



# City of San Marcos Action Plan for Disaster Recovery

Disaster Relief Appropriations Act of 2016  
(Public Law 114-113, Approved Dec. 18th, 2015)



~~Revised April 20, 2021~~ PROPOSED REVISIONS August 3, 2021

#### NOTE ON AMENDMENTS:

Approved amendments are shown in blue

Proposed amendment is shown in “legal redline” by crossing out deletions and underlining additions.

#### AMENDMENT RECORD

#	Description	City Approval Date
1	Add quarterly projection of expenditure and performance outcomes to Appendix One	February 7, 2017
2	Add specific infrastructure projects Add the related quarterly projection of expenditures and performance outcomes Change rental home affordability period to five years	May 16, 2017
3	Change income eligibility determination method to IRS Adjusted Gross Income Change the public comment period for substantial amendments to fourteen days and HUD notification period to five days	August 1, 2017
4	Add the Blanco Riverine infrastructure project Increase Planning budget to \$5,069,100 and Administration budget to \$1,689,700	October 17, 2017
5	Increase the hard construction cap for a reconstructed house to \$196,000	January 12, 2018
6	Add construction on a City-owned lot as an approved activity for the single family owner occupied home construction program	May 1, 2018
7	Add reimbursement to San Marcos Public Housing Authority for flood-related eligible costs up to \$864,987	September 4, 2018
8	Reallocate funds among projects Create the Single Family Owner Occupied Housing Reimbursement project	June 4 , 2019
9	Redefine the eligible service area for all single family housing activities to be the city limits of the City of San Marcos Change the purpose of the Blanco Riverine project funding to acquisition	March 3, 2020
10	Move Clarewood/Barbara Infrastructure Project expenditure of \$177,887.13 to CDBG-DR Administration	April 20, 2021

	<p>Move approximately \$1 million from Planning Projects to the Blanco Gardens Infrastructure Project</p> <p>Remove and replace references to a \$196,000 cap on hard construction expenses for housing.</p>	
<u>11</u>	<p><u>PROPOSED:</u></p> <p><u>Move \$175,000 from the Public Housing Authority project and close the project</u></p> <p><u>Move \$1 million from the Blanco Riverine project</u></p> <p><u>Move \$1,175,000 to the Midtown/Aquarena Springs Project</u></p> <p><u>(Amounts moved will be to the penny)</u></p>	<u>August 3, 2021</u>

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# Tab 1:

**Introduction and Funding  
Background (Sections I and II)**



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## I. Introduction

The City of San Marcos, Texas (hereafter referred to as “the City”) was inundated with historic flash and river flooding in Hays County on two separate occasions within six months of each other in 2015.

The first event, now called the “Memorial Day Floods”, occurred overnight on May 23<sup>rd</sup> and early May 24<sup>th</sup>. May 2015 has been documented by the National Weather Service as the wettest month in Texas History, with well above-normal rainfall during the first two to three weeks of the month. A persistent area of low pressure over the western United States brought multiple rain events throughout the month of May that saturated soil throughout south-central Texas. By the time Memorial Day weekend arrived, much of the region was at least 2-4 inches (100- 300%) above normal. These wet antecedent conditions meant that any new rain, and especially heavy rain, would become rapid run-off directly into rivers, streams, and flash flood prone areas.

This “worst-case” scenario came to pass Memorial Day weekend. A thunderstorm cluster organized west of Hays County on Saturday afternoon and produced upwards of 12 inches of rain in less than 6 hours. The majority of this rain fell in the upper reaches of the Blanco River watershed at rates that exceeded 4 inches per hour as thunderstorms merged and regenerated for hours over southern Blanco and eastern Kendall Counties.

Most of the rain fell from Saturday afternoon into the overnight hours of early Sunday morning, leading to a rapid rise in the Blanco and San Marcos Rivers. The Blanco River at Wimberley rose from near 5 feet at 9 p.m. on May 23<sup>rd</sup> to near 41 feet by 1am on May 24<sup>th</sup>. The Blanco River rose 5 feet every 15 minutes just before midnight, equating to a 20-foot rise along the river within a one-hour time frame. Numerous high-water rescues occurred throughout the late evening and morning hours along the banks of the Blanco River and eventually the San Marcos River. The resulting flash flooding caused a tragic loss of life and extreme property damage.

Rescue and recovery efforts stalled on May 25th as another round of severe weather struck the neighboring counties of Williamson, Travis, Bastrop and Caldwell. Large areas of these counties experienced flash flooding and tornados.

Another catastrophic flood event took the area on October 30, 2015, referred to as the “All Saints Flood”, where water caused portions of Interstate 35 to be closed for a second time that year.

The impacts of this event were widespread, leading to the closing of Austin-Bergstrom International Airport, approximately 30 miles away. The National Weather Service reported “nearly 6 inches of rain...within an hour...flooding the ground floor of the Austin Air Traffic Control Tower and Terminal Radar Approach Control facility.” Elsewhere in Texas, some areas received more than 10 inches of rain with heavy rains washing away RVs, boats and trailers along the Guadalupe River in New Braunfels, Texas.

The powerful waters of the All Saints Flood struck Cypress Creek in Wimberley, the Blanco River, and the San Marcos River, causing additional property damage and delaying recovery efforts from the previous flood. However, the community’s heightened sense of awareness and improved reaction to alerts translated to no loss of life during the All Saints Flood. Both events were considered historical flood events for Central Texas, but for different reasons. The Memorial Day Flood was noted for its extreme water velocities, analogous to the velocities of Niagara Falls. The All Saints Flood was noted for the extreme volume of precipitation in such a short period of time in various locations around Hays County quickly inundating the rivers, ditches and ephemeral streams.

## II. Funding Background

Combined, these two disasters accounted for damage to 1,558 homes and 35 businesses, severely impacting the recovery and growth potential for this community nestled between San Antonio and Austin. The lingering devastation brought by these two floods prompted the U.S. Department of Housing and Urban Development (HUD) to allocate \$25,080,000 to an initial Community Development Block Grant Disaster Recovery (CDBG-DR) Fund to assist with ongoing recovery needs. These funds must be utilized for disaster recovery work in the most impacted and distressed areas of the City, as declared in the 2015 disaster declarations and authorized under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42.U.S.C. 5121 et seq.). Pursuant to this Act, CDBG-DR funds may only be used for disaster related purposes.

In order to assist in the allocation of these funds, the City has completed the following Needs Assessment. This document will quantify the funding needed to repair damage and recoup losses, factoring in the funds already received by the Federal Emergency Management Agency (FEMA) grants, U. S. Small Business Administration (SBA) loans, insurance proceeds from the National Flood Insurance Program (NFIP), other CDBG funds and other funding sources available. The Needs Assessment also assists in prioritizing funds by type and location based on concentration of damage and community needs, with a particular focus on low- and moderate-income areas, households with special needs and displaced populations.

# Tab 2:

## Needs Assessment (Section III)

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### III. Needs Assessment

HUD requires that the Needs Assessment evaluate the three core aspects of recovery – **housing** (interim and permanent, owner, rental, single-family and multi-family, affordable and market rate), **infrastructure**, and the **economy** (e.g., estimated job losses or tax revenue loss due to the disaster). By understanding where its critical needs lie, the City will be able to more effectively allocate the funds as needed and described further on in this Action Plan. The City recognizes that there is still data missing from these calculations and therefore cautions that this is an ***estimate of need, not a statement of fact***. Information regarding NFIP payout amounts, FEMA Public Assistance payment amounts, unidentified disaster impacted projects, and more will be continually coming in and will need to be reviewed and incorporated into future revisions of this Needs Assessment and Action Plan. Finally, the City also wants to note that the current allocation is **\$25,080,000**, which is not anticipated to be enough to cover the needs outlined below. Therefore, the City will need to seek additional ways to leverage these funds and extend the use of this very limited resource.

#### A. Housing

##### 1. Prior to the Flooding

###### *a) Baseline Information and Data*

The City, home to Texas State University (enrollment approximately 39,979) and a frequent tourist destination, has a very young demographic. Data from the American Community Survey (ACS) Data 2010 – 2014 shows that over 42.4% of the population falls in the 18-24 age cohort, with another 24.3% of the population in the 25-44 bracket, while only 6.7% are older than age 65. This young population, and the transient nature of students, lends the housing environment in the City to heavily lean towards rental housing rather than home ownership.

As of 2014, there were 18,782 occupied housing units within the City, with 72.8% of all housing units being rentals and only 27.2% of the housing units being owner occupied (ACS Data 2010 – 2014). Based on the total occupied households from all income brackets including both renter and owner-occupied units: Less than 1% live in substandard housing without complete plumbing and/or complete kitchens.

- 1.3% are considered to be “severely overcrowded” with more than 1.51 persons per room.
- 2.3% are considered to be “overcrowded” with 1.01 to 1.5 persons per room.
- 36.6% of homeowners (1,121 households) expend over 30% of their monthly income on housing costs.
- 75.1% of renters (9,660 households) expend over 30% of their monthly income on rent.

HUD considers any family that expends more than 30% of their monthly income on housing to have a housing cost burden. This is just one of the serious housing problems that HUD looks for in a community. Others include the presence of a disability in the household, substandard or unsafe housing and overcrowding. Of all of these, the primary statistically significant serious problem in the City is the existence of a high cost burden on families, especially for those who rent. Additionally, 33% of housing units are more than 35 years old - this imparts maintenance costs that can be prohibitive for low income households.

There are 5,630 non-family households in The City that have a cost burden that exceeds 30% of their monthly income and 3,925 non-family households with a cost burden exceeding 50% of their monthly income. The majority of these are renters. By contrast, there are only 30 non-family households who live in overcrowded (more than 1/per room) conditions. The 2010-14 ACS indicates that 32.8% of the

population is individuals living alone and 13.5% of the population has less than a high school diploma. Medium Gross Rent is \$919/month (ACS 2010-14) with median non-family income \$1,788/month (\$21,456/year). The City of San Marcos has the lowest per capita income along the IH35 corridor between Austin and San Antonio.

***b) Race and housing choices***

The residents of the City, as indicated in the most recent census data, are primarily White or Hispanic in origin; the two races combined make up over 83% of the citizenry. By contrast, the minority population (not including the Hispanic or Latino origin) of the City is just 16.2% as of the 2014 ACS data, however, as in many jurisdictions, this cohort of population is severely cost burdened and impacted by low wages and high housing costs. Over 30% of the minority families (African American, Asian, or “Some Other” race as identified in the Census) were at or below the Poverty Level in 2014, and 20.4% of the Hispanic families were as well. As the majority of these families will be renters (given assumptions on income and housing units that can be afforded), any housing assistance program that supports recovery efforts in the most impacted areas identified below will be serving this cohort of the LMI population that HUD requires. These families will also be those most impacted by the housing cost burden listed above, and could therefore be seen as having 2 (or more) housing problems as identified by HUD. The City will make sure that these populations are provided every opportunity to make use of any appropriate CDBG-DR funds from this allocation.

***c) Disabled households or victims of domestic violence***

The Hays-Caldwell Women’s Center, a San Marcos non-profit organization that provides services, including an emergency shelter, for victims of family violence estimates in 2014 approximately 250 adult clients asked for housing assistance. Of those adults, 135 were families with children; 3 were disabled; and 4 were male adults. Following the floods in 2015, shelter assistance requests have gone up strikingly, over 200% in some instances as shown in the chart below. For most shelter residents, the primary barrier to securing housing was the lack of affordable housing in our area.

Within the city limits of San Marcos, the number of persons with a disability that need housing assistance is difficult to ascertain. However, a review of the 2008-2012 CHAS--Table 6 data shows that where at least one person has a self-care or independent living limitation, 11% reported a disability, including 5% under 18; 9% aged 18 to 64; and 45% over 65. It can be assumed that many of the households with self-care/independent living limitations need some form of housing assistance, especially renter households with an annual income less than 50% AMI, housing cost burden and the need for accessibility improvements. Through housing applications and case management the City will continue to engage the community during implementation so that the households with disabled family members receive appropriate assistance.

The following chart shows the households in both rental and owner-occupied housing. Those with at least one housing problem (as identified above) are shown and sorted by annual household income:

Households where at least one member has a self-care or independent living limitation	Renter Occupied	Renter % of Income Category	Owner Occupied	Owner % of Income Categories	Total
All Households	550	50%	555	50%	1,105
Households w/income at or below 30% AMI	140	78%	40	22%	180

Households w/income above 30% but less than 50% AMI	180	97%	5	3%	185
Households w/income above 50% but less than 80% AMI	20	20%	80	80%	100
Households w/income above 80% AMI	55	20%	220	80%	275

(Source: [www.huduser.org/portal/datasets/cp/chas/data\\_download\\_chas.html](http://www.huduser.org/portal/datasets/cp/chas/data_download_chas.html))

**d) Increased risk of homelessness**

Approximately 8% of all households with an annual income at or below 50% AMI have children six years old or younger. If we assume that the percent of households with children having a housing cost burden is similar to the population as a whole, then it can be estimated that 284 rental and 20 owner-occupied extremely low income households have a housing cost burden of 50% or greater. A cost burden this high puts the families at imminent risk of becoming homeless. There is a lack of homeless prevention dollars in the City. The City does not receive rapid re-housing assistance or Emergency Solutions Grant funds. The City does not have resources to provide this form of assistance.

The high cost of rental housing in the City creates instability and an increased risk of homelessness as a by-product. Very low-income households living in aging housing have limited resources for maintaining and repairing their homes; if no repairs are made, serious deficiencies can leave the home uninhabitable and create a risk of homelessness or overcrowding. The low or extremely low-income households with at least one person 75 years or older are also in danger of becoming homeless or having to double-up with families or friends as options for affordable living decrease and assisted living is not affordable.

**e) Pre-Flood Sources of Housing Funds**

Prior to the Floods, the City regularly programmed approximately \$500,000 annually in CDBG funding. As of 2015, these funds had been allocated into the following “High Priority” categories:

- Affordable Housing
- Public Services
- Public Facilities/Infrastructure/Transportation
- Clearance Activities
- Program Administration

Given pre-existing contracts and set asides, the ability of the City to utilize these funds on disaster related activities can be difficult and therefore should not be relied upon as actual post-disaster funding. The amount of CDBG funding that the City can use to assist in disaster related activities is approximately \$311,000. These funds have been allocated to third party contractors who have already used \$35,812 to assist in the repair and rehabilitation of houses damaged by the floods.

**f) Additional Sources of Funding**

While there are many non-profit and philanthropic organizations in the City, the majority of them exist for very specific and limited purposes. This does not enable them to provide long term disaster recovery assistance, so cannot reliably be counted as a source of long-term funding. Organizations such as the United Way, Red Cross and the Blanco River Regional Recovery Team (BR3T) all provided assistance



immediately following the floods, however, the ability to continue providing ongoing funding is very limited.

The City does use up to \$450,000 from the General Fund budget to provide annual grants to local non-profit organizations that provide services to the low, very low, and homeless population, including support to the three shelters located within the City. The City also utilizes their regular annual CDBG funding to provide public services such as supporting the Hays-Caldwell Women's Center. The City has also provided funding over the past several years to the Southside Community Center for a housing rehabilitation program. This program helps prevent homelessness by ensuring that the owner occupied housing for low and very low income families remains decent, safe, and sanitary.

#### ***g) Conclusion***

The pre-flood housing needs in the City centered around the lack of affordable housing. Though few units are lacking plumbing or kitchen facilities, there is a need for minor to moderate housing rehabilitation to prevent further deterioration as well as a need to demolish unsafe/unsound housing, replacing with a safe and code-compliant home where appropriate. The remainder of this section will discuss the unmet need and provide recommendations on the allocation of CDBG-DR funding.

## **2. Unmet Needs**

#### ***a) Damage and Areas of Greatest Impact***

The majority of the damage occurred within the 100-year floodplain or right up against the banks of the Blanco and San Marcos Rivers. The Blanco Gardens area, immediately to the South of Interstate 35 and State Hwy 80, had the most claims submitted for insurance payouts, as seen in the map in Appendix A. Over 1,200 properties are in this area alone, and are at continued risk for additional flood impacts. The City is investigating mitigation measures for this area, and this information is described in more detail in the Infrastructure portion of this assessment. Additionally, the majority of the households within the impacted area are well below 50% of AMI, shown by the map in Appendix A. Therefore, any assistance that is rendered within the impacted areas of the City will ultimately serve the LMI populations that HUD has established as needing the greatest assistance. Graphical display of damage areas and impact can be found in Appendix A.

#### ***b) FEMA Damage Assessment***

One of the largest and most important tasks of disaster recovery is identifying, documenting, and reporting the costs of all damages incurred by the disaster event. Immediately following a disaster, resources are scarce and expediency and timeliness are critical. However, it is important to identify the impact of those damages to the City and its residents through:

- Data collection;
- Housing and Business Surveys; and
- Planning and initiating housing inspections.

Immediately after the flood waters receded, the City, in a joint effort with FEMA, initiated planning to conduct residential damage assessments. The following activities were performed:

- Critical data sources were identified in order to calculate estimated damage values;
- Geographic Information Systems (GIS) was implemented to map damage assessment;
- U.S. Department of Housing and Urban Development Housing Quality Standards were identified as the acceptable minimum standard for health and safety; and

- Total FEMA Verified Loss (FVL) was determined from the 1,738 claims to be \$7,093,633 – this represents the total cost that FEMA estimates residents were subjected to as a result of their loss. It is important to note that FVL is not a direct measure of total damage, simply a snapshot in time of how impacted a particular applicant was by the flood. Additionally, multiple claims on the same property may not be funded, thereby increasing the number of claims (1,738) versus the actual damaged properties (1,558).

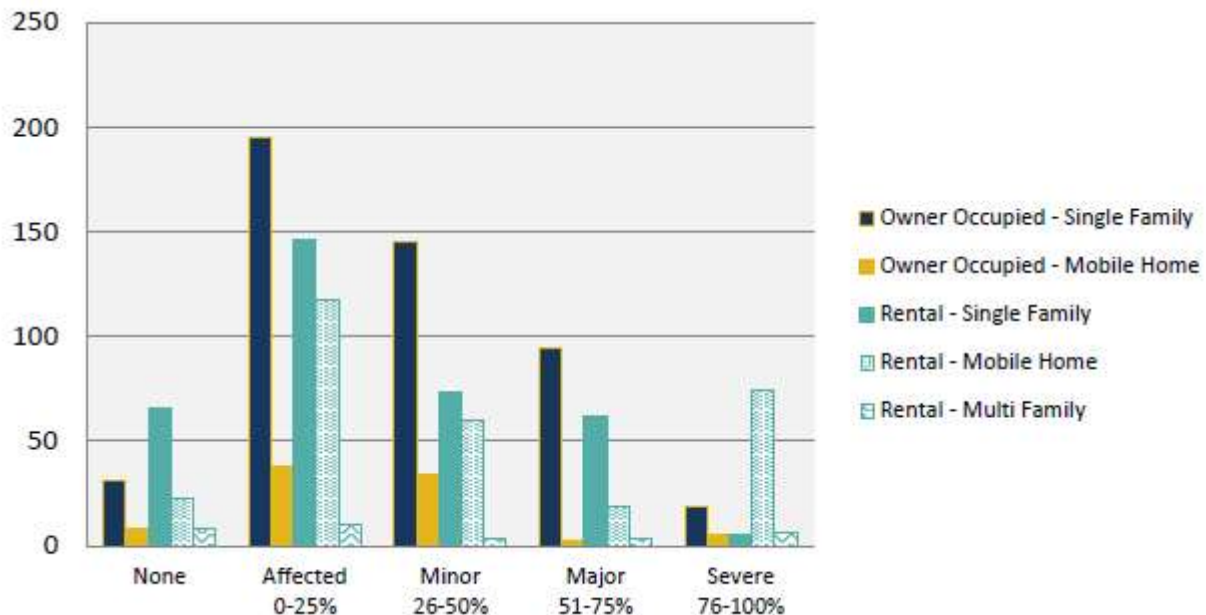
Conducting Damage Assessment Inspections Initial damage inspections involved calculating a Damage Level (DL) from “Level 0” to “Level 4”, with “Level 0” meaning the unit suffered no damage in the flood and “Level 4” meaning the flood completely destroyed the unit and it could not be salvaged. Housing units that scored a “Level 3” or “Level 4” are considered uninhabitable; however, units that score a “Level 3” are considered repairable. These damage levels equate to established and well-defined FEMA damage levels. The “Damage Percentage” represents the percentage of the structure that was damaged.

Damage Percentage by Damage Level		
Damage Level	FEMA Description	Damage Percentage Range
Level 0	No Damage	0%
Level 1	Affected	0-25%
Level 2	Minor	26-50%
Level 3	Major	51-75%
Level 4	Severe	76-100%

#### Initial Inspection Findings

According to initial disaster estimates, flood insurance claims and other data sources, 1,558 housing units were damaged in the two floods. The vast majority of the damage, impacting 1,246 homes, occurred in the Blanco Gardens neighborhood and immediately adjacent areas. Consequently, this Needs Assessment will base the majority of its calculations on this population. As shown in the table below, within the areas most impacted by the floods, 675 were rental units and 571 were owner occupied units. In the same area, 136 housing units received no damage to the primary housing structure, or had damage well below the threshold to be considered in FEMA’s estimate. This indicates that over 89% of the units within this area were damaged in some manner, with initial estimates indicating that approximately 109 units received “Severe” or significant structural damage and will need to be completely rebuilt or replaced.

## Damage Assessment of Blanco Gardens



Following the floods, the City conducted multiple public workshops to determine the extent of damage to homes; minutes from these meetings are available and attached as exhibits to the City's Action Plan for Disaster Recovery. From these meetings, and from flood insurance data, we know that over 78% of the housing units were not covered by flood insurance, and are therefore eligible for assistance from FEMA. FEMA has provided the victims in the City \$4,333,990 for Individual Assistance related to housing, while the SBA has approved \$3,357,700 in low-interest loans for home repair or replacement.

### c) Overall HUD Unmet Needs Methodology

The method that HUD uses to determine Unmet Need is described in great detail in the Federal Register. Unmet Need, at its very basic level, is defined as that amount of funds necessary to make the City whole again following a disaster. Unmet Need also takes into account the amount of funds and resources that a city has already received from other external sources such as FEMA, NFIP or the SBA, as well as any other sources of funds that the City might have that could be directed to help solve these needs. Finally, no responsible jurisdiction would consider a Needs Assessment complete without discussing the cost of completing activities that will keep the City from incurring this same type of damage in the future. Unfortunately, this number is very hard to quantify, so as a result, unless a project has recently been studied or engineered, knowing exactly what "cost" mitigation activities will add to the formula of unmet needs is very difficult to determine.

For the purposes of this Needs Assessment, the City will use the following HUD established methodology to determine the remaining unmet need under Housing as well as the other categories of Infrastructure and Economic Development.

HUD has published guidance documents for the establishment of Unmet Housing Needs as attached to the Federal Register authorizing this allocation (published June 9, 2016). According to this guidance, HUD uses the following methodology for estimating unmet needs. The following information is taken from the Appendix to the Federal Register. It should be noted that this is guidance on how HUD would calculate unmet need; the City will endeavor to follow this guidance as much as the data permits.

*The data HUD staff have identified as being available to calculate unmet needs for qualifying disasters come from the following data sources<sup>1</sup>:*

- FEMA Individual Assistance program data on housing-unit damage as of December 21, 2015;
- SBA for management of its disaster assistance loan program for housing repair and replacement as of January 13, 2016;
- SBA for management of its disaster assistance loan program for business real estate repair and replacement as well as content loss as of January 13, 2016; and
- FEMA- estimated and -obligated amounts under its Public Assistance program for permanent work, Federal and State cost share as of February 3, 2016.

<sup>1</sup>NFIP dollar amounts have been requested, but are currently unavailable.

#### **d) Calculating Unmet Housing Needs**

##### **FEMA and SBA**

*According to HUD: The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for FEMA's Individual Assistance program. For unmet housing needs, the FEMA data are supplemented by SBA data from its Disaster Loan Program. HUD calculates "unmet housing needs" as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds already provided by FEMA (and other sources), where:*

- Each of the FEMA inspected owner units are categorized by HUD into one of five categories:
  0. Minor-Low: Less than \$3,000 of FEMA-inspected real property damage.
  1. Minor-High: \$3,000 to \$7,999 of FEMA-inspected real property damage.
  2. Major-Low: \$8,000 to \$14,999 of FEMA-inspected real property damage and/or 1 to 4 feet of flooding on the first floor.
  3. Major-High: \$15,000 to \$28,800 of FEMA-inspected real property damage and/or 4 to 6 feet of flooding on the first floor.
  4. Severe: Greater than \$28,800 of FEMA-inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.
- For the purposes of categorizing damage in San Marcos, the levels above correspond to the Levels 0-4 listed above as follows (applicable to Rental units as well):
  - None: No Damage
  - Minor-Low = San Marcos Level 1, Affected
  - Minor-High = San Marcos Level 2, Minor
  - Major-Low = San Marcos Level 3, Major
  - Major-High and Severe = San Marcos Level 4, Severe

*To meet the statutory requirement of "most impacted," homes are determined to have a serious level of damage if they have damage of "major-low" or higher. That is, they have a real property, FEMA-inspected damage of \$8,000 or flooding over 1 foot. Furthermore, a homeowner is determined to have unmet needs if the homeowner received a FEMA grant to make home repairs. For homeowners with a*

*FEMA grant and insurance for the covered event, HUD assumes that the unmet need "gap" is 20 percent of the difference between total damage and the FEMA grant.*

- FEMA does not inspect rental units for real property damage so personal property damage is used as a proxy for unit damage. Each of the FEMA inspected renter units are categorized by HUD into one of five categories:
  - *Minor-Low: Less than \$1,000 of FEMA-inspected personal property damage.*
  - *Minor-High: \$1,000 to \$1,999 of FEMA-inspected personal property damage.*
  - *Major-Low: \$2,000 to \$3,499 of FEMA-inspected personal property damage and/or 1 to 4 feet of flooding on the first floor.*
  - *Major-High: \$3,500 to \$7,499 of FEMA-inspected personal property damage and/or 4 to 6 feet of flooding on the first floor.*
  - *Severe: Greater than \$7,500 of FEMA-inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.*

*For rental properties, to meet the statutory requirement of "most impacted," homes are determined to have a high level of damage if they have damage of "major-low" or higher. That is, they have a FEMA personal property damage assessment of \$2,000 or greater or flooding over 1 foot. Furthermore, landlords are presumed to have adequate insurance coverage unless the unit is occupied by a renter with income of \$30,000 or less. Units occupied by a tenant with income less than \$30,000 are used to calculate likely unmet needs for affordable rental housing. For those units occupied by tenants with incomes under \$30,000, HUD estimates unmet needs as 75 percent of the estimated repair cost.*

- The average cost to fully repair a home to code for a specific disaster within each of the damage categories noted above is calculated using the average real property damage repair costs determined by the SBA for its disaster loan program for the subset of homes inspected by both SBA and FEMA. Because SBA is inspecting for full repair costs, it is presumed to reflect the full cost to repair the home, which is generally more than the FEMA estimates on the cost to make the home habitable. If fewer than 100 SBA inspections are made for homes within a FEMA damage category, the estimated damage amount in the category for that disaster has a cap applied at the 75th percentile of all damaged units for that category for all disasters and has a floor applied at the 25th percentile.

Given that the SBA awarded 88 loans to citizens of San Marcos, the City will utilize the average of these loans as the basis for the estimate to completely repair a substantially damaged housing unit. This number is pro-rated based upon the damage percentage ratios shown in the charts below and estimates that the current cost to repair homes to a pre-flood state is approximately \$80,176. It is understood that this "damage universe" is a small percentage of the actual number of damaged units, however, the current lack of NFIP payout information makes this the only solid and reliable piece of data to represent reconstruction costs.

To obtain estimates for unmet needs, only properties receiving a FEMA grant are included in the calculation (since these are the cases assumed to have insufficient insurance coverage). Furthermore, the FEMA grant amount and all SBA loans are subtracted out of the total estimated damage to obtain a final unmet needs estimate. Although flood insurance payouts have been issued, and must be counted against the Unmet Need, the amount of those payouts is unavailable at this time.

**The following chart shows the latest comprehensive damage estimate for housing units within the most impacted area of the City, and represents the basis for our unmet needs calculation. Given that**

the total costs to repair are not fully known at this time and that the majority of the impacted units are less than 50% damaged, it should be noted that the final costs may deviate significantly from this estimate. Therefore, this number should be seen as the maximum cost to repair at this point in time. Once firm costs to repair are determined, and additional NFIP payout information is included, this damage estimate will most likely change.

Damage Repair Estimate of Unmet Need in Affected Flood Areas				
Damage Type	Damage %	\$ Est. Cost to Repair (as % of SBA average)	Area Units #	Total Damage Estimate \$
None	0%	\$0.00	136	\$0.00
Affected	25%	\$20,044.00	506	\$10,142,264.00
Minor	50%	\$40,088.00	315	\$12,627,720.00
Major	75%	\$60,132.00	180	\$10,823,760.00
Severe	100%	\$80,176.00	109	\$8,739,184.00
<b>Total</b>			<b>1,246</b>	<b>\$42,332,928.00</b>

*This total does not include the 136 homes in the area that received no structural damage to the main housing unit or were below the damage threshold established by FEMA.*

### Insurance Proceeds

Standard homeowner's insurance does not cover flooding; however, it is important to have protection from the floods associated with hurricanes, tropical storms, heavy rains and other conditions that impact the U.S., FEMA created the National Flood Insurance Program (NFIP) to help provide a means for property owners to financially protect themselves. The NFIP offers flood insurance to homeowners, renters, and business owners if their community participates in the NFIP. Participating communities agree to adopt and enforce ordinances that meet or exceed FEMA requirements to reduce the risk of flooding. Properties that were located in the FEMA flood zone along the Blanco and San Marcos Rivers were able to collect insurance proceeds from the NFIP. To date, NFIP claims have been processed for 503 properties (409 owner occupied and 94 rental). This represents potentially an additional \$28,901,437 in funding that has been provided to the citizens of the City to assist with their flood recovery, and will reduce the overall unmet need for housing.

### Owner Occupied Housing Needs

FEMA data shows that 1,103 of the 5,102 owner occupied units (city-wide) applied for assistance immediately after the floods. Of these homes, 1,013 units (from all sources: 925 FEMA IA, 88 SBA,) have already received either Individual Assistance or payouts from other sources including insurance or SBA loans. This leaves 90 of the FEMA applicants with no current source of rehabilitation funding, and the City may need to provide assistance to these families under this CDBG-DR allocation. Based upon the SBA data, the current cost to repair homes to a pre-flood state is approximately \$80,176. Once their level of damage has been accurately determined, the remaining need for these affected homeowners may be as high as \$7,215,840.

While the City may choose to repair homes that are classified as “Affected” or “Minor” related to damage, it should be noted that any home classified “Major” or “Severe” within the 100-year flood plain receiving CDBG-DR assistance from this allocation will be required to be elevated to at least two feet above Base Flood Elevation (BFE), as required under FR-5938-01. The cost to carry flood insurance for homeowners taking advantage of a potential CDBG-DR housing program should not be understated, as it will most likely create a cost burden on an applicant, thereby making maintaining that home no longer affordable for the income levels that are required to be assisted with these funds. The City will need to determine during implementation whether these homeowners will be offered buyout and relocation assistance in lieu of elevating their property. Homes that are in the “Major” or “Severe” categories will need to be completely reconstructed, or possibly, if within the flood plain as described above, bought out which would afford the homeowner the opportunity to move to a lower risk area.

### Rental Property Needs

According to initial City estimates, out of 13,680 rental units citywide, the flood damaged over 675 rental housing units within our most impacted area. Citywide, these rental units, as mentioned previously, typically house the LMI population of the City, as well as a large portion of the student population of Texas State University. The rental housing market can define its unmet needs as rental programs to repair/replace damaged rental units, create additional rental programs to house displaced households (homeowners and renters), and rental housing to assist special needs populations who have difficulty finding affordable housing in the restricted and expensive rental housing market. Of the 675 units that were damaged, insurance payouts have already been provided to 94 units. While residents within the remaining units may have received FEMA IA, the assistance they have received would not have covered the property damage as they are not the owners of record. Therefore, the City estimates that there are still 581 rental units within this area, and possibly more across the City, that may need Disaster Recovery assistance. Units within the 100-year flood plain that received significant damage (meeting the FEMA classifications of Major or Severe), may be reconstructed, but will at minimum have to be elevated to two feet above the Base Flood Elevation. Those adjacent to the flood plain will not require elevation and can be rehabilitated or reconstructed depending on the level of damage. In all circumstances, LMI residents within these units may be provided relocation assistance to other units within the City while their unit is being repaired or replaced.

### **Public and HUD Assisted Housing Needs**

During the Memorial Day and All Saints floods of 2015 the San Marcos Housing Authority sustained damages of approximately \$1,300,000 to 100 units of their 287-unit inventory. The repairs are complete. The units were occupied by households with incomes as follows: 30% AMI. The San Marcos Housing Authority has been forced to use resources originally intended for improvements to other facilities and has delayed those improvements for an indefinite period since other sources of revenue have been exhausted. Since the floods, the San Marcos Housing Authority has received approximately \$1,390,603 in assistance, broken out as follows:

San Marcos Housing Authority Assistance	
United Way Contribution	\$70,000.00
Private Cash Donation	\$43,330.00
TML Flood Insurance (All Saints)	\$168,629.00
FEMA	\$458,644.00



San Marcos Investment Corp Grant	\$100,000.00
San Marcos Investment Corp Loan/Advance	\$400,000.00
Housing Authority Capital Funds	\$150,000.00
<b>Total</b>	<b>\$1,390,603</b>

Originally, the Action Plan did not allow for reimbursement of the cost of flood-related repairs and also did not designate funds for the San Marcos Public Housing Authority. Substantial Amendment No. 7 to the Action Plan allows for the reimbursement of the cost of flood-related repairs and for funds not to exceed \$866,603 to be designated to the San Marcos Public Housing Authority. The Public Housing Authority Reimbursement Activity is a separate Activity under the Housing Project. The reallocation of funds from the Rental Reconstruction Activity will be used to fund the Public Housing Authority Reimbursement Activity. Due to Federal budget restrictions, the San Marcos Housing Authority is unable to increase the number of public housing units or Section 8 Vouchers and therefore the City will not be exploring the creation of additional public housing units with CDBG-DR funding. The San Marcos Housing Authority is authorized to issue up to 228 Section 8 Housing Choice Vouchers. Of this total, 4 households were impacted by the Memorial Day flood and 3 by the All Saints Flood. All 7 families were able to be rehoused by the Housing Authority at different locations following the floods and therefore no outstanding or unmet need exists for HUD assisted housing residents.

#### **Other Sources of Funds**

Thanks to the generosity of many of the non-profit organizations that volunteered their time and assistance to victims of these floods, over 45 families have received over \$183,000 of housing assistance. The assistance provided to date has been for temporary shelter, damage repair and relocation. Other agencies are still providing assistance to affected residents of the City, and their funds will be calculated as they become known. Multiple non-profit organizations came to the City and provided volunteers, food and other non-housing related assistance. While this help is certainly significant in assisting the citizens to recover from the flood, it was not directed to address housing needs and therefore is not a part of the unmet needs' calculation for housing.

#### **Displaced Households**

Based upon information provided by the San Marcos Housing Authority, of the 100 families displaced from San Marcos Housing Authority properties as a result of the two floods, 53 families have returned to their homes, 34 families have chosen not to return, 13 families have returned to other San Marcos Housing Authority properties, and one family has transferred to the San Marcos Housing Authority's Section 8 Program and relocated away from the area. While it is discouraging that 35 families have voluntarily left the City, it is important to note that this will provide the San Marcos Housing Authority a chance to bring additional families off their waiting list and into secure housing. Beyond this information, the City does not have evidence, anecdotal or otherwise, that citizens remain displaced or have relocated to other jurisdictions as a result of continuing housing issues from the floods.

#### **Homelessness**

The Texas Homeless Coalition, the organization that provides the Balance of State homeless service, was contacted by the City and they do not have any data on homelessness in San Marcos for 2015. However, there are three homeless shelters within the City; one targeted to victims of domestic violence, one for youth under the age of 18, and one open to the general homeless population. Overall, the City cannot state that homelessness has increased as a result of these floods. While there is evidence of increased



activity (such as an increased use of shelter showers) at the local shelters immediately following both events, that increase in activity could partially be as a result of the influx of volunteers who came in to assist with the recovery, not only as families displaced from their homes. Additionally, tracking the numbers at the shelters since the floods occurred indicates that the overall homeless count in the City has remained statistically constant. There remains a high risk for homelessness given that the pre-flood conditions of high cost burden and high maintenance costs of housing due to the age of the housing stock still exist, however the City cannot positively conclude that the floods contributed to a rise in homeless populations.

### **Hazard Mitigation Activities for Housing**

One of the more prevalent needs related to housing is the ability to remove chances for repetitive loss. In these two floods, of the 1558 housing units damaged in the floods, FEMA and NFIP claim data indicates that 75 of them were damaged in both events, causing a repetitive loss situation that equaled \$760,165 of repetitive payments. Since the events were so close together in time, many residents were not able to elevate their home to come in compliance with Base Flood Elevation (BFE) regulations, nor were they able to secure Flood Insurance as required under the FEMA programs. Subsequent to the flood events, the City is in the process of adopting new BFE regulations and revised the Flood Maps for the City. Consequently, the City needs to conduct additional research to find ways to reduce the possibility of future flood impacts.

The City has investigated potential mitigation measures for the properties in the Blanco Gardens Area, the area most impacted by the Floods. The research provides recommendations regarding the relative benefit and cost of two options for flood mitigation to properties in an area generally described as “Blanco Gardens”. The options include the acquisition of flood prone properties and the elevation of structures. Based on preliminary data, the acquisition of all properties within the flood prone areas would cost upwards of \$42M; a prohibitive cost once the cost of building new housing and relocating current homeowners, as well as the mental stress such a process would place on the residents is included. A more feasible alternative would be the elevation of those structures that are currently below the BFE, a process that would cost an estimated minimum of \$14.9M.

While this Needs Assessment does not recommend specific projects, the City will investigate the possibility of Hazard Mitigation activities similar to the two listed above as part of their housing allocation in order to increase sustainability and resilience within the community. [During the Housing Program Intake process, the City discovered impacted applicants with property in areas not eligible for rebuild or where improvements are owned by the applicant but not the land. Substantial Amendment No. 6 details the City's desire to assist the applicants with stick built housing on City owned allowable lots out of the floodplain.](#)

### **Conclusion and Summary of Unmet Need for Housing**

The housing needs in the City center around the lack of affordable housing – especially rental units, as well as the need to prevent continued damage from future floods. Though few units are lacking plumbing or kitchen facilities, there is a need for minor to moderate housing rehabilitation to prevent further deterioration as well as a need to demolish and reconstruct unsafe/unsound housing. The chart below summarizes the City’s funding sources, and represents an estimate of unmet need related to housing to the best of our ability with the current data; discussions with the public and with City leadership will continue to refine this information and prioritize the assistance needed. At this time, it appears that the priority for utilization of CDBG-DR funding (related to housing) will be for housing rehabilitation and for the implementation of repetitive loss and hazard mitigation activities which may

include buyouts or housing elevation or relocation of housing to City owned property that would otherwise be ineligible for rebuild.

Remaining Unmet Housing Need	
Total Need	\$
Cost to repair	\$42,332,928.00
Hazard Mitigation needs	\$14,900,000.00
Previous Benefits	\$
FEMA IA provided	(\$4,333,990.00)
SBA Loans	(\$3,357,700.00)
NFIP claims **	(\$17,037,400.00)
Other Sources	(\$461,000.00)
<b>Total Unmet Housing Need</b>	<b>\$32,042,838.00</b>

\* Indicates only potential Elevation measures as discussed in the narrative above; a combination of buyout and elevation will significantly change this number.

\*\* NFIP dollar amounts have been requested, but are currently unavailable. The chart currently reflects best guess estimates and will be updated once that information has been received.

## B. Infrastructure

Amendment #2 updates the Needs Assessment to reflect the results of the Infrastructure Feasibility Study. This study was undertaken to determine those infrastructure projects that meet the National Objective and provide have the greatest impact on the health, safety and protection to LMI citizens in the flood impacted area. Please see Section B-9. and 10.

The two floods combined accounted for \$13,382,000 worth of estimated damages to vital City facilities and infrastructure. The City has applied to FEMA for Public Assistance to cover the original outlay the City has had to make to cover these costs, and is anticipating that some of these damages will be covered and will be reimbursed. These funds have been allocated as demonstrated below for the repair, replacement, or restoration of disaster-damaged infrastructure as well as costs incurred for disaster clean-up or emergency actions taken to protect lives or property. Immediately following the floods, City officials began the collection and analysis of the infrastructure data, understanding the need to expedite the review and get the information to FEMA in a timely manner. The City is diligently following up on its submission to FEMA and is continuing to submit information related to the October flood even as this Action Plan is being drafted.

The City, in conjunction with FEMA, is working to develop multiple Project Worksheets (PWs) to repair damages caused by the floods. Federal Declarations #4223 and #4245 were published May 29th and November 25th therefore allowing the process of recovery to begin in San Marcos. As of June 1, 2016, a

total of \$6,769,827 has initially been identified by the City as needed in order to repair and/or replace disaster impacted facilities. The Presidential declaration set for this disaster included a 75 percent cost share therefore leaving 25 percent of all dollars (\$1,642,456 to date) obligated to the City. The estimated funds are identified in Categories A-G. Each Category is represented by different functions within the program. Categories A and B are considered Emergency Measures: Category A is specifically for Debris Removal and Category B is for Emergency Protective Measures. Categories C through G are for the Permanent Work groups. Category C is defined for Roads and Bridges. Category D is for Water Control Facilities. Category E addresses damages to Buildings, Contents, and Equipment. Category F is for all Utilities and Category G addresses Parks, Recreational and Other Facilities. Out of the all of the eligible activities under the Infrastructure Category that the City has identified to date, there is approximately \$1,642,456 left that the City has to fund. This represents the amount not covered by insurance and anticipated FEMA payouts. It should be noted that the figures in the Categories listed below are currently estimates (except where noted as funds being received), reflecting what the City has identified as costs incurred as a result of the floods.

It should be noted that much of the infrastructure unmet need within the City cannot be measured by utilizing FEMA requests for assistance as it is not related or directly attributable to literal damage to infrastructure, **but rather a failure of existing infrastructure to prevent repetitive flooding and loss to housing stock**. Improvements to the City's critical drainage and flood prevention infrastructure would assist in resolving the repetitive damages sustained to the housing stock due to flooding.

## 1. Category A –Debris Removal

The flooding of 2015 created thousands of tons of debris ranging from damaged houses and infrastructure to soils and sediments deposited in the City's storm water system. The City removed debris from 38 designated collection sites, home sites and public facilities. The citywide debris removal projects, the largest debris removal projects, are complete at this time. A summary of the costs and needs are as follows:

Category A breakdown			
Flood	Damage	FEMA PA	Unmet need
Memorial Day	\$ 62,323.00	\$ 46,742.25	\$ 15,580.75
All Saints Day	\$ 102,181.00	\$ 76,636.00	\$ 25,545.00
<b>Total</b>	<b>\$ 164,504.00</b>	<b>\$ 123,378.25</b>	<b>\$ 41,126.25</b>

## 2. Category B –Emergency Protective Measures

A variety of emergency protective measures had to be taken before and after the flooding in 2015, but most specifically the Memorial Day Flood. The following activities were undertaken by the City following the two events:

- Search & Rescue.
- Emergency Medical Care.
- Emergency mass care and shelter was provided.
- Provision of food, water, ice and other essential needs at central distribution points.

- Activation of a Local Emergency Operations Center (EOC) to coordinate and direct the response to the disaster event.
- Emergency measures to prevent further damage to facilities
- Removal of health & safety hazards and disposal of dead animals.
- Pumping of trapped floodwaters.
- Pumping of septic tanks or decontamination of wells.
- Control of rodents or insects that pose a serious health hazard, but not when they are merely a nuisance.
- Construction of emergency protective measures to protect lives or improved property.
- Restoration of access when work was done.
- Building inspections. Safety inspections that are necessary to establish if a damaged structure posed an immediate threat.
- Eliminate or reduce an immediate threat to life, public health, or safety.
- Eliminate or reduce an immediate hazard that threatens significant damage to improved public or private property.
- Bracing & shoring damaged structures to protect against further damage to the structure to protect the general public.
- Closure of public parks, particularly those adjacent to the rivers to protect the safety of citizens attempting to access the inundated areas.

Beyond the activities that the City Emergency Management Division performed, the San Marcos Housing Authority has also received \$41,000.00 under this Category, specifically to provide improvements for the physically challenged and to improve emergency access to the affected units.

A summary of the remaining costs and needs in this Category are as follows:

Category B breakdown			
Flood	Damage	FEMA PA	Unmet need
Memorial Day	\$ 269,950.00	\$ 202,462.50	\$ 67,487.50
All Saints Day	\$ 150,000.00	\$ 112,500.00	\$ 37,500.00
<b>Total</b>	<b>\$ 419,950.00</b>	<b>\$ 314,962.50</b>	<b>\$ 104,987.50</b>

### 3. Category C –Roads Systems and Bridges

As a result of the flooding in 2015 over 25 roadways and culverts, along with a major railroad trestle and other bridges were damaged in the City. Damages to these roadways included:

- Pavement failures including potholes, spalled and cracked pavement;
- Washouts;
- Missing/damaged signage and traffic signals;

- Damaged railroad trestles and bridging; and
- Blocked and damaged culverts.

The following chart shows the FEMA PA summary for this Category. In addition to the Project Worksheets in this area, the City has identified a number of other activities that would be required for Hazard Mitigation. The costs associated with these activities are identified in the Hazard Mitigation section further on in this section.

#### 4. Category D –Water Control Facilities

During the floods of 2015, many of the City’s critical drainage facilities were damaged or severely over taxed. The proper functioning of a City’s drainage system is crucial to protecting the infrastructure of the City and the safety of its citizens from future weather events. As of the completion of this report, the City has identified the following funding amounts needed to address the repairs needed for its water control facilities; a total of 2 major treatment plants and facilities sustained damage as a result of the flood.

Category C breakdown			
Flood	Damage	FEMA PA	Unmet need
Memorial Day	\$ 439,785.00	\$ 329,838.75	\$ 109,946.25
All Saints Day	\$ 2,027,000.00	\$ 1,520,250.00	\$ 506,750.00
<b>Total</b>	<b>\$ 2,466,785.00</b>	<b>\$ 1,850,088.75</b>	<b>\$ 616,696.25</b>

Category D breakdown			
Flood	Damage	FEMA PA	Unmet need
Memorial Day	\$ 44,650.00	\$ 33,487.50	\$ 11,162.50
All Saints Day	\$ 528,000.00	\$ 396,000.00	\$ 132,000.00
<b>Total</b>	<b>\$ 572,650.00</b>	<b>\$ 429,487.50</b>	<b>\$ 143,162.50</b>

#### 5. Category E –Buildings, Contents, and Equipment

The floods of 2015 impacted many of the City’s critical and important public and private buildings. A quick and thorough response to repairing these buildings and replacing their contents is critical to the City’s recovery. Several projects have been identified and are being submitted to FEMA for the creation of Project Worksheets for both floods, but the October flood caused considerably more damage to City property. Among the activities which the City is seeking funding for are projects such as:

- Replacement of ten (10) City-owned vehicles, including multiple damaged fire trucks and emergency management personnel vehicles; and
- Repairs to fencing and other mechanical components of major City-owned buildings.

The San Marcos Housing Authority has received \$291,000 from FEMA for repairs to the required ADA compliant and accessibility ramps in its complexes as well as other buildings within their housing complexes, however, the City itself has not received any funding to this point. The chart below illustrates the Unmet Need calculation for this Category.

Category E breakdown			
Flood	Damage	FEMA PA	Unmet need
Memorial Day	\$ 788,000.00	\$ 591,000.00	\$ 197,000.00
All Saints Day	\$ 1,031,000.00	\$ 773,250.00	\$ 257,750.00
<b>Total</b>	<b>\$ 1,819,000.00</b>	<b>\$ 1,364,250.00</b>	<b>\$ 454,750.00</b>

## 6. Category F –Utilities

The City's principle water main received significant damage as a result of the October flood, at a cost of \$476,550 to repair and return to full capacity. The repairs have been completed, and the City is waiting for the reimbursement from FEMA for this project. Additional needs under this Category for repairs and upgrades to sewer and water infrastructure account for another \$695,169. All of these activities are included in the costs listed in the chart below. Additionally, the San Marcos Housing Authority estimates that another \$200,000 is needed to upgrade and repair the storm sewer and drainage systems at their properties.

Category F breakdown			
Flood	Damage	FEMA PA	Unmet need
Memorial Day	\$ 171,719.00	\$ 128,789.25	\$ 42,929.75
All Saints Day	\$ 38,338.00	\$ 28,753.00	\$ 9,585.00
San Marcos Housing Authority repairs	\$ 200,000.00	\$ -	\$ 200,000.00
<b>Total</b>	<b>\$ 210,057.00</b>	<b>\$ 157,542.25</b>	<b>\$ 52,514.75</b>

## 7. Category G –Parks, Recreational, and Other Facilities

The City saw damage at 17 parks which included: repairs to soccer playing fields, trails, playgrounds and fencing, replacement of trash cans & BBQ grills, replacement of park entry gates and signage as well as damage to a park foot bridge. Damage to fencing also occurred at the San Marcos Regional Airport. The chart below again summarizes the infrastructure need under this Category.



Category G breakdown			
Flood	Damage	FEMA PA	Unmet need
Memorial Day	\$ 1,365,400.00	\$ 1,024,050.00	\$ 341,350.00
All Saints Day	\$ 80,000.00	\$ 60,000.00	\$ 20,000.00
<b>Total</b>	<b>\$ 1,445,400.00</b>	<b>\$ 1,084,050.00</b>	<b>\$ 361,350.00</b>

Of note, but cannot be categorized in dollars, the City's Community Activity Center was to serve as the emergency shelter location during the flooding. Access to the Activity Center is restricted to entrance and exist on E. Hopkins Street and is bordered to the west by the San Marcos River. As a result of the flooding, the Activity Center was inaccessible to the community during the flooding event, and in fact, cars became trapped on E Hopkins Street just southeast of the Activity Center during the flooding event, as can be seen in the photo below. An unmet need identified, as a result, is an alternate location within the City that can serve as both a community center/activity center and a fully functional emergency sheltering location in times of disaster.



Photo courtesy of Expressnews.com

## 8. FEMA Public Assistance Unmet Need

Due to the damages incurred from the flooding of 2015, the City needs approximately \$1.7M to restore and complete projects identified throughout the community that received direct damage from the flooding. The goals of these projects are to allow damaged buildings, parks, and other facilities to return to pre-flood conditions. To date, the City has received funding of approximately \$330,000 for these projects. A summary of the total damages (referred to as project cost), funding received (FEMA and others), and unmet needs is outlined in the table below.

Summary of Calculable FEMA PA Program Unmet Need			
FEMA Public Assistance Category	Project Cost	FEMA PA	Unmet Need
A - Debris Removal	\$164,504.00	\$123,378.00	\$41,126.00
B - Emergency Protective Measures	\$419,950.00	\$314,962.50.00	\$104,987.50
C - Road Systems and Bridges	\$2,466,785.00	\$1,850,088.75.00	\$616,696.25
D - Water Control Facilities	\$572,650.00	\$429,487.00	\$143,163.00
E - Buildings, Contents, and Equipment	\$1,819,000.00	\$1,364,250.00	\$454,750.00
F – Utilities	\$210,057.00	\$157,542.75.00	\$52,514.25.00
G - Parks, Recreation and Other Facilities	\$1,445,400.00	\$1,084,050.00	\$361,350.00
<b>Total</b>	<b>\$7,098,346.00</b>	<b>\$5,323,759.00</b>	<b>\$1,774,587.00</b>

## 9. Unmet Need for Public Infrastructure/Resilient Critical Infrastructure Activities

As noted in the Housing section above, the City is determined to address the conditions that have allowed for repetitive losses due to flooding. Not only have there been these two events within six months of each other, but in the last 20 years there have been multiple flooding events that have caused loss within the City. Residents of the City have increasingly indicated to the City Council and other leaders that they want the infrastructure improved to prevent this ongoing occurrence. Additionally, research indicates that had the infrastructure prior to these events been of a sufficient and appropriate nature, much of the damage to homes and businesses could have been alleviated or mitigated. Therefore, it is the opinion of the City leaders that much of the damage to Housing was exacerbated by a failure of the infrastructure in place, and to stop this from happening in the future, the City must invest its Recovery money in upgrades to its Infrastructure system.

The City has evaluated multiple projects with activities under each Category from above that could provide the repair and replacement of public infrastructure resulting in the improvement in the resiliency and sustainability of the City in the face of future floods and other events. The CDBG-DR Infrastructure Study analyzed eight projects located in the areas most damaged by the floods. These project costs for Public Infrastructure improvements are enumerated in the table below.



In addition, City staff has been working on options to reduce the floodwater overflow into the across the City in addition to the overflow channel and upstream detention being analyzed by the Army Corps of Engineers. While this Action Plan is not the location to fully flesh out these projects, and HUD specifically limits the amount of funding that the City can use on Army Corps projects, the City will likely reserve the HUD allowed amount for Planning. Using these funds to amend the City's Hazard Mitigation Plan, whether stand alone or as part of a larger Comprehensive Plan update, will provide the City with a perfect opportunity to fully evaluate the costs and benefits of multiple alternatives, and then choose the projects that best accomplish the goals of this Action Plan. Incorporating these types of activities into this Needs Assessment will add roughly \$50 million to the overall need total. It should be noted, however, that many of these activities and projects are inter-related, and therefore will have an overlapping of cost and potentially benefit. Therefore, once all potential projects are vetted as the City enters its implementation phase, this cost may go down as activities are combined or streamlined for efficiency and to remove potential duplications of effort.

This Needs Assessment recommends the categories that were addressed by the projects from the Feasibility Study. Based upon the results of the study the City will select projects that meet the National Objective of benefit to low mod citizens of the City through the repair and replacement of public infrastructure and address the greatest priorities.

Categories and Needs	
Public Infrastructure Categories	Public Infrastructure needs
A - Debris Removal	\$ -
B - Emergency Protective Measures	\$ -
C - Road Systems and Bridges	\$ 616,700
D - Water Control Facilities	\$ 19,633,300
E - Buildings, Contents, and Equipment	\$ -
F – Utilities	\$ 1,000,000
G - Parks, Recreation and Other Facilities	\$ 1,100,000
<b>Total</b>	<b>\$ 28,350,000</b>

## 10. Conclusion and Summary of Unmet Need for Infrastructure

The Chart below summarizes the City's unmet need related to Infrastructure from both the FEMA Public Assistance Unmet Need and Public Infrastructure projects identified in the CDBG- DR Infrastructure Feasibility Study. Discussions with the public and with City leadership will refine this information and prioritize the assistance needed. At this time, it appears that the priority for utilization of CDBG-DR funding (related to infrastructure) will be for the implementation of Public Infrastructure projects (See Appendix J).

Remaining Unmet Infrastructure Need	
Category	Amount
FEMA PA Categories	\$ 1,774,587
Hazard Mitigation Categories	\$ 28,350,000
<b>Total Unmet Need (Infrastructure)</b>	<b>\$ 30,124,587</b>

## C. Economic Revitalization

While the commercial and economic sectors of the City experienced damage and loss as a result of the two Flood Events, current data leads us to believe that the impacts, as well as the eventual recovery needs, are not as steep as those in the Housing and Infrastructure sectors. Most businesses in the flood path were covered by insurance, and anecdotal evidence gained from multiple business surveys and damage assessment “walks” conducted on behalf of the City indicate that even those businesses that may not have had insurance have recovered and are moving forward. While some small businesses had issues reopening due to the need to comply with recent changes to the flood ordinances, the assistance they need may more likely be able to come from outside sources and not the City.

Initial damage estimates indicated that 35 businesses were damaged as a result of the floods, with the hardest hit group being the hotel trade and the Industrial Park: five (5) hotels were within the flood path and reported loss of use of the first floor and lobby areas, with 124 rooms being damaged or unavailable for use immediately after the events. This accounted for approximately 50% of the hotel rooms in that specific area and prevented those hotels from being able to provide shelter to families who were forced from their homes, thus exacerbating an already tenuous housing situation and preventing the hotels from “selling” their rooms to travelers. Other hotels in the City were able to make rooms available, but as the initial May event occurred during an already busy tourist season, the loss of those 124 rooms accounted for an aggregate loss of \$39,329.43 in revenue for the May flood time period.

As of April 30, 2016, SBA loan data shows that from the two Flood events, 29 businesses applied for SBA assistance, with 15 of those applications being approved. SBA has currently provided the City business owners with \$4,227,300 of assistance. Additionally, 30 businesses have filed insurance claims with the NFIP.

One final critical piece of information to note, of the businesses that were impacted in these flooding events, none of them were forced to lay off or relocate workers as a result of the loss in operations capacity or damage. Therefore, there was no negative effect on the size of the workforce after the floods, further indication that the need for assistance in this Category is minimal to non-existent.

### Conclusion and Summary of Unmet Economic Development Need

Given that the business industry seems to have recovered itself, and that it has the adequate resources to affect any additional recovery needed, the City does not anticipate allocating any CDBG-DR funds under the Economic Development category.

## D. Additional Hazard Mitigation activities

As has been mentioned in each of the above sections, Hazard Mitigation activities will need to be undertaken in nearly all sectors of the City to safeguard against the losses incurred by these floods, and the multitude of floods that have inundated the area over the last 20 years, so that they do not continue

to occur. While some activities are currently being researched and vetted, the City knows that many more projects will be required in order to keep the City safe over the upcoming years. To that end, the City will most likely engage in multiple planning activities, both internally and as part of the greater region that includes Austin and San Antonio, to determine what Hazard Mitigation projects will be required. It is anticipated that the City will complete a new Comprehensive Plan that includes a detailed and specific Hazard Mitigation Plan, complete with implementation schedules and projects. The cost for these activities is unknown at this time, but the City anticipates allocating a portion of its CDBG-DR funds for the planning necessary, as well as to early infrastructure projects that are cost beneficial and reduce the potential for loss in the LMI populations that HUD expects us to serve.

## E. Final Unmet Needs Summary and Application to the Action Plan

Just over a year and a half into the recovery process following the first of the 2015 floods, the City is steadily making progress in defining its need and the activities that we will need to continue making our community whole. Unfortunately, given the nature of all disaster recovery efforts, fully defined and enumerated need requirements will not be completely known even once the CDBG-DR funds are expended and the citizens feel that they are whole again. This estimate is simply that, and should be used to guide the direction of funds under this Action Plan, but not accepted as final fact. The City will continue to refine the data listed throughout this Needs Assessment and will take action to address additional needs as they come up. The chart below details the current Unmet Need estimate for the City.

Total Unmet Need	
Category	Amount
Housing	\$ 32,042,838
Infrastructure	<b>\$ 30,124,587</b>
Economic Development	\$ -
<b>Total Unmet Need</b>	<b>\$ 62,167,425</b>

The City anticipates that this number will grow as the Action Plan is finalized and moves into implementation, specifically in the infrastructure and hazard mitigation categories. The Hazard Mitigation category alone will significantly increase as we begin to propose projects that will help eliminate or reduce repetitive losses and will improve the long-term sustainability of our City. As noted in the introduction to this Needs Assessment, the current allocation of CDBG-DR funds, \$25,080,000, is well below the amount necessary to solve the “problem” for everyone affected by these floods. However, these funds are not provided to the City to solve every problem: they represent an effort by HUD to assist the City in initiating our long term recovery, and get the ball rolling.

The City has explored and continues to explore alternate funding streams that could supplement the CDBG- DR funding. Those funding sources are identified within Section IV.B. (Leveraging Funds) of this document. During implementation of these activities, the City will need to continue to seek ways to leverage these funds against other grants, General Funds and other sources to further extend the use of this very precious resource.

The remainder of this Action Plan will enumerate the potential programs that the City will create under the Housing and Infrastructure categories, focusing primarily on activities that will repair still damaged

houses within the City's most impacted areas and begin to lay the groundwork for the Hazard Mitigation activities. It is anticipated that the Infrastructure projects will actually produce the greatest cost/benefit and impact on the resiliency of the City and benefit the LMI population, therefore it is likely that the City will spend the larger portion of its allocation in that Category. However, given that this is still a HUD funded program, the City understands that its first priority will be to undertake activities that will affect the still unmet repair and recovery needs of impacted citizens.

# Tab 3:

Action Plan (Sections IV-XI)

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## IV. Funding Allocation and Prioritization Method

The City anticipates expending all funds awarded within the six year required time frame. The City will identify specific project related timelines as each project plan is identified and finalized.

### A. Budget Table

City of San Marcos		
<b>Housing</b>	<b>\$7,524,000</b>	<b>22%</b>
SF Owner Occupied Rehabilitation, <a href="#">Reconstruction on City Owned Property</a> , or Buyout	\$5,000,000	
SF 1-4 Unit Rental Rehabilitation, Reconstruction, or Buyout	\$659,013	
Public Housing Authority Reimbursement Activity	\$864,987	
Single Family Owner Occupied Housing Reimbursement Activity	\$1,000,000	
<b>Infrastructure - <i>See below for itemized projects</i></b>	<b>\$ 23,511,200</b>	<b>70%</b>
<b>Planning</b>	<b>\$ 1,069,100</b>	<b>3%</b>
<b>Admin</b>	<b>\$1,689,700</b>	<b>5%</b>
<b>\$33,794,000</b>		

#### Action Plan Amendments

Substantial Amendment No. 6 expanded the Housing Project to include the addition of the Reconstruction on City Owned Property (RCOP) program under the Single-Family Owner-Occupied Housing activity and the budget was not altered.

Substantial Amendment No. 7 to the Action Plan allows for the reimbursement of cost of flood-related repairs and for funds not to exceed \$864,987 to be designated to the Public Housing Authority Activity. The Public Housing Authority was allocated \$864,987. The SF 1-4 Unit Rental Rehabilitation, Reconstruction, Buyout Activity was reduced by \$864,987 for a total of \$1,657,397.

Substantial Amendment #8 to the Action Plan reallocates funds between activities and the addition of a Single-Family Owner-Occupied Housing Reimbursement Activity. Refined modeling of infrastructure activities indicated the need to increase the cost of some Infrastructure Activities and the need to close the Clarewood/Barbara Activity which was found to be ineffective in reducing flooding. The Clarewood/Barbara Activity was closed and the remaining funds \$2,325,000 were distributed to the Midtown/Aquarena Springs Activity (\$850,000) and the Blanco Gardens Activity (\$1,475,000). Also, the

SF 1-4 Rental Rehabilitation, Reconstruction, Buyout Activity did not receive any eligible applicants over 2 years and 5 rounds of Application Intake, so the funds of \$1,000,000 from this activity were reallocated to the new Single-family Owner-Occupied Housing Reimbursement Activity. Planning funds of \$3,000,000 were reallocated to the Blanco Gardens Activity (\$1,596,987) and the Uhland Road Activity (\$1,403,013). The Blanco Riverine Activity funds were reduced by \$1,585,987 due to other grant funding for the activity, and the funds were reallocated to the Uhland Road Activity.

Substantial Amendment #9 changes the use of funds for the Blanco Riverine project from infrastructure construction acquisition. Construction funds will be provided by other sources.

Substantial Amendment No. 10 moved Clarewood/Barbara Infrastructure Project expenditure of \$177,887.13 to CDBG-DR Administration. After more detailed design was completed for the Clarewood/Barbara Infrastructure project, it was determined that it would not accomplish its goals for stormwater control, and the project was discontinued. By HUD rules, expenses spent on a project that is discontinued must be moved to the Administration category. However, the maximum amount allowed to be used for administration was already budgeted, so this move will not change the amount budgeted for administration. Substantial Amendment No. 10 also moved \$1,000,000 from Planning to the Blanco Gardens infrastructure project.

PROPOSED Substantial Amendment No. 11 would do the following:

1) Move approximately \$175,000 in unused funding from the Public Housing Authority project and close the project, since the Housing Authority has been paid for all eligible expenses.

2) Move approximately \$1 million from the Blanco Riverine project. This does not change the scope of the Blanco Riverine project. Construction for this project will be paid by the CDBG-Mitigation grant. Design is complete and acquisition is well underway, enabling closer estimates of CDBG-DR funded project costs to be made and money to be shifted to the Midtown/Aquarena Springs project.

3) Move \$1,175,000 to the Midtown/Aquarena Springs Project. This increased funding for the Midtown project will enable additional bank stabilization to be completed and will cover current estimated project costs.

**Infrastructure Project Budget**

	Original	As of Amendment # <del>10</del> <b>11</b>
Midtown/Aquarena Springs	\$850,000	<del>\$1,700,000</del> \$2,875,000
Blanco Gardens	\$5,000,000	\$ 9,246,987
<u>Clarewood/Barbara</u>	<u>\$2,500,000</u>	
Uhland Road	\$4,190,000	\$7,179,000
Blanco Riverine	\$6,971,200	<del>\$5,385,213</del> \$4,385,213
TOTAL	\$19,511,200	<del>\$23,511,200</del> \$23,686,200

*The infrastructure projects were presented in Substantial Amendment No. 2 and Substantial Amendment No. 4 and are described in Appendix J of the Action Plan.*



## **B. Management of Program Income**

The City does not intend to undertake activities that will generate income, but in the event program income is generated, those funds will be used first before requesting or drawing down new CDBG Disaster Recovery funds. If program income is generated as a result of any activity or activities funded by this grants, the City will comply with the requirements found at 24 CFR 570.489.

## **V. Post Disaster Long Term Recovery Planning**

The City will take an integrated approach when developing recovery projects relative to housing, infrastructure, economic revitalization, and overall community recovery.

### **A. Comprehensive and Land Use Planning**

In conformance with Federal Register requirements, the City will use a variety of measures to plan, identify and implement sustainable long-term recovery. The following are examples of some of these measures:

#### **1. FEMA Flood Map Revisions:**

A new FEMA study of the Blanco/San Marcos/Guadalupe River Basin has been completed and revised Federal Insurance Rates Maps (FIRM) will be adopted in 2017. The study, in which the City was an active participant, was developed using an FIRM Hydrologic Study for the San Marcos River Basin and calibrated with the 2015 flood events. The FIRM is an interagency study (FEMA, US Army Corps of Engineers, US Geological Service and National Weather Service) which uses best scientific data to develop precipitation frequency and intensity levels not typical in FEMA studies and more reflective of the increasing severity of weather events. The City will adopt the models and data from the update prior to the FEMA 2017 adoption date and use the information in its flood recovery programs.

#### **2. Floodplain Ordinance Revisions:**

By December 2016 the City will have adopted a revised Floodplain ordinance to minimize flood hazard risk in the community. The revisions will include requirements for elevation to 2 feet above the base flood elevation (increased freeboard), maintenance of access during flood events and limits on floodplain filling in addition to other language changes to strengthen floodplain management. The newer and more stringent standards are consistent with Executive Order 11988 and will be used as part of the City's Flood Recovery Program.

#### **3. Comprehensive Master Plan/Land Use Update:**

In 2017 CDBG-DR Planning funds will be used to update the Comprehensive Plan to reflect the updated FEMA floodplain information. This process will revise any conflicts with proposed development intensity areas and flood risk zones. The Comprehensive Plan's future land use map (Preferred Scenario Map) guides future zoning decisions and land use patterns. Identifying flood risk areas with appropriate land use designations will help prevent future damage to structures and loss of life.

#### **4. Building Blocks for Sustainable Communities:**

The City has submitted a Letter of Interest to the EPA for technical assistance for "Flood Resilience for Riverine and Coastal Communities." If the City is selected, EPA will provide subject matter experts to review the City's flood risk and recommend sustainable options that can be incorporated into city codes and projects. Should the City be selected for a January/February workshop the outcomes from the workshop will be used in the continued development of flood recovery programs and projects. In the

interim the City will use the EPA Flood Resilience Checklist to identify improvements for our resilience to future floods through policy and regulatory tools.

## **5. Planning for Buyouts:**

The City has done an initial buyout assessment considering properties that had repetitive flooding along with substantial damage assessments. There are LMI areas that are adjacent to the Blanco River and existing parkland that may be pursued for buyouts with these HUD funds and Hazard Mitigation Grant sources. Additional analysis will be based on the new FEMA base flood elevations to determine properties that have the greatest future risks and meet the LMI benefit.

### **B. Consideration of Sustainable and Resilient Building Methods**

The City will employ sustainable and resilient construction standards and building methods. All new homes will adhere to construction specifications approved and issued by the City and will emphasize sustainability, flood resiliency, and resistance to repetitive loss. Additionally, the City will require the use of flood resistant building materials in rehabilitation and reconstruction projects where feasible.

### **C. Consideration of Racial, Ethnic, Low Income Concentrations**

As identified in the Needs Assessment, there are areas within the City that contain higher concentrations of minorities and extreme low/low to moderate income households. The City is committed to targeted outreach to these areas and to other areas with vulnerable populations that have limited access to community assistance and involvement. This targeted outreach will make sure that these populations are provided access to CDBG- DR funds from this allocation.

### **D. Coordination with Local and Regional Stakeholders**

The City has worked with the local community and various stakeholders to assess the community's unmet needs. Specifically, the City established a Task Force that included members from the local and regional area to gain input on the affect the disasters had on their respective areas.

Moving forward, the City will continue to involve local and regional stakeholders including (but not limited to) county officials, emergency response staff, public housing officials, local neighborhood organizations, businesses, and housing advocacy groups as they develop program plans that will assist the community in their recovery.

## **VI. Approach to Housing Rehabilitation, Reconstruction, New Construction**

### **A. General Construction Standards**

Construction methods will be in compliance with Program Construction Specifications and will emphasize high quality, energy efficiency, sustainability, and mold resistance. All rehabilitation, reconstruction and new construction will be designed to incorporate principles of sustainability, including water and energy efficiency, resilience and mitigation against the impact of future disasters. Houses rehabilitated or reconstructed in the City Housing Programs will be designed and built in accordance with applicable code requirements and inspected for quality and compliance by Program Inspectors.

Since the flooding, the City has enacted three separate ordinances in order to protect citizens from future loss:

- Owners or managers of rental properties identified by damage assessment teams to have been flooded in any declared emergency or declared disaster related to any flood event must disinfect or cause disinfection of all interior surfaces used for habitation. Disinfection must be performed before re- occupancy is allowed inside the habitation or residence following a flood event.
- Property owners with rental units located in a special flood hazard area are required to provide notice to their tenants regarding the potential for flooding.
- Structures and uses of structures which lawfully exist prior to the effective date of this ordinance and which do not conform to this article may be continued subject to the following conditions:
  - *In floodway* - Existing structures and uses within a floodway shall not be expanded or enlarged unless the effect of proposed expansion or enlargement does not cause an additional increase in floodway elevation during the occurrence of the base flood discharge, as certified by a registered professional engineer.
  - *Modifications to existing structure* - Any repair, reconstruction or improvement of an existing structure within a floodplain which constitutes substantial improvement shall be undertaken only in full compliance with this article, and the owner shall be required to obtain a floodplain permit before repair, reconstruction or improvement shall begin.

## **B. Compliance with Green Building Standards**

The City is committed to developing an environmentally-conscious Program that incorporates Green Building Standards and other resource-efficient techniques where practical. In compliance with the requirements of FR- 5938-N-01, new construction and replacement of substantially damaged residential buildings will meet an industry-recognized standard that has achieved certification under at least one of the following programs:

- ENERGY STAR (Certified Homes or Multifamily High-Rise)
- Enterprise Green Communities
- LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance or Neighborhood Development)
- ICC-700 National Green Building Standard
- EPA Indoor AirPlus
- Any other equivalent comprehensive green building program

### **1. New Construction**

New construction activities will follow sustainable building guidelines, using efficient options from site planning through specification design through construction methods. Reconstructions will be built in accordance with all applicable local, state and federal codes, including FEMA floodplain regulations, Texas Government Code, local health and safety codes, and locally adopted construction codes.

### **2. Rehabilitation Retrofit Checklist Compliance**

In keeping with the requirements of FR-5938-N-01, rehabilitation of any non-substantially damaged residential building will be subject to compliance with the HUD Community Planning and Development Green Building Retrofit Checklist, found at <https://www.hudexchange.info/resources/documents/CPD->

[Green-Building-Retrofit-Checklist.xls](#). The Retrofit Checklist outlines key areas of energy efficiency and green building practices for residential rehabilitation projects, including water and energy conservation and indoor air quality.

## C. Standards for Quality of Construction Work

As part of the Program, the City shall require that code compliance inspections be conducted by City inspectors. In addition, Program Inspectors shall also perform construction quality and program compliance inspections for each project.

## D. Disaster Resistant Housing for At Risk Populations

### 1. Transitional and Permanent Support Housing and Homelessness Prevention for LMI Individuals and Families

The Needs Assessment shows an increased risk of homelessness as a result of the high cost of rental housing, which creates a significant cost burden for LMI individuals and families. However, the City cannot state that homelessness has increased as a result of the flooding events, as the overall homeless count in the City has remained statistically constant.

The City has sufficient public services throughout the impacted areas to assist in preventing and resolving homelessness and therefore will not need to increase or supplement proposed recovery activities with additional public services. Examples of existing and current public service providers and non-profit support services that assist in long term recovery are:

**Public Service Providers Sample List**

Organization	Service Provided
Blanco River Regional Recovery Team (BR3T)	Coordination Efforts for Voluntary Agencies
Austin Disaster Relief Network	Unmet Needs Funding Partner of BR3T
Christian Aid Ministries	Volunteer Construction
World Renew Disaster Response	Volunteer Construction
Texas Baptist Disaster Recovery	Volunteer Construction
Southern Baptist Disaster Relief	Volunteer Construction
United Methodist Committee on Relief	Case Management
Presbyterian Disaster Assistance	Volunteer Construction
Lutheran Disaster Response	Construction Management
St. Vincent de Paul	Providing House in a Box Program
Texans Recovering Together	Mental Health Benefits
Southside Community Center	Case Management for All Saints Flood victims
Community Action Inc. of Central Texas	Case Management and Immediate Needs Funding
Catholic Charities	Unmet Needs Funding Partner of BR3T
United Way of Hays County	Unmet Needs Funding Partner of BR3T
NOMADS Mission Volunteers	Volunteer Construction

The City uses up to \$450,000 from the General Fund budget to provide annual grants to local non-profit organizations that provide services to the low, very low, and homeless population, including support to all three of the aforementioned shelters. The City also utilizes their regular annual CDBG funding to provide public services such as supporting the Hays-Caldwell Women's Center. The City has also provided funding over a number of years to the Southside Community Center for a housing rehabilitation program. This program helps prevent homelessness by ensuring that the owner occupied housing for low and very low income families remains decent, safe, and sanitary.

Should the need to provide for additional support services become apparent throughout the recovery process, the City will explore ways to provide services such as, but not limited to, transitional housing assistance, down payment assistance, case management services, and legal services. Case management services will also be a part of the City's housing program as designed.

Additionally, through the City's housing program, the City will be rehabilitating and reconstructing both owner occupied and rental single-family housing units, therefore providing for multiple options for those still in need of recovery assistance. All units that are rehabilitated or reconstructed will be built in accordance with the most up to date and resilient construction methods.

The City will take care to protect its very low income individuals from being further burdened by virtue of participating in a housing program. The City understands that many potential applicants have a robust local support system to assist them in moving their possessions to a storage unit and provide them with a place to stay during construction activities. However, some applicants may require supportive assistance. The Program will explore options for providing these individuals with assistance, such as rental and storage assistance during construction. If pursued, the City will examine reasonable limitations to qualified expenses including HUD Fair Market Rent schedule, Section 8 utility allowances and methods of verification for reimbursement purposes. In addition, the City recognizes that some housing program applicants may require special accommodations that are consistent with the types listed out in the Americans with Disabilities Act. Wherever feasible, the City will make sure individuals with such requirements are not further burdened by virtue of program participation. Outreach, application intake and all meetings will be hosted at sites with reasonable ADA accommodations. Further, the City will explore cost reasonable housing solutions for applicants with special needs, including but not limited to ramps, visual alarm systems and accessible bathroom accommodations.

## **E. Plan Installation of Broadband Infrastructure**

In compliance with FR-5938-N-01, any new construction or substantial rehabilitation of a building with more than four rental units will also include installation of broadband infrastructure, except in instances where not feasible due to location, structure and/or cost.

## **F. Household Displacement**

The City plans to minimize displacement of person or entities and assist any person or entity displaced as a result of implementing a project with CDBG Disaster Recovery funds. This is not intended to limit the ability of the City to conduct buyouts or acquisitions for destroyed and extensively damaged units or units in the flood plain.

The City will make sure that the assistance and protection afforded to persons or entities under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) are available. The City accepts the HUD waiver of the Section 104(d) requirements which assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance under FR-5938-N-01.

The City may consider exceptions to program policies for applicants who demonstrate undue hardship. Applicants in this situation will be reviewed on a case-by-case basis to determine whether assistance is required to alleviate such hardship. Demonstrable hardship may include, but is not limited to, excessive amounts of debt due to a natural disaster, prolonged job loss, substantial reduction to household income (as defined by 24 CFR 5.611 as Annual Income minus Deductions), death of a family member, unexpected and extraordinary medical bills, disability, etc.

## **G. Elevation Standards**

As part of our resilient construction standards, the City will elevate residential structures to protect against future losses in compliance with HUD guidance (44 CFR 59.1). Per FR-5938-N-01, any residential new construction, repair of substantial damage or substantial improvement of residential structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2 (b)(1) must be elevated with the lowest floor, including basement, at least two feet above the 1 percent annual floodplain elevation. Residential structures with no dwelling units and no residents below two feet above the 1 percent annual floodplain must be elevated or flood-proofed per 44 CFR 60.3(c)(3)(ii) or successor standard. Applicable State, local and tribal codes with floodplain management standards that exceed these requirements will be followed.

To further promote sustainability and responsible use of federal dollars, Program participants who reside within the FEMA designated floodplain will be required to acquire and maintain flood insurance. This mandated requirement is meant to protect the safety of life and property as well as the investment of federal dollars. The City will develop monitoring mechanisms and compliance guidelines the make sure that all assisted applicants and property owners comply with flood insurance requirements.

## **VII. Monitoring Standards**

### **A. Quality Assurance Plan**

The City plans to remain in compliance with applicable CDBG-DR rules, regulations and requirements, including non-duplication of benefits. The City staff and Program Manager staff will monitor the compliance of applicants. The City will also build monitoring components within all contracts executed with vendors – professional services and construction contractors. Program staff will provide a Quality Assurance / Quality Control function that will serve as an internal checks-and- balance. Upon identification of priorities and activities the City will undertake as identified in the Action Plan, the City will devise a Quality Assurance Plan. The Quality Assurance Plan will outline the activities that will be monitored and the compliance parameters for each activity, including frequency of monitoring.

The City envisions that it will monitor project activities no less than quarterly to certify compliance and timely expenditure of funds. The plan will also include ongoing completeness reviews of project files to confirm adequate documentation, accounting reviews of cost documentation to certify accuracy of all expenditures, compliance reviews for Fair Housing and Equal Opportunities laws, Section 504, Lead Based Paint, Davis- Bacon Standards, Environmental Standards and other rules or guidelines as applicable.

### **B. Duplication of Benefits**

Duplication of Benefits (DOB) is strictly prohibited. In general, Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act (42 U.S.C. 5155), as amended, prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster as to which he/she has received financial assistance under any other



program or from insurance or any other source. In order to comply with this law, the City will require that each activity provides assistance to a person or entity only to the extent that the person or entity has a disaster recovery need that has not been met.

Further explanation of the duplication of benefits requirements can be found in Federal Register notice 76 FR 71060 (published November 16, 2011).

## 1. Housing

To avoid DOB, housing awards will be reduced by the following if such benefits were or will be paid to the household toward any of the activities included in the housing award:

- Federal Emergency Management Agency (FEMA) grants;
- Small Business Administration (SBA) loans identified by SBA; and
- Homeowner Insurance (HOI) proceeds
- National Flood Insurance Program (NFIP)
- Amounts received from other funding sources, such as non-profit entities, in which the intent of the funding has been identified as duplicative

FEMA, SBA, HOI, and NFIP are considered to be a DOB and will be deducted from the construction starting values if the aforementioned assistance was not utilized/spent as it was intended by FEMA, SBA, HOI, or NFIP. The amount of DOB will be obtained from the third party from whom the benefit is derived. In some cases, if after sufficient attempts it is considered unlikely to obtain and verify third party data, an affidavit or inspection may be used in its place as necessary.

All applicable claims (including insurance payments, unpaid claims, lawsuits and settlements) paid to applicants not included in the original benefit determination calculation and/or after their closing appointment, must be subrogated to the CDBG Disaster Recovery Program to prevent a duplication of benefits.

In addition, documentation of possible duplication of benefits must be included in each applicant file even if no funds were received from FEMA, SBA, HOI, NFIP or any other source. A copy of this documentation must be provided to the CDBG Disaster Recovery Program as part of the application documentation.

All applicants will be required to sign a Subrogation agreement upon application to the program. Applicant awardees must subrogate any additional funds received for damage caused by the flood disaster back to the City. CDBG-DR funding must be funding of last resort and if additional funds are paid to applicant awardees for the same purpose as the housing assistance award they receive through City CDBG-DR funding (i.e., repair or replacement of the damaged structure) after the City has completed repair/rehabilitation project of the housing unit, those funds must be returned to the City of San Marcos.

## 2. Infrastructure

DOB includes any payments or potential payments made to the grantee by identified parties that represent disaster assistance for activities reimbursable by, or for which funds are made available for the same loss that the CDBG Disaster Recovery Program is providing assistance, which is not limited to flooding recovery payments. Any portion of the DOB that has been determined to be funds spent by the grantee on "Allowable Activities" will reduce the amount considered to be a DOB.

The CDBG Disaster Recovery Program should receive, as part of the grantee file, documentation of a review of possible duplication of benefits from sources such as FEMA, SBA and HOI, among others. This review extends to instances where no funds were received.

### **C. Internal Audit Policy**

To ensure that fraud, waste, and misuse of funds does not occur, effective controls will be in place and monitored for compliance. Part of that control process includes the City hiring an internal auditor to perform independent audit functions for the CDBG Disaster Recovery Program. The internal auditor will audit the disaster funds to certify that all expenditures are for eligible CDBG Disaster Recovery uses as defined in 24 CFR 570. Audit results will be reported directed to the City Council. An independent single audit, as required by 2 CFR 200, will be conducted annually to certify that all grant funds are used in accordance with program requirements.

## **VIII. Identification of National Objectives and Eligible Activities**

### **A. Administration**

In order to effectively administer the Funding, consistent with these federal requirements, and to make sure that the necessary safeguards are provided, and monitoring processes and procedures are established and followed, the City intends to utilize the full allotment of administrative funds allowed under the Federal Register Notice, [\\$1,689,700](#).

Substantial Amendment No. 10 moved Clarewood/Barbara Infrastructure Project expenditure of \$177,887.13 to CDBG-DR Administration. After more detailed design was completed for the Clarewood/Barbara Infrastructure project, it was determined that it would not accomplish its goals for stormwater control, and the project was discontinued. By HUD rules, expenses spent on a project that is discontinued must be moved to the Administration category. However, the maximum amount allowed to be used for administration was already budgeted, so this move will not change the amount budgeted for administration.

### **1. Projected Use of Funds**

The City will act as the lead agency for the administration of the Funding. While the City will administer and disburse the Funding directly to benefit homeowners and other eligible beneficiaries of the Funding, the City may also elect to procure a consultant or a subrecipient to manage the individual programs. Administration of the Funding by the City will provide the assurance that program activities reach affected residents in a consistent and coordinated manner. The City will implement the programs and activities detailed in this Action Plan primarily through dedicated staff, consultants and third-party contractors.

City staff (or designee) dedicated to the administration of the Funding will be responsible for complying with the significant federal requirements related to financial management and control, programmatic compliance and monitoring, affirmatively furthering fair housing, the prevention of

fraud, waste and abuse. These staff members will be responsible for administering all aspects of the City's CDBG-DR Program, including oversight of all consultants and subrecipients, reporting in the Federal Disaster Recovery Grants Administration (DRGR) system, as well as coordinating the activities of other agencies in relation to the flooding recovery. All administrative processes will be managed in a manner consistent with the Certifications offered by the City prior to submission of this Action Plan.



The City staff and their designees will also oversee the extensive federal requirements associated with programmatic compliance and monitoring. Staff members will be responsible for ensuring the overall administration of the Funding complies with all applicable federal requirements. They will monitor other City staff, consultants, subrecipients, and contractors to certify the proper implementation of consistent processes and procedures, particularly as they relate to the identification and prevention of the duplication of benefits. This compliance team will also be responsible for monitoring all the City's contractors and service providers as detailed in the CDBG-DR Compliance and Monitoring Manual, as outlined in the City's Risk Analysis.

## **B. Planning**

### **1. Projected Use of Funds**

To facilitate the long-term recovery of the City, the City is reserving the maximum amount allowed by the Federal Register (\$2,069,100) for Planning Activities. [Substantial Amendment No. 10 moved \\$1,000,000 from Planning to the Blanco Gardens infrastructure project, leaving \\$1,069,100 budgeted for Planning Activities.](#)

Under this Program, the City will potentially utilize planning funds for the following critical activities:

- An update to the City Capital Improvements Plan. The objective of the Capital Improvements
- Plan is to provide the City with the ability to plan for the long-term recovery of the City (infrastructure; drainage; storm water; storm sewer; water & sewer);
- Feasibility studies for the construction of infrastructure drainage and hazard mitigation projects that are intended to protect selected neighborhoods from future flooding, thereby reducing the number of homes receiving requiring damage assistance in the future and reducing the repetitive loss amounts incurred by the City;
- A revised and updated Comprehensive Plan to include hazard mitigation and resiliency goals and objectives; An updated Hazard Mitigation Plan, either stand alone or in conjunction with the Comprehensive Plan update; and
- Software and training of staff that will assist the City in meeting Federal requirements and engage in long term planning.
- Further analysis to determine highest priority buyout locations

In addition, a significant and necessary investment has been made in preparation for the receipt and distribution of the CDBG-DR Funding, including the creation of this Action Plan. Accordingly, the City will utilize a portion of these Planning funds to offset the costs incurred to develop the proposed programs and activities through which the Funding will be administered.

## **C. Housing – Rehabilitation and Reconstruction**

### **1. Projected Use of Funds and Relation to Disaster**

The Needs Assessment included at the start of this Action Plan indicates that over 1,500 homes were damaged as a result of these two floods. Of these, a disproportionately high number of the homes were located within or immediately adjacent to the flood affected neighborhoods, and, as a result, the City anticipates most of the applicants for these Housing programs will come from those locations. The City intends to make the funds available to those in the City who meet the criteria identified in Section

VIII.C.3 of this document. The City intends to allocate **\$7,524,000** of its CDBG-DR funds to the following Housing activities and does not anticipate funding more than approximately 100 single-family owner-occupied homes and 100 Public Housing Authority Units:

- Single-Family, Owner Occupied Housing Rehabilitation, Reconstruction (for homes incurring damage that amounts to greater than 50% of the home's pre-storm value the home will be elevated as required), **Reconstruction on City Owned Property**
- Single-Family and 1-4 Unit Rental Housing Substantial Rehabilitation or Reconstruction for which Elevation will be required - (**Amendment #8**)
- Elevation w/ Minor Repair,
- **Reimbursement for flood-related costs to the San Marcos Public Housing Authority (SMPHA)**
- **Single Family Owner Occupied Housing Reimbursement Activity**

The breakout of funds between owner occupied, rental, and the SMPHA is as follows and was based on the outstanding proportion of owner occupied and rental units that received substantial damage from the flooding (excluding manufactured housing units):

Housing Programs Proposed Breakout of Funding	
SF Owner Occupied Rehabilitation, <b>Reconstruction on City Owned Property</b> , or Buyout	\$5,000,000
SF and 1-4 Unit Rental Rehabilitation, Reconstruction, or Buyout	<b>\$659,013</b>
<b>Public Housing Authority Reimbursement Activity</b>	<b>\$864,987</b>
<b>Single Family Owner Occupied Housing Reimbursement Activity</b>	<b>\$1,000,000</b>

A graphical depiction of the affect the flooding had on the owner occupied and rental populations can be found in Appendix K, Maps 3 and 4. **Originally, the City decided to not fund the option of reimbursement to individuals for work that had already been completed on their damaged or destroyed homes. The City Council has reversed this decision and will be adding a Single-Family Owner-Occupied Housing Reimbursement Activity through Amendment #8 to the CDBG-DR Action Plan.**

CDBG-DR funds may be utilized to provide an applicant with up to one year of Flood Insurance, as allowed under the HUD guidelines for this program. The City understands that the cost of carrying flood insurance can become burdensome, especially on LMI households. Elevation of homes that require flood insurance coverage can significantly reduce the cost of flood insurance coverage.

Section 582 of the National Flood Insurance Act of 1994 requires that property owners receiving disaster assistance that triggers the flood insurance purchase requirement be informed that they have a statutory responsibility to notify any transferring owner that they are also required to obtain and maintain flood insurance on the property in perpetuity.

As noted in previous portions of this Action Plan, any home suffering damage at the Major, Severe or Destroyed levels will be required to elevate the home to a level that corresponds to at least two (2) feet above the Base Flood Elevation as currently defined by the City and on the corresponding FEMA flood maps. The City anticipates that any buyouts required by the CDBG- DR guidelines may be in conjunction with the Infrastructure program and those requirements will be detailed under that Activity.

## 2. Meeting the National Objective

The City intends to utilize the funds allocated for Housing to meet two of the identified National Objectives: 1) direct benefit to the LMI population and 2) to meet Urgent Need. By including the second Objective, the City will be able to serve applicants who otherwise might not qualify based on income alone, yet still meet the criteria defined by HUD for incurring an Urgent Need. The priority of application approval, however, will default to those meeting the LMI criteria.

For all applicants, the following questions will be considered when approving or denying an application. Does the proposed project:

- Benefit LMI persons and/or are located in LMI Areas (i.e. an area where at least 51% of the
- households have incomes at or below 80% of the area median income);
- Enable the City to satisfy the federal requirement that at least 70% of the Funding benefit low moderate-income persons;
- Address conditions that threaten the health and safety of either the occupants or the public;
- Contribute significantly to the long-term recovery and economic revitalization of the affected area; and
- Enhance hazard mitigation efforts to reduce the chance of loss in future floods or disaster events.

## 3. Threshold Factors and Eligibility Criteria

Each site must undergo a complete environmental review prior to any commitment of funds. No work can start on a site until the environmental assessment is complete. The City is responsible for the preparation of the environmental review and will provide notice when rehabilitation activities can commence.

Both the site and the homeowner/applicant must meet eligibility requirements as detailed below. This program is not intended to be a first-come, first-served program; prioritization criteria is established in the following Section 4. Potential applicants may be referred by other organizations or may apply directly to the program administrator.

### ***a) Owner Occupied Applicant Eligibility Requirements***

The following are threshold requirements, which must be met for an applicant to be eligible for assistance. Eligibility does not assure assistance, since a prioritization strategy will be used and it is expected that there will be more eligible applicants than can be served with available funds.

Applicant's home must be located ~~within the updated 100-year floodplain~~ within the city limits of San Marcos and have been damaged as a result of one or both of the major floods in 2015. Income eligibility. The annual household income will be calculated using the Internal Revenue Service (IRS) Adjusted Gross Income Method of income determination. To be eligible, the annual household income must be less than 80% of the Area Median Income for the appropriate household size. Proof of ownership. The applicant must have been the owner of the damaged home at the time of the flood(s) as well as the current owner. Standard proof of ownership is a valid deed of trust or warranty deed which cites the applicant's name and that is recorded in the county records. The Texas Administrative Code Section 54.3 allows alternative proof of ownership for the purposes of federally funded disaster recovery programs. Primary residency. The unit to be rehabilitated, reconstructed, or replaced must have been occupied by the applicant as the applicant's principal residence prior to May 23, 2015; for units impacted only by the

All Saints Flood, principal residency must have been established prior to October 30, 2015. Principal residency for applicants can be documented through property tax homestead exemptions. If a homestead exemption was not in place at the time of the disaster, an Affidavit of Principal Residency (form to be provided by the City) may be utilized as an alternative method of verification of principal residency. The affidavit must be supported by documentation such as asset verification (income tax returns, credit check, etc.) or utility bills specific to the property address and name of the applicant which were active as of the applicable, above-referenced dates. [The Reconstruction on City Owned Property Activity includes the above criteria and the following additional criteria for eligibility for the activity: \(1\) The homeowner must be located on property not eligible for rebuild by City or HUD policy. \(2\) The property is an MHU that is on land not owned by the Applicant \(rental or agreed placement\). \(3\) The owner must own the property or MHU without any liens or they must obtain a waiver of liens that allow the City to have priority lien position in the property records upon the transfer of property.](#)

- 1) Temporary Voluntary Relocation. The applicant must acknowledge that there are available resources (such as family or friends) that will allow the residents to temporarily relocate if necessary during the rehabilitation period. The City may consider providing temporary relocation assistance to households that qualify as very low income; i.e. 30% AMI or under.
- 2) Property taxes. Applicant must furnish evidence that property taxes are current, have an approved payment plan, or qualify for an exemption under current laws. If property taxes are not current, applicant must document that one of the following alternatives have been met:
  - The property owner qualified for and received tax deferral as allowed under Section 33.06 of the Texas Property Tax Code;
  - The property owner qualified for and received a tax exemption pursuant to section 11.182 of the Texas Property Tax Code; or,
  - The applicant entered into a payment plan, and is current, with the applicable taxing authority.
- 3) Child support. All applicants and co-applicants must be current on payments for child support. If the applicant or co-applicant is not current on child support, that person will be required to enter into a payment plan. Any applicant that enters into a payment plan must supply a copy of the payment plan signed by all applicable parties, along with documentation that they are current on their payment plan.
- 4) Residency status. The applicant and co-applicant must be U.S. citizens or a legal resident aliens.
- 5) Mortgage Payments. The applicant must be current on mortgage payments, if applicable.

***b) Single Family 1-4 Unit Rental Applicant Eligibility Requirements***

The Single Family 1-4 Unit Rental applications will be taken on a first come-first served basis. Only homes that sustained substantial damage or were destroyed will be considered for program participation. The owner of the rental unit will need to certify that the rental unit(s) will be rented to low to moderate income households for a period of five years. The owner must also be able to show the following:

- 1) Applicant's home must be located ~~within the updated floodplain~~ within the city limits of San Marcos and have been damaged as a result of one or both of the major two floods of 2015.

- 2) Proof of ownership. The applicant must have been the owner of the damaged home at the time of the flood(s) as well as the current owner. Standard proof of ownership is a valid deed of trust or warranty deed which cites the applicant's name and that is recorded in the county records. The Texas Administrative Code Section 54.3 allows alternative proof of ownership for the purposes of federally funded disaster recovery programs.
- 3) Property taxes. Applicant must furnish evidence that property taxes are current, have an approved payment plan, or qualify for an exemption under current laws. If property taxes are not current, applicant must document that one of the following alternatives have been met.
- 4) Below please note the Affordability period per amount of assistance per unit (except for the Reconstruction of City Owned Property activity, added to the Action Plan by Substantial Amendment No. 6 that has a 30 year affordability period):

**Affordability Period**

Amount of Assistance per unit	Length of Affordability Period
Less than \$15,000	5 years
\$15,001 to \$40,000	10 years
More than \$40,000	15 years
New Construction	20 years

Uniform Relocation Act requirements will apply to landlords that have tenants at the time of application. The City is exploring options on the best way to approach temporary relocation needs for tenants during the program planning process.

#### 4. Owner Occupied Applicant Prioritization to Address provision of housing for all income groups and those at risk of homelessness

The following household characteristics indicate a funding priority:

- Household income. Priority is given to households with the lowest annual income as calculated.
- Disability. If one or more members of a household have a documented disability
- Age. If one or more member of the household is/are less than 18 years of age or 62 years of age or older

Housing program awards are based on the financial need of the household and the condition of the dwelling. Should households have identical financial needs as established by the prioritization system, the condition of the dwelling structure will determine priority. Dwelling condition will be determined by the inspection. If scores remain tied, the application with the earliest date of completion will have precedence. Assistance will be provided in the order of ranking to the extent funding is available. The City may determine a maximum number of households to be assisted regardless of the number of completed applications based on the amount of funds available. The ranked list and ranking calculations will be available for public review.

**a) Prioritization Criteria**

Each application will be assigned a score or number value based on the following criteria in order to establish the order of those that will be served:

- 1) Income/Family Size – The program income limit is 80% of the Area Median Income.
- 2) Number of Handicapped or Disabled
- 3) Number of Elderly in the Household
- 4) Household Contains One or More Persons Under the Age of 18
- 5) Condition of Damaged Dwelling

## 5. Improving Long-Term Recovery

The City understands that this funding source will not cover all of the unmet need for Housing. However, utilizing these funds in the manner described above will have the following intended outcomes related to the City's long-term recovery. First, it will greatly assist those populations considered the most vulnerable and who have not been able to effect repairs and live in safe/sanitary conditions since the floods. This will set their mind at ease and bring them back into safe and sustainable living conditions. Secondly, and perhaps most importantly to the long-term vitality of this area, targeting the funds to those areas hardest hit, and then elevating those homes who were severely damaged or destroyed, will help to reduce the repetitive loss situation the City experienced. By elevating homes at greatest risk within the flood affected neighborhoods, future losses to floods should be reduced, thereby reducing the City's administrative and physical cost as well as reducing the insurance cost burden for the LMI population.

The City is considering the following maximum benefit amounts for the housing program:

Housing Activity	Cap
Single Family Owner Occupied Rehabilitation	
no elevation	\$45,000
with elevation	\$60,000

**Note: Elevation will be required if rehab costs reach 50% of appraised preflood home value**

Single Family Owner Occupied Reconstruction	reasonable costs as described in 2 CFR 200.404
Buyout to Convert to Greenspace or Limited Use	\$250,000
Acquisition for Redevelopment	\$250,000
Elevation Only (with minimal interior rehab)	\$50,000
Single Family Rental Rehabilitation (1-4 Unit)	
no elevation	\$45,000

with elevation	\$60,000
Single Family Rental Reconstruction w/ elevation (1-4 Unit)	reasonable costs as described in 2 CFR 200.404

## D. Infrastructure

The City will designate \$12.5 million to infrastructure projects that will alleviate repetitive loss, inundation, and recurring flooding. Any match funding activities will be compliant with CDBG-DR eligibility requirements as well as other federal regulations that may apply. Activities undertaken will focus on projects under the FEMA Public Assistance Categories as listed in the Needs Assessment above, as well as address the Hazard Mitigation measures designed to reduce future repetitive losses. Eligible projects (defined by the Category they may fall under) may include but are not limited to: [The projects highlighted in the blue color are projects that will be implemented using CDBG DR funds as directed by City Council.](#)

- A. Debris Removal (none proposed as this is an immediate Disaster Recovery level activity and not eligible for CDBG-DR funds);
- B. Emergency Protective Measures;
  - a. Develop early warning systems
  - b. Deploy Reverse Callback systems
  - c. Construct Flood gates and barriers
- C. [Road Systems and Bridges; Midtown, Clarewood/Barbara \(Activity Terminated\), Blanco Gardens, Uhland Projects](#)
  - a. Culvert repair/replacement
  - b. Drainage ditch repair/replacement
  - c. At risk road segment repair/replacement
  - d. Bridge repair/replacement
- D. Water Control Facilities;
- E. Repairs to water treatment plants
- F. Buildings, Contents, and Equipment;
- G. Repair and replacement of City owned buildings, equipment, facilities and vehicles if not covered by insurance or another funding source
- H. [Utilities; Midtown, Clarewood /Barbara \(Activity Terminated\), Blanco Gardens, Uhland Projects](#)
  - a. Storm sewer system upgrades
  - b. Creation of new drainage systems and lines
- I. Parks, recreation and other facilities; and
- J. Hazard Mitigation activities, [including land acquisition: Blanco Riverine Improvements](#)

The City may also elect to participate in a U.S. Army Corps of Engineers projects as well by contributing the Chief's Report, with a max contribution of \$250,000.00, but specific projects under this Activity have not currently been identified.

Potential flood recovery projects were included within the 10-year Capital Improvement Plan adopted by City Council and are attached in Appendix J. The projects were identified through the unmet needs process and are all located in the area most impacted by the floods and in census tracts meeting LMI requirements. The list includes anticipated funding needs and project schedules.

Using HUD-DR planning funds, a Feasibility Study [was](#) conducted to prioritize the infrastructure projects. The privatization matrix included, in order of most important and that will have the most positive impact on the community:

- Impact to low to moderate income population;
- Reduction in water surface elevations;
- Benefit to cost ratios;
- Permitting requirements and ability to achieve project completion within funding timeframes;
- Environmental Impacts;
- Ability to qualify for additional funding sources;
- Creation of emergency access routes; and
- Phasing considerations.

[Substantial Amendment No. 2 and Substantial Amendment No. 4](#) were drafted detailing the description of infrastructure projects and the use of infrastructure dollars under this grant. See the [Prioritization Matrix in Appendix J along with the Infrastructure Project Budgets and Project Descriptions](#). The City will be responsible for implementation of the infrastructure projects through the use of City staff and procured professional services.

#### **Prioritization Results & Ranking - Top Projects**

- [Midtown/Aquarena Springs](#)
- [Blanco Gardens](#)
- [Clarewood/Barbara Drive](#)
- [Uhland Road](#)
- [Blanco Riverine](#)

### **E. Implementation and Performance Schedule**

As mentioned under §V. Funding Allocation and Prioritization Method, the City anticipates expending all funds awarded within 6 years of grant contract execution between HUD and the City. At this time, because the City is still evaluating various infrastructure projects, the City is providing a high level Implementation and Performance Schedule and will amend the Action Plan once more solid information becomes available.

## **IX. Citizen Participation**

### **A. Identification of Public Meetings Held**



The City has made a concerted effort to involve the public prior to and following the release of Federal Register FR-5938-N-01 announcing the availability of \$25,080,000 in disaster recovery funding. The public meetings held to date are listed below:

- April 12, 2016; 6pm; Hill Country Church, 1401 Davis Lane, San Marcos, TX 78666
- April 16, 2016; 6pm; Fire Station 5, 100 Carlson Circle, San Marcos, TX 78666
- July 6, 2016; 6pm; San Marcos Activity Center, 501 E Hopkins St, San Marcos, TX 78666

Public meetings included a slide presentation, a community unmet needs survey, and a question and answer session. All materials for these meetings were translated into Spanish, in accordance with City policy related to accessibility of information to non-English speaking families. All information related to these meetings can be found on the City's CDBG Disaster Recovery Website:

<http://smtxfloodrecovery.com/>

All three public meeting locations were fully accessible to persons with disabilities. The meeting announcements included information on accessibility requests for individuals requiring an interpreter, auxiliary aids, or other services and were posted on the City's established website.

The City took both verbal and written comments from citizens during the meeting and provided an email address for a contact at the City should they have additional questions.

Of note, the public meetings and surveys resulted in a majority of citizens that indicated a preference for spending funding on much needed infrastructure projects in order to avoid repetitive loss in the future. The City supported those requests and preferences by allocating a majority of the CDBG-DR funding for infrastructure projects that would reduce the number of homes that are located within the floodway or 100 year floodplain as well as reduce the likelihood of repetitive loss moving forward.

## **B. Creation of Community Stakeholder Task Force**

The City's disaster recovery team established a CDBG-DR Needs Task Force. The Task Force is made up of impacted citizens, community leaders, and representatives from human service organizations that served to assist the City in identifying and articulating to HUD the needs of our community. Task Force meetings were held on the following dates and times:

- June 22, 2016; 11:30am; San Marcos Activity Center, 501 E Hopkins St, San Marcos, TX 78666
- July 7, 2016; 11:30am; Fire Station 5, 100 Carlson Circle, San Marcos, TX 78666

Task Force meetings were comprised of a slide presentation which included a refresher of how funding could be spent, survey results from the public meetings, and an open discussion that included a question and answer session about technical requirements of the funding.

## **C. Publication Methods**

The Action Plan was posted at the following locations for a period of 15 days, beginning on August, 19, 2016:

- The City's Disaster Recovery website (<http://smtxfloodrecovery.com/>)
- At City Hall; 630 E Hopkins St, San Marcos, Texas 78666
- At the Public Library; 625 E Hopkins St, San Marcos, Texas 78666

A copy of the Action Plan may be requested via an open records request if citizens would like a physical copy provided to them rather than downloading it from the City's website.

## **D. Certification of 14 day Comment Period**

### **1. Method Comments Accepted**

Comments were accepted online and via written comment boxes placed at City Hall and the Public Library. Online comments were accepted via a form provided on the City's disaster recovery website; the system will assign a number to each comment as it is received. In addition to comment boxes, written comments will be accepted at City hall in person, via email ([floodrecovery@sanmarcostx.gov](mailto:floodrecovery@sanmarcostx.gov)), or via USPS mail. As physical or email comments are received the City staff will enter those comments into the online tracking system.

### **2. Inclusion of Comments Received**

A summary of the comments received during the public comment period and the reasoned responses and actions have been provided in Appendix H of this Action Plan.

## **E. Website Development**

The City, in anticipation of the CDBG-DR process, began developing a disaster recovery website in April 2016. The City worked with government website vendor Civic Plus to create [www.smtxfloodrecovery.com](http://www.smtxfloodrecovery.com) to provide information and interaction with residents. The intent was to create a user-friendly, easy to navigate portal for flood survivors and residents to gather information and leave input.

The site launched in May 2016 and includes sections for policies, community outreach, reports, projects and program information. Additionally, the site also includes a calendar of events and a news section that is updated weekly. The site allows residents to sign up for notification of news and calendar items. Citizens can also interact with the City by using the fillable forms on the website. Forms are available for the Action Plan public comment period, as well as to report fraud, waste or abuse.

The City believes this online tool will allow the community to take an active role in steering the CDBG-DR process and move the City down the road to recovery.

## **F. Accessibility of Plan**

The City follows ADA-compliant standards for website accessibility and readability. Content and webpage layout is designed with best practices for adaptive aids use in mind. The City also supports accommodation for citizens with limited English proficiency and will publish program documents to the public website in languages other than English based on the need of non-English speaking communities.

## **G. Citizen Complaint and Appeal Process**

The City will appoint a team of City staff and Program Manager staff members who will investigate, resolve and follow-up each citizen complaint. The goal of the City is to resolve complaints within 15 business days when possible. During program operations, citizens may not agree with decision made by the program on specific projects and wish to appeal the program's decision. The program guidelines will include specific procedures and contact information for citizen to file formal appeals or complaints. The program will make every effort to provide a written response within 15 business days when possible to every appeal or complaint.

Information about the right and how to file a complaint shall be printed on all program applications, guidelines, the City's public website, as appropriate and reasonable. Procedures for appealing a City decision on a complaint shall be provided to complainants in writing as part of the complaint response.

A record of each filed complaint or appeal that the City receives will be kept on file. When a complaint or appeal is filed, the City will respond to the complainant or appellant within 15 business days where practicable. For expediency, the City will utilize telephone communication as the primary method of contact, email and postmarked letters will be used as necessary to document conversations and transmit documentation.

The full complaint and appeals process can be found in Appendix E of this document.

## **X. Amendment Definition and Approach**

### **A. Substantial Amendments to the Action Plan**

A Substantial Amendment to the Action Plan shall be defined as:

1. a change in program benefit or eligibility criteria;
2. the addition or deletion of an activity; or
3. the allocation or reallocation of more than \$1 million between activities.

Only those amendments that meet the definition of a Substantial Amendment are subject to the public notification and public comment procedures previously identified within the Federal Register and this Action Plan. Specifically, a public notice will be published and comment will be sought when assistance programs are further defined (i.e. change in program benefit or eligibility criteria) or when funding allocations are further refined by type of activity and location, if applicable.

Citizens, other local governmental entities, and our community partners will be provided with advanced notice and the opportunity to comment on proposed Substantial Amendments to the Action Plan. An electronic copy of the proposed Substantial Amendment will be posted on the official San Marcos Disaster Recovery website. Hard copies will also be made available upon request. Translations and accommodations for residents with disabilities will be made in accordance with the Citizen Participation plan as detailed above. *No less than fourteen (14) days* will be provided for review and comment on the Substantial Amendment. Comments will be accepted electronically or in writing. A summary of all comments received and responses will be included in the Substantial Amendment that is submitted to HUD for approval.

### **B. Non-Substantial Amendments to the Action Plan**

Non-Substantial Amendments are defined as minor, one that does not materially change the activities or eligible beneficiaries. This provision should not be construed as allowing the general administrative budget to exceed the allowable limit. Additionally, a Substantial Amendment is not required in the case where the City is simply requesting additional funding from HUD. HUD must be notified *five days in advance* of a Non-Substantial Amendment becoming effective. Non-Substantial Amendments are not subject to the public notification and public comment procedures previously identified in the Federal Register or this Action Plan, however the City will publish all Amendments, Substantial or Non-Substantial, to the Disaster Recovery website and will be numbered sequentially for ease of identification and reference.

## Leveraging Funds

The City is currently exploring other sources of funding and will amend the Action Plan when those sources become apparent or available. The City's 2016 regular CDBG Action Plan includes the allocation of \$211,104 specifically awarded to a subrecipient for minor rehabilitation of flood- damaged homes. To date, the City has explored the following options for additional funding to support community recovery:

- Clean Water State Revolving Funds administered by the Texas Water Development Board. The City is in the process of being awarded a \$2 million grant for flood mitigation.
- Private funding in the amount of \$500,000 specifically identified to address drainage/flooding in the Blanco Gardens neighborhood.
- Hazard Mitigation Grant Programs 404 and 406. The City has applied for funding to both the State and FEMA. The applications are still under review. It is unclear at this time whether this funding will become available during this recovery process.
- The city will utilize city owned property for the Reconstruction on City Owned Property (RCOP) activity.

## XI. Certifications

In accordance with HUD guidelines and the Federal Register requirements, the City certifies that:

- A. The City will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within its jurisdiction and take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard (see 24 CFR 570.487(b)(2) and 570.601(a)(2)). In addition, the City certifies that agreements with subrecipients will meet all civil rights related requirements pursuant to 24 CFR 570.503(b)(5).
- B. The City has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG-DR program.
- C. The City is compliant with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- D. The Action Plan for Disaster Recovery is authorized under State and local law (as applicable) and that the City, and any entity or entities designated by the City, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice. The City certifies that activities to be administered with funds under this Notice are consistent with its Action Plan.
- E. The City will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this Notice.
- F. The City will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- G. The City is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, the City follow a detailed citizen participation plan

that satisfies the requirements of 24 CFR570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).

H. The City is complying with each of the following criteria:

- a. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in 2015 pursuant to the Robert T. Stafford Disaster Relief and emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.) related to the consequences of Hurricane Joaquin and adjacent storm systems, Hurricane Patricia, and other flood events.
- b. With respect to activities expected to be assisted with CDBG-DR funds, the Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate- income families.
- c. The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent of the grant amount is expended for activities that benefit such persons.
- d. The City will not attempt to recover any capital costs of public improvements assisted with CDBG-DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the City certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

I. The City (and any subrecipient or recipient) will conduct and carry out the grant in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations.

J. The City has adopted and is enforcing the following policies:

- a. policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. a. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

- K. The City (and any subrecipient or recipient ) has the capacity to carry out disaster recovery activities in a timely manner; or that the City will develop a plan to increase capacity where such capacity is lacking to carry out disaster recovery activities in a timely manner; and that the City has reviewed the requirements of the notice and the requirements of Public Law 114-113 applicable to funds allocated by this notice, and certifies to the accuracy of Risk Analysis Documentation submitted to demonstrate that this has in place proficient financial controls and procurement processes; adequate procures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, to ensure timely expenditure of funds; to maintain a comprehensive disaster recovery website; to ensure timely communication of application status to applicants for disaster recovery assistance , and that its implementation plan accurately describes it current capacity and how it will address any capacity gaps.
- L. The City will not use grant funds for any activity in an area delineated as a special flood hazard area or equivalent in FEMA's most recent and current data source unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.
- M. The City's activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
- N. The City will comply with applicable laws.

Signed and Certified by:



Jared Miller, City Manager

# Tab4:

Appendices

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## **XII. Appendices A – K**

- A. Needs Assessment Graphical Representations**
- B. Public Meeting Presentations**
- C. Public Surveys and Results**
- D. Stakeholder Task Force Presentations**
- E. Complaint and Appeals Policy**
- F. Pre-Award Costs for Possible Reimbursement**
- G. City Council Resolution for Funding**
- H. Action Plan Public Comment and Response Log**
- I. Flood Recovery Expenditure Projection (Revised by Amendment No. ~~10~~11)**
- J. Infrastructure Projects for Consideration**
- K. Additional Maps**