo.com">connie_colina@yahoo.com</a>
7	Comfort Financial Services	Comfort Atanga	6507 Springfield Dr.	Arlington	TX	76016	817-819-0640	972-739-1323	<a href="mailto:tffortress@gmail.com">tffortress@gmail.com</a>
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9	Community Development Resources	Robert L. Chavira	4807 Hale Dr.	Austin	TX	78749	512-947-7212	512-891-6588	<a href="mailto:RLChaviral@aol.com">RLChaviral@aol.com</a>
10	David J. Waxman & Associates	David J. Waxman	126 Marvin Hancock Dr.	Jasper	TX	75951	409-384-3458	409-384-5719	<a href="mailto:davidjwaxman@sbcglobal.net">davidjwaxman@sbcglobal.net</a>
11	Frontera Consultants, RGV	Jared Hockema	531 East Saint Francis St.	Brownsville	TX	78520	956-542-6932	956-544-6936	<a href="mailto:jared.hockema@frontera-rgv.com">jared.hockema@frontera-rgv.com</a>
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23	Raymond K. Vann & Associates	Raymond (Ray) K. Vann, Jr.	402 E. Shepherd Ave.	Lufkin	TX	75901	936-634-2550	936-634-2552	<a href="mailto:rkv@consolidated.net">rkv@consolidated.net</a>
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25	Richardo Gomez & Associates	Ricardo Gomez	36068 Marshall Hutts	Rio Hondo	TX	78583	956-578-9559	956-748-9009	<a href="mailto:RGainArroyoCity@aol.com">RGainArroyoCity@aol.com</a>
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**SUMMARY**  
**Status Report**  
**Supplemental CDBG Disaster Recovery Funds for**  
**Round 1 & Round 2 –Non-Housing &**  
**Infrastructure Funds**  
Presented by Heather Lagrone\*

**DISCUSSION**

**Overview:**

This status report covers the portion of the Supplemental CDBG funds provided to Texas that were allocated to non-housing or infrastructure projects that ORCA is managing. The Texas Department of Housing and Community Affairs (TDHCA) was designated by the Governor as the lead agency in Texas. It is currently managing the delivery of the vast majority of the disaster recovery funds, which were allocated to housing. A breakdown by purpose and agency managing the funds is below.

**Hurricane Rita Funds – Round 1**

Housing (TDHCA):	\$41,795,655	
Non-housing (ORCA):	\$31,933,946	< =====
Unallocated :	<u>\$ 793,399</u>	
Total:	\$74,523,000	

**Hurricane Rita Funds – Round 2**

Housing (TDHCA):	\$384,461,323	
Infrastructure (ORCA):	\$ 44,100,000	< =====
Unallocated :	<u>\$ 110,526</u>	
Total:	\$428,671,849	

## Hurricane Rita Funds – Round 1

(as of 6/30/09)

93 total contracts to communities (excludes COG contracts)

Amount Awarded: \$30,294,362  
 Amount Expended: \$29,088,938

Percentage Expended\* 96%

\*expended amount includes funds spent and draws pending in office

	All Funds Expended / Pending Final Closeout	Percent	Greater than 95% Expended	Percent	Total Contracts	# Returning Funds*
DETCOG	17	36%	19	40%	47	9
ETCOG	5	71%	1	14%	7	1
HGAC	13	81%	0	0%	16	2
SETRPC	17	74%	1	4%	23	4
	52	56%	21	23%	93	16

\*communities likely to return funds.

## Hurricane Rita Funds – Round 2

(as of 7/20/09)

8 total contracts to communities

Amount Awarded: \$42,000,000  
**Amount Expended:** \$15,947,670

Percentage Expended\* 36.83%

\*expended amount includes funds spent and draws pending in office

TDHCA and ORCA have executed an amendment to the Interagency Agreements for both Round 1 and Round 2 funding that provided for ORCA management to handle all non-housing / infrastructure funds.

## **RECOMMENDATION**

These reports are provided for information only.

## **RURAL DEFINITION**

Nonentitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Ms. Lagrone at 512-936-6727 ([hlagrone@orca.state.tx.us](mailto:hlagrone@orca.state.tx.us)).**

**SUMMARY**  
**Status Report**  
**Report on Contracted Activities with HNTB**  
Presented by Oralia Cardenas \*

**DISCUSSION**

**Overview:**

ORCA has hired the engineering firm, HNTB, to provide technical assistance and to assist non-entitlement communities in prioritizing and assessing projects for Hurricane Ike disaster recovery assistance. HNTB is a nationally recognized engineering firm with offices throughout Texas. The timeframe to get the projects identified, scoped, and estimated was by May 31, 2009.

The contract was awarded for \$8,604,004 and later amended at the April 2009 Executive Board meeting to \$16,618,839. Payment of the contract initially came from funds secured by the Governor's Office provided in a temporary transfer of \$6 million to fund the contract. Repayment of these borrowed funds has been made by ORCA from the Hurricane Dolly/ Ike Funds. The engineering services provided under the contract are eligible CDBG planning activities.

HNTB has the resources and staff with the extensive knowledge necessary to assist ORCA in providing damage assessments, identifying gaps in other funding sources, and prioritizing infrastructure projects, while at the same time identifying special permits and clearances that may affect the timeline to get funded projects completed. ORCA expects that this standardized approach will help to provide uniformity and reliability in the development of damage assessments. The results of the engineering assessments to identify priorities at the community level will assist the regions in determining regional priorities for funding and will be incorporated in the application process.

Number of Communities to Assess	65
Number of Community Meetings Held to date (Remaining communities have declined or have been non-responsive)	147
Number of Review Findings Meetings Completed	14
Total Number of Eligible Projects Identified to Date	2768
Total FEMA Project Worksheets Reviewed	904
Potential Increase in FEMA Funding Identified	\$18.9 million

HNTB has completed the major components of the contracted services, including assistance with the Action Plan, initial meetings with 147 non-entitlement communities, identification of 3,689 projects by working with communities (936 were deemed ineligible for project assessment or combined with other projects), scoping and estimating of 2,753 projects, 14 Review Findings meetings with the communities, training of entitlement communities, various community meetings such as council and commissioner court meetings, presentations to the ORCA board, coordination with FEMA and GDEM, creation and maintenance of a project website and dashboard, coordination with environmental review agencies, and general technical assistance. A draft Program Summary Report has been prepared and submitted to ORCA for review and comment.

HNTB is currently focused on the following planning activities to continue to develop the Disaster Recovery Program:

- Implementing a Quick Start Generator Deployment Pilot Program (QSGDPP).
- Developing a Public Information Plan that will be incorporated into the QSGDPP.
- Assisting ORCA in the development of the Emergency Preparedness Plan (EPP).
- Planning the Community Recovery Tool Kit and training schedule.
- Providing general program activities and technical assistance as necessary.
- Finalizing the Program Summary Report.

All contracted activities under the HNTB contract will be complete by the August 31, 2009 maturity date with the exception of the Quick Start Generator Deployment Pilot Program (QSGDPP). To get this pilot program operational staff is recommending extending the HNTB contract by one month to September 30, 2009. There is no increase in funding required for this extension.

## **RECOMMENDATION**

Staff recommends an extension of the HNTB contract by one month to September 30, 2009 to allow for additional work on the Quick Start Generator Deployment Pilot Program (QSGDPP). There is no increase in funding required for this extension.

## **RURAL DEFINITION**

Nonentitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Ms. Cardenas at 512-936-7890 (ocardenas@orca.state.tx.us).**



**SUMMARY**  
**Consider a proposed Action Plan for Hurricanes**  
**Dolly/Ike round 2 funding**  
Presented by Oralia Cardenas \*

**DISCUSSION**

**Overview:**

HUD announced a second round of supplemental Disaster Recovery funding on June 10, 2009. Texas is proposed to receive \$1,743,001,247 to aid in recovery activities. While submittal of an amendment to the Action Plan, to cover use of these new funds, must await publication of the official announcement and HUD's governing regulations, ORCA has proceeded to develop a draft plan for the Board's consideration and public comment. Any significant changes in the program requirements arising from formal publication by HUD may require revision of this draft document.

The amended Action Plan proposes the even division of funding between housing and non-housing activities to be managed by TDHCA and ORCA respectively. Other significant elements of the proposed amendment includes use of HNTB's disaster impact modeling in the allocation of funds amongst affected regions, the use of a competitive funding pool for regions with a lesser degree of storm damage, introduction of competitive allocations for specific activities including generators, health care facilities and economic development and a special pilot program that would create model redevelopment projects for three to five chosen sites impacted by the disaster.

Discussions are ongoing among ORCA, TDHCA and the Governor's Office regarding the final proposed amendment.

**RECOMMENDATION**

Approve publication of the draft amendment to the Plan for Disaster Recovery to allow staff to hold public hearings and receive public comment.

## **RURAL DEFINITION**

Nonentitlement cities with populations under 50,000 and counties under 200,000.

**\*Should a Board member have questions concerning this agenda item, please contact Ms. Cardenas at 512-936-7890 (ocardenas@orca.state.tx.us).**

# **Amendment to the Plan for Disaster Recovery**

Prepared by the Disaster Recovery Division  
July 27, 2009

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## **EXECUTIVE SUMMARY**

The hurricane season of 2008 severely impacted the Texas Gulf Coast with three hurricanes and a tropical storm. The most serious of these were Hurricane Dolly hitting South Texas in July and Hurricane Ike striking the upper coast in September. Soon afterward in November 2008 Governor Perry's Texas Rebounds Report cited preliminary unreimbursed damages of \$29.4 billion. Availability of the initial round of CDBG Disaster Recovery funding and designation of the affected area (see Appendix- A-2) for these two events was published in the *Federal Register* on February 13, 2009. Availability of the second round of funding has been announced but has not yet been published.

Initial damage estimates, as of December 1, 2008, provided by FEMA became the basis for allocation of an initial round (\$1,314,990,193) of CDBG Supplemental funds. Funds were released by HUD with approval of the Plan for Disaster Recovery (referred to as the Action Plan) on May 14, 2009, July 2, 2009 and July 24, 2009 as the regional and county level Methods of Distribution were finalized by local officials.

The announcement of a second round (\$1,743,001,247) of funding on June 10, 2009 has required the submission of this amendment to the initial plan. This amendment allows for the "mid course adjustments", as promised in the initial Action Plan. This amendment will utilize the latest information available about the event, address unmet needs and compliment the more locally driven first round of funding, which was designed to accommodate the more immediate needs of communities.

New elements key to the 2<sup>nd</sup> round allocation of funds include:

- Making 50% of the funds available for housing needs;
- Prioritizing projects that meet the low to moderate income (LMI) national objective;
- Inclusion of allocations for targeted activities including generators, medical facilities and economic development to provide for a broader approach to recovery;
- Creation of a Pilot Comprehensive Community Recovery Program to promote sustainable planned recovery efforts;
- Utilization of a competitive funding pool for areas less impacted by the storms to maximize the use of funds for high priority need in the areas most impacted by the disaster; and,
- Development of program criteria that encourages long-term strategies for reducing the risk of damage from future natural disasters.

These features will complement and enhance the locally determined allocation process first used in round one and incorporated in this proposal for infrastructure and housing funds in the most severely impacted regions.

The following constitutes an amendment to the initial Action Plan published December 3, 2008 (referred to as the Action Plan). All aspects of that plan remain in force for the second round of funding unless specifically modified by this document.

## **ROLES AND RESPONSIBILITIES**

Governor Rick Perry designated the Office of Rural Community Affairs as the entity responsible to the U.S. Department of Housing and Urban Development for the grant administration of the CDBG disaster recovery funding.

In this capacity, ORCA will continue to be responsible for execution of the CDBG grant award, development of Action Plan amendments, completion of quarterly reports, the associated letter of credit, and the end of the award report. ORCA will also oversee the distribution of CDBG funds for all non-housing activities and the comprehensive community recovery pilot project program. The Texas Department of Housing and Community Affairs (TDHCA) is a major partner with ORCA and contributed to the development of this amendment. They will continue to administer disaster recovery funding for housing other than that associated with the pilot program.

Regional Councils of Governments (COGs) in the areas most impacted by the disaster will be responsible for developing methods of distribution for housing and non-housing funds not termed as categorical competitive activities (generators, medical facilities, economic development). Local governments, cities and counties, may act as grantees for funds allocated by Councils of Governments and may apply, along with other eligible entities as provided in each application guide for categorical activity funding and may participate in competitive funding pools.

## **FEDERAL APPROPRIATION**

The Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub. Law 110-329), enacted on September 30, 2008, appropriated \$6.5 billion through the Community Development Block Grant (CDBG) program for “necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in areas affected by hurricanes, floods, and other natural disasters occurring during 2008 for which the President declared a major disaster...”.

The U. S. Department of Housing and Urban Development (HUD) was designated by Congress as the administering agency. In October 2008, HUD reduced the amount of funding to \$6.1 billion in response to a budget rescission requirement from Congress. On November 28, 2008, HUD made an initial allocation to Texas of \$1,314,990,193. A second allocation of \$1,743,001,247 was announced on June 10, 2009 and is the genesis of this amendment. This later round of funding and its associated regulations has not yet been published by HUD in the *Federal Register*. As a result, this document is subject to revision in order to comply with any new requirements.

All restrictions and requirements stated in the original Action Plan are proposed to remain in effect over the second round of funding unless required to be modified to

comply issuance of the guidance for round two funding. In addition, HUD has established the *Disaster Recovery Enhancement Fund* as a matching grant to encourage States to undertake long-term disaster strategies that focus on reducing the risk of damage from future natural disasters. Second round funds expended on activities that promote planning, hardening of facilities to withstand future hurricane events and encourage sustainable development practices. These projects may include:

- Buyout payments for homeowners living in high-risk areas;
- Optional relocation payments to encourage residents to move to safer locations;
- Home improvement grants to reduce damage risks (property elevation, reinforced garage doors and windows, etc.);
- Improving and enforcing building codes; and,
- Developing forward-thinking land-use plans that reduce development in high-risk areas.

The Comprehensive Recovery Pilot program and other projects are anticipated to qualify for these matching funds.

## **ONGOING ELEMENTS OF THE ACTION PLAN**

The initial Action Plan included significant discussions of programmatic requirements and restrictions on the use of funds (see listing in appendix B-2). These are carried forward into round two of disaster recovery funding. This included modifications of certain HUD regulations and alternative compliance standards. Since acceptance of that plan by HUD additional waivers have been granted (see appendix B-2) for the affected areas and are also to be in force through the second funding cycle.

## **INTRODUCTION - IMPACT OF THE STORMS AND RECOVERY NEEDS**

The original Action Plan, coming soon after the disaster event relied upon FEMA damage assessments available at that time as a frame work for allocation of funds to the various regions. In addition, regions were encouraged to utilize analytical standards, in particular those connected with the physical impacts of the storms, in developing their methods of distribution within their respective areas.

In response to stakeholder feedback regarding the validity of FEMA damage assessments and concurrent with development of the MODs, ORCA engaged the engineering firm HNTB to identify and assess potential projects and provide documentation of damage, scoping and cost estimating services in 29 counties most affected by Hurricane Ike. HNTB's technical assistance was targeted to non entitlement communities with fewer resources available during the immediate aftermath of the storm to provide independent analysis of damage and preliminary screening and specifications for selected projects. This formed the basis for additional opportunities for requests for FEMA funding, documentation of urgent need and project descriptions for grant applications. The 2,751 individual projects assessed by HNTB formed a data base of needs and overall damage for these communities.

ORCA determined that second round funding allocations should be grounded in a model of damage assessment utilizing the physical elements of hurricanes Ike and Dolly. HNTB was charged with providing ORCA with the basis for this model in order to refine the original assessment by FEMA and identify the areas of unmet need from the first round.

The damage model first measured each event's storm surge, rainfall and wind impacts on the areas impacted by Hurricanes Dolly and Ike (see study tables and maps in appendix C-2). This model was further modified to take into account the area, at the coast, hardest hit by the 40 nautical mile eye wall of Hurricane Ike that received the most severe damage; a finding supported by research conducted jointly by NASA and NOAA. The assessment for each storm event was then aggregated and along with the impact zone indices yielded a cumulative damage distribution across the eleven regions that encompass the declared disaster area.

### **STATUS OF ROUND ONE RECOVERY ACTIVITIES**

The initial Action Plan distributed funds to impacted regions, as discussed previously, based upon the FEMA public assistance and individual assistance data available as of December 1, 2008. Responsibility for further distribution of funds was assigned to the regional Councils of Governments, utilizing their own objective method of distribution (MOD), with the intent that local officials could best determine local needs. Replicable and verifiable data was required for this process and use of physical damage criteria was strongly recommended. All MODs have been received, approved by ORCA and grant applications are being submitted and approved.

Several trends have become evident in the review of the applications and the comments from stakeholders. There is a wide spread need for generators and other system improvements to assure continuity of service during and after storm events. Jurisdictions have prioritized projects other than those serving low to moderate income residents in an effort to move recovery forward as fast as possible by focusing on urgent need projects with overall benefit to the community. This later outcome impacts the State's ability to fulfill its obligation to expend 50% of the total funds to meet the LMI national objective.

This Action Plan amendment occurs at a mid-point in the application evaluation process and allows ORCA to re-examine its approach and take affirmative steps to address these issues with round two funding.

### **PROPOSED AMENDMENT FOR ROUND TWO RECOVERY FUNDING**

#### Roles and responsibilities

Round two disaster recovery funds will be distributed equally between housing and non-housing activities. ORCA and TDHCA will be responsible for administration and project delivery costs from those funds to manage their respective grants awarded in accordance with this amendment and adopted Methods of Distribution.



Both agencies will also directly administer special purpose funding projects. Affordable rental housing will be managed by TDHCA to comply with the requirement, as identified in the disaster recovery appropriation, to spend approximately 10% of total funding on this activity. ORCA will administer the Comprehensive Community Recovery Pilot Program in response to HUD policy priorities as expressed by creation of the Disaster Recovery Enhancement Fund and the Partnership for Sustainable Communities.

### Allocation of Funds

This Action Plan amendment proposes to build on the successful aspects of the initial Action Plan and establish new mechanisms to better meet the unmet needs of the impacted disaster area. This amendment takes steps to achieve the following goals for round two funding:

- Provide funding allocations that better reflect the impact of the storm events;
- Targeted activities including generators, medical facilities and economic development to provide for a broader approach to recovery;
- Prioritize projects benefiting low to moderate income beneficiaries; and,
- Promote a systemic and comprehensive approach to community recovery.

The initial Action Plan stated that round one allocations were based on incomplete data sets that were the best information available at the time and that future allocations would utilize additional data when it became available. ORCA's storm impact model is being used to establish a proportional distribution of all funds across the declared disaster area. This distribution was applied to the cumulative funds (rounds one and two) made available by HUD. The assessment was performed for both housing and non-housing activities and applied to funds not specified for administration, project delivery or two special program areas (low income rental housing assistance and the comprehensive community recovery pilot program). Each region's share of cumulative funds was then adjusted by the funds already allocated in round one to derive their respective degree of unmet need (see appendix E-2). Additionally, this model identified two distinct levels of impact that resulted from the storms. This finding shapes the mechanisms proposed for funding allocations.

ORCA proposes distributing non-housing funds for four specific types of activities in order to assure availability of funds for these priority needs. Projects for three categories of activity would draw funds from either regional set asides or multi-regional funding pools. The Comprehensive Community Recovery Pilot Program receives a direct allocation and would be administered by ORCA for three to five sites chosen to be models of integrated, sustainable and planned redevelopment activities.

ORCA's storm impact model found that four regions (H-GAC, SETRPC, LRVGDC and DETCOG) experienced the vast majority (over 87%) of storm impact. This finding is also supported by reviewing FEMA damage assessments. ORCA proposes that each of these COGs develop a method of distribution making direct allocations, with a minimum award of \$75,000, to grantees for housing and infrastructure funds. No local competitions or county level MODS will be allowed for round two funding. Each of the four regions

would also have a set aside of funds within each of the non-housing activity specific competitions, which will be administered by ORCA.

The remaining seven regions (mostly inland) received significantly less severe storm damage. A competitive funding pool is proposed for these regions (ATCOG, CBCOG, CTCOG, BVCOG, ETCOG, GCRPC and STDC) at a constant funding level of available funds. Eligible entities in these COGS would be able to apply for housing, infrastructure and all the activity specific projects from this pool. This approach removes the limitations of small distributions and allows the projects with greatest need to be funded despite local or size, but would still give preference to projects within regions of higher storm impact.

Allocation of Round two Funds							
Regions	Total Funds	Total Housing	Total Non-Housing	General Non-Housing	Specific Non-housing Activities		
					Generator	Healthcare facilities	Economic Development
SETRPC							
H-GAC							
LRVDC							
DETCOG							
*Pooled funds							
Comprehensive Pilot Project							
Affordable Rental							
Administration							
Planning And Project Delivery							

\* Pooled funds available to eligible entities in ATCOG, BVCOG, CBCOG, CTCOG, ETCOG, GCRPC, STDC

Description of eligible activities

All eligibility standards in place for the first round of funding shall remain in place through round two.

Housing activities shall be administered by TDHCA in accordance with their regulations and as further described below:

(Details to be provided by TDHCA)

In the event that a region cannot utilize their set aside of housing funds such funds will be reallocated for use to support housing components of the Comprehensive Community Recovery Pilot Program.

Non-housing activities shall be undertaken in accordance with ORCA requirements with priority given to the projects meeting the LMI national objective. This objective will be incorporated into regional MOD process and application guidelines for specific activity competitions.

Distribution of funds for general non-housing activities, not specified below, will be determined by the four locally adopted regional MODs (H-GAC, SETRPC, LRVGDC

and DETCOG). Regions participating in the funding pool will submit applications for general non-housing projects to ORCA based upon application guidelines developed by the agency.

All specific activity non-housing funds shall be awarded by competitive processes administered by ORCA. Applications for the generator, healthcare facilities and economic development programs described below will be submitted to ORCA with entities from the four highly impacted regions drawing on funds set aside within each category. Other regions' projects shall draw from pooled funds similarly identified for these activity categories. Selection of sites for the Comprehensive Community Recovery Pilot Program will be handled pre-application process administered by ORCA.

- a. The Generator Program arose from the large percentage of communities proposing such projects due long term power outages that impacted health and safety and experience gained from the quick start generator initiative in round one. These funds will provide generators for critical infrastructure that was physically damaged or failed to function as designed. This process will allow ORCA to maximize funding through bulk purchasing of equipment meeting standardized specifications. In addition projects meeting certain criteria may benefit from expedited environmental review processes. First priority will be given to water and sewer activities with second priority for sheltering and all other eligible facilities.
- b. The Economic Development Revolving Loan Fund will provide awards to qualified local revolving loan fund providers (up to 10 awards) that will identify service areas for business loans that promote job creation or retention. The balance of the funds will be managed by ORCA and be made available for businesses not covered in the service areas of the qualified local revolving loan funds. All program income generated will be returned to the state after six years.
- c. The Healthcare Facilities Program will provide improvements, disaster hardening, and generators for healthcare facilities that were physically damaged or failed to function as designed. Maximum award per facility of \$2.5 million.
- d. The Comprehensive Community Recovery Pilot Program will select 3-5 communities through a competitive program for site specific planning and development activities as model projects. The resulting redevelopment area will positively impact the overall community recovery through a holistic approach that addresses community development, economic development and housing needs through sustainable community design and construction practices. The resulting projects should afford a higher level of hazard protection, community amenity and quality of life to promote both the recovery and future growth of the community at large.

#### Public Participation and Public Comment

Considerable public involvement has occurred with implementation of the first round of funds. The original Action Plan received comments from five public meetings. HNTB

provided technical assistance by meeting with 149 communities during their assessment process and holding an additional 14 regional meetings, within the 29-county Hurricane Ike impact area to discuss outcomes of their efforts. The regionally developed MODs also required a minimum of two public hearings. Additionally many counties and municipalities either held hearings or addressed selection of recovery projects in public meetings.

This proposed amendment to the Action Plan was posted on the agencies web site for review. Announcement of its availability was made at weekly ORCA webinars held for stakeholders in the process as well as on ORCA’s “Dashboard” website available to applicants. Public hearings were held in accordance with standards laid out in the original Action Plan. These hearings were advertised locally and held as follows:

Public Hearing 1	Public Hearing 2	Public Hearing 3	Public Hearing 4	Public Hearing 5

\*Dates and locations have not been finalized

A summary of these public hearings and comments received is found in appendix F-2. Development of regional MODs for round two funding will follow citizen participation guidelines similar to those utilized during round one.

Appendix A-2 Disaster Recovery Eligible Counties

List of counties

Map of impacted counties

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**ELIGIBLE COUNTIES:**

**Hurricane Dolly (FEMA-1780-DR) and Hurricane Ike (FEMA-1791-DR)**

Anderson  
Angelina  
Aransas  
Austin  
Bowie  
Brazoria  
Brazos  
Brooks  
Burlleson  
Calhoun  
Cameron  
Cass  
Chambers  
Cherokee  
Fort Bend  
Galveston  
Gregg  
Grimes  
Hardin  
Harris  
Harrison

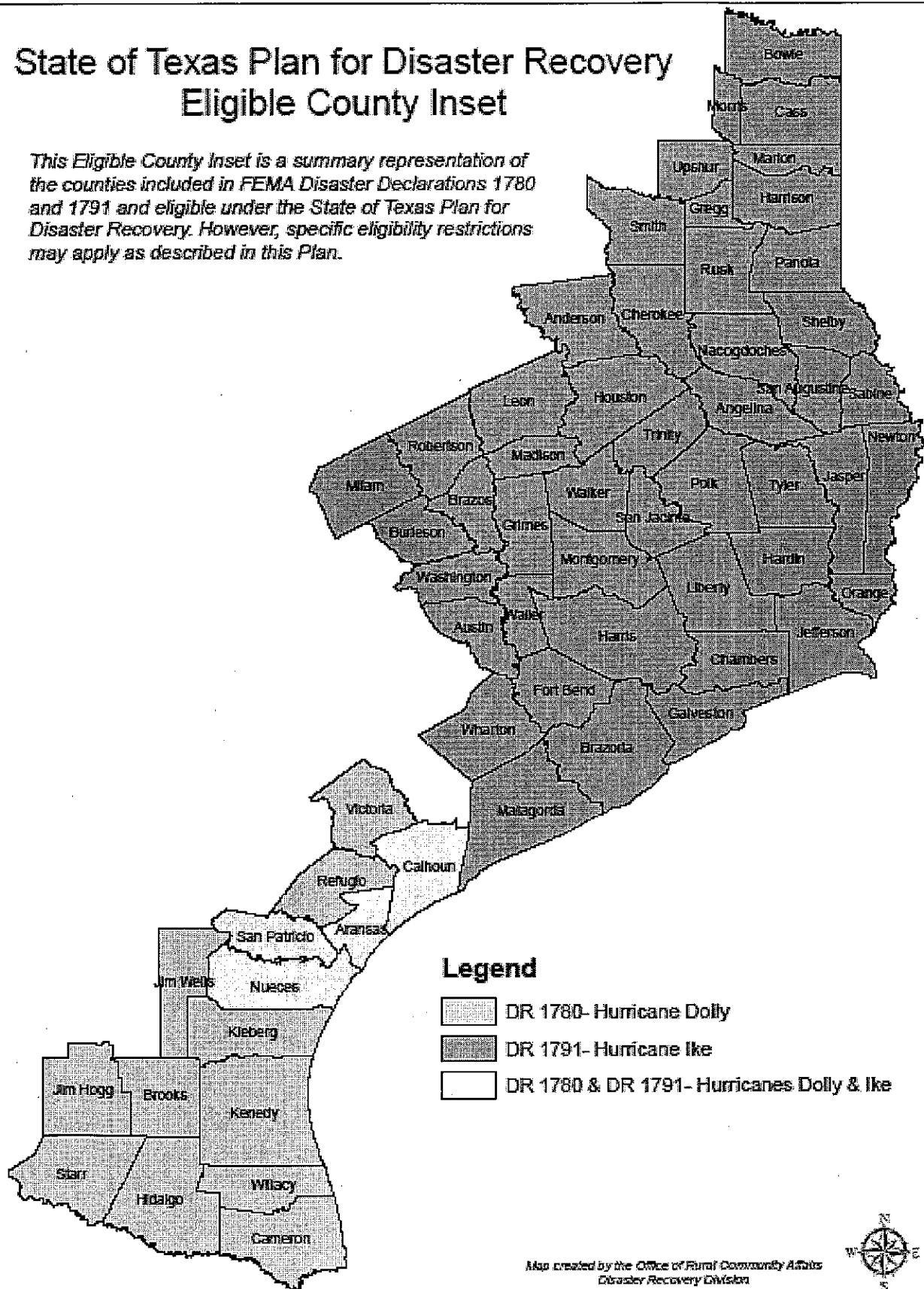
Hidalgo  
Houston  
Jasper  
Jefferson  
Jim Hogg  
Jim Wells  
Kenedy  
Kleberg  
Leon  
Liberty  
Madison  
Marion  
Matagorda  
Milam  
Montgomery  
Morris  
Nacogdoches  
Newton  
Nueces  
Orange  
Panola

Polk  
Refugio  
Robertson  
Rusk  
Sabine  
San Augustine  
San Jacinto  
San Patricio  
Shelby  
Smith  
Starr  
Trinity  
Tyler  
Upshur  
Victoria  
Walker  
Waller  
Washington  
Wharton  
Willacy

DRAFT

# State of Texas Plan for Disaster Recovery Eligible County Inset

*This Eligible County Inset is a summary representation of the counties included in FEMA Disaster Declarations 1780 and 1791 and eligible under the State of Texas Plan for Disaster Recovery. However, specific eligibility restrictions may apply as described in this Plan.*



### Legend

- DR 1780- Hurricane Dolly
- DR 1791- Hurricane Ike
- DR 1780 & DR 1791- Hurricanes Dolly & Ike

Map created by the Office of Rural Community Affairs  
Disaster Recovery Division  
February 3, 2009



Appendix B-2 Ongoing elements of the Action Plan (adopted by reference)

Ongoing elements of the action plan

Public Input and Participation

Eligible Grantees

National Objectives

Program Objectives

Overview of Eligible Program Activities

Non-Housing

Economic Revitalization

Housing (Regionally Allocated and Administered)

Eligible Regionally Allocated Housing Programs

Eligible Sub recipient Grantees for Regionally Allocated  
Housing Programs

Sub recipient Grantee Minimum Housing Capacity Criteria

Housing (State Allocated and Administered)

TDHCA Administered Affordable Rental Housing Stock

Restoration Program

Notice of Funding Availability (NOFA)

General Information

Application and Allocation Award Timeline

Application Requirements

Match Requirement

Grant Administration

Administration and Staffing

Administrative Costs

Action Plan Amendments

Contract Term and Amendments

Anti-displacement and Relocation

Citizen Complaints

Definitions

Regulatory Requirements

Environmental Review

Flood Buyouts

Monitoring

Procurement

Program Income



## Appendix C-2 Impact of the Storms and Recovery Needs

1. ORCA Storm impact model
2. Storm impact maps – Hurricane Dolly
3. Storm Impact Maps – Hurricane Ike

(Final modeling to be incorporated later)

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Appendix D-2 Round 1 Method of Distribution

Allocation of Funds by Region

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Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
ATCOG	Bowie	Bowie County	0.00	635,713.00	\$0	\$0	635,713.00
ATCOG	Cass	Cass County	0.00	370,180.00	\$0	\$0	370,180.00
ATCOG	Morris	Morris County	0.00	158,780.00	\$0	\$0	158,780.00
<b>ATCOG</b>	<b>ATCOG Total</b>	<b>ATCOG Total</b>	<b>0.00</b>	<b>1,164,673.00</b>	<b>\$0</b>	<b>\$0</b>	<b>1,164,673.00</b>

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
BVCOG	Brazos	Wickson Creek S.U.D. Power	0.00	214,830.00	\$0	\$0	214,830.00
BVCOG	Burleson	Burleson CO Hospital District	0.00	253,188.00	\$0	\$0	253,188.00
BVCOG	Burleson	Caldwell	0.00	377,410.00	\$0	\$0	377,410.00
BVCOG	Burleson	Somerville	0.00	193,702.00	\$0	\$0	193,702.00
BVCOG	Burleson	Deanville Water Supply Corp	0.00	249,806.00	\$0	\$0	249,806.00
BVCOG	Burleson	Tunis Water Supply Corp	0.00	117,150.00	\$0	\$0	117,150.00
BVCOG	Burleson	Cade Lakes Water Supply Corp	0.00	62,700.00	\$0	\$0	62,700.00
BVCOG	Burleson	Lyons Water Supply Corp	0.00	122,650.00	\$0	\$0	122,650.00
BVCOG	Burleson	Burleson County	0.00	249,898.00	\$0	\$0	249,898.00
BVCOG	Burleson	Clay Water Supply Corp	0.00	111,650.00	\$0	\$0	111,650.00
BVCOG	Grimes	Grimes County	0.00	397,887.00	\$0	\$0	397,887.00
BVCOG	Grimes	Navasota	0.00	407,033.00	\$0	\$0	407,033.00
BVCOG	Grimes	Dobbin-Plantersville MUD	0.00	128,150.00	\$0	\$0	128,150.00
BVCOG	Grimes	G & W Water Supply Corp	0.00	65,450.00	\$0	\$0	65,450.00
BVCOG	Grimes	Bedias	0.00	122,650.00	\$0	\$0	122,650.00
BVCOG	Grimes	B & J Water Company, Inc	0.00	106,105.00	\$0	\$0	106,105.00
BVCOG	Grimes	Iola Water Company	0.00	100,650.00	\$0	\$0	100,650.00
BVCOG	Grimes	Iola	0.00	172,700.00	\$0	\$0	172,700.00

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
BVCOG	Grimes	Anderson	0.00	100,650.00	\$0	\$0	100,650.00
BVCOG	Grimes	Anderson Water Company	0.00	122,650.00	\$0	\$0	122,650.00
BVCOG	Grimes	Grimes County M.U.D. #1	0.00	118,800.00	\$0	\$0	118,800.00
BVCOG	Grimes	Grimes County	0.00	281,114.00	\$0	\$0	281,114.00
BVCOG	Leon	Leon County	0.00	98,670.00	\$0	\$0	98,670.00
BVCOG	Leon	Concord Robbins Water Corp	0.00	131,120.00	\$0	\$0	131,120.00
BVCOG	Leon	Buffalo	0.00	209,000.00	\$0	\$0	209,000.00
BVCOG	Leon	Southeast Water Supply Corp	0.00	98,670.00	\$0	\$0	98,670.00
BVCOG	Leon	Centerville	0.00	95,150.00	\$0	\$0	95,150.00
BVCOG	Leon	Jewett	0.00	91,850.00	\$0	\$0	91,850.00
BVCOG	Leon	Flo Comm Water Supply Corp	0.00	157,300.00	\$0	\$0	157,300.00
BVCOG	Leon	Normangee	0.00	98,670.00	\$0	\$0	98,670.00
BVCOG	Leon	Oakwood	0.00	166,650.00	\$0	\$0	166,650.00
BVCOG	Leon	St. Paul Shiloh Timesville Water Supply Corp	0.00	158,620.00	\$0	\$0	158,620.00
BVCOG	Leon	Marquez	0.00	59,400.00	\$0	\$0	59,400.00
BVCOG	Madison	Madison County	0.00	251,618.00	\$0	\$0	251,618.00
BVCOG	Madison	Madison St. Joseph Health Center Center	0.00	148,612.00	\$0	\$0	148,612.00
BVCOG	Madison	Madisonville	0.00	416,837.00	\$0	\$0	416,837.00
BVCOG	Madison	North Zulch Municipal	0.00	110,000.00	\$0	\$0	110,000.00

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
		Utility District					
BVCOG	Madison	Midway	0.00	62,700.00	\$0	\$0	62,700.00
BVCOG	Robertson	Hearne	0.00	168,960.00	\$0	\$0	168,960.00
BVCOG	Robertson	Calvert	0.00	147,400.00	\$0	\$0	147,400.00
BVCOG	Robertson	Franklin	0.00	134,750.00	\$0	\$0	134,750.00
BVCOG	Robertson	Bremond	0.00	192,830.00	\$0	\$0	192,830.00
BVCOG	Robertson	Brazos Vally Specific & Water, INC	0.00	70,400.00	\$0	\$0	70,400.00
BVCOG	Robertson	Robertson County	0.00	108,383.00	\$0	\$0	108,383.00
BVCOG	Washington	Washington County	0.00	259,023.00	\$0	\$0	259,023.00
BVCOG	Washington	Brenham	0.00	489,799.00	\$0	\$0	489,799.00
BVCOG	BVAHC	BVAHC	948,929.00	0.00	\$0	\$0	948,929.00
<b>BVCOG</b>	<b>BVCOG Regional Total</b>	<b>BVCOG Regional Total</b>	<b>948,929.00</b>	<b>8,003,235.00</b>	<b>\$0</b>	<b>\$0</b>	<b>8,952,164.00</b>
	<b>Total</b>						

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
CBCOG	Aransas	Fulton	0.00	155,403.00	\$0	\$0	155,403.00
CBCOG	Brooks	Brooks County	0.00	75,000.00	\$0	\$0	75,000.00
CBCOG	Jim Wells	Jim Wells County	0.00	71,250.00	\$0	\$0	71,250.00
CBCOG	Jim Wells	Premont	0.00	126,020.00	\$0	\$0	126,020.00
CBCOG	Jim Wells	Alice	0.00	55,000.00	\$0	\$0	55,000.00
CBCOG	Kleberg	Kleberg County Competitive	0.00	185,117.00	\$0	\$0	185,117.00
CBCOG	Nueces	Nueces County	0.00	219,434.00	\$0	\$0	219,434.00
CBCOG	Nueces	Bishop	0.00	737.00	\$0	\$0	737.00
CBCOG	Nueces	Corpus Christi	0.00	1,676,179.00	\$0	\$0	1,676,179.00
CBCOG	Nueces	Port Aransas	0.00	57,346.00	\$0	\$0	57,346.00
CBCOG	Nueces	Robstown	0.00	2,657.00	\$0	\$0	2,657.00
CBCOG	Refugio	Refugio County Competitive	0.00	75,000.00	\$0	\$0	75,000.00
CBCOG	San Patricio	Aransas Pass	0.00	311,234.00	\$0	\$0	311,234.00
CBCOG	San Patricio	Ingleside-on-the-Bay	0.00	111,000.00	\$0	\$0	111,000.00
CBCOG	San Patricio	San Patricio County	0.00	422,234.00	\$0	\$0	422,234.00
CBCOG	Kennedy	Kennedy County	0.00	0.00	\$0	\$0	0.00
CBCOG	CBCOG Regional Total	CBCOG Regional Total	0.00	3,121,376.00	\$0	\$0	3,121,376.00

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
CTCOG	Milam	Milam County	0.00	250,000.00	\$0	\$0	250,000.00
CTCOG	CTCOG Regional Total	CTCOG Regional Total	0.00	250,000.00	\$0	\$0	250,000.00
	Total						



Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
DETCOG	Angelina	Angelina County	0.00	1,356,384.00	\$0	\$5,000,000	6,356,384.00
DETCOG	Angelina	Lufkin	0.00	1,314,201.00	\$0	\$0	1,314,201.00
DETCOG	Angelina	Burke	0.00	12,170.00	\$0	\$0	12,170.00
DETCOG	Angelina	Diboll	0.00	228,682.00	\$0	\$0	228,682.00
DETCOG	Angelina	Hudson	0.00	170,326.00	\$0	\$0	170,326.00
DETCOG	Angelina	Huntington	0.00	83,238.00	\$0	\$0	83,238.00
DETCOG	Angelina	Zavalla	0.00	25,621.00	\$0	\$0	25,621.00
DETCOG	Houston	Lovelady	0.00	66,479.00	\$0	\$0	66,479.00
DETCOG	Houston	Crockett	0.00	767,191.00	\$0	\$0	767,191.00
DETCOG	Houston	Grapeland	0.00	155,292.00	\$0	\$0	155,292.00
DETCOG	Houston	Kennard	0.00	33,292.00	\$0	\$0	33,292.00
DETCOG	Houston	Latexo	0.00	28,656.00	\$0	\$0	28,656.00
DETCOG	Houston	Houston County	0.00	1,350,749.00	\$0	\$0	1,350,749.00
DETCOG	Jasper	Browndell	0.00	43,369.00	\$0	\$0	43,369.00
DETCOG	Jasper	Jasper	0.00	1,461,424.00	\$0	\$0	1,461,424.00
DETCOG	Jasper	Kirbyville	0.00	403,827.00	\$0	\$0	403,827.00
DETCOG	Jasper	Jasper County	0.00	4,687,856.00	\$0	\$0	4,687,856.00
DETCOG	Nacogdoches	Appleby	0.00	19,079.00	\$0	\$0	19,079.00
DETCOG	Nacogdoches	Cushing	0.00	29,649.00	\$0	\$0	29,649.00
DETCOG	Nacogdoches	Nacogdoches County	0.00	1,204,385.00	\$0	\$5,000,000	6,204,385.00
DETCOG	Nacogdoches	Chireno	0.00	17,895.00	\$0	\$0	17,895.00
DETCOG	Nacogdoches	Garrison	0.00	36,623.00	\$0	\$0	36,623.00
DETCOG	Nacogdoches	Nacogdoches	0.00	1,404,736.00	\$0	\$0	1,404,736.00

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
DETCOG	Newton	Newton	0.00	406,651.00	\$0	\$0	406,651.00
DETCOG	Newton	Newton County	0.00	2,043,005.00	\$0	\$0	2,043,005.00
DETCOG	Polk	ACIR	0.00	76,256.00	\$0	\$0	76,256.00
DETCOG	Polk	Goodrich	0.00	50,329.00	\$0	\$0	50,329.00
DETCOG	Polk	Corrigan	0.00	355,164.00	\$0	\$0	355,164.00
DETCOG	Polk	Livingston	0.00	1,258,420.00	\$0	\$0	1,258,420.00
DETCOG	Polk	Onalaska	0.00	269,757.00	\$0	\$0	269,757.00
DETCOG	Polk	Seven Oaks	0.00	25,928.00	\$0	\$0	25,928.00
DETCOG	Polk	Polk County	0.00	6,775,758.00	\$0	\$0	6,775,758.00
DETCOG	Sabine	Hemphill	0.00	202,776.00	\$0	\$0	202,776.00
DETCOG	Sabine	Pineland	0.00	96,206.00	\$0	\$0	96,206.00
DETCOG	Sabine	Sabine County	0.00	783,631.00	\$0	\$0	783,631.00
DETCOG	San Augustine	Broadus	0.00	57,474.00	\$0	\$0	57,474.00
DETCOG	San Augustine	San Augustine	0.00	785,463.00	\$0	\$0	785,463.00
DETCOG	San Augustine	San Augustine County	0.00	1,821,325.00	\$0	\$0	1,821,325.00
DETCOG	San Jacinto	Coldspring	0.00	405,938.00	\$0	\$0	405,938.00
DETCOG	San Jacinto	Point Blank	0.00	301,759.00	\$0	\$0	301,759.00
DETCOG	San Jacinto	Shepherd	0.00	1,104,653.00	\$0	\$0	1,104,653.00
DETCOG	San Jacinto	San Jacinto County	0.00	9,196,913.00	\$0	\$0	9,196,913.00
DETCOG	Shelby	Shelby County	0.00	500,939.00	\$0	\$0	500,939.00
DETCOG	Shelby	Center	0.00	177,276.00	\$0	\$0	177,276.00
DETCOG	Shelby	Huxley	0.00	9,285.00	\$0	\$0	9,285.00
DETCOG	Shelby	Joaquin	0.00	29,490.00	\$0	\$0	29,490.00

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
DETCOG	Shelby	Tenaha	0.00	30,920.00	\$0	\$0	30,920.00
DETCOG	Shelby	Timpson	0.00	33,033.00	\$0	\$0	33,033.00
DETCOG	Trinity	Groveton	0.00	199,636.00	\$0	\$0	199,636.00
DETCOG	Trinity	Trinity	0.00	513,350.00	\$0	\$0	513,350.00
DETCOG	Trinity	Trinity County	0.00	1,758,520.00	\$0	\$0	1,758,520.00
DETCOG	Tyler	Chester	0.00	117,582.00	\$0	\$0	117,582.00
DETCOG	Tyler	Colmesneil	0.00	302,355.00	\$0	\$0	302,355.00
DETCOG	Tyler	Woodville	0.00	1,064,598.00	\$0	\$0	1,064,598.00
DETCOG	Tyler	Tyler County	0.00	7,724,124.00	\$0	\$0	7,724,124.00
DETCOG	DETCOG	DETCOG	5,931,070.00	0.00	\$689,292	\$0	6,620,362.00
<b>DETCOG TOTAL REGION</b>	<b>DETCOG TOTAL REGION</b>	<b>DETCOG TOTAL REGION</b>	<b>5,931,070.00</b>	<b>53,379,638.00</b>	<b>\$689,292</b>	<b>\$10,000,000</b>	<b>70,000,000.00</b>

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
ETCOG	Anderson	Anderson County	0.00	178,000.00	\$0	\$0	178,000.00
ETCOG	Anderson	Elkhart	0.00	267,995.00	\$0	\$0	267,995.00
ETCOG	Anderson	Anderson County	0.00	445,995.00	\$0	\$0	445,995.00
ETCOG	Cherokee	Cherokee County	0.00	1,258,228.00	\$0	\$0	1,258,228.00
ETCOG	Cherokee	Alto	0.00	500,000.00	\$0	\$0	500,000.00
ETCOG	Cherokee	Cuney	0.00	275,411.00	\$0	\$0	275,411.00
ETCOG	Cherokee	Jacksonville	0.00	363,055.00	\$0	\$0	363,055.00
ETCOG	Cherokee	New Summerfield	0.00	498,876.00	\$0	\$0	498,876.00
ETCOG	Cherokee	Wells	0.00	250,000.00	\$0	\$0	250,000.00
ETCOG	Cherokee	Cherokee County	218,570.00	3,145,570.00	\$0	\$0	3,364,140.00
ETCOG	Gregg	Gregg County	0.00	1,001,500.00	\$0	\$0	1,001,500.00
ETCOG	Gregg	Easton	0.00	121,348.00	\$0	\$0	121,348.00
ETCOG	Gregg	Gladewater	0.00	500,000.00	\$0	\$0	500,000.00
ETCOG	Gregg	Kilgore	0.00	249,300.00	\$0	\$0	249,300.00
ETCOG	Gregg	Lakeport	0.00	196,348.00	\$0	\$0	196,348.00
ETCOG	Gregg	Longview	0.00	428,000.00	\$0	\$0	428,000.00
ETCOG	Gregg	White Oak	0.00	95,794.00	\$0	\$0	95,794.00
ETCOG	Gregg	Gregg County	40,933.00	2,592,290.00	\$0	\$0	2,633,223.00
ETCOG	Harrison	Harrison County	0.00	349,912.00	\$0	\$0	349,912.00
ETCOG	Harrison	Marshall	0.00	317,500.00	\$0	\$0	317,500.00
ETCOG	Harrison	Waskom	0.00	207,368.00	\$0	\$0	207,368.00
ETCOG	Harrison	Harrison County	72,523.00	874,781.00	\$0	\$0	947,304.00
ETCOG	Marion	Marion County	0.00	48,513.00	\$0	\$0	48,512.00

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
ETCOG	Marion	Jefferson	0.00	72,769.00	\$0	\$0	72,769.00
ETCOG	Marion	Marion County	0.00	121,283.00	\$0	\$0	121,283.00
ETCOG	Panola	Panola County	0.00	134,425.00	\$0	\$0	134,425.00
ETCOG	Panola	Carthage	0.00	104,400.00	\$0	\$0	104,400.00
ETCOG	Panola	Panola County	0.00	238,825.00	\$0	\$0	238,825.00
ETCOG	Rusk	Rusk County	0.00	219,809.00	\$0	\$0	219,809.00
ETCOG	Rusk	Mount Enterprise	0.00	75,800.00	\$0	\$0	75,800.00
ETCOG	Rusk	Tatum	0.00	253,913.00	\$0	\$0	253,913.00
ETCOG	Rusk	Rusk County	68,802.00	549,523.00	\$0	\$0	618,325.00
ETCOG	Smith	Smith County	0.00	202,946.00	\$0	\$0	202,946.00
ETCOG	Smith	Troup	0.00	247,190.00	\$0	\$0	247,190.00
ETCOG	Smith	Winona	0.00	57,229.00	\$0	\$0	57,229.00
ETCOG	Smith	Smith County	14,289.00	507,365.00	\$0	\$0	521,654.00
ETCOG	Upshur	Upshur County	0.00	133,629.00	\$0	\$0	133,629.00
ETCOG	Upshur	Ore City	0.00	80,449.00	\$0	\$0	80,449.00
ETCOG	Upshur	Gilmer	0.00	119,995.00	\$0	\$0	119,995.00
ETCOG	Upshur	Upshur County	0.00	334,074.00	\$0	\$0	334,074.00
<b>ETCOG Total</b>	<b>ETCOG Total</b>	<b>ETCOG Total</b>	<b>415,117.00</b>	<b>8,809,706.00</b>	<b>\$0</b>	<b>\$0</b>	<b>9,224,823.00</b>

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
GCRPC	Calhoun	Calhoun County	0.00	166,667.00	\$0	\$0	166,667.00
GCRPC	Calhoun	Point Comfort	0.00	166,667.00	\$0	\$0	166,667.00
GCRPC	Calhoun	Port Lavaca	0.00	166,667.00	\$0	\$0	166,667.00
GCRPC	Calhoun	Seadrift	0.00	166,667.00	\$0	\$0	166,667.00
GCRPC	Victoria	Victoria County	0.00	166,667.00	\$0	\$0	166,667.00
GCRPC	Victoria	Victoria	0.00	166,667.00	\$0	\$0	166,667.00
<b>GCRPC Total</b>	<b>COG Total</b>	<b>COG Total</b>	<b>0.00</b>	<b>1,000,000.00</b>	<b>\$0</b>	<b>\$0</b>	<b>1,000,000.00</b>

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
HGAC	City of Galveston (Direct)	City of Galveston (Direct)	160,432,234.00	106,954,822.00	\$0	\$0	267,387,056.00
HGAC	Galveston County, excluding City of Galveston	Galveston County	0.00	34,592,801.00	\$0	\$0	34,592,801.00
HGAC	Galveston County, excluding City of Galveston	Galveston County-wide Housing	99,503,498.00	0.00	\$0	\$0	99,503,498.00
HGAC	Galveston County, excluding City of Galveston	Bayou Vista	0.00	2,101,656.00	\$0	\$0	2,101,656.00
HGAC	Galveston County, excluding City of Galveston	Clear Lake Shores	0.00	1,393,934.00	\$0	\$0	1,393,934.00
HGAC	Galveston County, excluding City of Galveston	Dickinson	0.00	3,119,091.00	\$0	\$0	3,119,091.00
HGAC	Galveston County, excluding City of Galveston	Friendswood	0.00	2,555,358.00	\$0	\$0	2,555,358.00
HGAC	Galveston County, excluding City of Galveston	Hitchcock	0.00	2,888,164.00	\$0	\$0	2,888,164.00
HGAC	Galveston County, excluding City of Galveston	Jamaica Beach	0.00	2,195,385.00	\$0	\$0	2,195,385.00
HGAC	Galveston County, excluding City of Galveston	Kemah	0.00	2,012,002.00	\$0	\$0	2,012,002.00
HGAC	Galveston County, excluding City of Galveston	La Marque	0.00	3,265,797.00	\$0	\$0	3,265,797.00
HGAC	Galveston County, excluding City of Galveston	League City	0.00	3,135,392.00	\$0	\$0	3,135,392.00

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
	Galveston						
HGAC	Galveston County, excluding City of Galveston	Santa Fe	0.00	2,738,741.00	\$0	\$0	2,738,741.00
HGAC	Galveston County, excluding City of Galveston	Texas City	0.00	4,614,680.00	\$0	\$0	4,614,680.00
HGAC	Galveston County, excluding City of Galveston	Tiki Island	0.00	1,722,664.00	\$0	\$0	1,722,664.00
HGAC	Harris County, excluding City of Houston (Direct)	Harris County, excluding City of Houston (Direct)	56,277,228.00	84,415,843.00			140,693,071.00
HGAC	Harris	City of Houston (Direct)	87,256,565.00	21,814,141.00	\$0	\$0	109,070,706.00
HGAC	Chambers	Chambers County	20,921,582.00	34,469,231.00	\$0	\$0	55,390,813.00
HGAC	Chambers	Anahuac	0.00	6,000,000.00	\$0	\$0	6,000,000.00
HGAC	Chambers	Mont Belvieu	0.00	4,071,375.00	\$0	\$0	4,071,375.00
HGAC	Chambers	Old River	0.00	2,479,926.00	\$0	\$0	2,479,926.00
HGAC	Chambers	Beach City (Chambers applying)	0.00	1,030,048.00	\$0	\$0	1,030,048.00
HGAC	Chambers	Cove (Chambers applying)	0.00	766,434.00	\$0	\$0	766,434.00
HGAC	Liberty	Liberty County	8,878,923.00	6,832,838.00	\$0	\$0	15,711,761.00
HGAC	Liberty	Ames	0.00	201,482.00	\$0	\$0	201,482.00
HGAC	Liberty	Cleveland	0.00	1,917,110.00	\$0	\$0	1,917,110.00
HGAC	Liberty	Daisetta	0.00	193,079.00	\$0	\$0	193,079.00
HGAC	Liberty	Dayton	0.00	1,439,156.00	\$0	\$0	1,439,156.00
HGAC	Liberty	Dayton Lakes	0.00	18,860.00	\$0	\$0	18,860.00



Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
HGAC	Liberty	Devers	0.00	77,680.00	\$0	\$0	77,680.00
HGAC	Liberty	Hardin	0.00	140,981.00	\$0	\$0	140,981.00
HGAC	Liberty	Liberty	0.00	2,025,003.00	\$0	\$0	2,025,003.00
HGAC	Liberty	Plum Grove	0.00	173,659.00	\$0	\$0	173,659.00
HGAC	Brazoria (Competitive Set-Aside)	Brazoria County (Competitive Set-Aside)	8,704,745.00	8,704,745.00	\$0	\$0	17,409,490.00
HGAC	Montgomery (Competitive Set-Aside)	Montgomery County (Competitive Set-Aside)	6,909,237.00	4,606,158.00	\$0	\$0	11,515,395.00
HGAC	Matagorda (Competitive Set-Aside)	Matagorda County (Competitive Set-Aside)	1,196,829.00	4,787,320.00	\$0	\$0	5,984,149.00
HGAC	Fort Bend (Competitive Set-Aside)	Fort Bend County (Competitive Set-Aside)	1,582,106.00	1,054,738.00	\$0	\$0	2,636,844.00
HGAC	Walker (Competitive Set-Aside)	Walker County (Competitive Set-Aside)	933,481.00	622,320.00	\$0	\$0	1,555,801.00
HGAC	Waller (Competitive Set-Aside)	Waller County (Competitive Set-Aside)	195,419.00	130,279.00	\$0	\$0	325,698.00
HGAC	Waller (Competitive Set-Aside)	G&W Water Supply Corp.	0.00	143,500.00	\$0	\$0	143,500.00
HGAC	Austin	Wallis	0.00	30,998.00	\$0	\$0	30,998.00
HGAC	Austin (Competitive Set-Aside)	Austin County (Competitive Set-Aside)	46,505.00	31,003.00	\$0	\$0	77,508.00
HGAC	Wharton (Competitive Set-Aside)	Wharton County (Competitive Set-Aside)	740.00	493.00	\$0	\$0	1,233.00
<b>HGAC Total</b>	<b>COG Total</b>	<b>HGAC Regional Total</b>	<b>452,839,093.00</b>	<b>361,294,399.00</b>	<b>\$0</b>	<b>\$0</b>	<b>814,133,492.00</b>

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
LRGVDC	Willacy	Willacy County (incl. county-wide housing)	412,500.00	1,046,430.00	\$0	\$0	1,458,930.00
LRGVDC	Willacy	Lyford	0.00	320,661.00	\$0	\$0	320,661.00
LRGVDC	Willacy	Raymondville	128,787.00	1,159,087.00	\$0	\$0	1,287,874.00
LRGVDC	Willacy	San Perlita	0.00	95,035.00	\$0	\$0	95,035.00
LRGVDC	Willacy	Willacy County Competitive	0.00	2,337,500.00	\$0	\$0	2,337,500.00
LRGVDC	Hidalgo*	Hidalgo County (incl. county-wide housing)	2,000,000.00	5,000,000.00	\$0	\$0	7,000,000.00
LRGVDC	Hidalgo*	Alamo	0.00	500,000.00	\$0	\$0	500,000.00
LRGVDC	Hidalgo*	Alton	0.00	500,000.00	\$0	\$0	500,000.00
LRGVDC	Hidalgo*	Donna	0.00	500,000.00	\$0	\$0	500,000.00
LRGVDC	Hidalgo*	Edcouch	0.00	450,534.00	\$0	\$0	450,534.00
LRGVDC	Hidalgo*	Edinburg	0.00	2,224,325.00	\$0	\$0	2,224,325.00
LRGVDC	Hidalgo*	Elsa	0.00	500,000.00	\$0	\$0	500,000.00
LRGVDC	Hidalgo*	Granjeno	0.00	35,176.00	\$0	\$0	35,176.00
LRGVDC	Hidalgo*	Hidalgo	0.00	500,000.00	\$0	\$0	500,000.00
LRGVDC	Hidalgo*	La Joya	0.00	405,866.00	\$0	\$0	405,866.00
LRGVDC	Hidalgo*	La Villa	0.00	177,502.00	\$0	\$0	177,502.00
LRGVDC	Hidalgo*	McAllen	0.00	4,027,591.00	\$0	\$0	4,027,591.00
LRGVDC	Hidalgo*	Mercedes	0.00	500,000.00	\$0	\$0	500,000.00
LRGVDC	Hidalgo*	Mission	209,638.00	1,886,739.00	\$0	\$0	2,096,377.00
LRGVDC	Hidalgo*	Palmhurst	0.00	500,000.00	\$0	\$0	500,000.00
LRGVDC	Hidalgo*	Palmview	0.00	408,927.00	\$0	\$0	408,927.00

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
LRGVDC	Hidalgo*	Penitas	0.00	150,132.00	\$0	\$0	150,132.00
LRGVDC	Hidalgo*	Pharr	0.00	2,061,114.00	\$0	\$0	2,061,114.00
LRGVDC	Hidalgo*	Progreso	0.00	500,000.00	\$0	\$0	500,000.00
LRGVDC	Hidalgo*	Progreso Lakes	0.00	12,456.00	\$0	\$0	12,456.00
LRGVDC	Hidalgo*	San Juan	0.00	600,000.00	\$0	\$0	600,000.00
LRGVDC	Hidalgo*	Sullivan City	0.00	500,000.00	\$0	\$0	500,000.00
LRGVDC	Hidalgo*	Weslaco	0.00	600,000.00	\$0	\$0	600,000.00
LRGVDC	Cameron	Cameron County (incl. county-wide housing)	3,093,750.00	2,543,959.00	\$0	\$0	5,637,709.00
LRGVDC	Cameron	Bayview	0.00	13,359.00	\$0	\$0	13,359.00
LRGVDC	Cameron	Brownsville	1,635,318.00	3,815,743.00	\$0	\$0	5,451,061.00
LRGVDC	Cameron	Combes	0.00	88,362.00	\$0	\$0	88,362.00
LRGVDC	Cameron	Harlingen	0.00	2,190,385.00	\$0	\$0	2,190,385.00
LRGVDC	Cameron	Indian Lake	0.00	17,369.00	\$0	\$0	17,369.00
LRGVDC	Cameron	La Feria	0.00	243,611.00	\$0	\$0	243,611.00
LRGVDC	Cameron	Laguna Vista	0.00	121,521.00	\$0	\$0	121,521.00
LRGVDC	Cameron	Los Fresnos	0.00	176,408.00	\$0	\$0	176,408.00
LRGVDC	Cameron	Los Indios	0.00	42,128.00	\$0	\$0	42,128.00
LRGVDC	Cameron	Palm Valley	0.00	41,497.00	\$0	\$0	41,497.00
LRGVDC	Cameron	Port Isabel	0.00	166,271.00	\$0	\$0	166,271.00
LRGVDC	Cameron	Primera	0.00	127,458.00	\$0	\$0	127,458.00
LRGVDC	Cameron	Rancho Viejo	0.00	61,171.00	\$0	\$0	61,171.00
LRGVDC	Cameron	Rangerville	0.00	6,474.00	\$0	\$0	6,474.00

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
LRGVDC	Cameron	Rio Hondo	0.00	70,772.00	\$0	\$0	70,772.00
LRGVDC	Cameron	San Benito	0.00	819,164.00	\$0	\$0	819,164.00
LRGVDC	Cameron	Santa Rosa	0.00	98,594.00	\$0	\$0	98,594.00
LRGVDC	Cameron	South Padre Island	0.00	95,436.00	\$0	\$0	95,436.00
LRGVDC	Cameron	Cameron County Competitive	0.00	9,281,250.00	\$0	\$0	9,281,250.00
<b>LRGVDC Total</b>	<b>COG Total</b>	<b>COG Total</b>	<b>7,479,993.00</b>	<b>47,520,007.00</b>	<b>\$0</b>	<b>\$0</b>	<b>55,000,000.00</b>

Round 1 Allocations by Region

COG	County	Entity	Housing Funds	Non housing Infrastructure funds	Non housing economic development funds	Non housing Shelter Set Aside	Total Funds Allocated
SETRPC	Hardin	Hardin County	0.00	12,011,743.00	\$0	\$0	12,011,743.00
SETRPC	Hardin	Kountze	0.00	87,745.00	\$0	\$0	87,745.00
SETRPC	Hardin	Lumberton	0.00	618,203.00	\$0	\$0	618,203.00
SETRPC	Hardin	Sour Lake	0.00	576,989.00	\$0	\$0	576,989.00
SETRPC	Jefferson	Jefferson County	0.00	28,933,856.00	\$0	\$0	28,933,856.00
SETRPC	Jefferson	Beaumont	17,100,000.00	4,328,912.00	\$0	\$0	21,428,912.00
SETRPC	Jefferson	Bevil Oaks	0.00	760,292.00	\$0	\$0	760,292.00
SETRPC	Jefferson	Groves	0.00	33,263.00	\$0	\$0	33,263.00
SETRPC	Jefferson	Nederland	0.00	38,015.00	\$0	\$0	38,015.00
SETRPC	Jefferson	Port Arthur	9,500,000.00	13,010,493.00	\$0	\$0	22,510,493.00
SETRPC	Jefferson	Port Neches	0.00	57,022.00	\$0	\$0	57,022.00
SETRPC	Jefferson	Taylor Landing	0.00	356,387.00	\$0	\$0	356,387.00
SETRPC	Orange	Orange County	0.00	12,304,606.00	\$0	\$0	12,304,606.00
SETRPC	Orange	Bridge City	0.00	9,689,353.00	\$0	\$0	9,689,353.00
SETRPC	Orange	Orange	0.00	7,768,271.00	\$0	\$0	7,768,271.00
SETRPC	Orange	Pine Forest	0.00	290,584.00	\$0	\$0	290,584.00
SETRPC	Orange	Pinehurst	0.00	51,659.00	\$0	\$0	51,659.00
SETRPC	Orange	Rose City	0.00	723,231.00	\$0	\$0	723,231.00
SETRPC	Orange	West Orange	0.00	1,459,376.00	\$0	\$0	1,459,376.00
<b>SETRPC Total</b>	<b>COG Total</b>	<b>COG Total</b>	<b>95,000,000.00</b>	<b>93,100,000.00</b>	<b>\$1,900,000</b>	<b>\$0</b>	<b>190,000,000.00</b>

Round 1 Allocations by Region

COG County Entity Housing Funds Non housing Infrastructure funds Non housing economic development funds Non housing Shelter Set Aside Total Funds Allocated

STDC	Jim Hogg	Jim Hogg County	0.00	138,097.00	\$0	\$0	138,097.00
STDC	Starr	Starr County	0.00	416,322.00	\$0	\$0	416,322.00
STDC	Starr	Rio Grande City	0.00	138,728.00	\$0	\$0	138,728.00
STDC	Starr	Roma	0.00	124,867.00	\$0	\$0	124,867.00
STDC	Starr	La Grulla	0.00	98,052.00	\$0	\$0	98,052.00
STDC	Starr	Escobares	0.00	83,934.00	\$0	\$0	83,934.00
<b>STDC Total</b>	<b>COG Total</b>	<b>COG Total</b>		<b>1,000,000.00</b>	<b>\$0</b>	<b>\$0</b>	<b>1,000,000.00</b>

Appendix D-2 Round 2 Method of Distribution

Un-met needs assessment

(Final modeling to be incorporated later)

DRAFT

Appendix E-2 Response to Public Comment

(Final record of public hearings to be incorporated later)

DRAFT



NONE AT THE TIME OF THIS  
POSTING

## **Future ORCA Board Meeting Dates**

### **2009**

October 1-2	(Thursday – Friday)	Austin
December 3-4	(Thursday – Friday)	Austin

### **2010**

February 4-5	(Thursday -- Friday)	Austin
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