

PROJECT FUNDING REQUEST

BOARD DATE: March 3, 2022 **PRESENTED BY:** Kathy Hopkins

ACTION REQUESTED

Consider approving an application from Cameron County and authorizing the Executive Administrator to negotiate and execute a contract for grant funding in an amount not to exceed \$282,216 from the Flood Infrastructure Fund for a federal grant award matching funds project.

STAFF RECOMMENDATION	
\boxtimes Approve	☐ No Action

BACKGROUND

Passed by the 86th Texas Legislature and approved by voters through a constitutional amendment, the Flood Infrastructure Fund (FIF) was created to provide funding for flood mitigation projects. The purpose of the FIF, as outlined in Senate Bill 7, is to assist in financing drainage, flood mitigation, and flood control projects. FIF projects presented for consideration have been scored and ranked using prioritization criteria outlined in 31 Texas Administrative Code § 363.404 and further specified in the 2020 Flood Intended Use Plan. The prioritized list of projects was approved by the Board on September 17, 2020.

KEY ISSUES

The selected project is eligible under Category 3, Federal Award Matching Funds, of the 2020 Flood Intended Use Plan. This category of funding was designed to leverage federal funding by assisting applicants with the required local match. Category 3 projects are eligible to receive a maximum of 90 percent grant funds for the required match based on criteria outlined in the 2020 Flood Intended Use Plan. Recipients of financial assistance may either use their own available funds or borrow FIF funds at zero percent interest for any portion of the required local share not provided through FIF grant funds.

Cameron County (County) has submitted a complete financial assistance application and is eligible to receive 49 percent grant funding through the FIF for a portion of the local match requirements for federal funds under the Hazard Mitigation Grant Program (HMGP). The County has been selected to receive \$1,727,854 in federal matching funds through the HMGP.

The project recommended for approval meets all minimum requirements found in the 2020 Flood Intended Use Plan:

- (1) for construction-oriented projects, the benefit/cost ratio of the project meets the requirements of the 2020 Flood Intended Use Plan;
- (2) for flood control projects where the project watershed is located outside the boundaries of the applicant, the applicant has entered into a Memorandum of Understanding with all required entities related to management of the watershed;
- (3) the funding request does not include redundant funding;
- (4) the area to be served by the project meets the requirements of the 2020 Flood Intended Use Plan related to the National Flood Insurance Program;
- (5) the project was developed using the best/most recent available data;

- (6) for construction projects, the applicant has planned for operation and maintenance costs; and
- (7) for construction projects, the applicant has considered possible floodwater capture techniques that could be associated with the project for water supply purposes.

The project recommended for approval meets the statutory requirements found in Texas Water Code § 15.536:

- (1) the application and the assistance applied for meet the requirements of Texas Water Code, Chapter 15, Subchapter I and 31 Texas Administrative Code Chapter 363; and
- (2) the application demonstrates a sufficient level of cooperation among eligible political subdivisions and includes all of the eligible political subdivisions substantially affected by the flood project.

PROJECT NAME

Cameron County Mariposa Ranch Drainage, Project Number 40190

PROPOSED PROJECT FUNDING

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TOTAL PROJECT COST	\$2,303,805
Grant amount requested from FIF	\$282,216
Local contribution	\$293,735
Local in-kind	\$0
Federal funding	\$1,727,854

PROJECT SCHEDULE

Task	Estimated Schedule Date
Closing/Contract Execution	May 5, 2022
Phase 1 Start Date (Planning)	November 13, 2017
Phase 2 Start Date (Construction)	October 3, 2019
Phase 2 End Date	August 9, 2022

PROJECT NEED AND DESCRIPTION

The County's HMGP application has been awarded funding by the Texas Division of Emergency Management and the Federal Emergency Management Agency to address the effects of flooding in the Mariposa Ranch Subdivision due to a lack of drainage. Many of the homes in this subdivision were flooded during Hurricane Dolly in 2008 and suffered the effects of Hurricane Alex in 2010. Through the HMGP, the County can receive up to 75 percent federal funding with the remainder of project costs covered by the local match.

This project aims to increase the existing drainage capacity of the Mariposa Ranch Subdivision located along Interstate Highway 2 near the City of La Feria. The County will be hydraulically improving the existing drainage ditch that runs from west to east across Mallory Street and then turns north to Palis Road. This will help protect the 138 homes and 596 residents of the subdivision from the effects that they have historically experienced due to flooding.

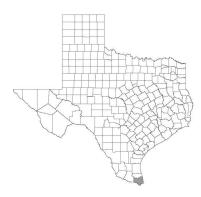
FINANCIAL

The funding being provided by the TWDB is in the form of 100 percent grant, and therefore is not subject to our internal risk score analysis that is applied to loans. For this request, staff reviewed the County's annual audit and funding application information to assess the entity's ability to manage existing obligations and business practices. Based on this analysis, staff believes the County has adequate capabilities to manage its obligations.

SPECIAL CONDITIONS

- Prior to closing, the County must demonstrate its required local share of \$293,735, which may be provided through in-kind services with prior approval by the Executive Administrator; and
- Prior to closing, the County shall execute a Grant Agreement in a form and substance acceptable to the Executive Administrator.

Attachment: Location Map



Cameron County

