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Via E-Mail: cdr@recovery.texas.gov

U.S. House Select Committee on Economic Disparity and Fairness in Growth
c/o Chairman Jim Himes
5240 O'Neill House Office Building
Washington, DC 20024

Re: Written Testimony - David L. Fuentes
June 17, 2022 - Rio Grande Valley Field Hearing

Dear Chairman Himes,

My name is David L. Fuentes, and I currently serve as the Precinct 1 County Commissioner of Hidalgo County, Texas, and as a Board Member of Hidalgo County Drainage District No. 1.

First and foremost, I would like to recognize the tremendous labor made by Congressman Vicente Gonzalez in representing our region. I would also like to commend Chairman Jim Himes and his staff for scheduling this critical field hearing in the Rio Grande Valley, and lastly, I would like to recognize Ranking Member Brian Steil.

Please consider the following comments regarding flooding and economic disparity and fairness in Hidalgo County.

As background, Hidalgo County is the 7th largest county by population out of the 254 counties in the State of Texas with a population of approximately 1 million.

In Hidalgo County, as in most of the other major counties in the State of Texas, we rely on our drainage district for our regional drainage systems. Hidalgo County Drainage District No. 1 ("District"), which encompasses most of Hidalgo County, is directly overseen by the Commissioners' Court of Hidalgo County. The District is responsible for most of the major drainage systems in Hidalgo County, which encompasses over 650 miles of drains and ditches. The District has a robust maintenance and operation plan of its drainage assets. The District also has tremendous experience in capital improvement projects, as it has recently overseen \$374 million in bonds over the last decades: 2006 bond referendum for \$100 million, 2012 bond referendum for \$84 million, and 2018 bond referendum for \$190 million.

Executive Summary

Over the last six years, Hidalgo County has had six Disaster Declarations due to flooding: FEMA-4223-DR (2015), FEMA-4245-DR (2015), FEMA-4272-DR (2016), FEMA-4377-DR (2018), FEMA-4454-DR (2019), and FEMA-3530-EM (2020).

A significant investment in the creation of flood-control infrastructure is needed to mitigate future flood events.

In 2012, S&B Infrastructure performed a comprehensive study of the necessary drainage improvements needed in the Rio Grande Valley. The study found that \$4 billion in drainage improvements is needed in our region.

We are requesting that the Raymondville Drain Project be funded by the federal government. The total cost of the project is \$450 million.

The Raymondville Drain Project will provide significant flood mitigation by providing storm protection to Hidalgo County, Cameron County, and Willacy County. As such, this project is critical (1) to provide the community resiliency the region needs, (2) to produce economic growth, and (3) to safeguard the environment.

Introduction to the Rio Grande Valley

The Rio Grande Valley (“RGV”), informally called the Valley, is a four-county area located in the southernmost tip of Texas. Made up of Hidalgo County, Cameron County, Starr County, and Willacy County, the RGV is one of the poorest regions in the United States.

The name Rio Grande Valley implies that the Counties of Hidalgo, Cameron, Starr, and Willacy are located within what is “classically” known as a valley when in fact this area is actually the Rio Grande River Delta. The delta is historically where the Rio Grande River exceeded its banks and caused widespread overland flooding as it flowed into the Gulf of Mexico. The Rio Grande River has formed natural levees near the banks forcing runoff in the delta to drain to the east rather than to the river. Thus, stormwater in the RGV does not naturally flow into the Rio Grande River.

With a population of approximately 1.5 million, this four county region is one of the fastest growing regions in Texas and the United States, both with regard to population and the economy. The RGV’s principal cities are McAllen, Brownsville, Raymondville, Edinburg, Mission, and Harlingen.

Hidalgo County’s population is continuing to grow at an accelerated rate: in 2020 it had a population of approximately 1 million and our population is estimated to be over 1,500,000 by 2050. The demand for new infrastructure is outpacing the local government’s resources and local funds alone cannot meet these needs.

The increased urbanization of the RGV has brought a labyrinth of elevated highways, railroads, and canal embankments. Because the RGV is very flat, these improvements also impede efficient drainage in most areas. The RGV's growth has created additional challenges. This increased urbanization is causing adverse changes in runoff quantity and quality. Unfortunately, even casual rainfall events quickly overwhelm the RGV's stormwater control infrastructures and cause flooding issues.

Flooding in Hidalgo County

The RGV continues to suffer from severe and frequent flooding. Flooding problems in the RGV can be attributed to:

1. insufficient drainage systems,
2. urbanization,
3. low permeability of the soils,
4. obstructions in drainage infrastructure,
5. lack of comprehensive stormwater management, and
6. inadequate topographic relief.

The solution to flooding is to continue investing in linear detention throughout the county and to create a new regional stormwater outfall, the Raymondville Drain.

OUR ASKS

In the past, Hidalgo County has encountered many obstacles in obtaining federal funds.

Hidalgo County has sought federal funding at every opportunity through grants and other programs. Below are a few examples of the challenges and the barriers of inequality Hidalgo County has faced.

1. HUD CDBG-MIT Funding

Recently \$4.2 billion in funding was allocated to HUD CDBG-MIT, primarily for Hurricane Harvey-affected areas. Even though Hidalgo County was battered by rain in 2017, 2018, and 2019, it only obtained \$25 million in CDBG-MIT funding. This means that Harris County and a handful of other regions obtained 168 times more funding than Hidalgo County.

- a. Although the areas affected by Hurricane Harvey may have a larger population than Hidalgo County, they did not receive 168 times more rain.
- b. As a result, more funding should be allocated toward non-Harvey-affected areas.

We request a more equitable distribution system that allows communities such as Hidalgo County to obtain additional infrastructure funding under future CDBG-MIT funding.

2. HUD CDBG-DR Funding

For 2018, HUD allocated \$58,330,000 to Hidalgo County. Of this amount, the Texas General Land Office (“GLO”) allocated 32% of the funding (\$19.69 million) to infrastructure projects via a competition that is open to 23 applicants: Hidalgo County and the 22 cities in Hidalgo County, with each project having a maximum value of \$1 million.

That means that Hidalgo County’s allocation of \$58 million in federal funding will only create \$19 million in flood-control infrastructure in Hidalgo County.

For 2019, HUD allocated \$170,193,000 to 7 counties and 1 Hidalgo County Zip Code: 78570, in the City of Mercedes. For 2019, GLO expanded the program operations of Zip Code 78570 to all of Hidalgo County. Again, the GLO allocated 35% of the funding (\$61.43 million) to infrastructure projects via a competition that is open to 103 applicants (8 counties and 95 cities).

Hidalgo County is not getting the infrastructure funding it needs.

There is an old saying that there is no government closer to the people than the county government. There is a lot of truth in that. And we can honestly represent that when we talk to the people of Hidalgo County, they tell us over and over the same thing: create flood-control infrastructure.

We request a more equitable distribution system that allows communities such as Hidalgo County to obtain additional CDBG-DR infrastructure funding. In particular, we request that unused funding under these programs be reallocated to infrastructure.

3. RAISE and INFRA Transportation Grants

Although this is not a drainage project, it serves to illustrate the challenges Hidalgo County faces in seeking federal funds. Under this funding source, the federal Department of Transportation set up three categories: (1) The Mega Grants Program - which is designed for projects exceeding \$100 million, (2) The INFRA Grants Program - which is set up for projects less than \$100 million, and (3) The Rural Surface Transportation Program - which is designed for much smaller regions.

Under the existing program criteria, Hidalgo County is ineligible to apply under the Rural Surface Transportation Program.

The only program which Hidalgo County is eligible for is INFRA. Unfortunately this is a highly competitive grant program, in which we are competing against the likes of Newark, Houston, and Detroit, just to name a few. In this hyper competitive grant program, Hidalgo County is asked to provide a cost-benefit ratio that will be competitive with those of other large cities, but it is almost impossible given the low value of property in our region. In the eyes of this

funding program, Hidalgo County is defined as a large community, although we are more akin to a small community.

The primary criteria for INFRA Grants is to have shovel-ready projects. For communities such as Hidalgo County, it would be an irresponsible use of local funds to spend millions of dollars designing projects for which there are no identified construction costs.

We request a more equitable criteria system that allows communities such as Hidalgo County to have a better opportunity to receive transportation funding, and specifically eliminating or reducing the importance of having shovel-ready projects or cost-benefit analysis requirements.

4. FMA Grants

A specific criteria for this FEMA competitive program is the number of flood-insurance claims made within a region. For Hidalgo County, low-income individuals cannot afford flood insurance and as such, when they flood, they do not assert a claim. This criteria specifically benefits high-income areas, where homeowners and businesses can afford flood insurance.

We request a more equitable criteria system that allows communities such as Hidalgo County to have a better opportunity to receive funding under this program. Particularly, by eliminating the requirement of having a specific number of flood insurance claims as an eligibility criteria.

5. BRIC Grants

The BRIC program, overseen by FEMA, is a competitive grant. The ranking criteria has two issues that severely affect Hidalgo County. First, 10 points are allocated to communities with an adopted building code. In Texas, no counties have adopted building codes, whereas states like California do. This gives Texas applicants a huge disadvantage. Second, this grant requires a cost-benefit analysis. This presents a significant challenge to low-income communities, as the costs of construction are fixed, but the benefit to low-income communities, such as Hidalgo County, will not be as great as the benefit to rich communities, such as Harris County.

We request a more equitable criteria system that allows communities such as Hidalgo County to have a better opportunity to receive funding under this program.

6. U.S. Army Corps of Engineers

The U.S. Army Corps of Engineers invests little to no money in South Texas, including Hidalgo County. In a study performed 4 years ago, there was a finding that the U.S. Army Corps of Engineers Galveston Division spent less than $\frac{1}{3}$ of 1 cent south of Baffin Bay. In other words, for every \$100 in available funding, only 33 cents are allocated to South Texas. The area between Baffin Bay and Brownsville encompasses 25% of the Texas Coast. We do not believe this to be an equitable distribution of funding.

We expect the Corps of Engineers to serve as a resource agency and as advocates of flood control. Instead, we face a bureaucracy that does not have funding allocated for South Texas.

Our largest regional flood control project, the Raymondville Drain, falls under the jurisdiction of the U.S. Army Corps of Engineers. We need the Corps of Engineers to devote more resources to make sure Raymondville Drain gets built.

Ultimately, We need the U.S. Army Corps of Engineers to allocate additional design and construction monies to South Texas, in particularly Hidalgo County.

7. Raymondville Drain

As our final ask, we need the federal government to fund the Raymondville Drain Project.

This project is critical to the Rio Grande Valley, and it can only be completed by having a successful teaming arrangement between our local governments and the federal government.

We need the U.S. Army Corps of Engineers to have dedicated and funded staff for this particular project, particularly to review and assist in the environmental review, design, and the construction of the Raymondville Drain Project. In addition, we need a specific congressional appropriation to fund the construction of the Raymondville Drain Project.

Under the terms of existing legislation, under the Water Resources Development Act, the federal government has a 75% funding agreement with Hidalgo County Drainage District No. 1, which will fund the remaining 25% of the project costs.

However, we need a congressional allocation of approximately \$337.5 million from the federal government and the creation of a team within the U.S. Army Corps of Engineers Galveston District, who will be in charge of assisting with this project, to bring this project to reality.

Our community needs the Raymondville Drain and we humbly ask for your support of this critical project.

CONCLUSION

Hidalgo County has spent significant resources in identifying federal funding opportunities for infrastructure projects. The items listed in the ask section above encompass virtually all of the programs Hidalgo County is eligible to apply for in federal transportation and drainage infrastructure. Our request is to modify the project criteria to create more equitable opportunities for communities such as Hidalgo County to receive federal funding.

In addition, we request specific funding allocated for the Raymondville Drain Project, which will provide regional flood mitigation and resilience to south Texas.

As always, if you have any comments or questions, please feel free to contact me directly anytime.

Sincerely,



David L Fuentes
Hidalgo County Precinct 1
County Commissioner and
Board Member of
Hidalgo County Drainage District No. 1