



December 2022

# DISASTER RECOVERY

## Better Information Is Needed on the Progress of Block Grant Funds

Accessible Version

# GAO Highlights

Highlights of [GAO-23-105295](#), a report to congressional committees

## Why GAO Did This Study

Congress provided about \$39 billion to HUD for CDBG-DR and mitigation grants to help communities recover from the 2017 and 2018 hurricanes and wildfires. Seven grantees—California, Florida, North Carolina, Puerto Rico, South Carolina, Texas, and the U.S. Virgin Islands—received over 90 percent of the funds. They generally budgeted more than 50 percent of the CDBG-DR funds to address unmet housing needs.

The Additional Supplemental Appropriations for Disaster Relief Act of 2019 includes a provision for GAO to audit issues related to the 2018 presidentially declared major disasters. This report examines, among other things, (1) the status of the seven grantees' 2017 and 2018 CDBG-DR housing activities, (2) Texas's implementation of its Homeowner Assistance Programs, and (3) the extent to which HUD requires grantees to collect data to manage programs effectively.

GAO analyzed data from HUD and the Texas grantee. GAO also reviewed documentation and interviewed officials from HUD and Texas. GAO focused on Texas in part because it had expended the most funds and plans to focus on other grantees in future work.

## What GAO Recommends

GAO is making two recommendations to HUD, including that it require CDBG-DR grantees to collect and analyze data needed to monitor the timeliness of their housing activities and inform corrective actions. HUD agreed with one recommendation and neither agreed nor disagreed with the other, as discussed further in the report.

View [GAO-23-105295](#). For more information, contact Daniel Garcia-Diaz at (202) 512-8678 or [garciadiazd@gao.gov](mailto:garciadiazd@gao.gov).

December 2022

## DISASTER RECOVERY

### Better Information Is Needed on the Progress of Block Grant Funds

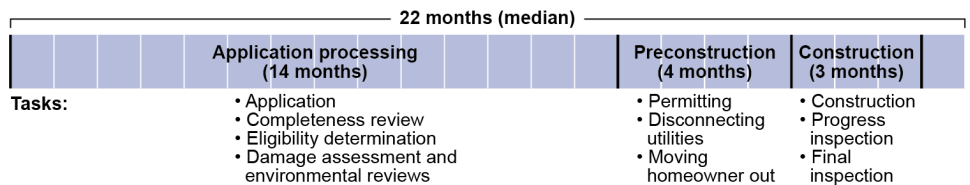
## What GAO Found

As of July 2022, the seven states and territories receiving the vast majority of the 2017 and 2018 Community Development Block Grant Disaster Recovery (CDBG-DR) funds had disbursed 28 percent of the \$11.9 billion they allocated for housing activities. The grantees' disbursements for housing activities funded with 2017 CDBG-DR funds ranged from approximately 4 percent to 51 percent. The two grantees with the highest disbursement rates for 2017 funds (Texas and Florida) have more recent experience administering CDBG-DR funds.

Texas expects to complete construction for its three Homeowner Assistance Programs by the end of 2023 or early 2024, and to serve about 7,900 homeowners. Texas opened applications for its first and largest Homeowner Assistance Program about 1.3 years after Hurricane Harvey was declared a major disaster. Texas expects that it will take another 4.4 years from then until construction on homes is complete.

GAO's analysis of available data as of August 2022 showed that the application processing and preconstruction phases of Texas's Homeowner Assistance Programs each took longer than construction (see figure). Factors that can significantly affect the length of the application process include the time households take to complete the application and provide required documentation, as well as the time Texas takes to conduct damage assessments and environmental reviews. Data limitations prevented GAO's analysis from pinpointing the duration of some individual process steps.

**Texas Homeowner Assistance Program Time Line and Process Steps**



Source: GAO analysis of program data. | GAO-23-105295

Note: This time line is for Texas's largest Homeowner Assistance Program. Because the phases' durations are medians, their sum does not equal the total duration.

The Department of Housing and Urban Development (HUD) does not require Texas or other CDBG-DR grantees to collect accurate data on critical milestones. Texas's grant management system resets the date of key application processing milestones when an application has to repeat a step, which results in unreliable data for tracking those milestones. This limits Texas's ability to determine the true duration of individuals steps. Further, a HUD-funded 2019 study on the timeliness of CDBG-DR housing activities found that all but one grantee in the study faced challenges in developing a grant management system, which caused delays in program implementation. By requiring grantees to collect and analyze timeliness data, HUD could better ensure that its grantees identify problem milestones and take corrective actions.

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**Abbreviations**

ARP	Affordable Rental Program
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant Disaster Recovery
CDBG-MIT	Community Development Block Grant Mitigation
DRGR	Disaster Recovery Grant Reporting
FEMA	Federal Emergency Management Agency
GLO	General Land Office
HAP	Homeowner Assistance Program
HAP-48	Homeowner Assistance Program for 48 counties affected by Hurricane Harvey
HUD	Department of Housing and Urban Development
OIG	Office of Inspector General
OMB	Office of Management and Budget
QPR	Quarterly Performance Report
TIGR	Texas Integrated Grant Reporting

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December 15, 2022

Congressional Committees

In 2017, hurricanes and wildfires collectively affected 47 million people, and Hurricanes Harvey, Irma, and Maria rank among the top five costliest hurricanes on record.<sup>1</sup> In 2018, Hurricanes Florence and Michael caused nearly \$50 billion in damage. Furthermore, the destructive wildfires continued into 2018, including the Camp Fire in northern California, which destroyed more than 18,500 buildings and was the costliest wildfire in the state’s history.

In response to the damage caused by the 2017 and 2018 disasters, Congress provided approximately \$39 billion in supplemental appropriations through the Department of Housing and Urban Development’s (HUD) Community Development Block Grant (CDBG) program to help affected communities recover. Communities are allowed to use their CDBG Disaster Recovery (CDBG-DR) grants to address a wide range of unmet recovery needs—losses not met with insurance or other forms of assistance, including federal disaster assistance—related to housing, infrastructure, and economic revitalization. Congress also directed HUD to set aside some of this funding for mitigation activities. In response, HUD allocated CDBG Mitigation (CDBG-MIT) grants to carry out strategic and high-impact activities to mitigate disaster risks and reduce future losses.

HUD allocated over 90 percent (approximately \$37 billion) of the approximately \$39 billion in CDBG-DR and CDBG-MIT funds to Puerto Rico (\$20.2 billion), Texas (\$10.1 billion), Florida (\$2.2 billion), the U.S. Virgin Islands (\$1.9 billion), California (\$1.3 billion), North Carolina (\$745 million), and South Carolina (\$234 million).<sup>2</sup> Congress and our prior work have raised questions about the administration of CDBG-DR funds,

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<sup>1</sup>The National Oceanic and Atmospheric Administration has estimated the total cost of these three major 2017 hurricanes at \$265 billion, placing them among the top five costliest hurricanes on record in the United States, along with Hurricanes Katrina and Sandy.

<sup>2</sup>These figures include \$2 billion allocated to Puerto Rico and the U.S. Virgin Islands to enhance or improve the electrical power systems in these territories.



including questions about the long life cycle of the funds and timely delivery of assistance.<sup>3</sup>

The Additional Supplemental Appropriations for Disaster Relief Act of 2019 includes a provision for us to audit issues related to presidentially declared major disasters that occurred in 2018.<sup>4</sup> We also included the largest grants for the 2017 disasters to follow up on prior work.<sup>5</sup> This report examines (1) the status of selected grantees' 2017 and 2018 CDBG-DR housing activities; (2) whether grantees' quarterly reports to HUD provide clear information on performance; (3) Texas's implementation of its Homeowner Assistance Programs and the extent to which HUD requires grantees to collect data to manage these housing programs effectively; and (4) Texas's implementation of its Affordable Rental Program.

We focused on Texas in our third and fourth objectives because it received the second-largest allocation of 2017 and 2018 funds and had experience administering prior CDBG-DR grants.<sup>6</sup> In addition, Texas had expended the most funds as of September 2021. We selected Texas's homeowner assistance and rental housing development programs because they account for 88 percent of Texas's 2017 and 2018 CDBG-DR housing funds. This report also includes initial information on the status of selected grantees' CDBG-MIT activities. We plan to focus on other CDBG-DR grantees and to review CDBG-MIT activities in more depth in future work.

For all of the objectives, we interviewed officials from HUD and the Texas grantee. We also interviewed representatives from nine national and local groups, such as organizations that focus on housing issues and housing research. We selected the six national groups because they had testified

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<sup>3</sup>GAO, *Disaster Recovery: Better Monitoring of Block Grant Funds Is Needed*, [GAO-19-232](#) (Washington, D.C.: Mar. 25, 2019).

<sup>4</sup>Pub. L. No. 116-20, 133 Stat. 871, 892-93 (2019).

<sup>5</sup>Our March 2019 report focused on the four largest 2017 CDBG-DR grants, which make up approximately \$34 billion of the \$39 billion Congress appropriated for the 2017 and 2018 disasters. [GAO-19-232](#).

<sup>6</sup>With the exception of 2020, Texas received CDBG-DR funds associated with disasters in each year from 2015 to 2021.

before Congress on issues related to CDBG-DR funds and the three local groups because they were involved in disaster recovery in Texas.

For our first objective, we reviewed the action plans of seven grantees—California, Florida, North Carolina, Puerto Rico, South Carolina, Texas, and the U.S. Virgin Islands. We selected these grantees because they received 2017 or 2018 CDBG-DR grants and CDBG-MIT grants of \$100 million or more.<sup>7</sup> Florida, Puerto Rico, Texas, and the U.S. Virgin Islands were also included in our prior work. We focused on these grantees' housing activities because they generally budgeted more than 50 percent of their 2017 and 2018 funds to address housing needs.

We analyzed data from HUD's Disaster Recovery Grant Reporting (DRGR) System on the selected grantees' disbursements and performance measures to determine the status of their housing activities.<sup>8</sup> To assess the reliability of the DRGR data we used, we reviewed relevant documentation, interviewed knowledgeable agency officials, traced the amounts budgeted for housing activities to grantees' HUD-approved action plans, and performed electronic testing. We determined the data were sufficiently reliable for the purpose of reporting on the grantees' disbursements and performance accomplishments. The status of these grants is not generalizable to other grantees but offers an important perspective.

For our second objective, we assessed the selected grantees' Quarterly Performance Reports for the fourth quarter of calendar year 2021 (the most recent available at the time of our analysis). We compared the expenditure and performance data that HUD requires against federal plain language guidelines and the Office of Management and Budget's (OMB) *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies*.<sup>9</sup>

For our third objective, we reviewed documentation such as the standard operating procedures and vendor contracts for Texas's Homeowner

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<sup>7</sup>Fifteen grantees received funds for the 2017 and 2018 disasters. HUD allocated the vast majority (90 percent) of these funds to the seven grantees we selected.

<sup>8</sup>CDBG-DR grantees use the DRGR System to access grant funds and report performance accomplishments for grant-funded activities.

<sup>9</sup>Plain Language Action and Information Network, *Federal Plain Language Guidelines* (May 2011) and *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies; Republication*, 67 Fed. Reg. 8452 (Feb. 22, 2002).

Assistance Programs. We also analyzed grantee and contractor data as of August 11, 2022, on the time devoted to the application processing, preconstruction, and construction phases. To assess the reliability of these data, we reviewed relevant documentation, interviewed knowledgeable grantee officials, and performed electronic testing. We determined the data were sufficiently reliable for the purpose of calculating the median durations of each of the phases and some steps within the phases. In addition, we interviewed two subrecipients, four implementing vendors, and two builders.

We also reviewed the *Federal Register* notices governing CDBG-DR funds and interviewed HUD officials. We compared HUD's guidance on data collection against leading project management practices.<sup>10</sup>

For our fourth objective, we reviewed documentation such as standard operating procedures and developer contracts for Texas's Affordable Rental Program. We also analyzed data on the program's time frames and interviewed two developers. For more information on our scope and methodology, see appendix I. Appendix II contains information on the status of selected grantees' CDBG-MIT activities.

We conducted this performance audit from June 2021 to December 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>10</sup>The practices we used for this purpose were those of the Project Management Institute, a nonprofit organization that has established standards for project management that are generally recognized as leading practices for most projects. These standards are used worldwide and provide guidance on how to manage various aspects of projects. The Project Management Institute publishes these standards in its Guide to the Project Management Body of Knowledge. Project Management Institute, *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*, 6th ed. (2017). PMBOK is a trademark of Project Management Institute, Inc.

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## Background

CDBG-DR funds are among the numerous sources of disaster recovery assistance available after a President declares a major disaster.<sup>11</sup> Administered by HUD, CDBG-DR funds provide significant, flexible federal recovery funding for states and localities affected by disasters and generally support long-term recovery.

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## History of CDBG-DR and CDBG-MIT

The Housing and Community Development Act of 1974 created the CDBG program to develop viable urban communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for low- and moderate-income persons. Because the CDBG program already has a mechanism to provide federal funds to states and localities, the program is widely viewed as a flexible solution to disburse federal funds to address unmet needs in emergency situations.

When disasters occur, Congress often appropriates additional CDBG funding in the form of CDBG-DR funds through supplemental appropriations. These appropriations often provide HUD the authority to waive or modify many of the statutory and regulatory provisions governing the CDBG program, thus providing states with greater flexibility and discretion to address recovery needs. Eligible activities that grantees have undertaken with CDBG-DR funds include relocation payments to displaced residents, acquisition of damaged properties, rehabilitation of damaged homes, rehabilitation of public facilities such as neighborhood centers and roads, and hazard mitigation. As of July 1, 2022, HUD was overseeing 163 CDBG-DR grants totaling approximately \$84 billion. According to HUD, the earliest of these grants was obligated in February 2002.

Beginning in 2018, Congress appropriated funding through the CDBG program specifically for hazard mitigation in the form of CDBG-MIT funds.

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<sup>11</sup>Federal agencies can respond to a disaster when effective response and recovery are beyond the capabilities of the affected state and local governments. In such cases, the Robert T. Stafford Disaster Relief and Emergency Assistance Act permits the President to declare a major disaster in response to a request by the governor of a state or territory or by the chief executive of a tribal government. Such a declaration is the primary mechanism by which the federal government becomes involved in funding and coordinating response and recovery activities.

HUD defines mitigation as activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters. According to HUD, CDBG-MIT activities should align with other federal programs that address hazard mitigation to create a more cohesive effort at the federal, state, and local levels. As of July 1, 2022, HUD was overseeing 28 CDBG-MIT grants totaling approximately \$16 billion.

### CDBG-DR and CDBG-MIT Funds Allocated to 2017 and 2018 Grantees

Once Congress appropriates CDBG-DR funds, HUD publishes notices in the *Federal Register* to allocate the funding appropriated to affected communities based on unmet need. See table 1 for HUD’s 2017 and 2018 allocations of CDBG-DR and CDBG-MIT funds to the seven grantees in our review.

**Table 1: 2017 and 2018 Community Development Block Grant Disaster Recovery (CDBG-DR) and Mitigation (CDBG-MIT) Grants Allocated to Selected Grantees**

In millions of dollars

Grantee	2017 CDBG-DR funds	2018 CDBG-DR funds	CDBG-MIT funds	Total
California	162	1,017	153	1,333
Florida	812	736	680	2,228
North Carolina	0	543	203	745
Puerto Rico	10,006 <sup>a</sup>	0	8,285	18,291
South Carolina	0	72	162	234
Texas	5,676 <sup>b</sup>	73	4,302	10,051
U.S. Virgin Islands	1,075 <sup>c</sup>	0	774	1,850
<b>Total</b>	<b>17,732</b>	<b>2,441</b>	<b>14,560</b>	<b>34,732</b>

Source: Department of Housing and Urban Development. | GAO-23-105295

Note: Funding amounts may not sum because of rounding.

<sup>a</sup>The 2017 CDBG-DR funds for Puerto Rico exclude \$1.9 billion allocated in June 2021 to enhance or improve the electrical power system in Puerto Rico.

<sup>b</sup>The 2017 CDBG-DR funds for Texas exclude \$57.8 million allocated in December 2017 from a separate appropriation.

<sup>c</sup>The 2017 CDBG-DR funds for the U.S. Virgin Islands exclude \$68 million allocated in June 2021 to enhance or improve the electrical power system in the U.S. Virgin Islands.

As shown in table 2, the seven grantees have budgeted CDBG-DR funds for housing, infrastructure, and economic revitalization activities.

**Table 2: 2017 and 2018 Community Development Block Grant Disaster Recovery (CDBG-DR) Funds Budgeted by Selected Grantees, by Funding Category**

In millions of dollars

Grantee	Housing	Infrastructure	Economic revitalization	Other <sup>a</sup>	Total
California	574	354	41	212	<b>1,180</b>
Florida	963	430	78	76	<b>1,548</b>
North Carolina	505	Not applicable	5	33	<b>543</b>
Puerto Rico	5,093	1,500	1,318	2,095	<b>10,006</b>
South Carolina	67	Not applicable	Not applicable	5	<b>72</b>
Texas <sup>b</sup>	4,384	686	130	549	<b>5,749</b>
U.S. Virgin Islands	327	574	65	109	<b>1,075</b>

Source: Grantee action plans. | GAO-23-105295

Note: Funding amounts may not sum because of rounding. Data in this table are based on the CDBG-DR action plans in effect in each respective state or territory as of August 2022.

<sup>a</sup>Includes administration, planning, and other expenses, such as project delivery costs, public services, and an activity categorized as multisector.

<sup>b</sup>Includes 2017 funds directly administered by Harris County and the City of Houston, which are Texas subrecipients.

## CDBG-DR Grant Requirements

HUD outlines grantee requirements for administration of CDBG-DR funds in *Federal Register* notices. Examples of these requirements in the notices that govern the 2017 and 2018 CDBG-DR grants in our review include the following:<sup>12</sup>

- Grantees must submit action plans to HUD for disaster recovery, including an assessment of unmet needs and a description of activities intended to meet these needs.
- Grantees may use CDBG-DR funds only for activities in a HUD-approved action plan.
- Funded activities must meet one of three national program objectives: (1) principally benefit low- and moderate-income persons, (2) aid in

<sup>12</sup>*Allocations, Common Application, Waivers, and Alternative Requirements for 2017 Disaster Community Development Block Grant Disaster Recovery Grantees*, 83 Fed. Reg. 5844 (Feb. 9, 2018); *Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees*, 83 Fed. Reg. 40314 (Aug. 14, 2018); and *Allocations, Common Application, Waivers, and Alternative Requirements for Disaster Community Development Block Grant Disaster Recovery Grantees*, 85 Fed. Reg. 4681 (Jan. 27, 2020).

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the prevention or elimination of slums or blight, or (3) meet urgent community development needs.

- CDBG-DR grantees are required to report quarterly on expenditures and performance in HUD's DRGR System and post copies of reports generated by the system on their websites.

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### Prior GAO Work on CDBG-DR

In a March 2019 report, we found that grantees experienced lags in accessing and spending funds for multiple reasons.<sup>13</sup> Congress had not established permanent statutory authority for CDBG-DR or some other program to address unmet needs. As a result, CDBG-DR appropriations required HUD to customize grant requirements for each disaster in *Federal Register* notices—a time-consuming process that had delayed the disbursement of funds. Therefore, we recommended that Congress consider permanently authorizing a disaster assistance program that responds to unmet needs in a timely manner rather than continue this ad hoc approach.<sup>14</sup> In addition, we reported that grantees faced administrative challenges, such as building capacity to manage large CDBG-DR grants.

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## Most Selected Grantees Have Made Limited Progress in Disbursing Funds and Constructing Units

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### Most Selected Grantees Had Disbursed Less Than 20 Percent of 2017 and 2018 Housing Funds as of July 2022

As of July 8, 2022, three of the five selected grantees that received 2017 CDBG-DR funds and four of the five that received 2018 funds had disbursed less than 20 percent of the funds they allocated for housing

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<sup>13</sup>[GAO-19-232](#).

<sup>14</sup>As of August 2022, Congress had not permanently authorized such a program. A bill introduced and passed by the House of Representatives in the 116th Congress, H.R. 3702, would have permanently authorized the CDBG-DR program. However, the bill did not advance in the Senate.

activities.<sup>15</sup> The seven grantees generally used their 2017 and 2018 CDBG-DR funds for six types of housing activities (see table 3).<sup>16</sup>

**Table 3: Types of Housing Activities for Which Selected Grantees Used CDBG-DR Funds**

Housing activity type	Description	Grantees funding this activity type
Homeowner rehabilitation and reconstruction assistance	Provides rehabilitation and reconstruction assistance based on the extent of damage. Also provides temporary relocation assistance to eligible homeowners while the home is under construction. Eligible properties generally are owner-occupied homes.	All seven grantees (California, Florida, North Carolina, Puerto Rico, South Carolina, Texas, and the U.S. Virgin Islands)
Rehabilitation or development of affordable rental housing	Provides funding (such as gap financing) for the rehabilitation or development of affordable rental units.	All seven grantees
Home buyout	Provides funding for the acquisition of residential properties in high flood-risk areas for the creation of permanent open space or other floodplain management systems.	Florida, South Carolina, Texas
New construction of single-family homes	Provides funding to develop new single-family homes for eligible homebuyers.	Texas, U.S. Virgin Islands
Down payment and closing cost assistance	Provides funding to cover all or part of the down payment and closing costs.	North Carolina, Puerto Rico, Texas
Housing counseling	Provides housing counseling to individuals, including renter counseling, homebuyer education, financial literacy, credit rehabilitation, debt management, and budgeting.	North Carolina, Puerto Rico

Source: GAO analysis of grantees' Community Development Block Grant Disaster Recovery (CDBG-DR) action plans. | GAO-23-105295

Note: Data in this table are based on the CDBG-DR action plans in effect in each respective state or territory as of August 2022.

Regardless of the funding year or type of disaster experienced, the seven grantees generally plan to use the majority of their 2017 and 2018 CDBG-DR housing funds for two types of housing activities: (1) assistance for homeowners to rehabilitate or reconstruct their primary residence

<sup>15</sup>Three of the seven selected grantees received both 2017 and 2018 CDBG-DR funds. Grantees can use CDBG-MIT funds to supplement activities funded with CDBG-DR grants under certain circumstances, but this section of the report discusses only the status of CDBG-DR funds. For the status of CDBG-MIT funds, see app. II.

<sup>16</sup>A 2019 report on housing activities funded with 88 CDBG-DR grants from fiscal years 2005 through 2015 similarly found that grantees used their CDBG-DR housing funds for the construction and rehabilitation of homeowner units and affordable rental housing, acquisition of property, homeownership assistance, relocation payments and assistance, and rental assistance. See Carlos Martín et al., *Housing Recovery and CDBG-DR: A Review of the Timing and Factors Associated with Housing Activities in HUD's Community Development Block Grant for Disaster Recovery Program*, a report prepared at the request of the Department of Housing and Urban Development (Urban Institute: April 2019).



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(homeowner assistance) and (2) assistance for the rehabilitation or development of affordable rental housing (rental housing development) (see fig. 1).<sup>17</sup> For example, California received CDBG-DR allocations to recover from the 2017 and 2018 wildfires, mudflows, and debris flows and plans to use all of the funds it budgeted for housing activities each year to provide these two types of assistance. The remaining six grantees received CDBG-DR allocations to recover from hurricanes that occurred in 2017 or 2018, and the funds they budgeted for homeowner assistance and rental housing development combined ranged from about 49 to about 96 percent for a given year.

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<sup>17</sup>We focused on the seven grantees' main programs for homeowner rehabilitation and reconstruction assistance and rehabilitation or development of affordable rental housing. We excluded targeted activities, such as homebuyer assistance, buyout of homes, construction of new single-family homes, and repair or replacement of public and mixed-income developments.

**Figure 1: Seven Grantees' 2017 and 2018 Community Development Block Grant Disaster Recovery (CDBG-DR) Funds Budgeted for Two Key Housing Activities**

Dollars in millions									
Total housing budget	Assistance type				Percentage of total housing budget				
	Homeowner assistance	Rental housing development	Other housing assistance						
<b>2017</b>	California	\$118	\$48	\$70	\$0	40	60	100%	
	Florida	\$702	\$534	\$140 <sup>a</sup>	\$29	76	20	4	96%
	Puerto Rico	\$5,093	\$2,945	\$963	\$1,185	58	19	23	77%
	Texas <sup>b</sup>	\$4,338	\$2,172	\$1,286	\$881	50	30	20	80%
	U.S. Virgin Islands	\$327	\$135	\$25	\$167	41	8	51	49%
	<b>Total</b>	<b>\$10,578</b>	<b>\$5,834</b>	<b>\$2,484</b>	<b>\$2,261</b>	<b>55</b>	<b>23</b>	<b>21</b>	<b>79%</b>
<b>2018</b>	California	\$456	\$205	\$251	\$0	45	55	100%	
	Florida	\$261	\$251	\$0	\$9	96		4	96%
	North Carolina	\$505	\$374	\$109	\$21	74	22	4	96%
	South Carolina	\$67	\$56	\$1	\$10	84		15	85%
	Texas	\$46	\$32	\$10	\$4	69	22	9	91%
	<b>Total</b>	<b>\$1,335</b>	<b>\$919</b>	<b>\$371</b>	<b>\$44</b>	<b>69</b>	<b>28</b>	<b>3</b>	<b>97%</b>
<b>Grand total</b>		<b>\$11,912</b>	<b>\$6,752</b>	<b>\$2,855</b>	<b>\$2,305</b>	<b>57</b>	<b>24</b>	<b>19</b>	<b>81%</b>

Source: GAO analysis of grantees' CDBG-DR action plans. | GAO-23-105295

Note: Funding amounts may not sum because of rounding. Data in this figure are based on the CDBG-DR action plans in effect as of August 2022.

<sup>a</sup>Florida divided its assistance for the rehabilitation or development of affordable rental housing into two separate housing activities—one for the construction of rental developments and another for the construction of small rental developments.

<sup>b</sup>Data for Texas include 2017 homeowner assistance and affordable rental housing development programs directly administered by Harris County and the City of Houston, which are Texas subrecipients.

Grantee	Total funds budgeted for housing activities (in millions)	Homeowner assistance		Affordable rental housing assistance		Other housing assistance		Percentage of total housing funds budgeted for homeowner and rental housing assistance
		Budgeted funds (in millions)	Percentage of housing funds budgeted toward the activity	Budgeted funds (in millions)	Percentage of housing funds budgeted toward the activity	Budgeted funds (in millions)	Percentage of housing funds budgeted toward the activity	
2017								
California	\$118	\$48	40%	\$70	60%	\$0	0%	100%
Florida <sup>a</sup>	\$702	\$534	76%	\$140 <sup>b</sup>	20%	\$29	4%	96%
Puerto Rico	\$5,093	\$2,945	58%	\$963	19%	\$1,185	23%	77%
Texas <sup>b</sup>	\$4,338	\$2,172	50%	\$1,286	30%	\$881	20%	80%
U.S. Virgin Islands	\$327	\$135	41%	\$25	8%	\$167	51%	49%
Total for 2017	10,578	5,834	55%	2,484	23%	\$2,261	21%	79%
2018								
California	\$456	205	45%	\$251	55%	\$0	0%	100%
Florida	\$261	\$251	96%	\$0	0%	\$9	4%	96%
North Carolina	\$505	\$374	74%	\$109	22%	\$21	4%	96%
South Carolina	67	\$56	84%	\$1	1%	\$10	15%	85%
Texas	46	32	69%	\$10	22%	\$4	9%	91%
Total for 2018	1,335	919	69%	\$371	28%	\$44	3%	97%
Grand total	11,912	\$6,752	57%	\$2,855	24%	\$2,305	19%	81%

As of July 8, 2022, the total disbursement rate—that is, the percentage of funding that had been disbursed—for the five grantees with housing activities funded with 2017 CDBG-DR funds was 30 percent. Individual rates ranged from approximately 4 percent (California) to 51 percent (Texas) (see table 4). Florida’s and Texas’s grant agreements require them to expend all of their 2017 funds by August 2026, the U.S. Virgin

Islands' by February 2027, Puerto Rico's by July 2027, and California's by August 2028.<sup>18</sup>

**Table 4: Seven Grantees' Community Development Block Grant Disaster Recovery Housing Activity Drawdown Amounts, as of July 8, 2022**

Grantee	Housing budget (dollars in millions)	Housing disbursements (dollars in millions)	Percentage disbursed
<b>2017</b>			
California	\$118	\$5	4%
Florida	\$700	\$298	43%
Puerto Rico	\$5,093	\$644	13%
Texas <sup>a</sup>	\$4,318	\$2,181	51%
U.S. Virgin Islands	\$327	\$38	12%
<b>Total for 2017</b>	<b>\$10,557</b>	<b>\$3,166</b>	<b>30%</b>
<b>2018</b>			
California	\$456	\$6	1%
Florida	\$284	\$55	19%
North Carolina	\$505	\$59	12%
South Carolina	\$67	\$13	20%
Texas	\$45	\$2	4%
<b>Total for 2018</b>	<b>\$1,357</b>	<b>\$135</b>	<b>10%</b>
<b>Grand total</b>	<b>\$11,913</b>	<b>\$3,301</b>	<b>28%</b>

Source: GAO analysis of Department of Housing and Urban Development data. | GAO-23-105295

Note: Funding amounts may not sum because of rounding.

<sup>a</sup>Data for Texas include housing activities directly administered by Harris County and the City of Houston, which are Texas subrecipients.

Florida and Texas have higher disbursement levels for 2017 funds compared to the other selected grantees, likely in part because they have more recent experience with administering large CDBG-DR grants. In particular, Texas officials noted they had experience administering multiple housing programs going back to Hurricane Rita in 2005. In

<sup>18</sup>The dates vary because grant agreements were signed on different dates and HUD provided extensions to some grantees as a result of COVID-19. HUD allocated Florida's 2017 funds through three grants, two with expenditure deadlines of August 6, 2025, and one with a deadline of August 13, 2026. Texas's two grants both have deadlines of August 17, 2026. The U.S. Virgin Islands was allocated three grants, two with deadlines of September 27, 2026, and one with a deadline of February 8, 2027. Puerto Rico was allocated three grants, two with deadlines of September 20, 2026, and one with a deadline of July 7, 2027. California's two grants have deadlines of August 20, 2027, and August 18, 2028.

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contrast, California, Puerto Rico, and the U.S. Virgin Islands had not administered CDBG-DR funds since at least 2013.

As of July 8, 2022, the seven grantees' total disbursement rate for housing activities funded with 2018 CDBG-DR funds was 10 percent, with individual rates ranging from approximately 1 percent (California) to 20 percent (South Carolina) (see table 4). According to their grant agreements, California, Florida, North Carolina, and South Carolina have until mid to late 2026 to expend their 2018 funds.<sup>19</sup> Texas has until March 2027 to expend its 2018 funds.

Officials cited several factors that had affected their disbursement rates:<sup>20</sup>

- **California.** Among other things, California officials said they needed to build expertise and capacity to directly administer their first homeowner assistance program that would rebuild homes destroyed by wildfires.<sup>21</sup> They said responding to wildfires presents different challenges than water-related disasters. For example, debris removal took more than 3 years to complete, and as of late August 2022 they were completing basic transportation, sanitation, and energy infrastructure needed for housing construction to proceed. They also said that until early August 2022, they were not able to obtain a blanket clearance from the California Office of Historical Preservation on these properties. Prior to obtaining the blanket clearance, they were required to submit detailed analysis on a property-by-property basis, although all of the homes had been completely cleared from the property after the wildfires. Regarding their rental housing

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<sup>19</sup>HUD allocated the 2018 funds to each of the selected grantees in our review through two grants. The period of performance for North Carolina's grants is August 17, 2020, to August 17, 2026; for Florida's grants is October 14, 2020, to October 14, 2026; for California's grants is December 1, 2020, to December 1, 2026; for South Carolina's grants is December 14, 2020, to December 14, 2026; and for Texas's grants is March 22, 2021, to March 22, 2027.

<sup>20</sup>We discuss factors affecting Texas's disbursement rates for its homeowner assistance programs and affordable rental housing program later in this report.

<sup>21</sup>In March 2019, we found that CDBG-DR grantees have experienced difficulties establishing the necessary capacity to manage large CDBG-DR grants. See [GAO-19-232](#). Similarly, in a November 2021 report on CDBG-DR lessons learned, the HUD Office of the Inspector General found that some grantees did not ensure their programs had the capacity to repair or build homes in a timely manner. See Department of Housing and Urban Development, Office of Inspector General, *Lessons Learned and Key Considerations From Prior Audits and Evaluations of the CDBG Disaster Recovery Program*, 2022-FW-0801 (Washington, D.C.: Nov. 2, 2021).

development program, California officials cited the lack of subrecipient capacity as a challenge affecting implementation.

- **Florida.** According to Florida officials, a number of factors affected implementation of their homeowner assistance program. These factors included national supply chain shortages, weather delays, and significant increases in the cost of construction. Regarding their rental housing development program, officials cited reduced staffing at the state grantee and contractors and increases in construction costs that led developers to request extensions in order to identify gap funding.
- **North Carolina.** North Carolina officials said a variety of factors had significantly affected the disbursement of their 2018 CDBG-DR housing funds since the start of the COVID-19 pandemic. These factors included supply chain interruptions; labor shortages; rapidly rising costs of materials and services; and heightened public health concerns that disrupted inspections, environmental reviews, and other face-to-face elements of program delivery. For example, they noted that one of their affordable rental housing projects had been put out for bid several times but had not yet been bid on because contractors were concerned about increasing costs.
- **Puerto Rico.** Puerto Rico officials said they needed to build capacity to administer their homeowner assistance program. They said additional delays were caused by COVID-19 (which halted construction for almost 4 months), increased labor costs, material shortages, and subrecipient staff turnover. Regarding Puerto Rico's rental housing development program, officials noted there were many steps in the process and cited delays created by COVID-19, such as construction being suspended and constraints on available construction labor.
- **South Carolina.** According to South Carolina officials, disbursements have been lower than expected because COVID-19-related disruptions led to labor and material shortages. For example, they said that staff shortages caused difficulty obtaining construction permits and scheduling construction inspections. Regarding the rental housing development program, the officials said they do not expect to complete any units because many identified buildings did not meet the program requirements outlined in their action plan. For example, some buildings are located in a floodplain, and the estimated cost to repair others is over the approved cap. Officials said they plan to reallocate the rental housing development funds to their homeowner assistance program.

- U.S. Virgin Islands.** According to U.S. Virgin Islands officials, contractor and subrecipient capacity has affected the disbursement rates for their homeowner assistance and rental housing development activities. For example, because disaster recovery is territory-wide, there is a shortage of contractors that prepare and obtain permits for the architectural drawings generally required prior to construction. Increased costs and material shortages are also factors affecting disbursement rates.

### Most Selected Grantees Had Completed Less Than 20 Percent of Planned Homeowner Units and No Planned Rental Units as of July 2022

Grantees must report certain performance measures for each type of activity and have discretion to report on other measures if they so choose (see table 5). They generally report on the number of households and housing units served through their housing activities.

**Table 5: Examples of Performance Measures by Type of Selected CDBG-DR Housing Activity**

Housing activity type	Examples of associated performance measures
Homeowner rehabilitation and reconstruction assistance	Number of households, housing units, elevated structures, and substantially rehabilitated units
Rehabilitation or development of affordable rental housing	Number of households, housing units, elevated structures, multifamily units, and properties
Home buyout	Number of households, housing units, single-family units, multifamily units, and parcels acquired voluntarily
New construction of single-family homes	Number of households, housing units, single-family units, and owner households
Down payment and closing cost assistance	Number of households, housing units, multifamily units, and single-family units
Housing counseling	Number of households

Source: GAO analysis of grantees' Community Development Block Grant Disaster Recovery (CDBG-DR) action plans and Department of Housing and Urban Development (HUD) data. | GAO-23-105295

Note: Information in this table is based on the CDBG-DR action plans in effect in each respective state or territory as of August 2022 and HUD data as of July 11, 2022.

As of July 11, 2022, about 24 percent of the total housing units the seven grantees proposed building under their homeowner assistance programs had been constructed (see table 6). Five grantees had constructed 20 percent or less of their projected units.<sup>22</sup> Approximately 1 percent of the housing units the seven selected grantees had projected building under

<sup>22</sup>Most grantees also reported on the number of homes elevated under this activity, and all but Texas reported that less than 1 percent of the planned units had been elevated.

their rental housing development programs were complete. (For more performance measures reported by the seven grantees, see app. III.)

**Table 6: Number of Housing Units Completed with Selected 2017 and 2018 Community Development Block Grant Disaster Recovery (CDBG-DR) Funds, as of July 11, 2022**

Grantee	Disaster year(s)	Projected units	Actual units completed	Percentage of projected units completed
<b>Homeowner rehabilitation and reconstruction assistance<sup>a</sup></b>				
California	2017 and 2018	600	0	0%
Florida	2017 and 2018	11,922	1,966	16%
North Carolina	2018	4,350	18	0%
Puerto Rico	2017	15,522	3,043	20%
South Carolina	2018	398	87	22%
Texas <sup>b</sup>	2017 and 2018	9,411	5,189	55%
U.S. Virgin Islands	2017	749	10	1%
<b>Total</b>		<b>42,952</b>	<b>10,313</b>	<b>24%</b>
<b>Rehabilitation or development of affordable rental housing</b>				
California	2017 <sup>c</sup>	59	0	0%
Florida	2017 <sup>d</sup>	1,691	0	0%
North Carolina	2018	758	0	0%
Puerto Rico	2017	7,606	0	0%
South Carolina	2018	20	0	0%
Texas <sup>b</sup>	2017 and 2018	10,055	138	1%
U.S. Virgin Islands	2017	370	0	0%
<b>Total</b>		<b>20,559</b>	<b>138</b>	<b>1%</b>

Source: GAO analysis of Department of Housing and Urban Development data. | GAO-23-105295

<sup>a</sup>With the exception of California and the U.S. Virgin Islands, grantees also reported the number of homes that were elevated as a resilience measure to mitigate future flooding risks.

<sup>b</sup>Data for Texas include housing activities directly administered by Harris County and the City of Houston, which are Texas subrecipients.

<sup>c</sup>Data for California do not include California’s 2018 affordable rental housing program accomplishments because it had not reported on them as of July 11, 2022.

<sup>d</sup>Florida had not allocated 2018 CDBG-DR funds for affordable rental housing development as of July 11, 2022.

Texas reported completing approximately 1 percent of the housing units it projected for its 2017 and 2018 affordable rental housing activity, while the remaining grantees did not report any accomplishments for their similar programs. As discussed later, as of August 2022, Texas had completed construction on 66 percent of its planned rental housing developments (rehabilitating or developing about 3,700 units).



However, officials from Texas's General Land Office (GLO)—which administers Texas's CDBG-DR funds—said the DRGR System did not reflect the completion of a number of units under the program because GLO had not yet finalized the necessary paperwork needed to officially close out the projects with HUD. To close out the projects, GLO needs to place affordability restrictions on the property deed, but COVID-19 delayed this because physical signatures were hard to obtain. GLO officials said they had completed the close-out of a number of projects and were in the process of reporting that information in DRGR. Officials from California and North Carolina also told us that since July 11, 2022, they had completed construction on units that were not reflected in our analysis.

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## Grantees' Quarterly Reports Are Difficult to Interpret, Limiting Their Usefulness for Oversight and Transparency

Our review of the seven selected grantees' Quarterly Performance Reports (QPR) found the reports were not clear or presented in a manner useful to policymakers and the public. QPRs are to be made publicly available and are intended to provide information on grantees' activities, goals, and performance in meeting goals, among other things.

The *Federal Register* notices that govern the 2017 and 2018 CDBG-DR grants require that grantees include in their QPRs information on funds expended and performance metrics achieved, such as number of housing units completed or number of low- and moderate-income persons served.<sup>23</sup> HUD uses the QPRs to review grantees' performance on a quarterly basis. In addition, the notices require grantees to post the QPRs on their websites to inform Congress and the public of their progress. Further, the *Federal Register* notices require grantees to post on their public websites the action plan that describes the individual activities the grantee will undertake with its CDBG-DR funds (including housing activities previously described).

Federal plain language guidelines state that one element of clear communication is to design documents for easy reading, including

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<sup>23</sup>83 Fed. Reg. 5844, 5853 (Feb. 9, 2018); 83 Fed. Reg. 40314, 40317 (Aug. 14, 2018); and 85 Fed. Reg. 4681, 4683 (Jan. 27, 2020).

avoiding documents being cluttered and dense.<sup>24</sup> OMB also has published guidelines designed to help agencies ensure the quality (including the utility and objectivity) of information they disseminate.<sup>25</sup> The guidelines define utility as “the usefulness of the information to its intended users, including the public.” The guidelines also state that objectivity includes whether federal agencies present disseminated information in a clear and complete manner and within the proper context.

We found that the QPRs generally presented clear information on total expenditures for each of the selected grantees’ housing activities identified in their published action plans.<sup>26</sup> Specifically, the QPR format includes a section that requires grantees to summarize the total amount of funds for each activity funded with the applicable CDBG-DR funds and the total program funds drawn down for the quarter and to date.

However, we found that the QPRs were cluttered and confusing in other ways, making it difficult to extract useful information about the grantees’ performance. Specifically, the presentation of housing activities for the seven grantees was broken up into multiple subcategories, which made it difficult to aggregate performance information. Our analysis of these grantees’ QPRs showed that all grantees divided at least one housing activity into subcategories, requiring readers to aggregate the information to obtain overall performance information for the housing activity.

For example, the Texas QPR divides its state-run Homeowner Assistance Program for the 48 counties affected by Hurricane Harvey by two of the relevant national program objectives, by geographical region, and by whether the region is in a HUD- or state-identified most impacted and

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<sup>24</sup>Plain Language Action and Information Network, *Federal Plain Language Guidelines*.

<sup>25</sup>*Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies; Republication*, 67 Fed. Reg. 8452 (Feb. 22, 2002).

<sup>26</sup>For our analysis, we examined each of the selected grantees’ calendar year 2021 fourth quarter QPRs. We selected the last quarter of 2021 because these were the most recent HUD-approved QPRs at the time of our analysis. For grantees that received 2017 funds, we reviewed the fourth quarter reports associated with their 2017 funds. For grantees that received 2018 funds only, we reviewed the fourth quarter report associated with their 2018 funds. The U.S. Virgin Islands’ QPR did not present information on total expenditures for each of the housing activities identified in its published action plan. Instead, the grantee summarized the total amount of funds budgeted for all of its housing activities and the total program funds drawn for the quarter and to date.

distressed area.<sup>27</sup> As a result, the program is divided into 26 subcategories and the performance measures are reported over 52 pages of the 650-page QPR.<sup>28</sup> The North Carolina QPR also divided its Homeowner Recovery Program by two relevant national program objectives, which resulted in the program being divided into two subcategories and the performance measures being reported over four pages.

HUD's report format does not require grantees to include aggregated information on the performance measures for each of their CDBG-DR activities. According to HUD officials, DRGR (which grantees use to generate the QPR) was not designed to aggregate the performance measures to align with the activities described in the published action plan. However, they said that, starting with the 2020 grants, they are adding a section to the QPR in which grantees are to report their activities' aggregate projected and actual accomplishments.<sup>29</sup> But this change does not apply to the 2017 and 2018 grants, which make up over 40 percent of the total CDBG-DR portfolio.

Further, HUD's training slides for the DRGR System direct grantees to break out activities, at a minimum, by responsible organization, activity type, and national objective. For multifamily housing activities (such as rehabilitation or construction of affordable rental housing), the slides state that grantees should break them out by address. According to HUD officials, these instructions are intended to ensure that HUD can determine grantees' compliance with national objectives and can track expenditures at the level of organization or address. However, the

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<sup>27</sup>The *Federal Register* notices governing the 2017 and 2018 CDBG-DR funds require that most of the funds be used to address the unmet disaster needs in areas HUD identified as most impacted and distressed. The notices also generally allow grantees to use up to 20 percent of their funds to address unmet disaster needs in other areas affected by the disaster that the grantee determines are most impacted and distressed.

<sup>28</sup>Three of the seven QPRs we reviewed were more than 100 pages long. The length of the QPRs ranged from 20 to 650 pages. The number of activities grantees created and how they reported information about the activities contributed to the length of the QPRs.

<sup>29</sup>According to HUD officials, the anticipated date for this change is January 2023.

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absence of aggregated information prevents the reports from providing clear information.<sup>30</sup>

Also, QPRs did not provide complete data on projected and actual performance measures. Five of the seven grantees left these sections blank for at least one of their housing activities. Specifically, for 17 of the total of 40 housing activities that were included in the QPRs we reviewed, the sections for accomplishment performance measures and beneficiary performance measures were blank.<sup>31</sup> According to HUD and officials from these grantees, these sections were blank because the grantee had not completed any units yet. However, it is not clear to the reader if the grantees left the sections blank by mistake or if there was no progress in that quarter. For example, if these sections included the activities' projected performance measures and stated "zero" for the actual performance measures, the QPRs would clearly disclose to the reader the targets the grantee plans to meet as it implements the activity.

Officials from seven of the nine industry groups we interviewed said they do not find the QPRs to be useful. For example, officials of one disaster housing recovery organization said the design of the QPR is confusing and does not offer useful information to the end user. Officials of another such organization said they had difficulty understanding the QPRs, as probably would the general public, limiting the QPRs' benefit in providing transparency.

An April 2019 Urban Institute report funded by HUD on CDBG-DR suggested that HUD make improvements to the DRGR System, which grantees use to generate the QPRs.<sup>32</sup> For example, the report suggested

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<sup>30</sup>A number of bills introduced in the Senate and House of Representatives during the 117th Congress would require HUD to at least annually post, on a public-facing dashboard, summary status reports for all active CDBG-DR grants. The reports would include the status of funds by activity and performance targets and accomplishments. See Reforming Disaster Recovery Act (S. 2471 and H.R. 4707). Similar provisions were included in title V of S. 3045 (117th Cong.), Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2022. However, the provisions were not enacted. See Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2022, Pub. L. 117-103, Div. L, 136 Stat. 49, 684.

<sup>31</sup>Grantees are required to report both accomplishment and beneficiary performance measures, depending on the activity type. Accomplishment performance measures represent the physical outcomes of the activity (e.g., number of housing units created or number of units elevated). Beneficiary measures represent the beneficiaries of the activity (e.g., number of households assisted).

<sup>32</sup>Carlos Martín et al., *Housing Recovery and CDBG-DR*.

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that the system consolidate reporting at the activity level (e.g., across all housing buyout programs) to provide more useful outcome data.

Although HUD's recent changes to DRGR should improve reporting on 2020 CDBG-DR grants, these changes do not apply to ongoing reporting on prior grants. By revising the QPR format and guidance to provide clear and complete information for older grants, HUD could help ensure that Congress and other interested parties can more easily assess the progress of these grantees' CDBG-DR activities.

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## Construction Was the Shortest Phase of Texas's Homeowner Programs, and Grantees' Data Have Limitations

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### Texas Expects Its Homeowner Assistance Programs to Take 6 Years to Complete and Help about 7,900 Homeowners

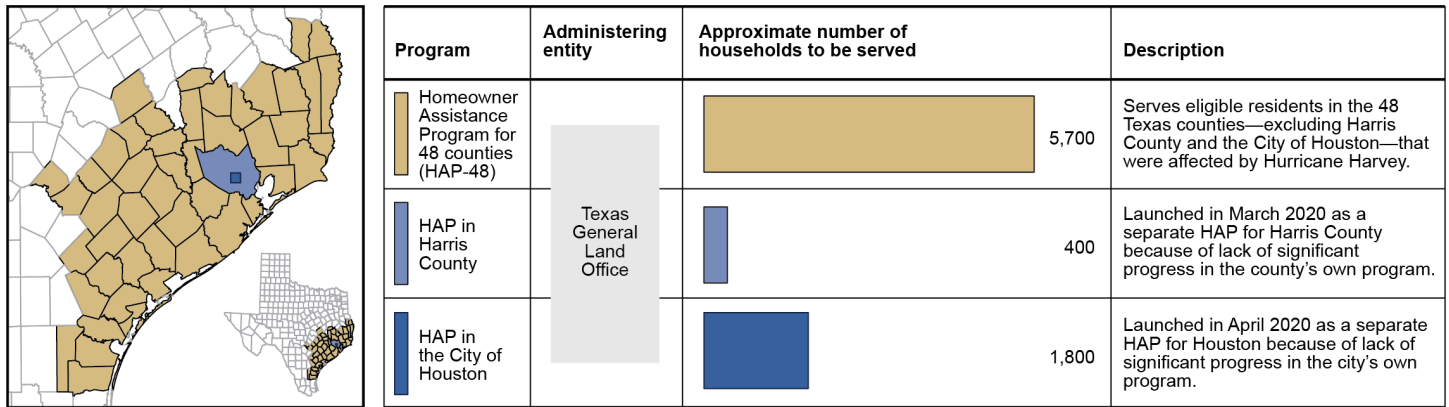
Currently, Texas's General Land Office (GLO) administers three state-run programs that provide homeowner assistance to eligible residents in Texas affected by Hurricane Harvey (see fig. 2).<sup>33</sup> The three programs provide funding to rehabilitate and reconstruct owner-occupied single-family homes. Specifically, they rehabilitate storm-damaged homes by repairing or restoring them, or they reconstruct them by demolishing and rebuilding them in the same lot.<sup>34</sup>

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<sup>33</sup>As subrecipients of GLO, Harris County and the City of Houston originally were responsible for providing homeowner assistance to all eligible residents in their jurisdictions under locally administered programs. However, in March and April 2020, GLO launched separate state-run Homeowner Assistance Programs for Harris County and Houston because of the lack of significant progress. These state-run programs partially replaced the locally administered programs for most eligible residents. GLO also used CDBG-DR funds to create a Homeowner Assistance Program intended to serve areas affected by the 2018 floods. We focused on the 2017 programs because GLO had recently launched the 2018 program at the time of our review. See app. IV for more information on the evolution of the 2017 homeowner assistance programs in Texas.

<sup>34</sup>Homeowner Assistance Program activities may also include adding resiliency features such as breakaway ground floor walls, reinforced roofs, and storm shutters; elevating homes; and using ENERGY STAR appliances and fixtures and mold- and mildew-resistant products. GLO also provides temporary relocation assistance to eligible homeowners.

**Figure 2: Texas's 2017 Homeowner Assistance Programs (HAP)**



Source: GAO presentation of information from Texas General Land Office. | GAO-23-105295

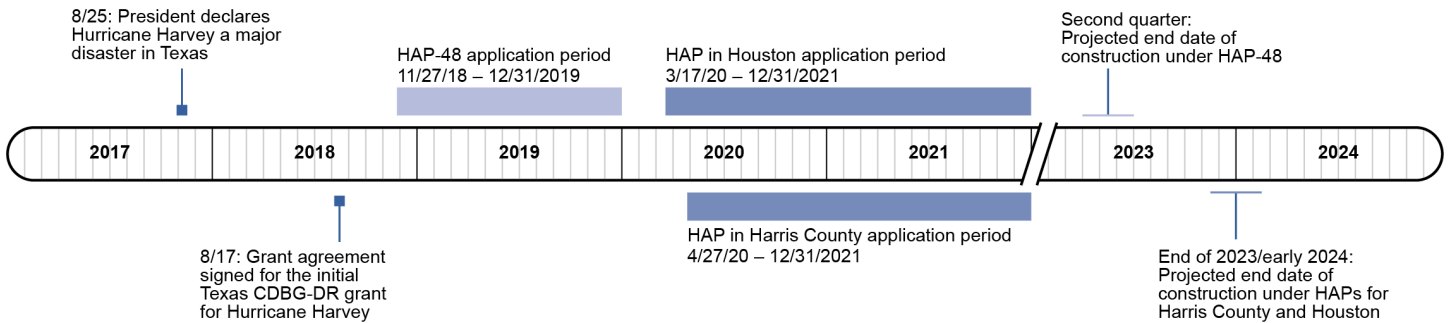
Program	Administering entity	Approximate number of households to be served	Description
Homeowner Assistance Program for 48 counties (HAP-48)	Texas General Land Office (GLO)	5,700	Serves eligible residents in the 48 Texas counties—excluding Harris County and the City of Houston—that were affected by Hurricane Harvey.
HAP in Harris County	GLO	400	Launched in <b>March</b> <del>June</del> 2020 as a separate HAP for Harris County because of lack of significant progress in the county's own program.
HAP in the City of Houston	GLO	1,800	Launched in <b>April</b> <del>May</del> 2020 as a separate HAP for Houston because of lack of significant progress in the city's own program.

Texas expects to complete construction for its three Homeowner Assistance Programs (HAP) approximately 6 years after Hurricane Harvey (see fig. 3). GLO opened applications for the Homeowner Assistance Program for the 48 counties affected by Hurricane Harvey (HAP-48) in November 2018, about 15 months (1.3 years) after Harvey was declared a major disaster. It opened applications for the HAPs in Houston and Harris County in March 2020 and April 2020, respectively.<sup>35</sup> GLO expects that it will take 4.4 years from when the application period

<sup>35</sup>GLO closed applications for HAP-48 and the HAPs for Harris County and Houston on December 31, 2019, and December 31, 2021, respectively.

opened to when construction ends for HAP-48 and about 3.8 years for the HAPs for Harris County and Houston.

**Figure 3: Time Line for Texas’s 2017 Homeowner Assistance Programs (HAP)**



CDBG-DR: Community Development Block Grant Disaster Recovery  
 HAP-48: HAP for 48 affected counties, excluding Harris County and Houston  
 Source: GAO analysis of program documentation. | GAO-23-105295

HUD and GLO took a number of steps before GLO opened applications for Hurricane Harvey survivors (see fig. 4). For example:

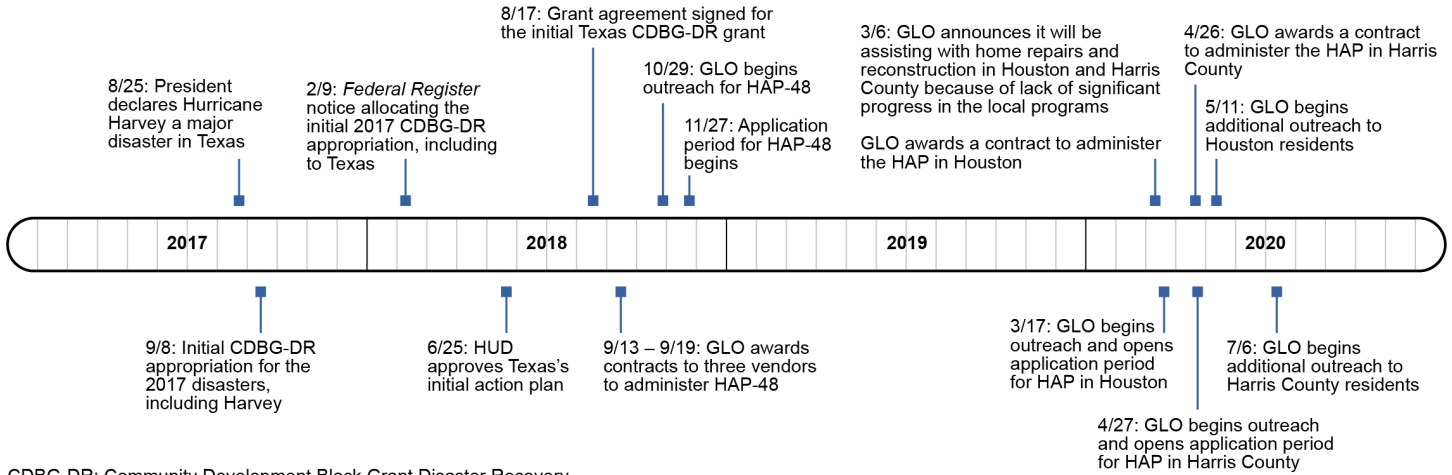
- In February 2018, more than 5 months after Hurricane Harvey was declared a major disaster in Texas, HUD allocated funding to GLO, which GLO partially used to develop and establish HAP-48, excluding Harris County and the City of Houston.
- Before entering into a grant agreement with HUD and being able to access the funds, Texas (and other grantees) had to take several steps.<sup>36</sup> For example, GLO submitted the required action plan to HUD for approval describing how it planned to use its 2017 CDBG-DR funds.
- GLO contracted with three vendors to implement HAP-48 and one vendor to implement the HAPs for Harris County and Houston.<sup>37</sup> Among other things, these vendors are responsible for accepting and processing program applications for GLO.
- Prior to the opening of applications, GLO’s implementing vendors provided informational packets and forms to affected homeowners and coordinated with HUD-certified housing counseling organizations.

<sup>36</sup>In our March 2019 report, we found that it took over 6 months to execute grant agreements between HUD and each of the 2017 grantees we reviewed. See [GAO-19-232](#).

<sup>37</sup>Additionally, GLO contracted with builders to construct homes under the three HAPs.

The vendors also set up regional offices to conduct intake of applications.

**Figure 4: Partial Time Line for Texas’s 2017 Homeowner Assistance Programs**



CDBG-DR: Community Development Block Grant Disaster Recovery  
 GLO: Texas General Land Office  
 HAP: Homeowner Assistance Program  
 HAP-48: HAP for 48 affected counties, excluding Harris County and Houston  
 HUD: Department of Housing and Urban Development

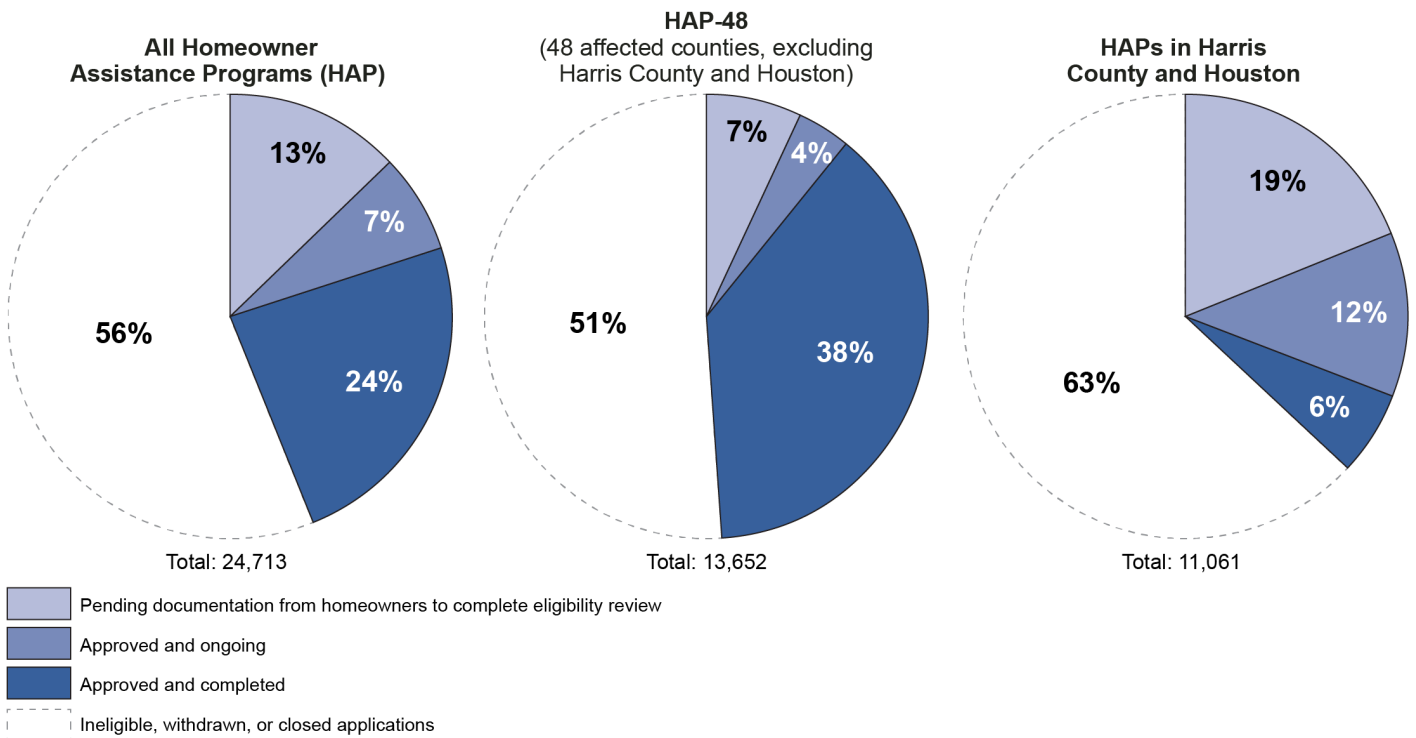
Source: GAO analysis of program documentation. | GAO-23-105295

As of August 11, 2022, of the approximately 24,700 applications GLO had received for its three HAPs, about 7,700 (31 percent) had been approved for assistance (see fig. 5). About 13,900 applications (56 percent) did not proceed through the HAP process because the applicants were ineligible or withdrew or the applications were closed.<sup>38</sup> The remaining applications, about 3,100 (13 percent), were pending documentation from homeowners to complete eligibility review.

<sup>38</sup>For HAP-48, the applications that did not proceed were either ineligible or withdrawn. The reasons for ineligibility included that the applicants were nonresponsive, the homes did not have storm-related damage, or the homes were not occupied by the owner at the time of the storm. For the Harris County and Houston HAPs, the applications that did not proceed were closed. Reasons for this category included that the applicant withdrew from the program or was not able to demonstrate eligibility.



**Figure 5: Status of Applications Received for Texas’s Three 2017 Homeowner Assistance Programs, as of August 11, 2022**



Source: GAO analysis of Texas General Land Office data. | GAO-23-105295

Applicant Status – All HAPs	All HAPs		HAP-48		Harris & Houston HAPs	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Pending documentation from homeowners to complete eligibility review	3,149	13%	1,007	7%	2,142	19%
Approved and ongoing	1,831	7%	558	4%	1,273	12%
Approved and completed	5,857	24%	5,141	38%	716	6%
Ineligible, withdrawn, or closed applications	13,876	56%	6,946	51%	6,930	63%
Total	24,713	100%	13,652	100%	11,061	100%

As of August 11, 2022, construction had been completed on about 5,100 units under HAP-48 and on about 700 units under the HAPs for Harris County and Houston (see fig. 6).

Figure 6: Pictures of a Home Repaired under Texas’s Homeowner Assistance Program



Source: Texas General Land Office. | GAO-23-105295

## Participants in Texas’s HAPs Spent the Most Time in the Application Processing and Preconstruction Phases

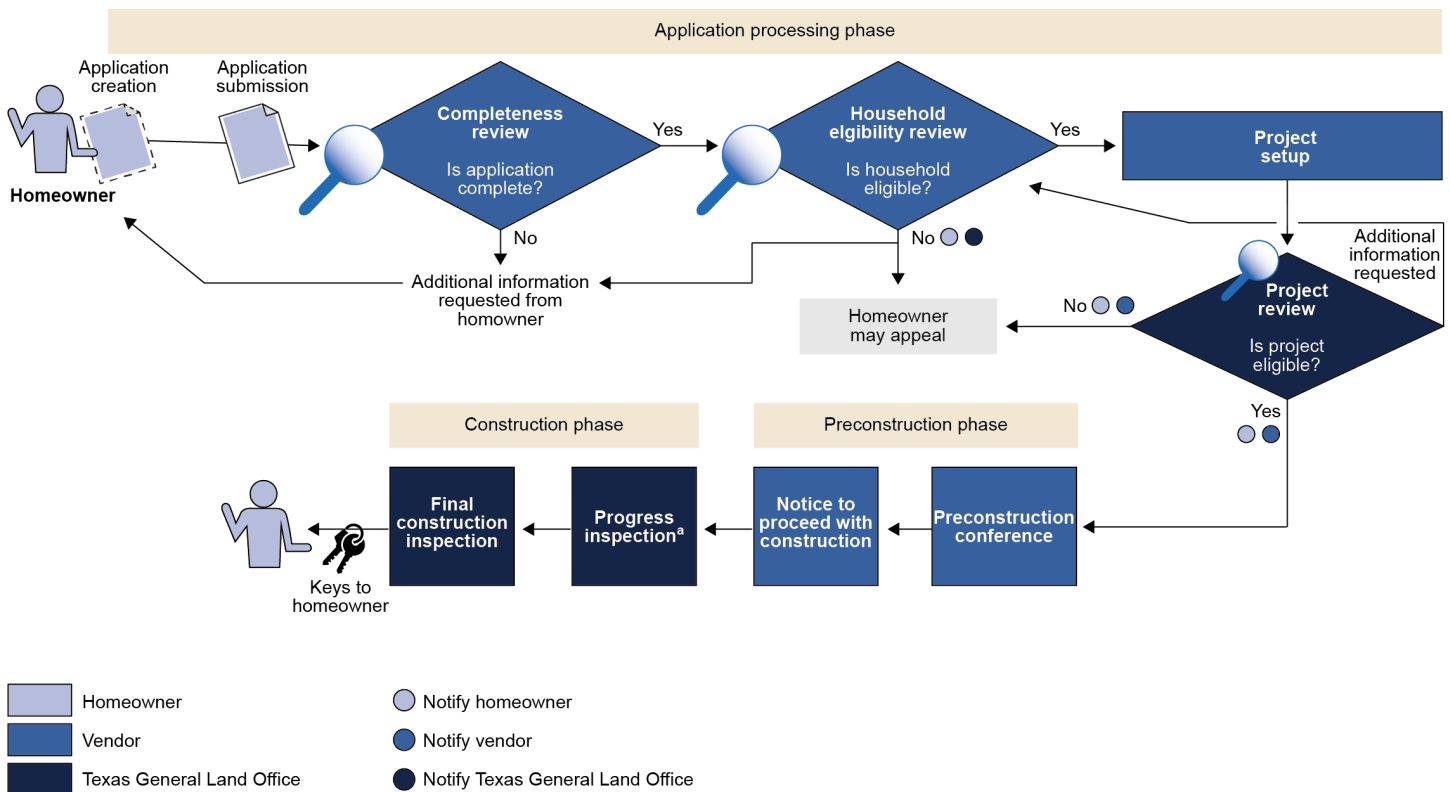
### HAP Process

GLO implemented its HAPs in three phases: application processing, preconstruction, and construction. These phases can be further divided into key processing steps (see fig. 7). For example, after an applicant creates and submits an application, GLO vendors review the application for completeness and eligibility.<sup>39</sup> If an applicant is determined to be eligible, the application is moved to the project setup and review step. During this step, the vendor estimates the cost to rehabilitate or reconstruct the home, determines whether to rehabilitate or reconstruct the home, and conducts the environmental review. Then GLO reviews the documentation for final approval. After approving the project, GLO assigns a builder. During the preconstruction phase, the applicant,

<sup>39</sup>Harris County and Houston initially accepted applications for their locally administered homeowner assistance programs. When GLO created state-run programs to largely replace these programs, the localities transferred most of their applications to GLO for its review. GLO also continued to accept new applications directly from homeowners in these localities.

vendor, and assigned builder discuss the requirements, expectations, and procedures for all parties, including the approved scope of work and the builder’s construction schedule. Finally, during the construction phase, the home generally is inspected when it is 50 and 100 percent completed.<sup>40</sup>

**Figure 7: Implementation Process for Texas’s Homeowner Assistance Programs**



Source: GAO adaptation of Texas General Land Office graphic. | GAO-23-105295

<sup>a</sup>A progress inspection is not required for homes that are being rehabilitated.

<sup>40</sup>An inspection when construction is 50 percent complete is not required for homes that are being rehabilitated.

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### Duration of the HAP Process

Based on available data as of August 11, 2022, the median total time for GLO to complete the three phases of the HAP process was about 21.7 months for HAP-48, about 15.5 months for the Houston HAP, and about 14 months for the Harris County HAP (see fig. 8).<sup>41</sup> Our analysis of data on all applications approved for assistance showed that the application processing phase was the longest phase for HAP-48 and the Houston HAP, with a median duration of 14.3 months and 8.2 months, respectively. The preconstruction phase was the longest for the Harris County HAP, with a median duration of 6.2 months. The median duration of the construction phase was the shortest for all of the programs (about 3 months).

The length of the application phase for HAP-48 is likely an overestimate because we used the date an application was created instead of the submission date, and there can be a delay between an applicant creating an application and submitting it.<sup>42</sup> In addition to applicants creating their own applications for the Harris County and Houston HAPs, GLO created applications for those applicants transferred from Harris County and Houston when GLO established state-run HAPs to replace similar locally administered programs.<sup>43</sup> GLO officials said this difference in how applications were submitted could affect the median duration of the

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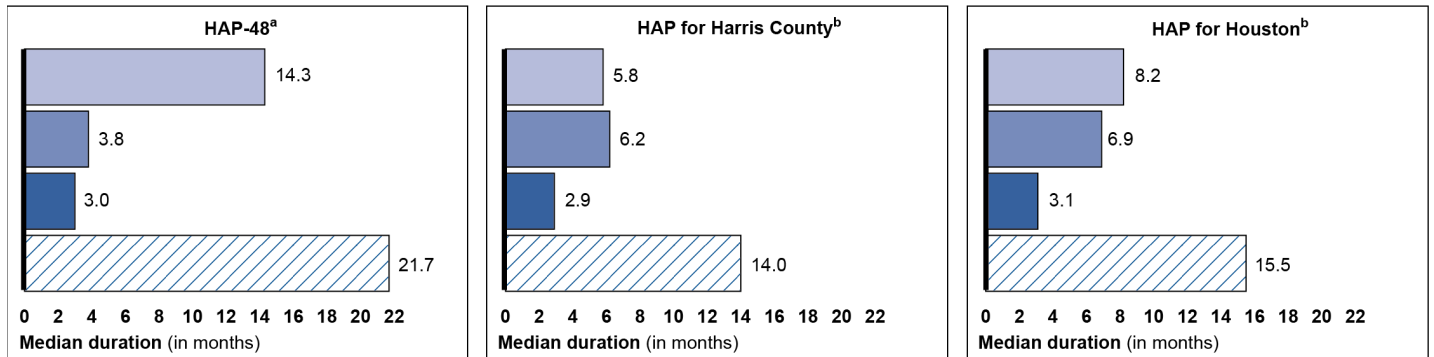
<sup>41</sup>Our analysis of GLO data focused on the 7,688 units that GLO had approved for assistance as of August 2022, including the 5,857 units with completed construction and the 1,831 units that were ongoing projects. Because HAP-48 has a higher proportion of completed units than Harris County and Houston, the median durations for the three HAPs may become more similar as more units are completed. Our report focuses on medians, which do not convey the variability in the durations of specific phases and steps. For more detailed statistics from our analysis, see app. V.

<sup>42</sup>We did not use date submitted because GLO's system may reset the initial date the application was submitted, as discussed in detail below. The date created is not reset by the system.

<sup>43</sup>See app. IV for more information on the evolution of the homeowner assistance programs in Texas.

application processing phase for these two HAPs, but we could not quantify the effect.<sup>44</sup>

**Figure 8: Median Durations of Texas's Homeowner Assistance Programs, as of August 11, 2022**



Application processing phase (application creation to assistance approval)  
 Preconstruction phase (assistance approval to notice to proceed)  
 Construction phase (notice to proceed to final construction inspection)  
 Median total duration (application creation to final construction inspection)

HAP: Homeowner Assistance Program  
 HAP-48: HAP for 48 affected counties, excluding Harris County and Houston

Source: GAO analysis of Texas General Land Office data and data from vendor implementing the HAPs for Harris County and Houston. | GAO-23-105295

Note: The Texas General Land Office (GLO) administers separate HAPs for the 48 counties affected by Hurricane Harvey, Harris County, and the City of Houston. The sum of the phases' median durations does not necessarily equal the median of the total duration. Our analysis focused on units GLO had approved for assistance as of August 2022. As GLO completes construction on the 1,831 ongoing construction projects, the median time frames for the preconstruction and construction phases may change.

<sup>a</sup>The length of the application phase for HAP-48 is likely an overestimate because we used the date an application was created instead of the submission date, and there can be a delay between an applicant creating an application and submitting it. We did not use the date submitted because GLO's system may reset the initial date the application was submitted. The date created is not reset by the system.

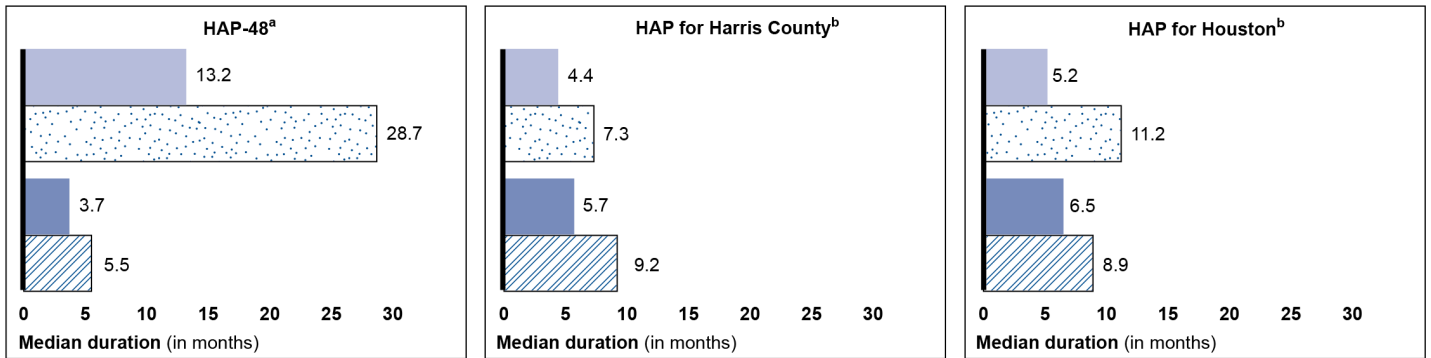
<sup>b</sup>GLO officials said differences in how applications were submitted for the Harris County and Houston HAPs could affect the median duration of the application processing phase for these two HAPs. However, we could not quantify the effect. For applications created by an applicant, there can be a delay between an applicant creating an application and submitting it, which results in an overestimate of the duration. In contrast, GLO officials said they had documentation for some applications that were transferred from the locally administered programs. This may have allowed them to process these applications more quickly and resulted in an underestimate of the duration of the application phase for these applications.

<sup>44</sup>For applications created by an applicant, there can be a delay between an applicant creating an application and submitting it, which results in an overestimate of the duration. In contrast, GLO officials said they had documentation for some applications that were transferred from the locally administered programs. This may have allowed them to process these applications more quickly and resulted in an underestimate of the duration of the application phase for these applications. About 6,300 applications were transferred from Houston to GLO, about 800 of which were approved.

Program	Median duration of application phase <sup>a</sup>	Median duration of time from preconstruction phase <sup>b</sup>	Median duration of construction phase <sup>c</sup>	Median total duration <sup>d</sup>
HAP for 48 affected counties, excluding Harris County and Houston (HAP-48)	14.3 months	3.8 months	3.0 months	21.7 months
HAP for Harris County	5.8 months	6.2 months	2.9 months	14 months
HAP for Houston	8.2 months	6.9 months	3.1 months	15.5 months

As GLO completes ongoing construction projects, the median total duration of HAP projects is likely to increase from the durations in figure 8. Our analysis showed that for HAP-48, the median duration of the application phase was 15.5 months longer for units still in the preconstruction and construction phases than for units that had completed construction as of August 2022 (see fig. 9). Specifically, the median duration for the application processing phase was 28.7 months for ongoing projects and 13.2 months for completed projects. The median duration of the application processing phase was also longer for ongoing projects for the Harris County and Houston HAPs, but to a lesser degree. Similarly, for all programs, the median duration of the preconstruction phase was longer for ongoing projects than completed projects.

**Figure 9: Partial Duration of Completed and Ongoing Projects in Texas’s Homeowner Assistance Programs, as of August 11, 2022**



Completed  
 Application processing phase (application creation to assistance approval)  
 Preconstruction phase (assistance approval to notice to proceed)

Ongoing

HAP: Homeowner Assistance Program  
 HAP-48: HAP for 48 affected counties, excluding Harris County and Houston

Source: GAO analysis of Texas General Land Office data and data from vendor implementing the HAPs for Harris County and Houston. | GAO-23-105295

Note: The Texas General Land Office (GLO) administers separate HAPs for the 48 counties affected by Hurricane Harvey, Harris County, and the City of Houston. The sum of the phases’ median durations does not necessarily equal the median of the total duration. Our analysis focused on units GLO had approved for assistance as of August 2022. As GLO completes construction on the 1,831 ongoing projects, the median time frames for the preconstruction and construction phases may change. Further, the number of ongoing projects we included in our analysis depends on which phase the project was in as of the date of the data.

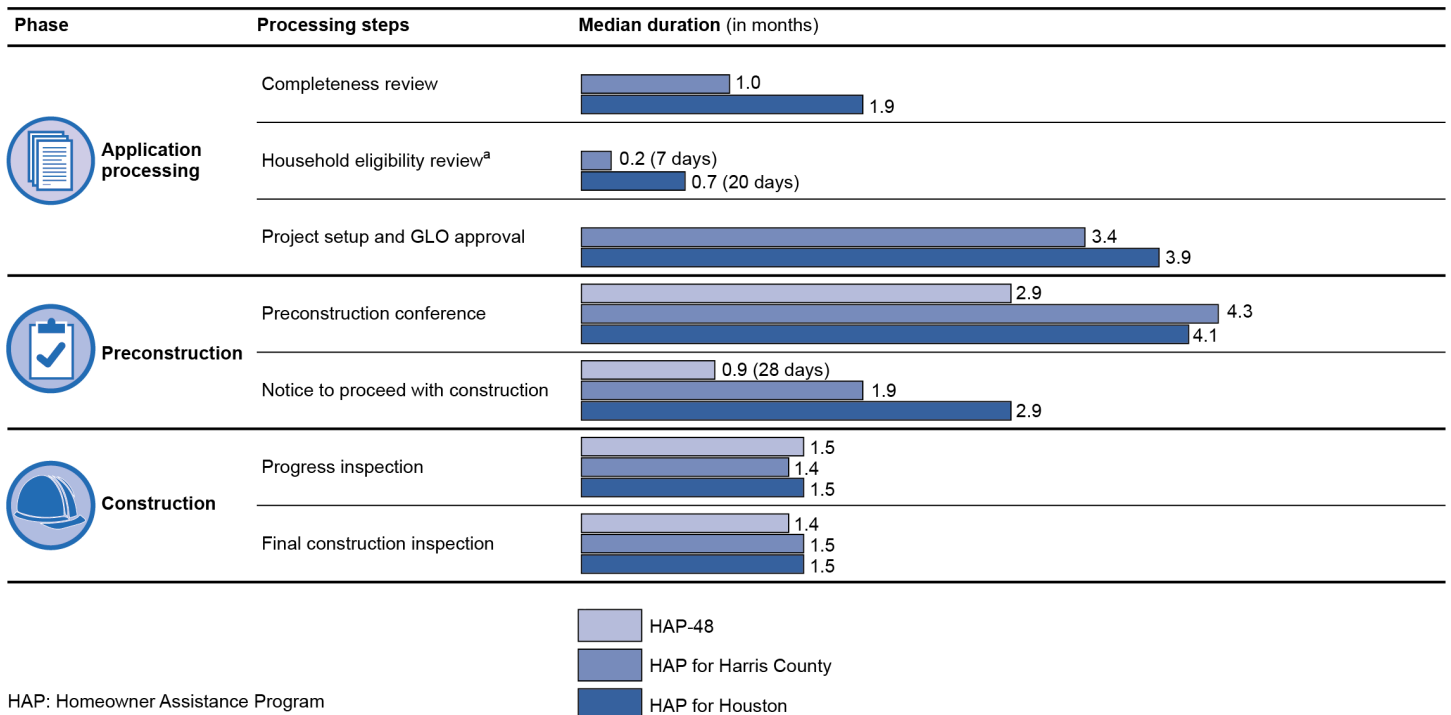
<sup>a</sup>The length of the application phase for HAP-48 is likely an overestimate because we used the date an application was created instead of the submission date, and there can be a delay between an applicant creating an application and submitting it. We did not use the date submitted because GLO’s system may reset the initial date the application was submitted. The date created is not reset by the system.

<sup>b</sup>GLO officials said differences in how applications were submitted for the Harris County and Houston HAPs could affect the median duration of the application processing phase for these two HAPs. However, we could not quantify the effect. For applications created by an applicant, there can be a delay between an applicant creating an application and submitting it, which results in an overestimate of the duration. In contrast, GLO officials said they had documentation for some applications that were transferred from the locally administered programs. This may have allowed them to process these applications more quickly and resulted in an underestimate of the duration of the application phase for these applications.

Program	Median duration of application processing phase <sup>b</sup>	Median duration of preconstruction phase <sup>c</sup>
HAP for 48 affected counties, excluding Harris County and Houston (HAP-48) – Completed Projects	13.2 months	3.7 months
HAP-48 – Ongoing Projects	28.7 months	5.5 months
HAP for Harris County – Completed Projects <sup>a</sup>	4.4 months	5.7 months
HAP for Harris County – Ongoing Projects <sup>a</sup>	7.3 months	9.2 months
HAP for Houston – Completed Projects <sup>a</sup>	5.2 months	6.5 months
HAP for Houston – Ongoing Projects <sup>a</sup>	11.2 months	8.9 months

The project setup step was the longest part of the application processing phase for the HAPs in Harris County and Houston (see fig. 10). We could not make similar estimates for HAP-48 because reliable data were not available (discussed below). Implementing vendors said that environmental reviews, which are part of project setup, can be time consuming.

**Figure 10: Duration of Steps for Texas’s Homeowner Assistance Programs, as of August 11, 2022**



HAP: Homeowner Assistance Program

Source: GAO analysis of Texas General Land Office (GLO) data and data from vendor implementing the HAPs for Harris County and Houston. | GAO-23-105295



Note: We did not include median durations for the steps in the application processing phase for HAP-48 because reliable data were not available. The median total durations for the Harris County and Houston HAPs may be underestimated because documentation for some applicants was transferred from Harris County and Houston when GLO established state-run HAPs to partially replace similar locally administered programs. Having this documentation may have allowed GLO to process these applications more quickly. Further, our analysis focused on homeowners approved for assistance (ongoing and completed units) under these HAPs, as of August 2022.

<sup>a</sup>The median duration of the eligibility review step likely does not include the full eligibility review process because an applicant's eligibility could be reassessed as an application goes through the application processing phase. Although we could not determine how many applications were affected by this, we excluded about 4 percent of them because our comparison of data extracted in February 2022 and August 2022 showed that the eligibility determination date had changed. We excluded an additional 5 percent of applications with missing eligibility review durations.

Median time elapsed			
Processing steps	HAP-48	HAP for Harris County	HAP for Houston
Application phase			
Completeness review		1.0 months	1.9 months
Household eligibility review		0.2 months (7 days)	0.7 months
Project Set-up & GLO Approval		3.4 months	3.9 months
Preconstruction phase			
Preconstruction conference	2.9	4.3 months	4.1 months
Notice to proceed with construction	0.9	1.9 months	2.9 months
Construction phase			
Progress inspection	1.5	1.4 months	1.5 months
Final inspection	1.4	1.5 months	1.5 months

Our analysis and information from GLO, three of its implementing vendors, and two housing organizations pointed to other applicant-related and program implementation factors that affect the time required for the application processing phase.

- GLO officials stated there may be a delay between an applicant creating an application and submitting it in the system.<sup>45</sup>
- Once applications are submitted, officials from GLO and implementing vendors said the longest part of the process was ensuring homeowners submitted a complete application (including required

<sup>45</sup>As previously discussed, we could not determine the time elapsed from the date the application was created to the date the application was submitted because of data limitations. However, GLO officials said it could be several months for some applications.

documentation).<sup>46</sup> GLO and two implementing vendors said the key factor was applicant responsiveness to requests for additional information.

- Officials from two housing organizations in Texas said some vulnerable populations faced challenges complying with program requirements or providing required documentation, which affected their processing times. For example, GLO stops processing an application if the homeowner is unable to keep current on their property taxes. These challenges could help explain why the median durations are longer for ongoing projects than for completed projects.
- Two implementing vendors also cited other aspects of the application processing phase that can be time-consuming: damage assessments and the review to ensure no duplication of benefits.<sup>47</sup>
- Some applications may have taken longer in the application processing phase because funding was not immediately available. In March 2020, GLO reported that HAP-48 was oversubscribed and funding had been depleted. GLO waitlisted eligible HAP applicants until it was able to allocate some of its CDBG-MIT funding to HAP-48 to serve them. Our analysis showed the application processing phase for these CDBG-MIT-funded units took almost twice as long as for those without CDBG-MIT. However, because a small share of HAP-48 units received CDBG-MIT funds (9 percent), these cases had a limited impact on the HAP-48 median duration.<sup>48</sup>

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<sup>46</sup>GLO officials also noted that they processed twice as many applications for HAP-48 as for the HAPs in Harris County and Houston. They said that although they received a list of over 20,000 applicants from Harris County and Houston, they ended up serving a much smaller population than HAP-48 because many on the list were not responsive.

<sup>47</sup>The damage assessment verifies that the applicant's home was damaged from the event and includes pictures of the home's damage. The duplication of benefits review determines if previous funding awarded to the applicant was appropriately used on the home and if any other funds were received for the same purpose. Specifically, the Stafford Act provides that the federal government must assure that no person, business, or other entity suffering losses as a result of a disaster receives disaster assistance for which they received financial assistance under any other program or from insurance. 42 U.S.C. § 5155.

<sup>48</sup>When we removed the units funded with CDBG-MIT from our analysis, the median duration of the application processing phase for all units decreased by about a month. Including the units funded with CDBG-MIT modestly increased the medians for completed projects and had almost no effect on the medians for ongoing projects. Among completed projects, including units funded with CDBG-MIT decreased the median duration of the construction phase.

GLO's data allowed us to analyze the steps within the preconstruction and construction phases for all three HAPs. The time for an application to move from the end of project setup to the preconstruction conference was longer for the Harris County and Houston HAPs (4.3 months and 4.1 months, respectively) than for HAP-48 (2.9 months). GLO officials told us it was more time consuming to complete the preconstruction phase in Harris County and Houston because the permitting process is more complex in the large metropolitan area, and there are more layers of code compliance and demands from homeowner associations to meet. They also said it takes an average of 4 weeks to disconnect utilities in Harris County and Houston, and winter storms delayed utilities from doing so. GLO officials said the determining factor for completing the preconstruction phase under HAP-48 was how long it took for homeowners to move out and utilities to be disconnected.

The duration of the two steps in the construction phase was about the same for all three HAPs (about 1.5 months).<sup>49</sup> GLO offered incentives and flexibility to builders to try to ensure construction was completed on schedule. For example, builders had 120 days to build the home from when the notice-to-proceed letter was issued, but GLO's performance criteria for builders included incentives to complete construction within 90 days. Builders that passed the final inspection of a home within 90 days received a higher performance score and were assigned more homes to build.<sup>50</sup> According to GLO officials, this incentive sought to increase efficiency by encouraging builders to complete houses within the 120-day construction time frame.

Officials from GLO and three of its implementing vendors stated that labor and material shortages (in part resulting from the COVID-19 pandemic) increased costs during the construction phase. In response, GLO was flexible in accepting substitutions for materials or appliances that were unavailable or too costly, which helped avoid delays.

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<sup>49</sup>For the time elapsed between the notice to proceed with construction step and the progress inspection step, we analyzed data for units with completed construction and those that were still in the construction phase as of August 2022. For the progress inspection to final inspection steps, we analyzed data for units with completed construction only.

<sup>50</sup>In addition to timely completion, the performance criteria for builder assignments include workmanship, number of failed inspections, project management, responsiveness, and number of complaints.

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## HUD Does Not Require That Grantees Collect Data to Help Effectively Monitor Timeliness

GLO developed the Texas Integrated Grant Reporting (TIGR) System for CDBG-DR grant management and reporting, but the system does not allow GLO to effectively monitor and manage the timeliness of HAP applications.<sup>51</sup> Leading project management practices recommend that organizations conduct monitoring and control activities to track, review, and regulate the progress and performance of the project.<sup>52</sup> Specifically, monitoring includes collecting project performance data, producing performance measures, and reporting and disseminating performance information. Controlling the project includes comparing actual performance with planned performance, analyzing variances, assessing trends to effect process improvements, evaluating possible alternatives, and recommending appropriate corrective action as needed.

GLO established benchmarks for the HAP implementation process, such as 30 days for the vendors to complete the eligibility review. However, TIGR data do not accurately capture certain milestones in the processing of an application that are critical to tracking progress and performance. Specifically, we found the following:

- **Incorrect dates.** Dates for certain applications were changed because of TIGR System updates. For example, GLO officials stated they reset the dates for more than 700 applications in April 2021 after a system update changed those applications to an incorrect status. This resulted in those applications all being assigned the same date for different milestones instead of the correct application processing dates.
- **Reset dates.** The TIGR System resets key processing dates when an application has to repeat a step. For example, if GLO requests additional information during the project review step, the application repeats the eligibility review step and the original eligibility review date

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<sup>51</sup>GLO developed TIGR as the system of record for its CDBG-DR funds, starting with its 2015 grant. GLO uses the system to accept online applications from HAP applicants and store applicant documentation.

<sup>52</sup>The *PMBOK® Guide* contains 12 processes for monitoring and controlling, including (1) monitor and control project work, (2) control schedule, (3) control quality, and (4) monitor risks. Project Management Institute, Inc. *A Guide to the Project Management Body of Knowledge*.

is updated. Resetting processing dates makes it challenging to determine the actual length of a processing step.<sup>53</sup>

- **Missing dates.** GLO officials said they were still developing TIGR, including adding new data fields, at the same time they were accepting HAP applications.<sup>54</sup> As a result, some records lack certain dates (such as date of environmental review) because those data fields had not yet been added to TIGR at the time of data entry. GLO officials stated they have quality control processes to identify missing and erroneous information, which they said they correct in note fields prior to closing out a project.

Because TIGR data do not accurately capture certain milestones, it is not possible to fully analyze the time frames for all of the phases of HAP-48 implementation. For instance, we could not determine which steps in the application processing phase—the longest phase for HAP-48—contributed the most time and therefore may present the greatest opportunity to improve efficiency.

In addition, GLO cannot easily rely on the TIGR data to assess vendors' compliance with timeliness targets. GLO officials stated that when they developed TIGR, they intended the system to flag when HAP vendors did not meet a target date. However, because these targets were established before TIGR was fully functional and many dates are incorrect or missing, GLO does not rely on the system's flags. Instead, when GLO identifies a potential vendor compliance issue, staff need to do a manual review of the system's audit history to determine if a milestone has been missed.<sup>55</sup>

GLO's data do not allow it to continually assess timeliness and inform corrective actions to improve timeliness because the system was being

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<sup>53</sup>The historical dates are retained in the system's audit history, but the system does not allow GLO to export them in a form conducive to analysis.

<sup>54</sup>In a December 2019 monitoring report on Texas's 2017 CDBG-DR grant funds, HUD noted that because GLO had not finalized TIGR and its standard operating procedures before opening HAP applications, documents were missing from applicant files and there were generally inconsistencies within files.

<sup>55</sup>Two implementing vendors told us they track their application milestones in their own systems to demonstrate they are meeting due dates. Officials from one vendor noted that GLO updates to TIGR have changed dates incorrectly, and the vendor had to show GLO that the applications were not late.

designed as GLO implemented HAP-48.<sup>56</sup> TIGR was intended as a grant management system for the 2015 and 2016 CDBG-DR grants, which were smaller than the grants for Hurricane Harvey. GLO officials said the size of the Hurricane Harvey grants required them to reconfigure the system and that the system is still being updated.

Like GLO, other CDBG-DR grantees have faced challenges with developing management systems for their programs. According to a 2019 study funded by HUD on the timeliness of CDBG-DR housing activities, all but one grantee in the study faced challenges in developing a management system, which caused delays.<sup>57</sup> The grantees interviewed for the study suggested that HUD develop a standard case management system.

HUD's *Federal Register* notices that govern the 2017 and 2018 grants do not require grantees to collect and analyze data on critical milestones to assess and manage timeliness. Similarly, the *Federal Register* notices that govern other CDBG-DR grants do not require this.<sup>58</sup> HUD officials told us that HUD does not prescribe the data that grantees must collect, including data needed to assess timeliness, because grantees have different housing programs with different requirements and outputs. We acknowledge that CDBG-DR homeowner assistance programs can differ across grantees, but these differences do not prevent HUD from requiring that grantees accurately capture data on critical milestones for the individual programs. Further, as noted previously, all seven of the grantees in our review have similar programs that offer homeowner assistance and rehabilitate or develop affordable rental housing.

HUD officials also said HUD requires grantees to collect sufficient data to assess compliance with program requirements and determine that assistance is being delivered. They said they do not need the type of

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<sup>56</sup>GLO reviews applicant-level data to ensure the data comply with HUD requirements before closing out a project, but it does not continually review the data in the system to determine if the data could inform the timeliness of the HAPs.

<sup>57</sup>The Urban Institute conducted structured interviews with officials from eight CDBG-DR grantees: New York City, New York; Texas; Louisiana; Joplin, Missouri; Iowa; Illinois; Cook County, Illinois; and Nashville, Tennessee. The study did not include 2017 and 2018 housing activities. Carlos Martín et al., *Housing Recovery and CDBG-DR*.

<sup>58</sup>See, for example, *Allocations for Community Development Block Grant Disaster Recovery and Implementation of the CDBG-DR Consolidated Waivers and Alternative Requirements Notice*, 87 Fed. Reg. 31363 (May 24, 2022).

milestone data we requested from GLO to accomplish these tasks. In particular, they said that in monitoring grantees, they review grantee progress reports to assess application processing times.<sup>59</sup> For example, they review GLO's quarterly aging reports, which show the number of applications at each step in the process and highlight applications that have been in the same step for more than 45 days. However, the data in these reports cannot be used to continually assess timeliness because the reports capture only applications in process at the time of the report, not all applications processed to date. In addition, the reports do not cover the preconstruction and construction phases.

By requiring CDBG-DR grantees to collect and analyze complete data for certain critical milestones, HUD could better ensure that grantees identify bottlenecks and assess the need for corrective actions to improve timeliness, consistent with leading project management practices.

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<sup>59</sup>HUD's Community Planning and Development Monitoring Handbook states that monitoring is HUD's principal means to ensure that HUD-funded programs are carried out efficiently and effectively.

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## Texas Has Completed Construction on Almost Two-Thirds of Its CDBG-DR Affordable Rental Developments

GLO's Affordable Rental Program (ARP) is the second-largest activity in its action plan for 2017 CDBG-DR funds.<sup>60</sup> Under ARP, GLO awards funds for rehabilitation, reconstruction, and new construction of public housing and affordable multifamily rental developments in areas affected by Hurricane Harvey (excluding Harris County and the City of Houston).<sup>61</sup> Unlike HAP, which provides direct assistance to eligible survivors, ARP provides funds to developers that ultimately lease the units in the developments to eligible residents in 10 affected regions.

As shown in figure 11, GLO had completed construction on 50 of the 76 developments (66 percent) as of August 2022. GLO made awards through three separate allocations, as more funds became available. HUD approved the allocations on June 25, 2018; February 22, 2019; and June 13, 2019.

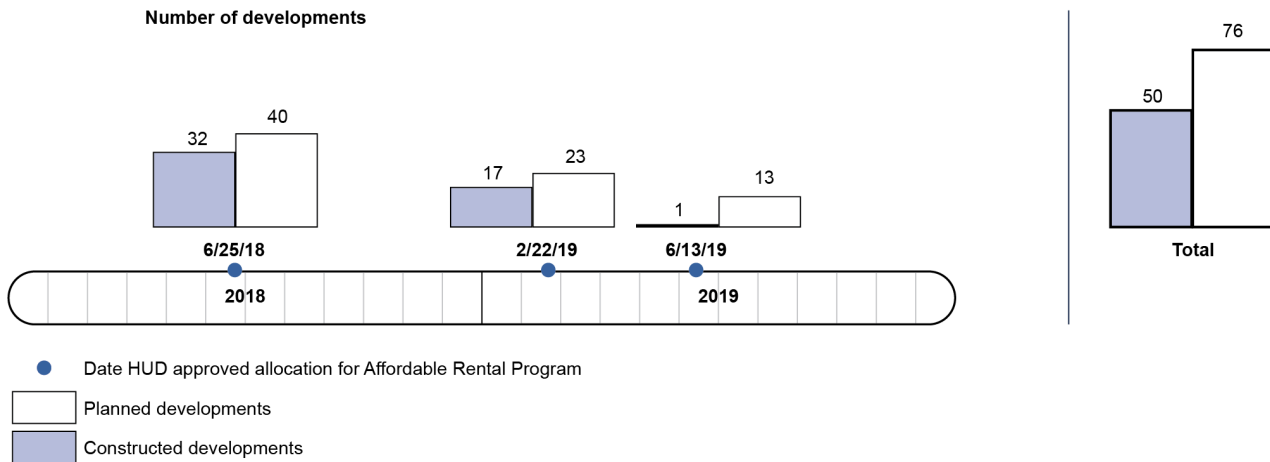
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<sup>60</sup>GLO used its CDBG-DR funds to create two separate affordable rental programs intended to serve areas affected by the 2017 and 2018 disasters, respectively. We focused on the 2017 program because GLO had recently launched the 2018 program at the time of our review.

<sup>61</sup>GLO defined multifamily rental developments for ARP as developments with eight or more rental units under common ownership. As GLO subrecipients, Harris County and the City of Houston administer the affordable rental programs for eligible residents in their jurisdictions.



**Figure 11: Planned and Constructed Developments under Texas’s Affordable Rental Program, as of August 2022**

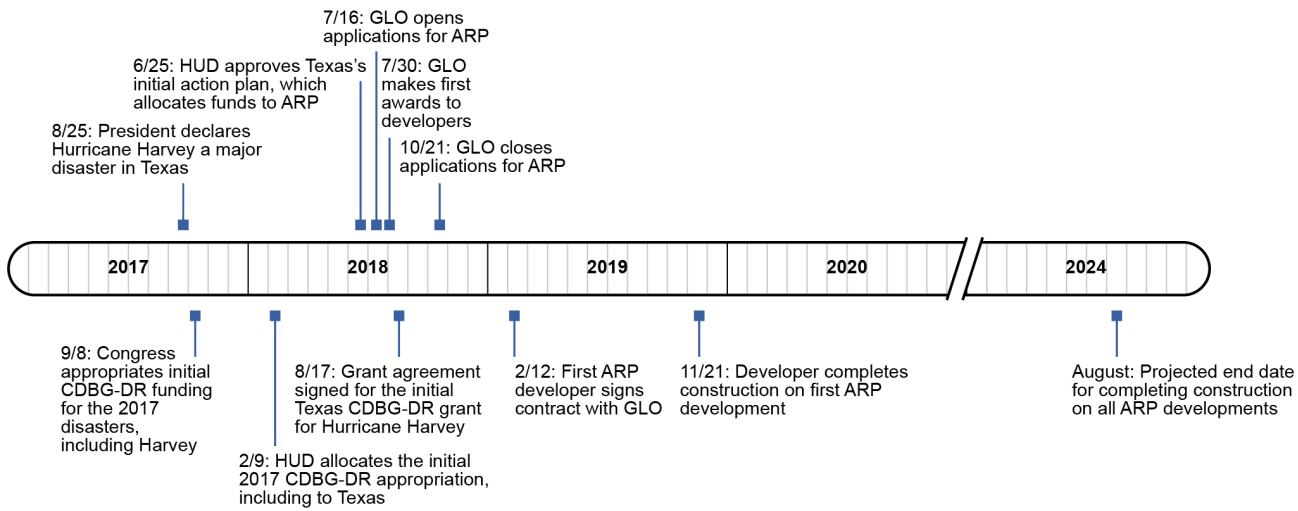


Source: GAO analysis of Texas General Land Office data. | GAO-23-105295

Date of allocation	Number of constructed developments	Number of planned developments
June 25, 2018	32	40
February 22, 2019	17	23
June 13, 2019	1	13
<b>Total</b>	<b>50</b>	<b>76</b>

GLO officials stated that ARP was the first of the 2017 CDBG-DR housing programs that GLO launched. GLO opened applications for ARP on July 16, 2018, about 11 months after Hurricane Harvey was declared a major disaster and about 1 month before GLO signed a grant agreement with HUD. GLO closed applications on October 21, 2018 (see fig. 12).

**Figure 12: Time Line for Texas’s Affordable Rental Program**



ARP: Affordable Rental Program  
 CDBG-DR: Community Development Block Grant Disaster Recovery  
 GLO: Texas General Land Office  
 HUD: Department of Housing and Urban Development

Source: GAO analysis of program documentation. | GAO-23-105295



GLO has implemented the ARP program in two phases: application processing and construction. During the application processing phase, GLO reviewed the applications submitted by developers, prioritized eligible developments, and issued conditional notice-of-award letters to the selected developers. GLO officials stated they used a tiered approach when accepting applications. The first 30 days were open for rehabilitation projects, the next 30 days were open for rehabilitation and reconstruction projects, and the last 30 days were open for new construction projects.<sup>62</sup> GLO prioritized the earliest application submissions that met the eligibility criteria for each type of construction. Additionally, GLO officials stated that projects were selected for each of the 10 regions up to the amount budgeted for that region.

<sup>62</sup>Rehabilitation and reconstruction for ARP both involve rebuilding a residential property with eight or more units that existed prior to the disaster. However, rehabilitation generally takes less time to complete than reconstruction because it involves the partial demolition of the property and existing units. In contrast, reconstruction involves the complete demolition of the property and existing units. Under ARP, new construction involves a new structure that did not exist prior to the disaster or contains more units than the predisaster development. New construction generally takes more time than reconstruction because it involves surveying and clearing the site for a building and installing utilities.

During the construction phase, which was still ongoing at the time of our review, GLO enters into a contract with each developer after the developer has completed due diligence activities. These activities include submitting the following: evidence of site control, property site plans, and the developer questionnaire for the environmental review. After GLO holds a preconstruction conference with the developer and the developer’s general contractor to review labor requirements, GLO issues a notice to proceed with construction, and construction begins.<sup>63</sup> GLO is to inspect the development when construction is 50 percent complete and 100 percent complete.

The median time from application submission to construction completion was about 3 years for the 50 completed developments, and the construction phase took the longest (see fig. 13).<sup>64</sup> GLO officials said they expect to complete construction on the remaining developments by August 2024, about 6 years after applications opened and in accordance with GLO’s grant agreement.

**Figure 13: Length of Selected Steps within the Affordable Rental Program (ARP) Application and Construction Phases**

Phase	Processing steps	Median duration (in months)
 <b>Application</b>	Application submission or date of allocation to signing of the conditional award letter	1.3
	Signing of the conditional award letter to the contract execution	7.2
 <b>Construction</b>	Contract execution to construction completion	21.0

Source: GAO analysis of Texas General Land Office data. | GAO-23-105295

Note: Our analysis focused on available information for all developments awarded ARP funds (including completed developments and those under construction as of August 2022). Texas General Land Office (GLO) officials stated that they may grant a 6-month extension when the construction phase exceeds GLO’s required time frame of 18 months.

<sup>63</sup>GLO officials stated that the preconstruction conference may occur before or after the contract execution, but both must take place before the notice to proceed with construction is issued.

<sup>64</sup>GLO requires that developers complete construction on ARP developments within 18 months of signing the contract unless otherwise extended by GLO.

Phase	Processing steps	Average duration (in months)
Application	Application submission to signing of the conditional award letter	1.3
	Signing of the conditional award letter to the contract execution	7.2
Construction	Contract execution to construction completion	21.0.

GLO officials told us several factors allowed them to implement ARP efficiently. First, GLO’s staff had worked on similar programs for past disasters (such as Hurricane Rita). Therefore, GLO had the experience and capacity to implement the program immediately. GLO officials also stated that the ARP process is simpler than those of other CDBG-DR programs, including HAP, because it has fewer applicants and does not coordinate with individual survivors. Further, GLO officials said they provide incentives for developers to work efficiently. For example, the funding for developments is fixed, so developers are incentivized to avoid significant delays that may affect their earnings. Additionally, they stated that GLO contracts with experienced developers who are familiar with similar low-income housing development programs and affordable housing guidelines and rules. For example, both developers we interviewed told us they also participated in the Low-Income Housing Tax Credit program.<sup>65</sup>

GLO officials stated that they also have faced some challenges in implementing ARP, but these did not significantly affect implementation time frames. GLO officials and the two developers we interviewed said the COVID-19 pandemic caused some delays in the construction phase because of the decreased availability of materials, but the delays did not affect construction time frames significantly. GLO officials also noted that the environmental review takes longer than other reviews, but they said these reviews generally did not delay implementation.

<sup>65</sup>The Low-Income Housing Tax Credit program encourages private investment in low-income housing through tax credits. The program is administered by the Internal Revenue Service and allocating agencies, which are typically state or local housing finance agencies established to meet the affordable housing needs of their jurisdictions.

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## Conclusions

CDBG-DR funds have been widely viewed as a flexible tool for meeting needs in disaster-impacted communities that are not met by other federal and private resources. However, HUD and grantees have been slow to implement CDBG-DR. Our March 2019 report found grantees experienced lags in accessing funds because Congress had to appropriate funds and HUD had to allocate them to grantees. Our analysis of time frames for Texas's HAPs indicates that further lags can occur when grantees are implementing CDBG-DR activities.

Given these lags, Congress and others seek information on the status and performance of CDBG-DR funds. However, HUD's QPRs do not effectively convey clear and complete information on the progress of grantees' CDBG-DR activities. This limits the usefulness of the reports in helping Congress to make informed decisions about the program and keeping the public abreast of grantees' progress.

In addition, we found opportunities for HUD to improve GLO's and other grantees' ability to assess the timeliness of their CDBG-DR programs to improve program efficiency. Because HUD does not require grantees to collect data on critical application processing and construction milestones for housing programs, grantees are not able to effectively monitor and manage program timeliness. By requiring grantees to maintain reliable data on critical milestones, HUD could help grantees identify problem areas and assess the need for corrective actions to improve program efficiency.

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## Recommendations for Executive Action

We are making the following two recommendations to HUD:

The Assistant Secretary for Community Planning and Development should revise HUD's standard Quarterly Performance Report format and related guidance to ensure the reports provide clearer and more transparent information on the status of grantees' CDBG-DR activities. For example, the revised report format could include a summary of aggregated performance measures at the activity level.  
(Recommendation 1)

The Assistant Secretary for Community Planning and Development should, in the event of future CDBG-DR funding, require recipients to collect and analyze data on critical milestones needed to monitor the timeliness of their housing activities and inform corrective actions, consistent with leading project management practices. (Recommendation 2)

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## Agency Comments, Third-Party Views, and Our Evaluation

We provided a draft of this report to HUD and GLO for review and comment.

In its written comments, which are summarized below and reproduced in appendix VI, HUD agreed with one of our recommendations and neither agreed nor disagreed with the other. Regarding the first recommendation—that HUD revise its standard QPR format and related guidance—the agency agreed to aggregate data in the QPRs at a level that is more easily understood by the public. However, HUD also incorrectly stated that we focused solely on the QPR from Texas when making the recommendation and noted that Texas’s report was an outlier. We did not focus solely on Texas’s QPR. Rather, our finding was based on the QPRs of all seven grantees in our sample. For example, we noted that all seven grantees divided at least one housing activity into subcategories, requiring readers to aggregate the information to obtain overall performance information for the housing activity.

Regarding the recommendation that HUD require future recipients to collect and analyze data on critical milestones, the agency agreed that it is good practice for a grantee to internally keep track of milestones to ensure that its programs are meeting required timelines and identify bottlenecks in their processes. However, HUD stated it believes that grantees already collect and analyze data on the performance of recovery programs and have tools to monitor the timeliness of activities and perform monitoring to inform corrective actions.

The first tool for tracking timeliness that the agency cited was grantees’ QPRs, noting that regular input into the reports can alert grantees to any bottlenecks. However, the QPR format does not require grantees to systematically track the time required for each phase of a housing activity and steps within the phase to identify the source of delays. The second

tool HUD cited was grantee action plans, which include projections of expenditures and outcomes that can be compared to actual performance. Although such a comparison may help identify delays, it does not help the grantee determine the reasons for the delays. Therefore, we maintain that HUD should require future recipients to collect and analyze data on critical milestones needed to monitor the timeliness of their housing activities and inform corrective actions.

HUD also made the following points about our findings:

- HUD stated that long-term recovery is not project management. The agency noted that recovery is not only about the restoration of structures, systems, and services, although they are critical. It said that a successful recovery is also about addressing sources of inequitable and unjust outcomes. We acknowledge that disaster recovery is complex and multifaceted, but ensuring that grantees are efficient and timely in completing home repairs and other important recovery efforts for low-income households and communities with unmet needs is critical. Drawn out and inefficient efforts can compound some of the problems that HUD noted in its response. Applying project management practices can be an important part of ensuring timely delivery of services to these households.
- HUD noted that CDBG-DR grantees can fund different types of programs and activities through different mechanisms and acknowledged the necessity of ensuring disaster survivors know and understand when and how the community will recover. But, it stated that it does not believe in creating additional and individual milestones for every type of eligible CDBG-DR activity, particularly when existing agency requirements already capture grantee progress and when most grantees already have their own internal mechanisms for tracking that progress. However, as noted above, the two tools that HUD cited as capturing grantee progress do not help the grantee determine which steps in the process are causing any delays and where corrective actions are needed to provide more timely assistance to disaster survivors.

In addition, GLO provided third-party views on the draft report that are summarized below and reproduced in appendix VII. GLO agreed that opportunities exist to strengthen data collection within its grant management system and stated that it continues to enhance its system's accuracy and effectiveness. In addition, it highlighted a number of program accomplishments, including how fast it had obligated all its CDBG-DR funds for HAP-48 and the number of completed affordable

rental developments.<sup>66</sup> GLO concluded that it had provided housing assistance faster than with previous CDBG-DR grants.

GLO also stated the following about our findings:

- GLO said that the resetting of key application processing milestone dates noted in our report had been addressed through system enhancements. That may be true of the batch updates like the one described in our report that resulted in the reset of dates for 700 applications. However, the reset of dates for key application processing milestones when an application has to repeat a step continued as recently as August 2022. For example, when assessing the duration of the eligibility review for the Harris County and Houston HAPs, we excluded about 4 percent of the approved applications in the updated data we received as of that date because our comparison to data extracted in February 2022 showed that the eligibility determination date had changed for these applications.
- GLO noted that neither HUD nor the *Federal Register* published the necessary criteria for a grant management system. It noted that, therefore, it is not currently required to follow the project management best practices outlined in the PMBOK® Guide or any standards in the April 2019 Urban Institute report.<sup>67</sup> We agree, which is why we recommended that HUD require any future recipients to collect and analyze data on critical milestones needed to monitor the timeliness of their housing activities and inform corrective actions, consistent with leading project management practices.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Housing and Urban Development, the Commissioner of the Texas General Land Office, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

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<sup>66</sup>In its written comments, GLO cited a different number of completed affordable rental developments than we identified using the data GLO provided. This may be due, in part, to GLO including developments that were outside our scope. We confirmed our analysis with GLO in September 2022.

<sup>67</sup>The Urban Institute report we previously cited does not identify project management standards. Rather, the study states that all but one grantee in the study faced challenges in developing a management system and suggested that HUD develop a standard case management system.



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If you or your staff have any questions about this report, please contact me at (202) 512-8678 or [garciadiazd@gao.gov](mailto:garciadiazd@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VIII.

A handwritten signature in black ink, appearing to read "Daniel Garcia-Diaz". The signature is fluid and cursive, with a long horizontal stroke at the bottom.

Daniel Garcia-Diaz  
Managing Director, Financial Markets and Community Investment

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*List of Committees*

The Honorable Brian Schatz  
Chair  
The Honorable Susan Collins  
Ranking Member  
Subcommittee on Transportation, Housing and Urban Development, and  
Related Agencies  
Committee on Appropriations  
United States Senate

The Honorable Sherrod Brown  
Chairman  
The Honorable Patrick J. Toomey  
Ranking Member  
Committee on Banking, Housing, and Urban Affairs  
United States Senate

The Honorable Gary C. Peters  
Chairman  
The Honorable Rob Portman  
Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable David E. Price  
Chairman  
The Honorable Mario Diaz-Balart  
Ranking Member  
Subcommittee on Transportation, and Housing and Urban Development,  
and Related Agencies  
Committee on Appropriations  
House of Representatives

The Honorable Maxine Waters  
Chairwoman  
The Honorable Patrick McHenry  
Ranking Member  
Committee on Financial Services  
House of Representatives

The Honorable Val Demings  
Chairwoman

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The Honorable Kat Cammack  
Ranking Member  
Subcommittee on Emergency Preparedness, Response, and Recovery  
Committee on Homeland Security  
House of Representatives

# Appendix I: Objectives, Scope, and Methodology

This report examines (1) the status of selected grantees' 2017 and 2018 Community Development Block Grant Disaster Recovery (CDBG-DR) housing activities; (2) whether grantees' quarterly reports to the Department of Housing and Urban Development (HUD) provide clear information on performance; (3) Texas's implementation of its Homeowner Assistance Programs and the extent to which HUD requires grantees to collect data to manage these housing programs effectively; and (4) Texas's implementation of its Affordable Rental Program.

We focused on Texas in our third and fourth objectives because it received the second-largest allocation of 2017 and 2018 funds and had experience administering prior CDBG-DR grants.<sup>1</sup> In addition, Texas had expended the most funds as of September 2021. We selected Texas's homeowner assistance and rental housing development programs because they account for 88 percent of Texas's 2017 and 2018 CDBG-DR housing funds. We also performed an initial review of the status of selected grantees' CDBG Mitigation (CDBG-MIT) activities. We plan to focus on other CDBG-DR grantees and to review CDBG-MIT activities in more depth in future work.

For all of the objectives, we reviewed relevant laws and the *Federal Register* notices governing the 2017 and 2018 CDBG-DR and CDBG-MIT

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<sup>1</sup>With the exception of 2020, Texas received CDBG-DR funds associated with disasters in each year from 2015 to 2021.

grants.<sup>2</sup> We also interviewed officials from HUD and the Texas General Land Office (which administers Texas’s CDBG-DR funds), an Urban Institute researcher, and representatives of the following national groups: Enterprise Community Partners, National Low Income Housing Coalition, Natural Resources Defense Council, Taxpayers for Common Sense, and SBP (previously called St. Bernard Project). We selected these national groups because they had testified before Congress on issues related to CDBG-DR funds. We also interviewed representatives of the following local groups in Texas: Houston Organizing Movement for Equity Coalition, Texas Low Income Housing Information Service (Texas Housers), and West Street Recovery. We selected these local groups because they were involved in disaster recovery in Texas.

To determine the status of selected grantees’ 2017 and 2018 CDBG-DR housing activities, we reviewed grantees’ action plans to obtain information on housing activities they created and the amount of funding allocated to each. We selected seven grantees—California, Florida, North Carolina, Puerto Rico, South Carolina, Texas, and the U.S. Virgin Islands—because they received 2017 or 2018 CDBG-DR grants and

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<sup>2</sup>For CDBG-DR, see *Allocations, Common Application, Waivers, and Alternative Requirements for 2017 Disaster Community Development Block Grant Disaster Recovery Grantees*, 83 Fed. Reg. 5844 (Feb. 9, 2018); *Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees*, 83 Fed. Reg. 40314 (Aug. 14, 2018); and *Allocations, Common Application, Waivers, and Alternative Requirements for Disaster Community Development Block Grant Disaster Recovery Grantees*, 85 Fed. Reg. 4681 (Jan. 27, 2020). For CDBG-MIT, see *Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Mitigation Grantees*, 84 Fed. Reg. 45838 (Aug. 30, 2019); *Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Mitigation Grantees; U.S. Virgin Islands Allocation*, 84 Fed. Reg. 47528 (Sept. 10, 2019); *Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Mitigation Grantees; Commonwealth of Puerto Rico Allocation*, 85 Fed. Reg. 4676 (Jan. 27, 2020); and *Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Disaster Recovery Grantees (CDBG Mitigation)*, 86 Fed. Reg. 561 (Jan. 6, 2021).

received CDBG-MIT grants of \$100 million or more.<sup>3</sup> Florida, Puerto Rico, Texas, and the U.S. Virgin Islands were also included in our prior work. We focused on these grantees' housing activities because they generally budgeted more than 50 percent of their 2017 and 2018 funds to address housing needs.<sup>4</sup>

We then analyzed data from HUD's Disaster Recovery Grant Reporting (DRGR) System as of July 2022 (the most recent data available at the time of our analysis) on the selected grantees' disbursements and performance measures to determine the status of their CDBG-DR housing activities.<sup>5</sup> The status of these grants is not generalizable to other grantees but offers important perspectives.<sup>6</sup>

To assess the reliability of the DRGR data we used, we reviewed relevant documentation, interviewed knowledgeable agency officials, traced the amounts budgeted for housing activities to grantees' HUD-approved action plans, and performed electronic testing. We determined that the data were sufficiently reliable for the purpose of reporting on the grantees' disbursements and performance accomplishments.

To determine whether grantees' quarterly reports to HUD provide clear information on performance, we assessed the selected grantees' Quarterly Performance Reports for the fourth quarter of calendar year 2021 (the most recent available at the time of our analysis). Using a standard form, one analyst reviewed each Quarterly Performance Report

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<sup>3</sup>Fifteen grantees received funds for the 2017 and 2018 disasters. HUD allocated the vast majority (90 percent) of these funds to the seven grantees we selected. We reviewed the grantees' CDBG-DR action plans that were in effect at the time of our analysis. Specifically, we reviewed California's 2017 and 2018 action plans effective May 2020 and February 2022, respectively; Florida's 2017 and 2018 action plans effective July 2022 and August 2022, respectively; North Carolina's 2018 action plan and Puerto Rico's 2017 action plan effective February 2022; South Carolina's 2018 action plan effective June 2022; Texas's 2017 and 2018 action plans effective November 2021 and October 2020, respectively; and the U.S. Virgin Islands' 2017 action plan effective November 2020.

<sup>4</sup>We also reviewed the same seven grantees' CDBG-MIT action plans to obtain information on the mitigation activities they created and the amount of funding allocated to each. See app. II for information on these CDBG-MIT activities.

<sup>5</sup>CDBG-DR grantees use DRGR to access grant funds and report performance accomplishments for grant-funded activities.

<sup>6</sup>We also analyzed DRGR data on the seven grantees' disbursements and performance metrics to determine the status of their mitigation activities. See app. II for information on these CDBG-MIT activities.

and identified the type of information the report included on the status of housing activities' expenditures and performance measures. Specifically, the analyst recorded the length of the report, whether expenditure and performance measure data were provided for each housing activity, and observations on the readability of the reports. A second analyst reviewed the initial assessment. Where there were differences in the reviews of the first and second analyst, the two conferred and entered a final decision.

We compared the expenditure and performance data that HUD requires in grantees' Quarterly Performance Reports against federal plain language guidelines and the Office of Management and Budget's *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies*.<sup>7</sup>

To examine Texas's implementation of its Homeowner Assistance Programs (HAP), we reviewed documentation such as standard operating procedures and vendor contracts to identify the various phases and steps to implement the programs.

We also analyzed grantee and contractor data as of August 11, 2022, on the time devoted to the application processing, preconstruction, and construction phases. First, we analyzed data from the Texas Integrated Grant Reporting (TIGR) System on the HAP that serves eligible homeowners from 48 Texas counties affected by Hurricane Harvey (HAP-48) to determine the status of program applications, such as the number approved or deemed ineligible. We also analyzed TIGR data on applications that had been approved for assistance as of August 2022 to calculate the median duration of the application processing, preconstruction, and construction phases.

- To calculate the median duration for the application processing phase, we analyzed data on units that had been approved for assistance (including units completed and not yet completed).<sup>8</sup> Specifically, we assessed the median time from when an approved applicant created an application to when Texas approved the unit for assistance. We used the date the application was created instead of the date the applicant submitted an application as the starting point. We did this

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<sup>7</sup>Plain Language Action and Information Network, *Federal Plain Language Guidelines* (May 2011) and *Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility, and Integrity of Information Disseminated by Federal Agencies; Republication*, 67 Fed. Reg. 8452 (Feb. 22, 2002).

<sup>8</sup>See app. V for more detailed statistics on our median duration analysis.

because, based on our analysis and discussions with Texas officials, we determined that the “date submitted” field does not consistently represent the date on which a complete application was first submitted. Officials explained that the original dates for steps in the application processing phase could have been reset if, for example, the applicant provided new information that could affect the eligibility decision. Because of this data limitation, we also could not assess the time frames for steps within this phase, such as the time from application creation to the start of the eligibility review.

- To calculate the median durations for the preconstruction phase and steps within the phase, we analyzed data on constructed units and on units that had completed the phase or step within the phase. Specifically, we assessed the median duration from when Texas approved an application for assistance through when it issued a notice to proceed with construction. Based on our analysis and discussions with Texas officials, we also determined that the dates associated with the preconstruction steps were reliable for calculating the median duration (1) from when Texas approved a unit for assistance to when the preconstruction conference occurred with the eligible applicant and (2) from when the preconstruction conference occurred to when the notice to proceed with construction was issued.
- To calculate the median duration of the construction phase and steps within the phase, we analyzed data on constructed units and on units that were still in the construction phase. Specifically, we assessed the median duration from when a notice to proceed with construction was issued to when the final inspection of the construction was conducted. Based on our analysis and discussions with Texas officials, we also determined that the dates associated with the construction steps were reliable for calculating the median duration (1) from when the notice to proceed was issued to when the progress inspection was completed and (2) from when the progress inspection was completed to when the final inspection was completed.

To assess the reliability of the TIGR data we used, we reviewed relevant documentation, interviewed knowledgeable grantee officials, traced a small random sample of dates to supporting documentation found in the TIGR System, and performed electronic testing. We determined that the data were sufficiently reliable for the purposes previously described.

Second, we analyzed contractor data as of August 2022 on the HAPs that serve eligible homeowners residing in Harris County and the City of



Houston.<sup>9</sup> Similar to our HAP-48 analysis, we analyzed the contractor data to determine the status of the programs' applications, such as number approved or deemed ineligible. We also analyzed data on applications that had been approved for assistance as of August 2022 to calculate the median duration of the application processing, preconstruction, and construction phases and associated steps in each phase.

- To calculate the median duration for the application processing phase, we analyzed data on constructed units and on units that had completed the phase or step within the phase. We used the same methodology described previously for the HAP-48 application processing phase. In addition, to calculate the median duration for the steps within the application processing phase, we assessed the time frames (1) from when an application was created to the submission of a complete application (including its supporting documentation), (2) of the eligibility review period, and (3) from the date the eligibility review was completed to when the grantee approved the unit for assistance.
- To calculate the median durations for the preconstruction phase and steps within the phase, we used the same methodology described previously for the HAP-48 preconstruction phase.
- To calculate the median duration of the construction phase and steps within the phase, we analyzed data on constructed units and on units that were still in the construction phase. We used the same methodology we used for the HAP-48 construction phase.

To assess the reliability of the contractor data we used, we reviewed relevant documentation, interviewed knowledgeable grantee officials, and performed electronic testing. We determined that the data were sufficiently reliable for the purposes previously described.

To assess the extent to which HUD requires grantees to collect data to manage homeowner assistance programs effectively, we reviewed the *Federal Register* notices governing CDBG-DR funds and interviewed

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<sup>9</sup>As subrecipients of Texas, Harris County and Houston originally were responsible for providing homeowner assistance to all eligible residents in their jurisdictions under locally administered programs. However, in March and April 2020, Texas launched separate state-run HAPs for Houston and Harris County. See app. IV for more information on the evolution of the homeowner assistance programs in Texas. Although the TIGR System also captures data for these HAPs, we used contractor data because grantee officials considered the contractor data to be more complete and accurate.

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HUD officials. We compared HUD's guidance on data collection against leading project management practices established by the Project Management Institute.<sup>10</sup>

In addition, for our third and fourth objectives, we interviewed two subrecipients, the Texas Association of Regional Councils, four implementing vendors, two builders, and two developers on Texas's implementation of its homeowner assistance and rental housing programs. We selected the builders based on funding amounts and the areas in which they were responsible for conducting work, and we selected the developers based on funding amounts, number of developments, and location of the development.

To assess Texas's implementation of its Affordable Rental Program, we reviewed documentation such as standard operating procedures and developer contracts to identify the various phases and steps to implement the program. We also reviewed the grantee's data as of August 2022 on the status of developments awarded funds, including dates when each development completed required milestones. To assess the reliability of the data we used, we reviewed relevant documentation, interviewed knowledgeable grantee officials, and performed electronic testing. We determined that GLO's process for compiling this information was sufficiently reliable for the purposes of (1) reporting the time frames for the application processing and construction phases, (2) summarizing the total number of projects (including when developments were constructed), and (3) identifying when program milestones occurred.

We conducted this performance audit from June 2021 to December 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>10</sup>The Project Management Institute is a nonprofit organization that has established standards for project management that are generally recognized as leading practices for most projects. These standards are used worldwide and provide guidance on how to manage various aspects of projects. The Project Management Institute publishes these standards in its Guide to the Project Management Body of Knowledge. Project Management Institute, *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*, 6th ed. (2017). PMBOK is a trademark of Project Management Institute, Inc.

## Appendix II: Status of Selected Grantees' CDBG- MIT Activities

Congress appropriated funding through the Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program specifically for hazard mitigation (CDBG-MIT). In a series of *Federal Register* notices, HUD allocated approximately \$16.1 billion in CDBG-MIT funds to areas affected by disasters that occurred from 2015 through 2018. We selected California, Florida, North Carolina, Puerto Rico, South Carolina, Texas, and the U.S. Virgin Islands for our review because HUD allocated \$14.6 billion (over 90 percent) of these CDBG-MIT funds to these states and territories.

HUD defines mitigation as activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters. According to HUD, CDBG-MIT activities should align with other federal programs that address hazard mitigation to create a more cohesive effort at the federal, state, and local levels. The goals of CDBG-MIT funds are to

- support data-informed investments, focusing on repetitive loss of property and critical infrastructure;
- build capacity to comprehensively analyze disaster risks and update hazard mitigation plans;
- support the adoption of policies that reflect local and regional priorities and that will have long-lasting effects on community risk reduction, including reducing risk to community lifelines and decreasing future disaster costs;<sup>1</sup> and

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<sup>1</sup>According to the Federal Emergency Management Agency (FEMA), lifelines are the integrated network of assets, services, and capabilities used day-to-day to support the recurring needs of the community. FEMA's seven lifelines are safety and security; hazardous materials; energy; food, water, and sheltering; health and medical; communication; and transportation.

- 
- maximize the impact of funds by encouraging leveraging, private/public partnerships, and coordination with other federal funds.

Grantees must expend 50 percent of their CDBG-MIT funds on eligible activities within 6 years of HUD's execution of the grant agreement and 100 percent of their funds within 12 years, absent a waiver and alternative deadline as requested by the grantee and approved by HUD.<sup>2</sup>

Below we provide information on the activities that the seven grantees in our review plan to implement with their CDBG-MIT funds, the percentage of funds disbursed for these activities as of July 8, 2022, and the performance measures that grantees plan to track. We provide more detail on Texas than the other six CDBG-MIT grantees. Texas was a focus of our review partly because it received the second-largest allocation of 2017 and 2018 funds and had expended the most funds of the 2017 and 2018 grantees we reviewed. For more information on our scope and methodology, see appendix I.

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## Description of CDBG-MIT Activities and Disbursements

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### California's CDBG-MIT Activities

As shown in table 7, California plans to fund two activities with its CDBG-MIT funds, including providing about \$107 million for infrastructure improvements that reduce risks from wildfires, flooding, and earthquakes. California had disbursed less than 1 percent of its CDBG-MIT funds as of July 8, 2022.

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<sup>2</sup>A grantee request for a waiver of an expenditure deadline must document the grantee's progress in the implementation of the grant, outline the long-term nature and complexity of the mitigation programs and projects that have yet to be fully implemented, and propose an alternative deadline for the expenditure of the funds.

**Appendix II: Status of Selected Grantees'  
CDBG-MIT Activities**

**Table 7: Description of and Funds Disbursed for California’s Community Development Block Grant Mitigation (CDBG-MIT) Activities, as of July 8, 2022**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
Resilient Infrastructure Program	Provides funding to assist local jurisdictions with mitigation-related infrastructure needs to reduce risks from the three primary hazards (wildfire, flooding, and earthquake). Activities may include the following: <ul style="list-style-type: none"> <li>• emergency roadway improvements (ingress/egress and evacuation routes)</li> <li>• fuel breaks and fuel reduction measures</li> <li>• watershed management activities</li> <li>• hardening communication systems<sup>a</sup></li> <li>• flood control structures and drainage measures</li> <li>• alternative energy generation</li> <li>• seismic retrofitting</li> <li>• critical facility hardening<sup>a</sup></li> </ul>	\$106,554,272	\$227,055	0.2%
Resilience Planning and Public Services Program	Provides funding to local jurisdictions and nonprofit organizations for planning and public service projects. Projects may include the following: <ul style="list-style-type: none"> <li>• creation of or updates to Community Wildfire Protection Plans</li> <li>• addition of resilience or safety elements (such as evacuation routes or forest and vegetation management) to local comprehensive plans</li> <li>• establishment of mitigation-related outreach and educational campaigns on proper disaster evacuation, disaster preparedness, and risk reduction initiatives</li> <li>• code enforcement activities, including training and staffing</li> </ul>	\$38,926,378	\$604,694	1.6%
Administration		\$7,645,350	\$17,621	0.2%
<b>Total</b>		<b>\$153,126,000</b>	<b>\$849,370</b>	<b>0.6%</b>

Source: GAO analysis of California’s mitigation action plan and data from the Department of Housing and Urban Development. | GAO-23-105295

Note: We reviewed California’s CDBG-MIT action plan effective August 31, 2021.

<sup>a</sup>Hardening refers to physically changing infrastructure to make it less susceptible to damage from extreme wind, flooding, or flying debris.

## Florida’s CDBG-MIT Activities

As shown in table 8, Florida plans to fund three activities with its CDBG-MIT funds, including providing about \$517 million for infrastructure improvements that increase resilience. Florida had disbursed less than 1 percent of its CDBG-MIT funds as of July 8, 2022.

**Appendix II: Status of Selected Grantees'  
CDBG-MIT Activities**

**Table 8: Description of and Funds Disbursed for Florida’s Community Development Block Grant Mitigation (CDBG-MIT) Activities, as of July 8, 2022**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
General Infrastructure Program	Provides funding to local governments and state agencies to develop large-scale mitigation activities. Eligible activities include projects that demonstrably increase community resilience. The grantee encourages the following types of infrastructure projects: <ul style="list-style-type: none"> <li>restoration of critical infrastructure</li> <li>renourishment of protective coastal dune systems and state beaches</li> <li>building or fortifying buildings that are essential to the health, safety, and welfare of a community</li> <li>rehabilitation or construction of stormwater management systems</li> <li>improvements to drainage facilities</li> <li>reconstruction of lift stations and sewage treatment plants</li> <li>road repair and improvement and bridge strengthening</li> </ul>	\$517,233,400	\$0	0.0%
Critical Facility Hardening Program	Provides funding to local governments and state agencies to harden critical buildings that serve a public safety purpose (such as police stations, fire stations, shelters, and local emergency management facilities) against flood, fire, storms, and coastal erosion. <sup>3</sup> Funds activities such as dry proofing; wet proofing; anchoring roof-mounted heating, ventilation, and air-conditioning units; and retrofitting building exteriors with hazard-resistant materials in accordance with national safety standards.	\$75,000,000	\$0	0.0%
General Planning Support Program	Provides funding for developing and updating state, regional, and local plans. Examples of projects include the following: <ul style="list-style-type: none"> <li>land use and neighborhood planning</li> <li>regional mitigation planning</li> <li>modernization and resiliency planning</li> <li>upgrading mapping, data, and other capabilities to better understand evolving disaster risks</li> <li>education and outreach designed to support local, regional, and statewide mitigation efforts and encourage best mitigation practices</li> </ul>	\$20,000,000	\$0	0.0%
Administration		\$34,020,550	\$3,858,476	11.3%
Planning		\$34,157,050	\$286,110	0.8%
<b>Total</b>		<b>\$680,411,000</b>	<b>\$4,144,586</b>	<b>0.6%</b>

Source: GAO analysis of Florida’s mitigation action plan and data from the Department of Housing and Urban Development. | GAO-23-105295

Note: We reviewed Florida’s CDBG-MIT action plan effective September 23, 2021.

<sup>3</sup>Hardening refers to physically changing infrastructure to make it less susceptible to damage from extreme wind, flooding, or flying debris.

## North Carolina's CDBG-MIT Activities

As shown in table 9, North Carolina plans to fund one activity with its CDBG-MIT funds, a strategic buyout program. North Carolina had disbursed 6.1 percent of its CDBG-MIT funds as of July 8, 2022.

**Table 9: Description of and Funds Disbursed for North Carolina's Community Development Block Grant Mitigation (CDBG-MIT) Activities, as of July 8, 2022**

Activity	Description	Amount budgeted (dollars)	Amount disbursed (dollars)	Percentage disbursed
Strategic Buyout Program	Provides funding to purchase eligible properties in buyout zones, known as Disaster Risk Reduction Areas, and file a deed restriction on the parcel that restricts future development. The structures on the purchased properties are to be demolished and cleared, and the properties are to be owned by units of general local government and maintained in a manner consistent with open space or floodplain management in perpetuity. Funds can also be used for housing counseling to assist applicants in selecting the best subsequent housing option.	\$182,417,400	\$11,338,167	6.2%
Administration		\$10,134,300	\$432,540	4.3%
Planning		\$10,134,300	\$652,442	6.4%
<b>Total</b>		<b>\$202,686,000</b>	<b>\$12,423,149</b>	<b>6.1%</b>

Source: GAO analysis of North Carolina's mitigation action plan and data from the Department of Housing and Urban Development. | GAO-23-105295

Note: We reviewed North Carolina's CDBG-MIT action plan effective January 18, 2022.

## Puerto Rico's CDBG-MIT Activities

As shown in table 10, Puerto Rico plans to fund nine activities with its CDBG-MIT funds, including providing about \$4.6 billion for infrastructure improvements that mitigate hazard risks. Puerto Rico had disbursed less than 0.1 percent of its CDBG-MIT funds as of July 8, 2022.

**Appendix II: Status of Selected Grantees'  
CDBG-MIT Activities**

**Table 10: Description of and Funds Disbursed for Puerto Rico's CDBG-MIT Activities, as of July 8, 2022**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
Infrastructure Mitigation Program	<p>Provides funding for eligible public facility improvement projects that mitigate identified hazard risks. The following are examples of activities mitigation projects should support:</p> <ul style="list-style-type: none"> <li>strengthening of resilience corridors within the transportation lifeline<sup>a</sup></li> <li>improving the resilience of publicly owned communications lifeline infrastructure, especially communications assets that are needed to facilitate critical response activities</li> <li>strengthening, modernizing, replacing, or building water and wastewater infrastructure to withstand high-risk hazardous activity that poses a threat to asset stability in a disaster event</li> <li>improving or fortifying solid waste infrastructure to reduce the risk of health threats associated with landfill overflow and clandestine dump sites</li> </ul> <p>Sets aside \$1 billion to provide funding for the local match for FEMA's Hazard Mitigation Grant Program and \$1 billion for improving, expanding, or constructing health care and medical facilities to fortify and innovate buildings and permanent equipment.<sup>b</sup></p>	\$4,566,451,166	\$1,199	0.0%
Single Family Housing Mitigation Program	Provides funding to relocate families located in high-risk areas on a voluntary basis, rebuild or repair homes that have been affected by a recent event and are under immediate threat, and elevate properties to reduce the risk of loss of life and property.	\$1,600,896,086	\$126	0.0%
Economic Development Investment Portfolio for Growth Program	Provides funding for large-scale redevelopment projects that are intended to foster investment in lifeline infrastructure improvements while creating jobs. <sup>a</sup> This program is focused on identifying funding for private lifeline infrastructure to support risk-based, job-creating mitigation needs.	\$628,816,696	\$474	0.0%



**Appendix II: Status of Selected Grantees'  
CDBG-MIT Activities**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
Community Energy and Water Resilience Installations Program	<p>Provides funding for three grant programs to help improve energy and water systems at individual homes, municipal buildings, and individual businesses:</p> <ol style="list-style-type: none"> <li><b>Home Energy and Water Resilience Improvements.</b> Provides funding to owners of single-family homes for purchase and installation of energy and water systems intended to make the home more resilient.</li> <li><b>Community Installations.</b> Provides funding to local governments and nonprofit organizations for community energy production and storage facilities, water harvesting systems, and sanitary sewer system solutions.</li> <li><b>Incentive Program.</b> Provides funding to cover the costs of installing renewable energy systems, including storage, to provide electricity to the property in times of electric grid failure.</li> </ol>	\$500,000,000	\$309	0.0%
Multisector Community Mitigation Program	Provides funding for the redevelopment or relocation of an entire community as a means to reduce the risk of loss of life and property. The program funds a wide range of activities, including planning and feasibility studies; job creation and retention for relocated businesses; public infrastructure improvements; housing construction, reconstruction, and rehabilitation; acquisition; relocation; public services; demolition; voluntary buyout; and, in some cases, elevation of structures.	\$300,000,000	\$69	0.0%
Risk and Asset Data Collection Program	Provides funding for the collection and production of hazard, asset, and risk data intended to complement the land use data produced under the CDBG-DR Geospatial Framework Program. <sup>c</sup> For example, the program is to support the expansion and maintenance of the Geospatial Framework Program, support regular maintenance and refinement of geospatial data and tools, and provide funding for community coordination to support and coordinate data collection and gap analysis activities and increase public awareness of risk assessment tools and activities.	\$130,000,000	\$307	0.0%
Social Interest Housing Mitigation Program	Provides funding for the construction or substantial rehabilitation of multifamily housing projects serving socially vulnerable populations, such as those experiencing homelessness, senior citizens, domestic violence victims, persons with intellectual disabilities, persons with developmental or physical disabilities, persons living with HIV/AIDS, individuals recovering from addiction, and individuals with other functional or access needs. All housing must be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigation against the impact of future shocks and stressors.	\$100,000,000	\$2,175	0.0%

**Appendix II: Status of Selected Grantees’  
CDBG-MIT Activities**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
Mitigation and Adaptation Policy Support Program	Provides funding to identify and analyze existing rules, laws, regulations, and policies that affect hazards, risk, mitigation, and resilience in the territory, and propose amendments to strengthen the rules and policies’ mitigative and resilience impact. The program is to develop a policy toolbox that includes best practices, model ordinances, funding models, and other regulatory documents that can be adapted to local circumstances.	\$10,000,000	\$0	0.0%
Planning and Capacity Building Program	Provides funding for the formation or strengthening and formalizing of existing regional consortia to conduct mitigation-enhancing activities. Activities may include mitigation planning, green infrastructure education programs, emergency management training, demonstrations for building code compliance, and broad-based mandates such as furthering regional economic development planning and promoting safe and affordable housing.	\$10,000,000	\$217	0.0%
Administration		\$414,264,200	\$57,151	0.0%
Planning		\$24,855,852	\$2,896	0.0%
<b>Total</b>		<b>\$8,285,284,000</b>	<b>\$64,923</b>	<b>0.0%</b>

Legend: CDBG-DR = Community Development Block Grant Disaster Recovery; CDBG-MIT = Community Development Block Grant Mitigation; FEMA = Federal Emergency Management Agency; HUD = Department of Housing and Urban Development

Source: GAO analysis of Puerto Rico’s mitigation action plan and data from HUD. | GAO-23-105295

Note: We reviewed Puerto Rico’s CDBG-MIT action plan effective April 19, 2021.

<sup>a</sup>According to FEMA, lifelines are the integrated network of assets, services, and capabilities used day-to-day to support the recurring needs of the community. FEMA’s seven lifelines are safety and security; hazardous materials; energy; food, water, and sheltering; health and medical; communication; and transportation.

<sup>b</sup>FEMA’s Hazard Mitigation Grant Program is designed to help communities prepare for and recover from future disasters.

<sup>c</sup>Puerto Rico’s Geospatial Framework Program provides funding to create a comprehensive data system and database, online mapping portal, map analyses, and a cohesive set of spatial data infrastructure tools intended to support all aspects of Puerto Rico’s ongoing recovery and resilience.

## South Carolina’s CDBG-MIT Activities

As shown in table 11, South Carolina plans to fund four activities with its CDBG-MIT funds, including providing \$100 million for infrastructure projects that reduce future flood risks. South Carolina had disbursed 3.3 percent of its CDBG-MIT funds as of July 8, 2022.

**Appendix II: Status of Selected Grantees’  
CDBG-MIT Activities**

**Table 11: Description of and Funds Disbursed for South Carolina’s CDBG-MIT Activities, as of July 8, 2022**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
Infrastructure Program	Provides funding for public infrastructure projects to reduce future flood risks. Projects can include new storm sewer installations, upsizing and replacement of existing storm sewer lines, restoration of natural or historical waterways, detention ponds, flood plain protection, and wetland restoration.	\$100,000,000	\$302,209	0.3%
Housing Buyout Program	Provides funding for voluntary buyouts to acquire contiguous parcels of land to return to green space and create an opportunity for floodwaters to be captured through stormwater parks, water retention ponds, or other mechanisms.	\$35,000,000	\$2,229,132	6.4%
Planning	Provides planning funding for the development and amendment of the mitigation action plan, statewide planning activities, and assistance to communities in developing plans and studies to identify potential flood reduction projects such as local and regional functional land-use plans, stormwater master plans, drainage and stormwater studies, community recovery plans, resilience plans, and disaster risk analysis and reduction studies that identify potential flood-reduction projects.	\$14,078,600	\$825,252	5.9%
FEMA-Funded Mitigation Match Program	Provides funding to match federally funded mitigation grant programs, including the Hazard Mitigation Grant Program, Pre-Disaster Mitigation Grant Program, Flood Mitigation Assistance Program, and any other federal grant opportunities that focus on flood reduction, such as programs administered by the Army Corps of Engineers and the Department of Commerce. <sup>a</sup>	\$5,000,000	\$13,863	0.3%
Administration		\$8,109,400	\$1,968,118	24.3%
<b>Total</b>		<b>\$162,188,000</b>	<b>\$5,338,574</b>	<b>3.3%</b>

Legend: CDBG-MIT = Community Development Block Grant Mitigation; FEMA = Federal Emergency Management Agency; HUD = Department of Housing and Urban Development

Source: GAO analysis of South Carolina’s mitigation action plan and data from HUD. | GAO-23-105295

Note: We reviewed South Carolina’s CDBG-MIT action plan effective July 1, 2021.

<sup>a</sup>FEMA’s Hazard Mitigation Grant Program is designed to help communities prepare for and recover from future disasters. The Pre-Disaster Mitigation Grant Program provided funding to assist states, local governments, territories, and tribes in their efforts to enhance disaster resilience against various natural hazards before a disaster occurs. The Flood Mitigation Assistance Program is a competitive grant program that provides funding to states, local communities, tribes, and territories to reduce or eliminate the risk of repetitive flood damage to buildings insured by the National Flood Insurance Program. The National Flood Insurance Program provides affordable insurance premiums to encourage program participation and promotes community-based floodplain management.

## Texas’s CDBG-MIT Activities

As shown in table 12, Texas plans to fund 13 activities with its CDBG-MIT funds, including providing about \$1.2 billion for councils of government to make regional investments that reduce hazard risk. As of August 30, 2022, disbursement data for most of Texas’s CDBG-MIT activities were

**Appendix II: Status of Selected Grantees'  
CDBG-MIT Activities**

not available in HUD's reporting system because the state had not yet signed a grant agreement with HUD for all of its CDBG-MIT funds.

**Table 12: Description of and Funds Disbursed for Texas's CDBG-MIT Activities, as of July 8, 2022**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
Regional Mitigation Program	Provides funding to each council of government impacted by Hurricane Harvey to allocate funds to local units of government and tribes. The grantee encourages the prioritization of regional investments with regional impacts in risk reduction to develop disaster-resistant infrastructure, including upgrading of water, sewer, solid waste, communications, energy, transportation, and health and medical infrastructure, and natural mitigation infrastructure.	\$1,166,997,000	Not available	Not applicable
Hurricane Harvey State Mitigation Competition	Provides funding for mitigation projects for Hurricane Harvey areas. The competition was open to cities, counties, councils of government, state agencies, tribes, port authorities, river authorities, and special purpose districts. Examples of projects include flood control and drainage improvements, infrastructure improvements, communications infrastructure, and public facilities.	\$975,704,817	Not available	Not applicable
Harris County Mitigation Method of Distribution Program	Provides a direct allocation to Harris County, which is to provide funds to eligible entities such as units of local government, special purpose districts, and port and river authorities. The grantee encourages the prioritization of regional investments with regional impacts in hazard risk reduction by developing disaster resistant infrastructure; upgrading water, sewer, solid waste, communications, energy, transportation, health and medical, and other public infrastructure to address specific, identified risks; financing multiuse infrastructure; and developing green or natural mitigation infrastructure.	\$750,000,000	Not available	Not applicable
Housing Oversubscription Supplemental Program	Provides funding to reconstruct owner-occupied, single-family homes damaged by Hurricane Harvey with elevation or storm hardening. <sup>a</sup> Eligible participants were drawn from the state's existing waitlist of eligible Homeowner Assistance Program applicants. <sup>b</sup>	\$400,000,000	\$105,326,781	26.3%
2016 Floods State Mitigation Competition	Provides funding to cities, counties, tribes, and councils of government to address risks in the 2016 flood areas. Examples of projects include flood control and drainage improvements, infrastructure improvements, communications infrastructure, public facilities, and buyouts or acquisitions.	\$149,296,701	Not available	Not applicable

**Appendix II: Status of Selected Grantees'  
CDBG-MIT Activities**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
Hazard Mitigation Grant Program: Supplemental <sup>c</sup>	Provides funding for HMGP projects that were unable to receive funding through the HMGP program. Examples of eligible activities include the following: <ul style="list-style-type: none"> <li>• buyouts</li> <li>• relocation assistance with buyout activities</li> <li>• demolition with buyout activities</li> <li>• housing incentives</li> <li>• activities designed to relocate families outside of floodplains</li> <li>• flood control and drainage improvements, including the construction or rehabilitation of stormwater management systems</li> <li>• infrastructure improvements (such as water and sewer facilities, streets, provision of generators, removal of debris, and bridges)</li> <li>• natural or green infrastructure</li> <li>• communications infrastructure</li> <li>• public facilities</li> </ul>	\$100,000,000	Not available	Not applicable
Resilient Home Program	Provides funds to reconstruct owner-occupied, single-family homes damaged by Hurricane Harvey with additional resiliency standards. Eligible participants are to be drawn from the state's existing waitlist of eligible Homeowner Assistance Program applicants. <sup>b</sup>	\$100,000,000	\$278,264	0.3%
Resilient Communities Program	Provides funding for the development, adoption, and implementation of modern and resilient building codes, flood damage prevention ordinances, and local plans.	\$100,000,000	\$0	0.0%
2015 Floods State Mitigation Competition	Provides funding to cities, counties, tribes, and councils of government to address risks in the 2015 flood areas. Examples of projects include flood control and drainage improvements, infrastructure improvements, communications infrastructure, public facilities, and buyouts or acquisitions.	\$46,096,950	\$1,288,961	2.8%
Local hazard mitigation plans	Provides funding for the development of FEMA-approved Local Hazard Mitigation Action Plans and an enhanced State Hazard Mitigation Plan. Developing or updating one of these plans may include studies to enhance a community's understanding of risk, including dam inundation studies, flood studies, and wildfire studies.	\$30,000,000	\$0	0.0%
Coastal Resiliency Program	Provides funding to areas impacted by Hurricane Harvey for a combination of green/grey infrastructure or nonstructural CDBG-MIT-eligible projects identified in the Texas Coastal Master Plan that increase long-term coastal resiliency. <sup>d</sup>	\$20,459,731	Not available	Not applicable

**Appendix II: Status of Selected Grantees'  
CDBG-MIT Activities**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
2018 South Texas Floods State Mitigation Competition	Provides funding to cities, counties, tribes, and councils of government to address risks in the 2018 South Texas flood areas. Examples of projects include flood control and drainage improvements, infrastructure improvements, green infrastructure, public facilities, and buyouts.	\$4,047,240	Not available	Not applicable
Regional and state planning	Provides funding for regional and statewide planning studies and tools that work to reduce the risks and impacts of future disasters.	\$115,091,281	Not available	Not applicable
Administration		\$215,092,050	Not available	Not applicable
State project delivery <sup>e</sup>		\$129,055,230	Not available	Not applicable
<b>Total</b>		<b>\$4,301,841,000</b>	<b>Not available</b>	<b>Not applicable</b>

Legend: CDBG-DR = Community Development Block Grant Disaster Recovery; CDBG-MIT = Community Development Block Grant Mitigation; FEMA = Federal Emergency Management Agency; HMGP = Hazard Mitigation Grant Program; HUD = Department of Housing and Urban Development

Source: GAO analysis of Texas's mitigation action plan and data from HUD. | GAO-23-105295

Note: We reviewed Texas's CDBG-MIT action plan effective March 18, 2022. As of August 30, 2022, disbursement data for most of Texas's CDBG-MIT activities were not available in HUD's reporting system because the state had not yet signed a grant agreement with HUD for all of its CDBG-MIT funds.

<sup>a</sup>Hardening refers to physically changing infrastructure to make it less susceptible to damage from extreme wind, flooding, or flying debris.

<sup>b</sup>Texas's Homeowner Assistance Program for 48 affected counties (excluding Harris County and Houston) provides funding to rehabilitate and reconstruct owner-occupied single-family homes.

<sup>c</sup>FEMA's HMGP is designed to help communities prepare for and recover from future disasters. It funds a wide range of projects, such as purchasing properties in flood-prone areas, adding shutters to windows, and rebuilding culverts in drainage ditches.

<sup>d</sup>Green/grey infrastructure mixes the conservation and restoration of nature (including natural coastal buffers such as mangroves and seagrasses) with conventional approaches (such as concrete dams and seawalls).

<sup>e</sup>Project delivery costs are costs incurred by a grantee that are directly related to delivery of a specific CDBG-DR project or service to a beneficiary.

HUD approved Texas's initial CDBG-MIT action plan on March 31, 2020, and approved an amended action plan on March 18, 2022. As discussed below, its programs are in the early stages.

- **Regional Mitigation Program.** The Texas General Land Office (GLO)—which administers Texas's CDBG-MIT funds—has allocated funds to nine councils of government and signed contracts with them. As of October 5, 2022, GLO had approved the method for distributing the funds for four of the nine councils.
- **State mitigation competitions.** GLO had made 112 awards as of September 15, 2022, for the three competitions (Hurricane Harvey, 2016 floods, and 2015 floods).
- **Housing Oversubscription Supplemental and Resilient Home Programs.** These two programs, which are related to the ongoing

Homeowner Assistance Program for 48 affected counties (excluding Harris County and Houston) being funded with CDBG-DR funds, are underway.<sup>3</sup> For the Resilient Home Program, GLO has selected four builders to implement more resilient residential construction practices, such as tilt-wall construction—which uses concrete for the slab, wall panels, and roof structure—and steel frame construction.

- **Hazard Mitigation Grant Program Supplemental and Coastal Resiliency Programs.** GLO officials said as of September 15, 2022, they had entered into 14 contracts with communities to participate in the Hazard Mitigation Grant Program Supplemental Program and two contracts with communities to participate in the Coastal Resiliency Program.
- **Resilient Communities Program.** Application intake for this program began on June 1, 2022, and GLO is to process the applications for eligibility on a first-come, first-served basis until June 1, 2028, or until funding is exhausted, whichever is first.
- **Local hazard mitigation plans.** Application intake began on July 28, 2021, and GLO is to process applications for eligibility on a first-come, first-served basis until July 2027 or until funding is exhausted, whichever is first.

Round 1 of the Hurricane Harvey State Mitigation Competition was conducted from May 28, 2020, to October 28, 2020, and awards were announced on May 21, 2021. After this round of the competition, a complaint was filed with HUD alleging that GLO's design and operation of the competition discriminated on the basis of race and national origin through the use of scoring criteria that substantially disadvantaged Black and Hispanic residents. Round 2 of the competition has not been conducted.<sup>4</sup>

In response to the complaint, HUD found in March 2022 that the design and operation of the competition discriminated on the basis of race and national origin. According to HUD, GLO used two scoring criteria that substantially and predictably disadvantaged minority residents, with particularly disparate outcomes for Black residents. First, GLO excluded areas designated by HUD as most impacted and distressed from

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<sup>3</sup>Texas's Homeowner Assistance Program provides funding to rehabilitate and reconstruct owner-occupied single-family homes.

<sup>4</sup>GLO has proposed reallocating the funds originally allocated to Round 2 of the competition to other uses per a substantial amendment submitted to HUD (originally submitted on November 8, 2021, and resubmitted on February 18, 2022).

competing for 50 percent of the competition funds, although nearly 90 percent of the eligible population resided in those areas. Second, GLO scored applicants based on jurisdiction size, providing more points to a smaller jurisdiction than it would to a larger jurisdiction for an equivalent project. According to HUD, GLO used both of these criteria even though they disadvantaged areas with the greatest mitigation needs by GLO's own measure and ran counter to the intended focus on low- and moderate-income households. HUD's response concluded that if a voluntary resolution could not be obtained, HUD may initiate administrative proceedings or refer this matter to the Department of Justice for judicial enforcement. GLO appealed HUD's decision in April 2022, stating that GLO executed its CDBG-MIT action plan as approved by HUD and a majority of the beneficiaries of the highest scoring projects were low- and moderate-income households and more than two-thirds were minority populations. HUD rejected the appeal. As of August 30, 2022, HUD officials stated they had not yet signed a grant agreement for these funds.

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### U.S. Virgin Islands' CDBG-MIT Activities

As shown in table 13, the U.S. Virgin Islands plans to fund nine activities with its CDBG-MIT funds, including providing about \$316 million for infrastructure projects that mitigate risks to utility, transportation, and hazardous waste disposal systems. As of August 30, 2022, information on the U.S. Virgin Islands' CDBG-MIT activities was not available in HUD's reporting system because it had not yet signed a grant agreement with HUD.



**Appendix II: Status of Selected Grantees’  
CDBG-MIT Activities**

**Table 13: Description of and Funds Disbursed for the U.S. Virgin Islands’ Community Development Block Grant Mitigation (CDBG-MIT) Activities, as of July 8, 2022**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
Critical and Natural Infrastructure Resilience Program	Provides funding for activities that mitigate risks to utility, transportation, and hazardous waste disposal systems. Funds are particularly for improving facilities that serve the health and safety of the community, such as hardening public infrastructure, elevating key roadways, burying or otherwise hardening utility lines, reducing the risk of stormwater runoff erosion and flood exposure, and creating sustainable waste management for the territory. <sup>a</sup>	\$315,700,000	Not available	Not applicable
Community Resilience and Public Facilities Program	Provides funding (1) for the development of multipurpose facilities that are to be dedicated to disaster preparedness, sheltering needs in disasters, and other emergency situations and (2) to harden and upgrade existing community, public, or private infrastructure to bring it up to sheltering standards. <sup>a</sup>	\$102,500,000	Not available	Not applicable
Resilient Multifamily Housing Program	Provides funding for rehabilitation, reconstruction, and new construction of multifamily rental developments.	\$102,500,000	Not available	Not applicable
Single Family Resilient New Home Construction Program	Provides funding for the rehabilitation and construction of single-family homes to increase homeownership opportunities for residents with low and moderate incomes.	\$61,500,000	Not available	Not applicable
Commercial Hardening and Financing Program	Provides funding to rehabilitate or harden privately owned commercial or industrial buildings or ports to make them more resilient. <sup>a</sup> Mitigation measures undertaken under the program include the following: <ul style="list-style-type: none"> <li>• drainage and stormwater and surge management for commercial areas</li> <li>• boat ramps and improved shoreline and roads for evacuation and receiving supplies</li> <li>• port and harbor improvements</li> <li>• generators for commercial facilities’ infrastructure</li> <li>• generators for continuous power at critical private retailers</li> <li>• removal of hazardous materials</li> <li>• hardening of building exteriors</li> </ul>	\$40,962,500	Not available	Not applicable
Small Business Mitigation Improvements	Provides funding to small business owners to help them make mitigation improvements to their businesses, including dry flood-proofing of nonresidential structures, generator and solar power installations, weatherization, and drainage improvements.	\$35,787,500	Not available	Not applicable

**Appendix II: Status of Selected Grantees'  
CDBG-MIT Activities**

<b>Activity</b>	<b>Description</b>	<b>Amount budgeted (dollars)</b>	<b>Amount disbursed (dollars)</b>	<b>Percentage disbursed</b>
Homeless Housing Initiative—Permanent Supportive Housing Development	Provides funding for the production of permanent supportive housing units to serve the homeless population.	\$23,575,000	Not available	Not applicable
Public Services	Provide funding to enhance the support service network for vulnerable populations through the following types of activities: <ul style="list-style-type: none"> <li>• education and outreach campaigns designed to alert communities and beneficiaries of opportunities to further mitigate identified risks through insurance, best practices, and other strategies</li> <li>• health and welfare programs to increase personal resilience to disasters and protect the health and safety of residents during and after disasters</li> <li>• apprenticeship and mentorship programs in key sectors</li> <li>• homelessness prevention</li> <li>• hurricane and other disaster preparedness</li> <li>• technology-based resiliency programs</li> <li>• housing counseling</li> </ul>	\$15,400,000	Not available	Not applicable
Innovative Resilient Housing Program	Provides funding intended to mitigate the risk of loss of life for those who are homeless or residing in substandard housing when disasters strike by encouraging innovative architectural and construction techniques to provide strong, resilient housing with economical development costs.	\$5,125,000	Not available	Not applicable
Planning		\$32,428,600	Not available	Not applicable
Administration		\$38,709,400	Not available	Not applicable
<b>Total</b>		<b>\$774,188,000</b>	<b>Not available</b>	<b>Not applicable</b>

Source: GAO analysis of the U.S. Virgin Islands' mitigation action plan and data from the Department of Housing and Urban Development (HUD). | GAO-23-105295

Note: We reviewed the U.S. Virgin Islands' CDBG-MIT action plan effective July 12, 2021. As of August 30, 2022, information on the U.S. Virgin Islands' CDBG-MIT activities was not available in HUD's reporting system because HUD and the grantee had not yet signed a grant agreement.

<sup>a</sup>Hardening refers to physically changing infrastructure to make it less susceptible to damage from extreme wind, flooding, or flying debris.

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## Performance Measures for CDBG-MIT Activities

Grantees must report certain performance measures for each type of CDBG-MIT activity and have discretion to report on other measures if they so choose. Five of the seven grantees identified a total of 45 performance measures they plan to report on for their CDBG-MIT activities.<sup>5</sup> Examples of these measures include

- number of elevated structures,
- number of linear feet of public improvement,
- number of properties protected from future flooding,
- number of pump stations repaired or replaced,
- number of residents protected from future flooding,
- number of structures hardened against future flood events, and
- percentage of reduction in energy costs.

Of the seven selected grantees, only Texas had reported accomplishments for its CDBG-MIT activities as of July 11, 2021. Texas reported accomplishments only on its Housing Oversubscription Supplemental activity. It reported that it had completed construction on 334 of the projected 1,440 housing units and that about \$3.2 million of the \$128 million of projected estimated flood loss avoidance had been accomplished.

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<sup>5</sup>California and the U.S. Virgin Islands had not reported on their planned performance measures for their CDBG-MIT activities as of July 11, 2022.

# Appendix III: Performance Measures for Selected Grantees' 2017 and 2018 CDBG-DR Funds

Tables 14–20 provide information on performance measures for housing activities tracked by selected grantees that received 2017 and 2018 Community Development Block Grant Disaster Recovery (CDBG-DR) funds. The grantees are California, Florida, North Carolina, Puerto Rico, South Carolina, Texas, and the U.S. Virgin Islands.

The Department of Housing and Urban Development allocated 2017 CDBG-DR funds to Puerto Rico and the U.S. Virgin Islands, 2018 CDBG-DR funds to North Carolina and South Carolina, and both 2017 and 2018 funds to California, Florida, and Texas.

**Table 14: California's Performance Measures Reported for 2017 and 2018 Community Development Block Grant Disaster Recovery Housing Activities, as of July 11, 2022**

Performance measure	Projected	Actual	Percentage of target accomplished
<b>2017 Owner-Occupied Housing Rehabilitation and Reconstruction Program</b>			
Number of households	200	0	0.0
Number of owner households	200	0	0.0
Number of extremely low-income households (0–30 percent of area median income)	20	0	0.0
Number of housing units	200	0	0.0
Number of single-family units	200	0	0.0
Number of substantially rehabilitated units	200	0	0.0
<b>2017 Multifamily Housing Program<sup>a</sup></b>			
Number of households	59	0	0.0
Number of renter households	59	0	0.0
Number of extremely low-income households (0–30 percent of area median income)	19	0	0.0
Number of housing units	59	0	0.0
Number of multifamily units	59	0	0.0

**Appendix III: Performance Measures for  
Selected Grantees' 2017 and 2018 CDBG-DR  
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Performance measure	Projected	Actual	Percentage of target accomplished
<b>2018 Owner-Occupied Housing Rehabilitation and Reconstruction Program</b>			
Number of households	580 <sup>b</sup>	0	0.0
Number of owner households	580 <sup>b</sup>	0	0.0
Number of extremely low-income households (0–30 percent of area median income)	50	0	0.0
Number of housing units	400	0	0.0
Number of single-family units	400	0	0.0

Source: GAO analysis of Department of Housing and Urban Development (HUD) data. | GAO-23-105295

<sup>a</sup>California had not reported on its 2018 Multifamily Housing Program accomplishments as of July 11, 2022.

<sup>b</sup>According to California officials, this number should be 400, and the data submitted to HUD are being updated.

**Table 15: Florida's Performance Measures Reported for 2017 and 2018 Community Development Block Grant Disaster Recovery Housing Activities, as of July 11, 2022**

Performance measure	Projected	Actual	Percentage of target accomplished
<b>2017 Housing Repair and Replacement Program</b>			
Number of households	7,375	1,779	24.1
Number of owner households	6,256	1,776	28.4
Number of renter households	1,119	3	0.3
Number of housing units	7,375	1,807	24.5
Number of single-family units	6,679	1,807	27.1
Number of multifamily units	696	0	0.0
Number of elevated structures	630	0	0.0
<b>2017 Workforce Affordable Rental New Construction Program</b>			
Number of households	1,702 <sup>a</sup>	0	0.0
Number of renter households	1,702 <sup>a</sup>	0	0.0
Number of housing units	1,691	0	0.0
Number of single-family units	232	0	0.0
Number of multifamily units	1,459	0	0.0
Number of elevated structures	22	0	0.0
<b>2017 Voluntary Home Buyout Program<sup>b</sup></b>			
Number of housing units	205	16	7.8
Number of single-family units	205	16	7.8
Number of parcels acquired voluntarily	216	16	7.4
Number of persons	216	0	0.0
<b>2018 Housing Repair and Replacement Program</b>			

**Appendix III: Performance Measures for  
Selected Grantees' 2017 and 2018 CDBG-DR  
Funds**

Performance measure	Projected	Actual	Percentage of target accomplished
Number of households	4,627	47	1.0
Number of owner households	4,547	47	1.0
Number of renter households	80	0	0.0
Number of elevated structures	617	0	0.0
Number of housing units	4,547	159	3.5
Number of single-family units	4,547	159	3.5

Source: GAO analysis of Department of Housing and Urban Development data. | GAO-23-105295

<sup>a</sup>Florida officials said that this number should be 1,691 and that the number of households is constantly evolving as they implement the program.

<sup>b</sup>Florida also budgeted 2018 Community Development Block Grant Disaster Recovery funds for the Voluntary Home Buyout Program. As of July 11, 2022, the grantee had not reported on the performance metrics for this activity.

**Table 16: North Carolina's Performance Measures Reported for 2018 Community Development Block Grant Disaster Recovery Housing Activities, as of July 11, 2022**

Performance measure	Projected	Actual	Percentage of target accomplished
<b>Homeowner Recovery Program</b>			
Number of households	4,350	18 <sup>a</sup>	0.4
Number of owner households	4,350	18 <sup>a</sup>	0.4
Number of housing units	4,350	18 <sup>a</sup>	0.4
Number of single-family units	4,350	18 <sup>a</sup>	0.4
Number of properties	4,350	0	0.0
Number of elevated structures	228	1 <sup>b</sup>	0.4
<b>Affordable Housing Development Fund</b>			
Number of households	758	0	0.0
Number of renter households	758	0	0.0
Number of housing units	758	0	0.0
Number of multifamily units	758	0	0.0
Number of properties	6	0	0.0

Source: GAO analysis of Department of Housing and Urban Development data. | GAO-23-105295

Note: North Carolina also budgeted Community Development Block Grant Disaster Recovery funds for three additional housing activities: Homeownership Assistance, Housing Counseling Fund, and Public Housing Restoration Fund. As of July 11, 2022, the grantee had not reported on the performance metrics for these three activities.

<sup>a</sup>North Carolina officials said this number was not properly aggregated and should be 32.

<sup>b</sup>North Carolina officials said this number was not properly aggregated and should be 3.

Appendix III: Performance Measures for  
Selected Grantees' 2017 and 2018 CDBG-DR  
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**Table 17: Puerto Rico's Performance Measures Reported for 2017 Community Development Block Grant Disaster Recovery (CDBG-DR) Housing Activities, as of July 11, 2022**

Performance measure	Projected	Actual	Percentage of target accomplished
<b>Home Repair, Reconstruction, or Relocation Program</b>			
Number of households	15,522	3,043	19.6
Number of owner households	15,522	3,043	19.6
Number of housing units	15,522	3,043	19.6
Number of single-family units	15,522	3,043	19.6
Number of substantially rehabilitated units	6,639	1,810	27.3
Number of elevated structures	532	0	0.0
Number of properties	11,878	3,043	25.6
Number of total labor hours	0	49,784	Not applicable <sup>a</sup>
Number of Section 3 labor hours <sup>b</sup>	0	16,981	Not applicable <sup>a</sup>
Number of targeted Section 3 labor hours <sup>b</sup>	0	7,358	Not applicable <sup>a</sup>
<b>Title Clearance Program</b>			
Number of households	4,651	153	3.3
Number of owner households	4,651	153	3.3
Number of housing units	4,651	153	3.3
Number of single-family units	4,651	153	3.3
<b>Rental Assistance Program</b>			
Number of persons	1,851	1,753	94.7
<b>Social Interest Housing Program</b>			
Number of households	358	0	0.0
Number of renter households	358	0	0.0
Number of housing units	358	0	0.0
Number of single-family units	20	0	0.0
Number of multifamily units	338	0	0.0
Number of total labor hours	0	1,337	Not applicable <sup>a</sup>
<b>Housing Counseling Program</b>			
Number of households	13,510	12,978	96.1
<b>CDBG-DR Gap to Low Income Housing Tax Credits Program<sup>c</sup></b>			
Number of households	7,606	0	0.0
Number of renter households	7,606	0	0.0
Number of housing units	7,606	0	0.0
Number of multifamily units	7,606	0	0.0
Number of elevated structures	0	14,972 <sup>d</sup>	Not applicable <sup>a</sup>
Number of total labor hours	0	15,572	Not applicable <sup>a</sup>

**Appendix III: Performance Measures for  
Selected Grantees' 2017 and 2018 CDBG-DR  
Funds**

<b>Performance measure</b>	<b>Projected</b>	<b>Actual</b>	<b>Percentage of target accomplished</b>
Number of targeted Section 3 labor hours <sup>b</sup>	0	600	Not applicable <sup>a</sup>
<b>Community Energy and Water Resilience Installations Program</b>			
Number of households	12,000	0	0.0
<b>Homebuyer Assistance Program</b>			
Number of households	11,648	2,187	18.8
Number of owner households	11,648	2,187	18.8
Number of housing units	11,648	2,187	18.8
Number of single-family units	9,098	1,820	20.0
Number of multifamily units	2,550	367	14.4
<b>Blue Roof Repair Program</b>			
Number of households	12,500	0	0.0
Number of owner households	12,500	0	0.0
Number of housing units	12,500	0	0.0
Number of single-family units	12,500	0	0.0
Number of properties	12,500	0	0.0

Source: GAO analysis of Department of Housing and Urban Development (HUD) data. | GAO-23-105295

<sup>a</sup>We did not calculate the percentage of target accomplished for activities that had zero for the projected measure.

<sup>b</sup>Section 3 of the Housing and Urban Development Act of 1968, as amended, requires that employment and other economic opportunities generated by federal financial assistance for housing and community development programs, to the greatest extent feasible, be directed toward very low-income (up to 50 percent of HUD area median family income) and low-income (up to 80 percent of HUD area median family income) persons.

<sup>c</sup>The Low-Income Housing Tax Credit program encourages private investment in low-income housing through tax credits. The program is administered by the Internal Revenue Service and allocating agencies, which are typically state or local housing finance agencies established to meet affordable housing needs in their jurisdictions.

<sup>d</sup>According to Puerto Rico officials, this number should be 0, and the data submitted to HUD have been updated.



Appendix III: Performance Measures for  
Selected Grantees' 2017 and 2018 CDBG-DR  
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**Table 18: South Carolina's Performance Measures Reported for 2018 Community Development Block Grant Disaster Recovery Housing Activities, as of July 11, 2022**

Performance measure	Projected	Actual	Percentage of target accomplished
<b>Single-Family Housing Program</b>			
Number of households	350 <sup>a</sup>	87	24.9
Number of owner households	350 <sup>a</sup>	87	24.9
Number of housing units	398	87	21.9
Number of single-family units	398	87	21.9
Number of substantially rehabilitated units	123	53	43.1
Number of properties	398	87	21.9
Number of elevated structures	64	1	1.6
<b>Affordable Rental Program</b>			
Number of households	20	0	0.0
Number of renter households	20	0	0.0
Number of housing units	20	0	0.0
Number of single-family units	20	0	0.0
Number of properties	20	0	0.0
<b>Buyout Program</b>			
Number of persons	50	0	0.0
Number of housing units	50	0	0.0
Number of single-family units	50	0	0.0
Number of parcels acquired voluntarily	50	0	0.0
Number of properties	50	0	0.0

Source: GAO analysis of Department of Housing and Urban Development (HUD) data. | GAO-23-105295

<sup>a</sup>According to South Carolina officials, this number should be 398, and the data submitted to HUD have been updated.

Appendix III: Performance Measures for  
Selected Grantees' 2017 and 2018 CDBG-DR  
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**Table 19: Texas's Performance Measures Reported for 2017 and 2018 Community Development Block Grant Disaster Recovery Housing Activities, as of July 11, 2022**

Performance measure	Projected	Actual	Percentage of target accomplished
<b>2017 State of Texas—Homeowner Assistance Program</b>			
Number of households	5,841	4,251	72.8
Number of owner households	5,841	4,251	72.8
Number of housing units	5,841	4,251	72.8
Number of single-family units	5,841	4,251	72.8
Number of elevated structures	1,462	2,669	182.6
<b>2017 State of Texas—Harris County Homeowner Assistance Program</b>			
Number of households	500	146	29.2
Number of owner households	500	146	29.2
Number of housing units	500	146	29.2
Number of single-family units	500	146	29.2
Number of properties	0	43	Not applicable <sup>a</sup>
Number of elevated structures	200	114	57.0
<b>2017 State of Texas—City of Houston Homeowner Assistance Program</b>			
Number of households	2,016	334	16.6
Number of owner households	2,016	334	16.6
Number of housing units	2,016	334	16.6
Number of single-family units	2,016	334	16.6
Number of properties	0	117	Not applicable <sup>a</sup>
Number of elevated structures	1,007	125	12.4
<b>2017 State of Texas—Affordable Rental Program</b>			
Number of households	5,971	138	2.3
Number of renter households	5,971	138	2.3
Number of housing units	5,971	138	2.3
Number of multifamily units	5,971	138	2.3
Number of properties	68	3	4.4
<b>2017 State of Texas—Local Buyout/Acquisition Program</b>			
Number of households	2,808	0	0.0
Number of owner households	2,808	0	0.0
Number of housing units	2,297	0	0.0
Number of single-family units	2,297	0	0.0
Number of persons	1 <sup>b</sup>	0	0.0
Number of properties	1 <sup>b</sup>	0	0.0

**Appendix III: Performance Measures for  
Selected Grantees' 2017 and 2018 CDBG-DR  
Funds**

<b>Performance measure</b>	<b>Projected</b>	<b>Actual</b>	<b>Percentage of target accomplished</b>
<b>2017 State of Texas—Homeowner Reimbursement Program</b>			
Number of households	929	2,968	319.5
Number of owner households	929	2,968	319.5
Number of housing units	929	2,968	319.5
Number of single-family units	929	2,968	319.5
Number of properties	929	2,968	319.5
<b>2017 State of Texas—Partial Repair and Essential Power for Sheltering Program</b>			
Number of households	15,666	0 <sup>c</sup>	0.0
Number of owner households	15,666	0 <sup>c</sup>	0.0
Number of housing units	15,666	15,666	100.0
Number of single-family units	15,666	15,666	100.0
<b>2017 Harris County—Homeowner Assistance Program</b>			
Number of households	150	17	11.3
Number of owner households	150	17	11.3
Number of housing units	150	17	11.3
Number of single-family units	150	17	11.3
Number of properties <sup>d</sup>	0	11	Not applicable <sup>a</sup>
Number of elevated structures	150	9	6.0
Number of persons	200	0	0.0
<b>2017 Harris County—Residential Buyout Program</b>			
Number of households	1,090	0	0.0
Number of owner households	1,090	0	0.0
Number of housing units	490	0	0.0
Number of single-family units	490	0	0.0
<b>2017 Harris County—Reimbursement Program</b>			
Number of households	1,200	88	7.3
Number of owner households	1,200	88	7.3
Number of housing units	1,200	88	7.3
Number of single-family units	1,200	88	7.3
Number of properties	0	2	Not applicable <sup>a</sup>
<b>2017 Harris County—Affordable Rental Program</b>			
Number of households	1,761	0	0.0
Number of renter households	1,761	0	0.0
Number of housing units	1,761	0	0.0
Number of multifamily units	1,761	0	0.0
Number of persons	500	0	0.0

**Appendix III: Performance Measures for  
Selected Grantees' 2017 and 2018 CDBG-DR  
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<b>Performance measure</b>	<b>Projected</b>	<b>Actual</b>	<b>Percentage of target accomplished</b>
<b>2017 Harris County—Single Family New Construction</b>			
Number of households	385	0	0.0
Number of owner households	385	0	0.0
Number of housing units	385	0	0.0
Number of single-family units	385	0	0.0
<b>2017 City of Houston—Homeowner Assistance Program</b>			
Number of households	797	440	55.2
Number of owner households	797	440	55.2
Number of housing units	797	440	55.2
Number of single-family units	797	440	55.2
Number of elevated structures	46	81	176.1
<b>2017 City of Houston—Single-Family Development Program</b>			
Number of households	226	0	0.0
Number of owner households	226	0	0.0
Number of housing units	226	0	0.0
Number of single-family units	226	0	0.0
Number of total labor hours <sup>e</sup>	1	0	0.0
Number of Section 3 labor hours <sup>f</sup>	1	0	0.0
Number of targeted Section 3 labor hours <sup>f</sup>	1	0	0.0
<b>2017 City of Houston—Multifamily Rental Program</b>			
Number of households	1,967	0	0.0
Number of renter households	1,967	0	0.0
Number of housing units	1,967	0	0.0
Number of multifamily units	1,967	0	0.0
Number of total labor hours <sup>e</sup>	1	0	0.0
Number of Section 3 labor hours <sup>f</sup>	1	0	0.0
Number of targeted Section 3 labor hours <sup>f</sup>	1	0	0.0
<b>2017 City of Houston—Small Rental Program</b>			
Number of households	90	0	0.0
Number of renter households	90	0	0.0
Number of housing units	86	0	0.0
Number of multifamily units	86	0	0.0
Number of total labor hours <sup>e</sup>	1	0	0.0
Number of Section 3 labor hours <sup>f</sup>	1	0	0.0
Number of targeted Section 3 labor hours <sup>f</sup>	1	0	0.0

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Selected Grantees' 2017 and 2018 CDBG-DR  
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<b>Performance measure</b>	<b>Projected</b>	<b>Actual</b>	<b>Percentage of target accomplished</b>
<b>2017 City of Houston—Homebuyer Assistance Program</b>			
Number of households	1,011	346	34.2
Number of owner households	1,011	346	34.2
Number of housing units	1,011	346	34.2
Number of single-family units	1,011	346	34.2
<b>2017 City of Houston—Buyout Program</b>			
Number of households	612	0	0.0
Number of renter households	612	0	0.0
Number of housing units	750	0	0.0
Number of multifamily units	750	0	0.0
Number of persons	37,911	0	0.0
<b>2018 Homeowner Assistance Program</b>			
Number of households	107	1	0.9
Number of owner households	107	1	0.9
Number of housing units	107	1	0.9
Number of single-family units	107	1	0.9
Number of elevated structures	66	0	0.0
<b>2018 Affordable Rental Program</b>			
Number of households	356	0	0.0
Number of renter households	356	0	0.0
Number of housing units	356	0	0.0
Number of multifamily units	356	0	0.0
<b>2018 Homeowner Reimbursement Program</b>			
Number of households	118	0	0.0
Number of owner households	118	0	0.0
Number of housing units	118	0	0.0
Number of single-family units	118	0	0.0

Source: GAO analysis of Department of Housing and Urban Development (HUD) data. | GAO-23-105295

<sup>a</sup>We did not calculate the percentage of target accomplished for activities that had zero for the projected measure.

<sup>b</sup>According to Texas officials, these numbers are placeholders to avoid flags generated by HUD's system, and they will be updated when Texas's plans are finalized.

<sup>c</sup>According to Texas officials, these numbers are currently under review, with revisions forthcoming.

<sup>d</sup>According to Texas officials, this optional measure will be deleted.

<sup>e</sup>According to Texas officials, HUD recently added this performance measure, and they will report on it for the first time in the third quarter of fiscal year 2022.

<sup>f</sup>Section 3 of the Housing and Urban Development Act of 1968, as amended, requires that employment and other economic opportunities generated by federal financial assistance for housing and community development programs, to the greatest extent feasible, be directed toward very low-income (up to 50 percent of HUD area median family income) and low-income (up to 80 percent of

Appendix III: Performance Measures for  
Selected Grantees' 2017 and 2018 CDBG-DR  
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HUD area median family income) persons. According to Texas officials, HUD recently added this performance measure, and they will report on it for the first time in the third quarter of fiscal year 2022.

**Table 20: U.S. Virgin Islands' Performance Measures Reported for 2017 Community Development Block Grant Disaster Recovery Housing Activities, as of July 11, 2022**

Performance measure	Projected	Actual	Percentage of target accomplished
<b>Homeowner Rehabilitation and Reconstruction Program</b>			
Number of households	1,117 <sup>a</sup>	10	0.9
Number of owner households	429	10	2.3
Number of extremely low-income households (0–30 percent of area median income)	289	6	2.1
Number of housing units	749 <sup>a</sup>	10	1.3
Number of single-family units	429	10	2.3
Number of properties	429	10	2.3
Number of indoor light fixtures replaced	429	5	1.2
<b>New Housing and Infrastructure Construction Program</b>			
Number of households	12	0	0.0
Number of owner households	12	0	0.0
Number of housing units	12	0	0.0
Number of single-family units	12	0	0.0
<b>Public and Affordable Development Program</b>			
Number of households	152	60	39.5
Number of renter households	152	60	39.5
Number of extremely low-income households (0–30 percent of area median income)	27	9	33.3
Number of housing units	152	60	39.5
Number of multifamily units	152	60	39.5
Number of low-flow showerheads	60	60	100.0
Number of low-flow toilets	60	60	100.0
Number of units exceeding ENERGY STAR rating <sup>b</sup>	60	60	100.0
Number of units with other green features	60	60	100.0
<b>Rental Rehabilitation and Reconstruction Program</b>			
Number of households	210	0	0.0
Number of renter households	370	0	0.0
Number of housing units	370	0	0.0
Number of multifamily units	210	0	0.0
Number of properties	95	2	2.1

Source: GAO analysis of Department of Housing and Urban Development data. | GAO-23-105295

<sup>a</sup>According to officials from the U.S. Virgin Islands, this number should be 429.

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**Appendix III: Performance Measures for  
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<sup>b</sup>ENERGY STAR is a voluntary labeling program designed to identify and promote energy-efficient products.

# Appendix IV: 2017 CDBG-DR Homeowner Assistance and Rental Housing Programs in Harris County and the City of Houston

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## Overview of Selected Harris County and City of Houston CDBG-DR Programs

In June 2018, the Texas General Land Office (GLO) allocated 2017 Community Development Block Grant Disaster Recovery (CDBG-DR) funds to two subrecipients: Harris County and the City of Houston (see fig. 14).<sup>1</sup> As subrecipients, Harris County and Houston created action plans for programs in their jurisdictions, and their homeowner assistance and rental housing development programs were the largest in their proposed action plans. GLO incorporated the subrecipients' plans into the state's action plan, and the Department of Housing and Urban Development (HUD) approved the revised plan on December 11, 2018.

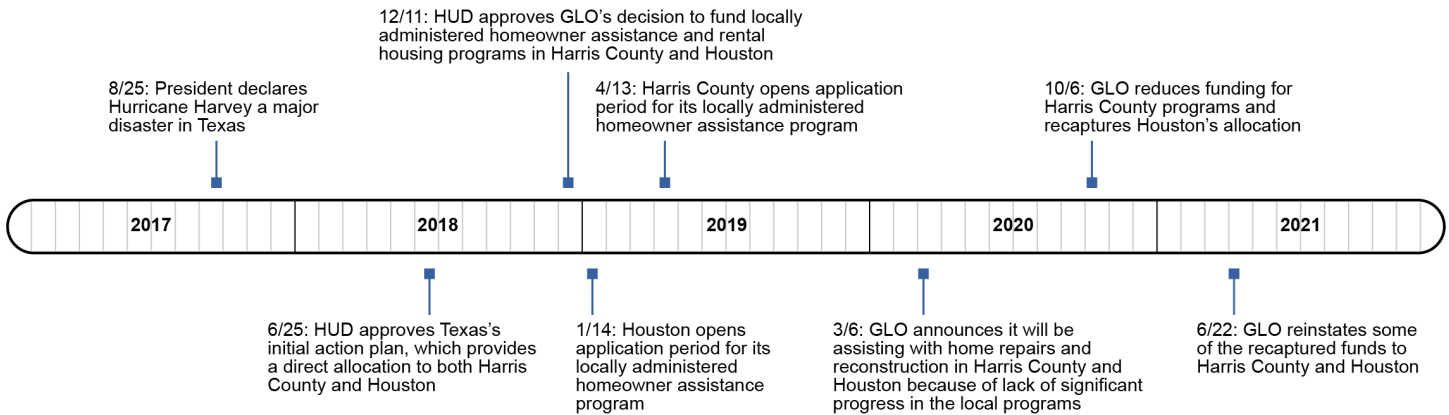
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<sup>1</sup>As the grantee, GLO is responsible for overseeing Harris County and Houston to ensure that they spend funds within 6 years as required by the Department of Housing and Urban Development (HUD). As a result of the COVID-19 pandemic, HUD provided an extension of the Hurricane Harvey expenditure deadline, making the deadline August 17, 2026.



**Appendix IV: 2017 CDBG-DR Homeowner Assistance and Rental Housing Programs in Harris County and the City of Houston**

**Figure 14: Time Line for Harris County and City of Houston Homeowner Assistance and Rental Housing Development Programs**



GLO: Texas General Land Office  
 HUD: Department of Housing and Urban Development  
 Source: GAO analysis of program documentation. | GAO-23-105295

In 2019, GLO found that Harris County and Houston were not on track to expend their 2017 CDBG-DR program funds by HUD’s deadline.<sup>2</sup> The HUD Office of Inspector General (OIG) reviewed the two subrecipients’ progress and found in June 2021 and January 2022 that Harris County and Houston, respectively, faced challenges in administering their 2017 CDBG-DR funds efficiently and effectively.<sup>3</sup> Specifically, the HUD OIG found that Harris County was overwhelmed by the number of programs it intended to operate. This and staff not responding effectively to GLO training and guidance resulted in Harris County making slow progress in its housing programs, including its homeowner assistance and rental housing development programs. In its written responses to the HUD OIG report, Harris County said the county did not have the authority to implement its programs until February 2019 (18 months after Hurricane Harvey). The county also said that GLO and Harris County officials

<sup>2</sup>In April 2020, GLO notified Harris County and Houston that it was drafting an amendment to the state’s action plan that would reduce funding to Harris County and eliminate funding to Houston. Houston pursued litigation against GLO, alleging a breach of contract, but a Texas Supreme Court ruling allowed GLO to submit its amendment to HUD for approval. See *In Re Texas Land Office*, Order Issued for Petition on Writ for Mandamus, No. 20-0609 (Tx. S.C. 2020).

<sup>3</sup>Department of Housing and Urban Development, Office of Inspector General, *Harris County Community Services Department, Houston, TX, Was Inefficient and Ineffective in Operating Its Hurricane Harvey Program*, 2021-FW-1001 (Fort Worth, TX: June 2, 2021) and *The City of Houston, Houston, TX, Faced Challenges in Administering Its Hurricane Harvey Program and Risked Losing Its Funding*, 2022-FW-1001 (Fort Worth, TX: Jan. 4, 2022).

interpreted certain HUD rules differently, which resulted in increased negotiation and policy revisions that added to the delay in program progress.

In addition, the HUD OIG found that GLO and Houston disagreed on program requirements, which caused delays in the implementation of activities funded with 2017 funds. Similar to Harris County, Houston stated in its written responses that the city had access to these funds for only half of the HUD OIG audit period. The city also said the HUD OIG focused on how quickly funds were expended rather than assessing how well the activities served the intended households, particularly the most vulnerable populations.

To address concerns about the subrecipients' progress, on October 6, 2020, HUD approved an amendment to the state's action plan that recaptured all of Houston's allocation and reduced funding for Harris County programs (including funding for the homeowner assistance and rental housing development programs of both subrecipients). This amended plan also created separate state-run Homeowner Assistance Programs for Harris County and Houston to replace the locally administered programs for most eligible residents.<sup>4</sup>

In June 2021, HUD approved another amendment to the state's action plan. This amendment reinstated some of the funding GLO had recaptured from Harris County and Houston to allow them to continue to administer funds for a certain portion of the homeowner assistance and rental housing developments that GLO had already approved. Specifically, GLO budgeted \$45 million and \$82 million, respectively, for Harris County and Houston's homeowner assistance programs and \$249 million and \$450 million, respectively, for their rental housing development programs (see table 21). As a result, there are now both state-run and locally administered programs.

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<sup>4</sup>We provide more detailed information about these state-run HAPs earlier in this report.

**Table 21: 2017 Community Development Block Grant Disaster Recovery Funds Budgeted for Harris County’s and Houston’s Homeowner Assistance and Rental Housing Development Programs, as of October 2022**

Subrecipient	Initial allocation (dollars in millions)	Current allocation (dollars in millions)
Homeowner assistance programs		
Harris County	214	45
Houston	393	82
Rental housing development programs		
Harris County	205	249
Houston	321	450

Source: GAO analysis of Texas General Land Office information. | GAO-23-105295

## Status of Harris County and City of Houston Homeowner Assistance Programs

Similar to GLO’s state-run Homeowner Assistance Programs, the Harris County Homeowner Assistance Program and the Houston Homeowner Assistance Program aim to rehabilitate and reconstruct owner-occupied single-family homes damaged by Hurricane Harvey in their jurisdictions. The Harris County program also offers temporary financial assistance to homeowners displaced by the disaster or in the process of completing repairs. The Houston program offers a reimbursement option for homeowners who have already completed their own repairs to their homes. As of October 2022, Harris County had constructed about 60 percent of its projected units and Houston had constructed about 95 percent (see table 22).

**Table 22: Projected and Actual Units for Harris County and Houston Homeowner Assistance Programs, as of October 2022**

Program	Projected number of units	Actual number of units constructed	Percentage of units constructed
Harris County Homeowner Assistance Program	320	191	60%
Houston Homeowner Assistance Program	765	728	95%

Source: Information from the Texas General Land Office and the City of Houston. | GAO-23-105295

## Status of Harris County and City of Houston Rental Housing Development Programs

Similar to GLO’s Affordable Rental Program, Harris County’s Affordable Rental Housing Program and Houston’s Multifamily Rental Program aim to provide funds for rehabilitation, reconstruction, and construction of affordable rental housing developments in areas affected by Hurricane Harvey. In addition, Harris County plans to use its funds for case management services for displaced renter households, and Houston intends to use its funds to expand the area’s affordable rental housing stock. Harris County plans to complete 16 developments under its Affordable Rental Housing Program, resulting in about 2,500 units. Houston has approved grants for the construction of 31 developments under the Multifamily Rental Program, resulting in about 3,600 units. As of October 2022, Harris County had completed construction on about 19 percent of its planned developments (see table 23). As of the same date, Houston had completed construction on about 35 percent of its funded developments.

**Table 23: Projected and Actual Units for Harris County and Houston Rental Housing Development Programs, as of October 2022**

Program	Projected number of developments	Actual number of developments constructed	Percentage of developments constructed
Harris County Affordable Rental Housing Program	16	3	19%
Houston Multifamily Rental Program	31	11	35%

Source: Information from the Texas General Land Office and the City of Houston. | GAO-23-105295

As previously mentioned, GLO reinstated Houston’s funds for its Multifamily Rental Program in June 2021. However, in a November 2021 monitoring report, GLO found inconsistencies in the award processes and called for corrective actions to address five findings. For example, GLO found that Houston lacked documentation to justify award recommendations and had recommended awarding a project to a developer despite the initial score not supporting such a recommendation. The report noted that GLO would not approve five pending developments because of concerns about the lack of documentation to justify award recommendations.

In Houston’s response to GLO’s report, the city disputed GLO’s conclusion that it did not have appropriate processes and necessary controls and noted that GLO had previously approved the program

guidelines that established its processes and controls. Nevertheless, Houston indicated that it would update its guidelines for its award process for remaining funds but requested that GLO approve the five pending developments and withdraw its requirement that Houston rescore its applications. In December 2021 and June 2022, GLO reported that it had approved three of the five pending developments. In addition, it reported that Houston had addressed three of the five findings. GLO officials stated they would continue to follow up with Houston until it addresses the remaining open findings.

# Appendix V: Additional Data on Texas's Homeowner Assistance Programs

Tables 24–26 provide additional statistics from our analysis of the Texas Homeowner Assistance Programs. These tables supplement data in figures 8–10 on the durations of program phases and the steps within the phases.

**Table 24: Duration of Texas's Homeowner Assistance Programs (HAP) by Percentile, as of August 11, 2022**

Program phase	Number of applications included in analysis	Durations in months			
		25th percentile	Median	75th percentile	90th percentile
<b>HAP for 48 counties affected by Hurricane Harvey (excluding Harris County and City of Houston)</b>					
Application processing phase <sup>a</sup>	5,688	8.7	14.3	21.5	27.5
Preconstruction phase <sup>b</sup>	5,418	2.3	3.8	5.7	8.7
Construction phase <sup>c</sup>	5,077	2.4	3.0	4.0	5.3
<b>HAP for Harris County</b>					
Application processing phase <sup>a</sup>	389	4.0	5.8	9.2	14.3
Preconstruction phase <sup>b</sup>	199	4.4	6.2	8.6	13.0
Construction phase <sup>c</sup>	176	2.3	2.9	3.8	5.3
<b>HAP for the City of Houston</b>					
Application processing phase <sup>a</sup>	1,597	5.1	8.2	13.0	16.5
Preconstruction phase <sup>b</sup>	630	5.0	6.9	8.7	11.0
Construction phase <sup>c</sup>	530	2.6	3.1	4.2	5.4

Source: GAO analysis of data from the Texas General Land Office (GLO) and vendor implementing the HAPs for Harris County and Houston. | GAO-23-105295

Note: This table provides additional data to supplement figure 8 in GAO-23-105295. Our analysis includes all approved projects that are ongoing or completed.

<sup>a</sup>The application processing phase is from application creation to assistance approval from GLO.

<sup>b</sup>The preconstruction phase is from assistance approval to when a vendor issues a notice to proceed with construction.

<sup>c</sup>The construction phase is from when a notice to proceed is issued to the final construction inspection. For the time elapsed between the notice to proceed with construction step and the progress inspection step, we analyzed data for units with completed construction and those that were still in the construction phase as of August 2022. For the progress inspection to final inspection steps, we analyzed data for units with completed construction only.

**Appendix V: Additional Data on Texas's  
Homeowner Assistance Programs**

**Table 25: Duration of Completed and Ongoing Projects in Texas's Homeowner Assistance Programs (HAP) by Percentile, as of August 11, 2022**

Program phase	Number of applications included in analysis	Durations in months			
		25th percentile	Median	75th percentile	90th percentile
<b>HAP for 48 counties affected by Hurricane Harvey (excluding Harris County and City of Houston)</b>					
Application processing phase <sup>a</sup>					
Ongoing projects	558	23.2	28.7	33.1	37.6
Completed projects	5,130	8.2	13.2	19.9	24.4
Preconstruction phase <sup>b</sup>					
Ongoing projects	346	3.9	5.5	9.2	16.3
Completed projects	5,072	2.2	3.7	5.6	8.3
<b>HAP for Harris County</b>					
Application processing phase <sup>a</sup>					
Ongoing projects	210	5.0	7.3	11.2	17.5
Completed projects	179	3.0	4.4	6.8	9.6
Preconstruction phase <sup>b</sup>					
Ongoing projects	22	8.2	9.2	13.5	19.6
Completed projects	177	4.2	5.7	7.5	11.8
<b>HAP for the City of Houston</b>					
Application processing phase <sup>a</sup>					
Ongoing projects	1,063	7.0	11.2	14.8	17.6
Completed projects	534	3.7	5.2	6.6	8.8
Preconstruction phase <sup>b</sup>					
Ongoing projects	101	8.0	8.9	11.4	13.3
Completed projects	529	4.5	6.5	8.2	10.1

Source: GAO analysis of data from the Texas General Land Office (GLO) and vendor implementing the HAPs for Harris County and Houston. | GAO-23-105295

Note: This table provides additional data to supplement figure 9 in GAO-23-105295.

<sup>a</sup>The application processing phase is from application creation to assistance approval from GLO.

<sup>b</sup>The preconstruction phase is from assistance approval to when a vendor issues a notice to proceed with construction.

**Appendix V: Additional Data on Texas's  
Homeowner Assistance Programs**

**Table 26: Duration of Steps in Texas's Homeowner Assistance Programs (HAP) by Percentile, as of August 11, 2022**

Program step	Number of applications included in analysis	Durations in months			
		25th percentile	Median	75th percentile	90th percentile
<b>HAP for 48 counties affected by Hurricane Harvey (HAP-48)<sup>a</sup></b>					
Preconstruction phase <sup>b</sup>					
Preconstruction conference	5,458	1.4	2.9	4.7	7.8
Notice to proceed with construction	5,407	0.5	0.9	1.1	1.6
Construction phase <sup>c</sup>					
Progress inspection	4,982	1.0	1.5	2.2	3.2
Final inspection	4,827	1.1	1.4	1.8	2.4
<b>HAP for Harris County</b>					
Application processing phase <sup>d</sup>					
Completeness review	389	0.3	1.0	2.4	4.8
Household eligibility review <sup>e</sup>	368	0.0	0.2	1.1	3.2
Project setup and Texas General Land Office approval	368	2.3	3.4	5.2	7.7
Preconstruction phase <sup>b</sup>					
Preconstruction conference	237	2.5	4.3	6.5	11.5
Notice to proceed with construction	187	0.9	1.9	3.3	4.6
Construction phase <sup>c</sup>					
Progress inspection	166	1.1	1.4	1.8	2.6
Final inspection	156	1.2	1.5	1.8	2.5
<b>HAP for the City of Houston</b>					
Application processing phase <sup>d</sup>					
Completeness review	1,600	0.9	1.9	4.5	9.2
Household eligibility review <sup>e</sup>	1,434	0.1	0.7	2.0	4.0
Project setup and Texas General Land Office approval	1,432	2.6	3.9	5.5	7.3
Preconstruction phase <sup>b</sup>					
Preconstruction conference	968	2.6	4.1	5.6	7.5
Notice to proceed with construction	606	1.6	2.9	4.7	6.8
Construction phase <sup>c</sup>					
Progress inspection	569	1.2	1.5	2.1	3.1
Final inspection	521	1.2	1.5	2.0	2.7

Source: GAO analysis of data from Texas General Land Office (GLO) and vendor implementing the HAPs for Harris County and Houston. | GAO-23-105295

Note: This table provides additional data to supplement figure 10 in GAO-23-105295. Our analysis includes all approved projects that are ongoing or completed.

<sup>a</sup>We did not include median durations for the steps in the application processing phase for HAP-48 because reliable data were not available. HAP-48 excludes Harris County and City of Houston.



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**Appendix V: Additional Data on Texas's  
Homeowner Assistance Programs**

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<sup>b</sup>The preconstruction phase is from assistance approval to when a vendor issues a notice to proceed with construction.

<sup>c</sup>The construction phase is from when a notice to proceed is issued to the final construction inspection. For the time elapsed between the notice to proceed with construction step and the progress inspection step, we analyzed data for units with completed construction and those that were still in the construction phase as of August 2022. For the progress inspection to final inspection steps, we analyzed data for units with completed construction only.

<sup>d</sup>The application processing phase is from application creation to assistance approval from GLO.

<sup>e</sup>The median duration of the eligibility review step likely does not include the full eligibility review process because an applicant's eligibility could be reassessed as the application goes through the application processing phase. Although we could not determine how many applications were affected by this, we excluded about 4 percent of them because our comparison of data extracted in February 2022 and August 2022 showed that the eligibility determination date had changed. We excluded an additional 5 percent of applications with missing eligibility review durations.

## Appendix VI: Comments from the Department of Housing and Urban Development



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-7000

PRINCIPAL DEPUTY ASSISTANT SECRETARY  
FOR COMMUNITY PLANNING AND DEVELOPMENT

Mr. Daniel Garcia-Diaz  
Managing Director, Financial Markets and Community Investments  
Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Re: GAO Audit – Draft Report CPD-22-105295

Dear Mr. Garcia-Diaz:

On October 11, 2022, the Government Accountability Office (GAO) provided HUD with the draft report entitled “*Disaster Recovery: Better Information Needed on the Progress of Block Grant Funds*” [GAO-22-105295]. The report examines (1) the status of selected grantees’ 2017 and 2018 CDBG-DR housing activities; (2) whether grantees’ quarterly reports to HUD provide clear information on performance; (3) Texas’s implementation of its homeowner assistance programs and the extent to which HUD requires grantees to collect data to manage these programs effectively; and (4) Texas’s implementation of its affordable rental housing program.

The GAO draft report includes two Recommendations for HUD. This letter provides agency comment on the draft report.

**GAO Recommendation 1: The Assistant Secretary of Community Planning and Development should revise HUD’s standard Quarterly Performance Report format and related guidance to ensure the reports provide more clear and transparent information on the status of grantees’ CDBG-DR activities. For example, the revised report format could include a summary of aggregated performance measures at the activity level.**

The Department concurs with the recommendation to aggregate data in the Quarterly Performance Report (QPR) at a level that is more easily understood by the public. The Department notes that it has already taken steps in its Disaster Recovery Grant Reporting (DRGR) system to build in expanded functionality in the newly released Public Action Plan to provide grantees with more options for aggregating data. The Department will continue to build on efforts to make performance data more easily understood by the public in the grantees’ QPRs.

The Department notes, however, that in focusing solely on the Quarterly Performance Report from the State of Texas, GAO’s observations are informed by an outlier case. Reporting from the State of Texas is unusually complicated given the grantee’s multiple open CDBG-DR grants from frequent storms, its large set of program activities, and its use of numerous city and county jurisdictions to implement the State’s recovery programs. Given these factors, HUD advises GAO that the length of Texas’s QPR is atypical.

**GAO Recommendation 2: The Assistant Secretary of Community Planning and Development should, in the event of future CDBG-DR funding, require its applicants to collect and analyze data on critical milestones needed to monitor the timeliness of their**

[www.hud.gov](http://www.hud.gov)

[espanol.hud.gov](http://espanol.hud.gov)

**housing activities and inform corrective actions, consistent with leading project management practices.**

The Department agrees that it is good practice for a grantee to internally keep track of milestones to ensure that its programs are meeting required timelines and identifying bottlenecks in their processes. However, HUD believes that grantees already collect and analyze data on the performance of recovery programs, have tools to monitor the timeliness of activities and perform monitoring to inform corrective actions for the numerous recovery activities grantees are implementing. Long-term recovery is not project management. Disaster recovery is the process of improving individual, family, and community resilience after a disaster. Recovery is not only about the restoration of structures, systems, and services – although they are critical. A successful recovery is also about addressing sources of inequitable and unjust outcomes, and individuals and families being able to rebound from their losses and sustain their physical, social, economic, mental, emotional, and spiritual well-being (United Nations Definition of Recovery). Long-term recovery more closely resembles the movement across a disaster recovery continuum, which can be slowed or achieved to a lesser degree when countervailing factors exist.

The Department is already collecting data in grantees' QPRs, and as mentioned above, we continue to build on efforts to make performance data more easily understood by the public. Although QPRs are due to HUD no later than 30 days after the end of each quarter, grantees are encouraged by HUD staff to complete the DRGR Performance Report template throughout the quarter as opposed to waiting until the end of the quarter. Regular inputs into the QPR can benefit grantees, as it can alert them to any bottlenecks or successes their programs are seeing and can help grantees to submit the QPR in a timely manner. If HUD staff are concerned about a grantee's performance, they would also be able to see these inputs in the QPR. It may indicate if the grantee needs to meet with HUD to discuss implementation, potential barriers, or other needs.

Additionally, the Department requires CDBG-DR grantees to submit their projection of expenditures and outcomes when grantees submit action plans. The projections are based on each quarter's expected performance—beginning with the quarter funds are available to the grantee and continuing each quarter until all funds are expended. These projections are posted on the CDBG-DR grantee's website. The projections allow HUD, the public, and the grantee to track proposed versus actual performance. This process, along with the QPRs, already keeps grantees abreast of their projections and able to assess their ability to meet milestones as they move through program implementation.

Additionally, as the GAO mentions in its report, CDBG-DR grantees can fund different types of programs and activities through different mechanisms. In some cases, grantees may carry out activities directly; in other cases, the grantees may carry out programs through subrecipients or local governments. The Department acknowledges the necessity of ensuring disaster survivors know and understand when and how the community will recover. Nevertheless, the Department does not believe in creating additional and individual milestones for every type of eligible CDBG-DR activity, and then every type of mechanism a grantee may use to carry out that activity achieves that goal, particularly when existing Departmental requirements already capture grantee progress and when most grantees already have their own internal mechanisms for tracking that progress.

Thank you for this opportunity to comment on this draft GAO report as it relates to HUD's critical role in federal disaster recovery and mitigation. If you have any questions regarding the information in this letter, please contact Ms. Tennille S. Parker, Director, Disaster Recovery and Special Issues Division, (202) 402-4649, or by email at [Disaster\\_Recovery@hud.gov](mailto:Disaster_Recovery@hud.gov).

Sincerely,

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MCFADDEN

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Date: 2022.11.18 12:00:30  
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Marion Mollegen McFadden  
Principal Deputy Assistant Secretary  
for Community Planning & Development

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## Agency Comment Letter

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### Text of Appendix VI: Comments from the Department of Housing and Urban Development

Mr. Daniel Garcia-Diaz  
Managing Director, Financial Markets and Community Investments  
Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Re: GAO Audit – Draft Report CPD-22-105295

Dear Mr. Garcia-Diaz:

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The Department concurs with the recommendation to aggregate data in the Quarterly Performance Report (QPR) at a level that is more easily understood by the public. The Department notes that it has already taken steps in its Disaster Recovery Grant Reporting (DRGR) system to build in expanded functionality in the newly released Public Action Plan to provide grantees with more options for aggregating data. The Department will continue to build on efforts to make performance data more easily understood by the public in the grantees’ QPRs.

The Department notes, however, that in focusing solely on the Quarterly Performance Report from the State of Texas, GAO's observations are informed by an outlier case. Reporting from the State of Texas is unusually complicated given the grantee's multiple open CDBG-DR grants from frequent storms, its large set of program activities, and its use of numerous city and county jurisdictions to implement the State's recovery programs. Given these factors, HUD advises GAO that the length of Texas's QPR is atypical.

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Additionally, as the GAO mentions in its report, CDBG-DR grantees can fund different types of programs and activities through different mechanisms. In some cases, grantees may carry out activities directly; in other cases, the grantees may carry out programs through subrecipients or local governments. The Department acknowledges the necessity of ensuring disaster survivors know and understand when and how the community will recover.

Nevertheless, the Department does not believe in creating additional and individual milestones for every type of eligible CDBG-DR activity, and then every type of mechanism a grantee may use to carry out that activity achieves that goal, particularly when existing Departmental requirements already capture grantee progress and when most grantees already have their own internal mechanisms for tracking that progress.

Thank you for this opportunity to comment on this draft GAO report as it relates to HUD's critical role in federal disaster recovery and mitigation. If you have any questions regarding the information in this letter, please contact Ms. Tennille S. Parker, Director, Disaster Recovery and Special Issues Division, (202) 402-4649, or by email at [Disaster\\_Recovery@hud.gov](mailto:Disaster_Recovery@hud.gov).

Sincerely,

Marion Mollegen McFadden  
Principal Deputy Assistant Secretary for Community Planning & Development

# Appendix VII: Comments from the Texas General Land Office



TEXAS GENERAL LAND OFFICE  
GEORGE P. BUSH, COMMISSIONER

November 3, 2022

Daniel Garcia-Diaz  
Managing Director, Financial Markets and Community Investment  
Government Accountability Office  
441 G St., NW  
Washington, DC 20548

Re: Responses to GAO Report - 23-105296

Dear Mr. Garcia-Diaz:

The Texas General Land Office Community Development and Revitalization division (GLO) appreciates the opportunity to respond to the GAO's December 2022 draft audit report. The GLO values the independent and objective perspective provided during the GAO's audit of the Hurricane Harvey housing assistance and affordable rental programs.

The GLO agrees that opportunities exist to strengthen the data collection within the grant management system. However, we want to highlight several points to emphasize the GLO's position:

- The Harvey Action Plan set aside \$586,629,497 for Affordable Rental Housing. This program was the first of the Harvey programs to launch. As of August 2022, the GLO has completed 60 affordable rental projects. Twenty-one projects are still under construction, with expected completion in early 2023.
- Texas opened applications for its state-run Homeowner Assistance Program (HAP) in November 2018, approximately three months after executing the Harvey HUD Grant Agreement and about 1.3 years after Hurricane Harvey was declared a major disaster. Funds totaling approximately \$1.4 billion were fully obligated for construction activities by August 2022, with construction completion expected in early 2023.
- The Harvey Action Plan Amendment #7, approved by HUD on October 6, 2020, allowed the GLO to administer a portion of the City of Houston and Harris County Homeowner Assistance Programs. Eligible households within these programs can expect construction completion in early 2024.
- The GLO used the Texas Integrated Grant Reporting (TIGR) system as the system of record for maintaining program and financial records critical in supporting the program objectives of the Harvey Action Plan. TIGR, in and of itself, did not delay the implementation of housing programs identified in the State of Texas Harvey Action Plan.
- The GLO continues to enhance the TIGR system to improve the effectiveness and accuracy of the web-based application to document CDBG-DR program activities across multiple grants.

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**Appendix VII: Comments from the Texas  
General Land Office**

Responses to GAO Report - 23-105296  
November 3, 2022  
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The GLO has pushed out approximately 541 enhancements for various program activity modules and continues to grow system functionality.

- The “resets the date of key application processing milestones” noted in the GAO report implies a current state. Some assertions in the report are based on prior system iterations whose function was enhanced or no longer applicable. System enhancements deployed since the earlier days of TIGR have mitigated this comment.
- In conjunction with timeliness factors identified in vendor work orders, TIGR captures key milestones not required by federal requirements to track timeframes for housing assistance. The GLO has several processes to evaluate program timeliness. For housing activities, the GLO began running weekly aging reports in May of 2019 using TIGR data, and the GLO assesses liquidated damages against its contracted vendors to ensure the timely delivery of housing assistance.
- Neither HUD nor the Federal Register published the necessary criteria for a grant management system. Therefore Project Management Book of Knowledge (PMBOK) or the April 2019 Urban Institute Study standards do not apply to the GLO’s management system. While not required to follow the PMBOK, the GLO incorporates elements of project management best practices into its administration of housing programs and enhancements to TIGR.

The GLO fully obligated all HAP funds budgeted for construction by December 2020, approximately two years after opening applications to the Harvey population (excluding the City of Houston and Harris County). Additionally, HUD approved an additional \$400M in Housing Oversubscription Supplemental funding within the CDBG-MIT on March 31, 2020, to continue funding HAP applicants. GLO had obligated 98% of funds budgeted for construction from both sources by August 2022.

Despite the challenges of administering housing programs of about \$3 billion, the GLO has provided housing assistance faster than any previous grants administered in Texas and across the country. The GLO has become a resource and model for several grantees due to our design and delivery of housing programs.

If you have any questions, please contact me at [martin.rivera.glo@recovery.texas.gov](mailto:martin.rivera.glo@recovery.texas.gov) or 512-475-5081.

Sincerely,



Martin Rivera, Jr., Deputy Director  
Quality Assurance & Process Improvement  
Community Development and Revitalization

Cc: Heather Lagrone, Senior Deputy Director, GLO

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## Agency Comment Letter

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### Text of Appendix VII: Comments from the Texas General Land Office

November 3, 2022

Daniel Garcia-Diaz  
Managing Director, Financial Markets and Community Investment  
Government Accountability Office  
441 G St., NW  
Washington, DC 20548

Re: Responses to GAO Report - 23-105296

Dear Mr. Garcia-Diaz:

The Texas General Land Office Community Development and Revitalization division (GLO) appreciates the opportunity to respond to the GAO's December 2022 draft audit report. The GLO values the independent and objective perspective provided during the GAO's audit of the Hurricane Harvey housing assistance and affordable rental programs.

The GLO agrees that opportunities exist to strengthen the data collection within the grant management system. However, we want to highlight several points to emphasize the GLO's position:

- The Harvey Action Plan set aside \$586,629,497 for Affordable Rental Housing. This program was the first of the Harvey programs to launch. As of August 2022, the GLO has completed 60 affordable rental projects. Twenty-one projects are still under construction, with expected completion in early 2023.
- Texas opened applications for its state-run Homeowner Assistance Program (HAP) in November 2018, approximately three months after executing the Harvey HUD Grant Agreement and about 1.3 years after Hurricane Harvey was declared a major disaster. Funds totaling approximately \$1.4 billion were fully obligated for construction activities by August 2022, with construction completion expected in early 2023.
- The Harvey Action Plan Amendment #7, approved by HUD on October 6, 2020, allowed the GLO to administer a portion of the City of Houston and Harris County Homeowner Assistance Programs. Eligible households within these programs can expect construction completion in early 2024.
- The GLO used the Texas Integrated Grant Reporting (TIGR) system as the system of record for maintaining program and financial records critical in

supporting the program objectives of the Harvey Action Plan. TIGR, in and of itself, did not delay the implementation of housing programs identified in the State of Texas Harvey Action Plan.

- The GLO continues to enhance the TIGR system to improve the effectiveness and accuracy of the web-based application to document CDBG-DR program activities across multiple grants. The GLO has pushed out approximately 541 enhancements for various program activity modules and continues to grow system functionality.
- The “resets the date of key application processing milestones” noted in the GAO report implies a current state. Some assertions in the report are based on prior system iterations whose function was enhanced or no longer applicable. System enhancements deployed since the earlier days of TIGR have mitigated this comment.
- In conjunction with timeliness factors identified in vendor work orders, TIGR captures key milestones not required by federal requirements to track timeframes for housing assistance. The GLO has several processes to evaluate program timeliness. For housing activities, the GLO began running weekly aging reports in May of 2019 using TIGR data, and the GLO assesses liquidated damages against its contracted vendors to ensure the timely delivery of housing assistance.
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If you have any questions, please contact me at martin.rivera.glo@recovery.texas.gov or 512-475- 5081.

Sincerely,

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Martin Rivera, Jr., Deputy Director  
Quality Assurance & Process Improvement  
Community Development and Revitalization  
Cc: Heather Lagrone, Senior Deputy Director, GLO

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# Appendix VIII: GAO Contact and Staff Acknowledgments

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## GAO Contact

Daniel Garcia-Diaz, (202) 512-8678 or [garciadiazd@gao.gov](mailto:garciadiazd@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Paige Smith (Assistant Director), Josephine Perez (Analyst in Charge), Perry Chen, Jill Lacey, John McGrail, Marc Molino, Jason Rodriguez, Jennifer Schwartz, and Juliann Vadera made key contributions to this report.

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