

GREENSHEET | Attachment B: H-GAC Water Resources Committee Recommended Preliminary Method of Distribution

The H-GAC Board Water Resources Committee met on February 9, 2022, to review public comments received. Based on its review, the committee voted to recommend a Preliminary Method of Distribution for Board approval which includes a formula to allocate \$488,762,000 to counties and cities in the H-GAC region based on the following objective factors:

- Disaster Damage (25%)
- Households Impacted (25%)
- Low-to-Moderate Income Population (25%)
- Population in the Floodplain (25%)

City allocations from this formula that do not meet the Texas General Land Office's minimum threshold of \$1,000,000 are rolled up into the allocation(s) of the county/counties where the city is located. The formula does not allocate funding to Harris County or to cities (or portions thereof) within Harris County since the County has been allocated \$750,000,000 for which it must develop its own Method of Distribution.

H-GAC's formula includes a base allocation amount of \$6 million for each of the federally-designated Community Development Block Grant-Mitigation Most Impacted and Distressed Counties (excluding Harris) and \$4 million for each of the State of Texas-designated Most Impacted and Distressed Counties. An additional base allocation of these amounts totaling \$62 million will be used to fund regional and urgent need priority flood mitigation projects.

The Local Government funding allocations produced by the recommended Method of Distribution formula are shown in **Table 1**. The formula was selected from five scenarios developed by staff based on public comments and committee input. **Table 2** shows the objective factors, weights, and funding options considered in each of these scenarios.

The committee also made the following recommendations to be included as part of H-GAC's Method of Distribution.

Waiver of Minimum Allocation Threshold. The General Land Office has set a minimum threshold of \$1 million for any eligible entity receiving an allocation under the Method of Distribution but allows for consideration of a waiver for specific jurisdictions. The Water Resources Committee recommended that H-GAC submit a waiver request for jurisdictions whose allocations are within 10% of the threshold. The City of Iowa Colony is the only city meeting this criterion in the recommended allocation formula.

Waiver of Low-to-Moderate Income (LMI) Threshold. The General Land Office requires that at least 50% of the funds in H-GAC's Method of Distribution must be for projects that benefit at least 51% Low-to-Moderate Income population. The Water Resources Committee voted to

recommend that H-GAC submit a waiver request to reduce the Low-to-Moderate Income funding threshold to the regional Low-to-Moderate Income average of 44%. This waiver would provide greater flexibility in developing projects that address mitigation needs at the regional or watershed level.

County Coordination with Cities - The Water Resources Committee recommended that H-GAC encourage counties to coordinate or plan projects with their cities who did not receive a direct allocation.

Reallocation of Unused Funds under the Method of Distribution - Local governments that receive allocations under the Method of Distribution will be required to acknowledge in writing that they are able to use their allocation on eligible projects that, in total, will meet the Low-to-Moderate Income funding threshold. The Water Resources Committee recommended that any allocations which are declined by local governments be re-allocated to cities within Harris County and General Law cities in the region, using the objective factors in the Method of Distribution formula. This reallocation method would also be employed to any funds allocated to local governments for projects that cannot be utilized.

Attachment B, Table 1: Local Government Allocations, H-GAC Recommended MOD Formula

H-GAC MOD Allocation by Jurisdiction		H-GAC MOD Allocation by Jurisdiction	
Jurisdiction	H-GAC MOD Allocation by Jurisdiction	Jurisdiction	H-GAC MOD Allocation by Jurisdiction
Alvin city	\$6,000,500.38	Katy city	\$1,128,164.00
Angleton city	\$1,792,931.27	La Marque city	\$4,165,518.17
Austin county unincorporated	\$6,750,123.20	Lake Jackson city	\$2,138,653.88
Bay City city	\$3,189,452.74	League City city	\$15,561,524.83
Baytown city	\$2,686,858.46	Liberty city	\$2,684,331.37
Brazoria county unincorporated	\$43,326,945.43	Liberty county unincorporated	\$21,274,202.95
Brookshire city	\$1,309,959.05	Manvel city	\$1,557,251.35
Brookside Village city	\$1,580,215.93	Matagorda county unincorporated	\$8,048,311.11
Chambers county unincorporated	\$14,923,204.92	Missouri City city	\$5,070,896.33
Cleveland city	\$1,498,233.40	Montgomery county unincorporated	\$60,374,962.11
Clute city	\$1,220,939.36	Palacios city	\$1,384,700.63
Colorado county unincorporated	\$5,284,438.05	Patton Village city	\$1,259,091.48
Columbus city	\$1,018,348.44	Pearland city	\$14,008,885.85
Conroe city	\$7,584,676.87	Regional and urgent need projects	\$62,000,000.00
Dayton city	\$1,453,574.93	Richmond city	\$1,535,524.10
Dickinson city	\$15,761,029.82	Richwood city	\$2,456,537.52
El Campo city	\$1,554,085.23	Rosenberg city	\$4,121,319.48
Fort Bend county unincorporated	\$56,030,013.06	Santa Fe city	\$2,743,679.59
Freeport city	\$1,837,967.01	Simonton city	\$1,559,065.30
Friendswood city	\$4,636,108.85	Stafford city	\$1,228,083.21
Galveston city	\$15,761,416.68	Sugar Land city	\$4,063,639.47
Galveston county unincorporated	\$18,221,223.37	Texas City city	\$8,012,688.75
Hitchcock city	\$3,864,154.83	Walker county unincorporated	\$6,175,023.19
Holiday Lakes town	\$1,581,998.68	Waller county unincorporated	\$8,774,400.10
Houston city	\$9,232,730.04	Wharton city	\$4,360,821.44
Huntsville city	\$2,256,231.70	Wharton county unincorporated	\$11,758,515.79
Iowa Colony city	\$958,846.32	Total	\$488,762,000.00

Attachment B, Table 2: MOD Scenarios Considered by H-GAC Board Water Resources Committee

Scenarios	MOD Factors						Weights	Base Allocation	Regional and urgent need Projects	Unincorporated Harris County	Harris County Cities
	Disaster Damage (DD)		Households Impacted (HI)		LMI population (LMI)	Population in Flood Plain (FP)					
	(2002-2019)	(2015-2019)	(2002-2019)	(2015-2019)							
Scenario A: Allocation based on 2002-2019 Disaster Data, more weight to Flood Plain (less to LMI) and with allocation to regional projects	Y		Y		Y	Y	$0.25DD + 0.25HI + 0.20LMI + 0.30FP$	HUDMID Counties \$6M each; StateMID Counties \$4M each	\$62M	Excluded	Included with share based on the original State Action Plan (\$209,410,000)
Scenario B: Allocation based on 2015-2019 Disaster Data, equal weights, and with allocation to regional projects		Y		Y	Y	Y	Equal weights (0.25 each)	HUDMID Counties \$6M each; StateMID Counties \$4M each	\$62M	Excluded	Included with share based on the original State Action Plan (\$209,410,000)
Scenario C: Allocation based on 2015-2019 Disaster Data, equal weights, and without allocation to regional projects		Y		Y	Y	Y	Equal weights (0.25 each)	HUDMID Counties \$6M each; StateMID Counties \$4M each		Excluded	Included with share based on the original State Action Plan (\$209,410,000)
Scenario D: Allocation based on 2015-2019 Disaster Data, equal weights, with allocation to regional projects, and excludes Harris county and its Cities		Y		Y	Y	Y	Equal weights (0.25 each)	HUDMID Counties \$6M each; StateMID Counties \$4M each	\$62M	Excluded	Excluded
Scenario E: Allocation based on 2015-2019, equal weights, without allocation to regional projects, and excludes Harris county and its Cities		Y		Y	Y	Y	Equal weights (0.25 each)	HUDMID Counties \$6M each; StateMID Counties \$4M each		Excluded	Excluded