
Virtual Public Hearing

**Texas CDBG-MIT Regional Mitigation Program
GLO Conditionally Approved
Method of Distribution**

Wednesday, August 17, 2022



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PROJECT DETAILS

- Through the Texas General Land Office's (GLO) Regional Mitigation Program, Council of Governments Methods of Distribution (COG MODs), established in the State of Texas CDBG Mitigation (CDBG-MIT) Action Plan: Building Stronger for a Resilient Future, each Council of Governments (COG) region impacted by Hurricane Harvey in 2017 has been allocated funds for hazard mitigation projects.
- The Texas General Land Office (GLO) encourages the prioritization of regional investments with regional impacts in risk reduction for natural disasters.
- The South East Texas Regional Planning Commission (SETRPC) was required to develop a Method of Distribution (MOD) for \$142,878,000 in mitigation funds. The process began in early 2022, and two (2) public planning meetings were held in February 2022. After receiving public comments, the SETRPC developed a preliminary MOD. The preliminary MOD was submitted to the GLO for conditional approval in May 2022. The SETRPC received conditional approval in July 2022, at which point the document was released for public comment, and two (2) public hearings were scheduled for August 2022.



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ELIGIBLE AREAS IN SOUTHEAST TEXAS

- The South East Texas Regional Planning Commission represents Jefferson, Orange, Hardin, and Jasper County.
- All four counties are deemed HUD MID Counties.

NOTE: Although Jasper County is now part of the SETRPC, when the process started the county was part of DETCOG and will remain part of DETCOG's MOD Development.



MOD DEVELOPMENT PROCESS





Council of Governments: South East Texas Regional Planning Commission (SETRPC)

Allocation Calculation Sheet Packet Page Number: 10

HUD MID and State MID Allocations

| | |
|-----------------------------------|----------------------|
| HUD MID Total | \$142,878,000 |
| State MID Total | |
| Grand Total COG Allocation | \$142,878,000 |

Table 1

Funding Limits

| | | |
|--|------------------------------|--|
| <i>Minimum Amount Waiver Requested</i> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| Minimum Amount | \$1,000,000 | |
| Maximum Amount | | |

Table 2

Regional Risk Mitigation

Explain how the method of distribution reduces regional risks, how it will foster long-term community resilience that is forward-looking and encourages the prioritization of regional investments with regional impacts in risk reduction for hurricanes, tropical storms and depressions, and flooding in the HUD-identified and State-identified most impacted and distressed areas.

Severe weather events are not new to the southeast Texas region. The region is affected by everything from wildfires to hurricanes. In recent years weather patterns have started to change, and for the southeast Texas region, these weather changes have manifested as a severe increase in rainfall. According to the National Weather Service, four of the region's top ten wettest years (starting in 1902) have taken place in the last ten years. Most of these records can be linked to hurricanes and tropical storms. However, southeast Texas is seeing increased precipitation that is not necessarily due to a hurricane or a tropical storm. Unofficially nicknamed "random pop up storms," these rainfall events seem to happen during any season, are hard to foresee, and can drop a significant amount of rain in hours. An increase in these storms, along with tropical storms and hurricanes, has required mitigation efforts to focus on drainage.

Flood mitigation was, by far, the issue brought up most during the two public planning meetings. In addition, the majority of projects submitted from southeast Texas during Round One of the Community Development Block Grant Mitigation (CDBG-MIT) competition were flood-related and went unfunded. Limiting potential projects to drainage in this Method of Distribution (MOD) focuses funding on larger projects that significantly impact the most people.

The Texas General Land Office (GLO) guidelines encourage the prioritization of regional investments and set a limited timeline of six years for projects. These guidelines make it vital that funding be directed to regional entities that deal with large drainage projects, making counties and drainage districts the best possible choice. After reviewing the guidelines, researching flood mitigation, and assessing public comments, the SETRPC believes that the best course of action is to provide direct allocations to drainage districts, with the exception of Hardin County and Jefferson County Drainage District No. 3 (DD3). Hardin County lacks a drainage district. Therefore, the county will be directly allocated funds. SETRPC's CDBG-MIT MOD focuses on providing funding to entities that have a history of regional projects. Drainage District No. 3 (DD3) serves approximately 40,000 acres of unincorporated land in Jefferson County. The SETRPC confirmed that DD3 lacks a hazard mitigation plan of its own and is not part of any other local hazard mitigation plan, has never received or managed this level of funding, and does not have any projects that would meet the criteria for SETRPC's CDBG-MIT MOD. The district stated that they work closely with DD6 as projects completed by DD3 drain through DD6 and that DD3 relies on DD6's expertise due to their size and capacity. For the reasons stated above, an allocation of funds was not provided to DD3. Since DD3 relies on DD6 we have added the population that DD3 serves to DD6 along with the SoVI score.

Drainage districts are regional entities with a track record of working closely with cities and counties to reduce the risk of flooding. Several projects in CDBG-MIT Round One were joint applications between drainage districts, cities, and counties. Jefferson County Drainage District No. 6 (DD6), Jefferson County Drainage District No. 7 (DD7), Orange County Drainage District (OCDD), and Hardin County all have Hazard Mitigation Plans. DD6 serves the northern area of Jefferson County, including Beaumont, Bevil Oaks, China, and Nome, as well as the communities of Fannett, Northwest Forest, Hillebrandt Acres, Cheek, and LaBelle and all the farm and timberland in between. DD7 serves the cities of Port Arthur, Groves, Nederland, Port Neches, and some unincorporated areas of Jefferson County. OCDD serves Orange County. Hardin County lacks a drainage district, making the county the regional source for large drainage projects. Directing funding to regional entities with a history of coordinating actions, managing large grants, and have a hazard mitigation plan, will help accelerate flood mitigation efforts that are needed throughout the southeast Texas region.

Table 3

Distribution Factors

The COG has selected the following distribution factors:

| Distribution Factor* | Weight | Documentation Source | Explanation of Factor Selection and Weighting |
|----------------------|--------|---|---|
| Population | 80 | 2019 American Communities Survey | Our goal is to have a significant impact on the most people making population an important factor. |
| Social Vulnerability | 20 | CDBG-MIT AP Analysis (data provided by GLO) | The Social Vulnerability Index (SoVI) analysis 29 socioeconomic variables that have proven to influence a community's ability to prepare for, respond to, cope with, recover from, and adapt to environmental hazards.* |
| | | | |
| | | | |

Table 4

* The Social Vulnerability Index (SoVI) analysis 29 socioeconomic variables that have proven to influence a community's ability to prepare for, respond to, cope with, recover from, and adapt to environmental hazards. Including social, economic, demographic, and housing characteristics. Social Vulnerability was calculated by averaging the Social Vulnerability Score for each census tract located in the jurisdiction of each entity.

Threshold Factors

If any, please describe threshold factors that were used to allocate funds.

| Threshold Factor* | Documentation Source | Explanation of Factor Selection |
|------------------------|----------------------|---|
| Past Grant Funding | Drainage District | A history of managing a significant amount of grant funding. |
| Hazard Mitigation Plan | Drainage District | A hazard mitigation plan develops long-term risk reduction strategies. All entities receiving funding must have a hazard mitigation plan. |
| | | |
| | | |

Table 5

*Jefferson County Drainage District No. 3 (DD3) lacks both the management of past grant funding and a hazard mitigation plan. Also, DD3 is not included in Jefferson County's Hazard Mitigation Plan. For more details please see the Allocation Summary and Calculation Worksheet.

Eligible Activities

Activities must meet the criteria outlined in the Regional Mitigation Program (COG MODs) section of the State of Texas CDBG Mitigation Action Plan.

The COG has addressed prioritization of eligible activities as follows:

| | | |
|-------------------------------------|--|---|
| <input type="checkbox"/> | The COG has chosen not to limit subrecipients in the region to projects meeting regional priority activities. | |
| -OR- | | |
| <input checked="" type="checkbox"/> | The COG has limited subrecipients in the region to selecting projects meeting the following regional priority activities: | |
| <input checked="" type="checkbox"/> | Flood control and drainage improvement, including the construction or rehabilitation of stormwater management systems | <input type="checkbox"/> Water and sewer facilities <input type="checkbox"/> Communications infrastructure <input type="checkbox"/> Provision of generators |
| <input type="checkbox"/> | Natural or green infrastructure | <input type="checkbox"/> Removal of debris |
| <input type="checkbox"/> | Public Facilities (shelter, library, etc.) | <input type="checkbox"/> Streets or bridges |
| <input type="checkbox"/> | Economic development (assistance to businesses for the installation of disaster mitigation improvements and technologies; financing to support the development of technologies, systems and other measures to mitigate future disaster impacts; “hardening” of commercial areas and facilities; and financing critical infrastructure sectors to allow continued commercial operations during and after disasters) | <input type="checkbox"/> Other infrastructure improvements |
| | | <input type="checkbox"/> Public Services (<i>within the 15% cap</i>) |
| | | <input type="checkbox"/> FEMA Hazard Mitigation Grant Program (HMGP) cost share for CDBG-MIT eligible project |
| | | <input type="checkbox"/> Buyouts or Acquisitions with or without relocation assistance, down payment assistance, housing incentives, or demolition |
| | | <input type="checkbox"/> Activities designed to relocate families outside of floodplains |

Table 6

Ineligible Activities

Ineligible activities are outlined in the Regional Mitigation Program section of the State of Texas CDBG Mitigation Action Plan, as amended, and should be referenced accordingly.

Covered Projects

A Covered Project is defined as an infrastructure project having a total project cost of \$100 million or more, with at least \$50 million of CDBG funds, regardless of source (CDBG-DR, CDBG-MIT, or CDBG). Covered projects included in the Regional Mitigation Program must meet specific criteria set forth by HUD's CDBG-MIT Notice 84 FR 45838 (August 30, 2019) and the State of Texas Mitigation Action Plan. Inclusion of a Covered Project in the MOD does not guarantee funding until a full eligibility review is completed and the subsequent action plan amendment receives HUD approval.

Will the Method of Distribution include a Covered Project?

| | |
|------------------------------|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
|------------------------------|--|

Table 7

If yes, please provide the following information:

- The eligible entity benefitting from the project;
- A description of the project and how it meets the definition of a mitigation activity; and
- The cost of the Covered Project.

N/A

Table 8

Low-and Moderate-Income Requirements

Below is the strategic plan of how the method of distribution meets the minimum 50 percent low- and moderate-income (LMI) requirement.

Per requirement of the State of Texas CDBG Mitigation (CDBG-MIT) Action Plan: Building Stronger for a Resilient Future submitted to the United States Department of Housing and Urban Development (HUD) by the Texas General Land Office (GLO), at least 50% of all program funds will benefit low-and moderate-income (LMI) persons. All entities will be required to follow established rules and regulations related to the funding received and are expected to meet a 50% LMI threshold for the amount of funding received.

Typically waivers for the HUD-mandated LMI requirements are requested because LMI numbers are not always a good representation of disaster impact during the recovery stage of the disaster management cycle. Considering this CDBG-MIT MOD focuses on large-scale regional mitigation projects and not disaster recovery projects, meeting the required percentage should not be an issue. Furthermore, all entities receiving funds from the CDBG-MIT MOD also submitted applications in Round One, which had a similar LMI requirement. The final projects chosen by the drainage districts might differ from those submitted during Round One. However, this is a good indicator that there are projects that can meet this requirement from all the entities receiving funding.

Table 9

Public Hearing Information

The Action Plan requires at least one Public Planning Meeting prior to submitting the Preliminary MOD to the GLO for review and one Public Hearing before submission of the Preliminary MOD to GLO for final approval. If the COG holds multiple outreach activities, please contact the GLO for additional documentation forms.

| Meeting Type | Public Planning Meeting | MOD Public Hearing |
|-------------------|-------------------------|--|
| Date(s): | 2/16/22 & 2/24/22 | TBD based on Preliminary MOD approval date by GLO. |
| Location(s): | SETRPC & Virtual | |
| Total Attendance: | 87 | |

Table 10

Direct Notice. As required, personal notice was sent to eligible entities at least **five (5)** days in advance of the public hearing using the following method(s) (at least one must be selected):

| Method | Public Planning Meeting | MOD Public Hearing |
|---|-------------------------------|--|
| | Date(s) Sent | Date(s) Sent |
| <input checked="" type="checkbox"/> Email | 2/10/22 & Reminder on 2/22/22 | TBD based on Preliminary MOD approval date by GLO. |
| <input type="checkbox"/> Fax | | |
| <input type="checkbox"/> Hand Delivery | | |
| <input type="checkbox"/> Certified Mail | | |

Table 11

Website Notice. As required, public notice was posted on the COG website at least **five (5)** days in advance:

| Website Notice | Public Planning Meeting | MOD Public Hearing |
|-----------------------|--------------------------------|--|
| Date(s) | 2/13/22 | TBD based on Preliminary MOD approval date by GLO. |

Table 12

Published Notice. As required, notice of the public hearing was published in at least one regional newspaper at least **three (3)** days in advance. Notice of the public hearings were published in the following regional newspaper(s):

| Newspaper Name | Public Planning Meeting | MOD Public Hearing |
|-----------------------|--------------------------------|--|
| | Date Published | Date Published |
| Beaumont Enterprise | 2/11/22 | TBD based on Preliminary MOD approval date by GLO. |
| The Examiner | 2/10/22 | TBD based on Preliminary MOD approval date by GLO. |
| El Perico | 2/13/22 | TBD based on Preliminary MOD approval date by GLO. |
| Orange Leader | 2/16/22 | TBD based on Preliminary MOD approval date by GLO. |
| The Port Arthur News | 2/16/22 | TBD based on Preliminary MOD approval date by GLO. |
| | | |
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Table 13

Public Comment Period

Provide the dates of the public comment period for the COG MOD.

| | | | | | |
|-------------|-------------|-----------|-------------|--------------|----|
| Start Date: | Unknown/TBD | End Date: | Unknown/TBD | No. of Days: | 15 |
|-------------|-------------|-----------|-------------|--------------|----|

Table 14

Citizen Participation

Describe how the COG conducted their citizen and non-governmental organization outreach, including any efforts exceeding GLO minimum public participation requirements. These efforts should comply with the Citizen Participation Plan provided to the GLO.

The SETRPC conducted two public planning meetings, one in-person and one virtual hearing, in an effort to solicit public participation in the development of the MOD. The first meeting was held during normal working hours and the second meeting after normal workday hours. Individuals also were able to submit written comments via email, mail, fax, or online form for a total of 14 days to make sure that the public had additional time to provide information.

Table 15

Accommodations. Describe any efforts to notify and accommodate those with modified communication needs, such as posting information and providing interpretive services for persons with Limited English Proficiency and for people with hearing impairments or other access and functional needs (ADA compliance).

Public hearing locations were fully accessible to persons with disabilities. Public hearing announcements included information on accessibility requests for individuals requiring an interpreter, auxiliary aids, or other services.

Notices were published in English and Spanish and explained that hearings would be conducted in English and requests for language interpreters should be made at least 48 hours prior to any function.

Table 16

Affirmatively Furthering Fair Housing (AFFH) Statement

All subrecipients will certify that they will affirmatively further fair housing (“AFFH”) in their grant agreements and will receive GLO training and technical assistance in meeting their AFFH obligations. Additionally, all project applications will undergo AFFH review by GLO before approval of projects. Such review will include assessment of a proposed project’s area demography, socioeconomic characteristics, housing configuration and needs, educational, transportation, and health care opportunities, environmental hazards or concerns, and all other factors material to the AFFH determination. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard related impacts.

COG Principal Contact Information

| | |
|---------------|--------------------|
| Contact Name: | Shanna Burke |
| Title: | Executive Director |

Table 17

Contact and Signatory Authority

Attached is a Resolution from the COG approving the method of distribution and authorizing its submittal to the Texas General Land Office. I certify that the contents of this document and all related attachments are complete and accurate.

| | |
|--|--------------------|
| <i>Shanna Burke</i> * | 08/03/2022 |
| Signature | Date |
| Shanna Burke | Executive Director |
| Printed Name | Title |
| SBurke@setrpc.org | (409) 924-7516 |
| Email Address | Telephone Number |

* Please note that the Texas General Land Office (GLO) has required this draft to be signed, although the above certification is incorrect at this time. The CDBG-MIT MOD still has the public comment stage and SETRPC Board of Directors' approval before the document can be officially submitted to the GLO. Depending on feedback received during the next stage of development, the final CDBG-MIT MOD could be different from the draft CDBG-MIT MOD.

COG: SETRPC
 Total Allocation: \$ 142,878,000.00

| HUD MID | | | | |
|---|--------------------------|--------------------------------|-------------------------|----------------|
| Entity | Allocation | Percentage of Total Allocation | LMI Portion | LMI Percentage |
| Jefferson County Drainage District No. 6 | \$ 46,525,000.00 | 32.56% | \$ 23,262,500.00 | 50.00% |
| Jefferson County Drainage District No. 7 | \$ 41,367,400.00 | 28.95% | \$ 20,683,700.00 | 50.00% |
| Orange County Drainage District | \$ 31,091,100.00 | 21.76% | \$ 15,545,550.00 | 50.00% |
| Hardin County | \$ 23,894,500.00 | 16.72% | \$ 11,947,250.00 | 50.00% |
| Total | \$ 142,878,000.00 | 100.00% | \$ 71,439,000.00 | 50.00% |
| Jefferson County Drainage District No. 3* | - | - | - | - |

*Drainage District No. 3 (DD3) serves approximately 40,000 acres of unincorporated land in Jefferson County. The SETRPC confirmed that DD3 lacks a hazard mitigation plan of its own and is not part of any other local hazard mitigation plan, has never received or managed this level of funding, and does not have any projects that would meet the criteria for SETRPC's CDBG-MIT MOD. The district stated that they work closely with DD6 as projects completed by DD3 drain through DD6 and that DD3 relies on DD6's expertise due to their size and capacity. For the reasons stated above, an allocation of funds was not provided to DD3. Since DD3 relies on DD6 we have added the population that DD3 serves to DD6 along with the SoVI score.

COG: SETRPC

Total Allocation: \$ 142,878,000.00

HUD MID Allocation: \$ 142,878,000.00

State MID Allocation: N/A

| City or County | First Distribution Factor: Population | | | | Second Distribution Factor: Social Vulnerability | | | | Entity Weighted Factor Total (EWFtot) | Weighted Factor Total (WFtot) | Proportional Weighted Factor (PWF) EWFtot/WFtot | Allocation for Formulaic Distribution (AFD) | Proportional Distribution PWF x AFD |
|---|---------------------------------------|------------|------------------------------|---------------------|--|-------------|------------------------------|-------|---------------------------------------|-------------------------------|---|---|-------------------------------------|
| | Maximum Factor Measure: | | 136,515 | | Maximum Factor Measure: | | 3.41666667 | | | | | | |
| | Factor Weight: | | 80.00 | | Factor Weight: | | 20.00 | | | | | | |
| Factor Measure (FM) | Factor Measure Maximum (FMmax) | Weight (W) | Weighted Factor Wx(FM/FMmax) | Factor Measure (FM) | Factor Measure Maximum (FMmax) | Weight (W) | Weighted Factor Wx(FM/FMmax) | | | | | | |
| Jefferson County Drainage District No. 6 | 136,515 | 136515.00 | 80.00 | 80.00 | 3.416666667 | 3.416666667 | 20.00 | 20.00 | 100.00 | 307.10 | 0.33 | \$ 142,878,000.00 | \$ 46,524,997.46 |
| Jefferson County Drainage District No. 7 | 117,825 | 136515.00 | 80.00 | 69.05 | 3.393939394 | 3.416666667 | 20.00 | 19.87 | 88.91 | 307.10 | 0.29 | \$ 142,878,000.00 | \$ 41,367,385.00 |
| Orange County Drainage District | 84,069 | 136515.00 | 80.00 | 49.27 | 3 | 3.416666667 | 20.00 | 17.56 | 66.83 | 307.10 | 0.22 | \$ 142,878,000.00 | \$ 31,091,153.32 |
| Hardin County | 56,765 | 136515.00 | 80.00 | 33.27 | 3.090909091 | 3.416666667 | 20.00 | 18.09 | 51.36 | 307.10 | 0.17 | \$ 142,878,000.00 | \$ 23,894,464.21 |
| Weighted Factor Total: | | | | | | | | | 307.10 | | 1.00 | | \$ 142,878,000.00 |
| Jefferson County Drainage District No. 3* | - | - | - | - | - | - | - | - | - | - | - | - | - |

Social Vulnerability was calculated by averaging the Social Vulnerability Score for each census tract located in the jurisdiction of each entity.

*Drainage District No. 3 (DD3) serves approximately 40,000 acres of unincorporated land in Jefferson County. The SETRPC confirmed that DD3 lacks a hazard mitigation plan of its own and is not part of any other local hazard mitigation plan, has never received or managed this level of funding, and does not have any projects that would meet the criteria for SETRPC's CDBG-MIT MOD. The district stated that they work closely with DD6 as projects completed by DD3 drain through DD6 and that DD3 relies on DD6's expertise due to their size and capacity. For the reasons stated above, an allocation of funds was not provided to DD3. Since DD3 relies on DD6 we have added the population that DD3 serves to DD6 along with the SoVI score.

NEXT STEPS

After the public comment period ends on August 22, 2022:

- The SETRPC will review the comments and make any changes if needed.
- SETRPC's Board of Directors will consider a final proposed method of distribution.
- Following Board approval, SETRPC staff will submit the Final Method of Distribution to the Texas General Land Office for final approval.
- After the GLO approves the final MOD, the entities that receive allocations will have around four months to propose projects to the GLO.



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PUBLIC COMMENTS AFTER MEETING

Written comments will be taken until 5:00 p.m., Monday, August 22, 2022

Mail: CDBG-MIT Comments

2210 Eastex Freeway

Beaumont, TX 77703

Fax: (409) 347-0138

Email: mitmod@setrpc.org

Please make sure to include your contact information so we can respond.



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