Section 1: San Marcos Unmet Needs Assessment

Introduction

The City of San Marcos, Texas was inundated with historic flash and river flooding in Hays County on two separate occasions within six months of each other in 2015.

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

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

Most of the rain fell from Saturday afternoon into the overnight hours of early Sunday morning, leading to a rapid rise in the Blanco and San Marcos Rivers. The Blanco River at Wimberley rose from near 5 feet at 9 pm on May 23rd to near 41 feet by 1:00 am on May 24th. The Blanco River rose 5 feet every 15 minutes just before midnight, equating to a 20ft rise along the river within a one-hour time frame. Numerous high water rescues occurred throughout the late evening and morning hours along the banks of the Blanco River and eventually the San Marcos River. The resulting flash flooding caused a tragic loss of life and extreme property damage.

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

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

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

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The powerful waters of the All Saints Day flood struck Cypress Creek in Wimberley, the Blanco River, and the San Marcos River, causing additional property damage and delaying recovery efforts from the previous flood. However, the community's heightened sense of awareness and improved reaction to alerts translated to no loss of life during the All Saints Flood.

Both events were considered historical flood events for Central Texas, but for different reasons. The Memorial Day Flood was noted for its extreme water velocities, analogous to the velocities of Niagara Falls. The All Saints Day flood was noted for the extreme volume of precipitation in such a short period of time in various locations around the County quickly inundating the rivers, ditches and ephemeral streams.

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

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

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

Housing

Prior to the Floods

Baseline information and data

The City of San Marcos, home to Texas State University (enrollment > 35,000) and a frequent tourist destination, has a very young demographic. Data from the American Community Survey (ACS) Data 2010 – 2014 shows that over 42.4% of the population falls in the 18-24 age cohort, with another 24.3% of the population coming in the 25-44 bracket, while only 6.7% are older than age 65. This young of a population, and the transient nature of students, lends the housing environment in San Marcos to heavily lean towards rental housing rather than home ownership.

In fact, as of 2014, 72.8% of all housing units are rentals, with only 27.2% of the housing units being owner occupied (ACS Data 2010 – 2014). Based on 18,782 total occupied households (there are a total of 20,931 available housing units, however 2,149 are currently vacant) from all income brackets including both renter and owner occupied units:

- Less than 1% live in substandard housing without complete plumbing and/or complete kitchens.
- 1.3% are considered to be "severely overcrowded" with more than 1.51 persons per room.
- 2.3% are considered to be "overcrowded" with 1.01 to 1.5 persons per room.
- 36.6% of homeowners (1,121 households) expend over 30% of their monthly income on housing costs.
- 75.1% of renters (9,660 households) expend over 30% of their monthly income on rent.

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

There are 5,630 non-family households in San Marcos that have a cost burden that exceeds 30% and 3,925 non-family households with a cost burden exceeding 50%. The majority of these are renters. By contrast, there are only 30 non-family households who live in overcrowded (more than 1/per room) conditions. The 2010-14 ACS indicates that 32.8% of the population are individuals living alone and 13.5% of the population has less than a high school diploma. Medium Gross Rent is $919/mo (ACS 2010-14) with median non-family income $1,788/month ($21,456/year).

Race and housing choices

The residents of the City of San Marcos, as indicated in the most recent census data, are primarily White or Hispanic in origin; the two races combined make up over 83% of the citizenry. By contrast, the minority population (not including the Hispanic or Latino origin) of San Marcos is just 16.2% as of the 2014 ACS data, however, as in many jurisdictions, this cohort of population is severely cost burdened and impacted by low wages and high housing costs. Over 30% of the Minority families (African

American, Asian, or "Some Other" race as identified in the Census) were at or below the Poverty Level in 2014, and 20.4% of the Hispanic families were as well. As the majority of these families will be renters (given assumptions on income and housing units that can be afforded), any housing assistance program that supports recovery efforts in the most impacted areas identified below will be serving this cohort of the LMI population that HUD requires. These families will also be those most impacted by the housing cost burden listed above, and could therefore be seen as having 2 (or more) housing problems as identified by HUD. The City of San Marcos will ensure that these populations are provided every opportunity to make use of any appropriate CDBG-DR funds from this allocation.

Disabled households or victims of domestic violence

The Hays-Caldwell Women's Center, a San Marcos non-profit organization that provides services, including an emergency shelter, for victims of family violence estimates in 2014 approximately 250 adult clients asked for housing assistance. Of those adults, 135 were families with children; 3 were disabled; and 4 were male adults. Following the floods in 2015, shelter assistance requests have gone up strikingly, over 200% in some instances as shown in the chart below. While many of those seeking shelter have anecdotally cited their need as flood related, additional research and study will need to be conducted to determine the exact flood related nature of this increase. For most shelter residents, the primary barrier to securing housing was the lack of affordable housing in our area.

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

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

Households where at least one member has a self-care or independent living limitation	Renter Occupied	Renter % of Income Category	Owner Occupied	Owner % of Income Categories	Total
All Households	550	50%	555	50%	**1,105**
Households w/income at or below 30% AMI	140	78%	40	22%	**180**
Households w/income above 30% but less than 50% AMI	180	97%	5	3%	**185**
Households w/income above 50% but less than 80% AMI	20	20%	80	80%	**100**
Households w/income above 80% AMI	55	20%	220	80%	**275**

(Source: www.huduser.org/portal/datasets/cp/chas/data_download_chas.html)

Increased risk of homelessness

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

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

Pre-Flood Sources of Housing Funds

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

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

While these programs still exist, the ability of the City to utilize these funds for disaster related activities can sometimes be hampered by pre-existing contracts and set asides, therefore should not be counted on as actual post-disaster funding. The amount of CDBG funding that the City can use to assist in disaster related activities is approximately $311,000. These funds have been allocated to third party contractors who have already used $35,812 to assist in the repair and rehabilitation of houses damaged by the floods. The remainder of the funds, while able to be utilized if necessary, have not been set aside by the independent contractor for such activity.

Additional Sources of Funding

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

Conclusion

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

After the Floods – Unmet Needs

Damage and Areas of Greatest Impact

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

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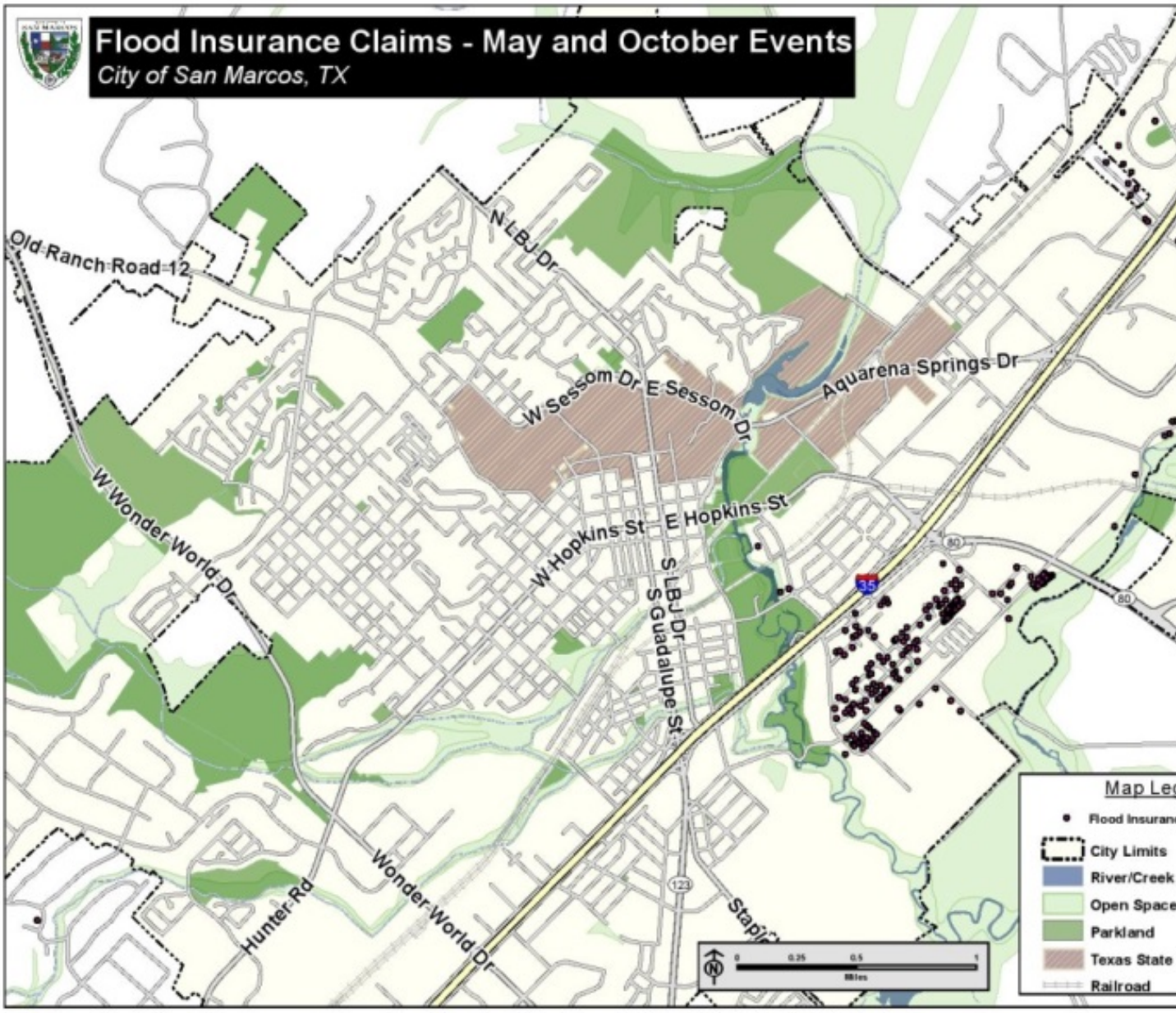

Figure 1 - Concentration of NFIP Claims May and October

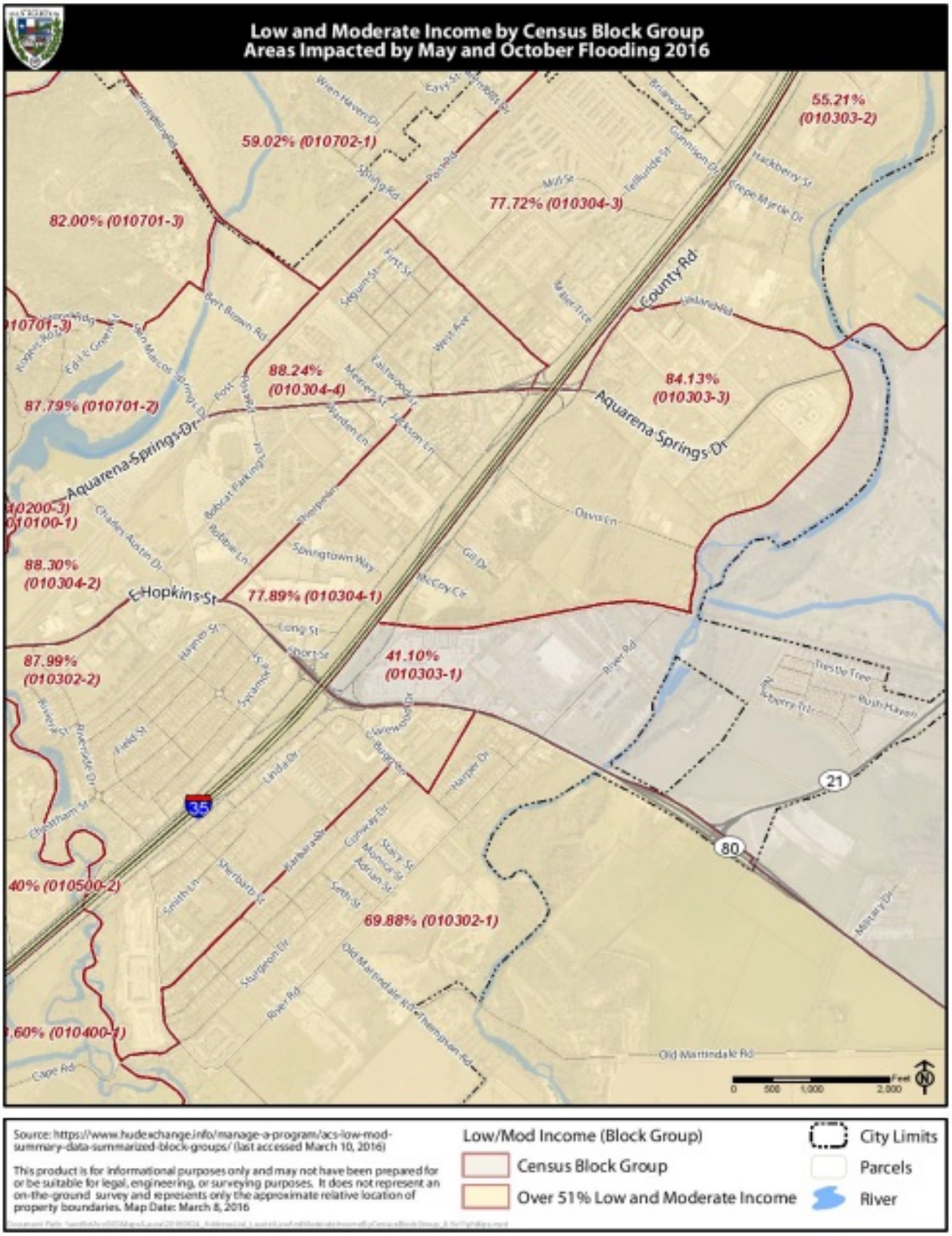

Figure 2 – Overview of LMI Census Blocks relative to damage impacted areas.

FEMA Damage Assessment

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

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

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

- Critical data sources were identified in order to calculate estimated damage values;
- Geographic Information Systems (GIS) was implemented to map damage assessment; and
- U.S. Department of Housing and Urban Development Housing Quality Standards were heeded as the acceptable minimum standard for health and safety
- Total FEMA Verified Loss (FVL) was determined from the 1,738 claims to be $ 7,093,633 – this represents the total cost that FEMA estimates residents were subjected to as a result of their loss. It is important to note, that FVL is not a direct measure of total damage, simply a snapshot in time of how impacted a particular applicant was by the flood. Additionally, multiple claims on the same property may not be funded, thereby increasing the number of claims (1,738) versus the actual damaged properties (1,558).

Conducting Damage Assessment Inspections

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

Damage Percentage by Damage Level		
Damage Level	FEMA Description	Damage Percentage Range
Level 0	No Damage	0%
Level 1	Affected	0-25%
Level 2	Minor	26-50%
Level3	Major	51-75%
Level 4	Severe	76-100%

Initial Inspection Findings

According to initial disaster estimates, flood insurance claims and other data sources, 1,558 housing units were damaged in the two floods. The vast majority of the damage, impacting 1,246 homes, occurred in the Blanco Gardens and immediately adjacent areas. Consequently, this Needs Assessment will base the majority of its calculations on this population. As shown in the table below, within the areas most impacted by the floods, 675 were rental units and 571 were owner occupied units. In the

same area, 136 housing units received no damage to the primary housing structure, or had damage well below the threshold to be considered in FEMA's estimate. This indicates that over 89% of the units within this area were damaged in some manner, with initial estimates indicating that 109 units received "Severe" or significant structural damage and will need to be completely rebuilt or replaced.

Following the floods, the City conducted multiple public workshops to determine the extent of damage to homes; minutes from these meetings are available and attached as exhibits to the City's Action Plan for Disaster Recovery.

From these meetings, and from flood insurance data, we know that over 78% of the housing units were not covered by flood insurance, and are therefore eligible for assistance from FEMA. FEMA has provided the victims in San Marcos $4,333,990 for Individual Assistance related to housing, while the SBA has approved $3,357,700 in low-interest loans for home repair or replacement.

HUD Unmet Needs Methodology

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

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

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

The data HUD staff have identified as being available to calculate unmet needs for qualifying disasters come from the following data sources:

- *FEMA Individual Assistance program data on housing-unit damage as of December 21, 2015;*

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

Calculating Unmet Housing Needs

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

- *Each of the FEMA inspected owner units are categorized by HUD into one of five categories:*
    - *Minor-Low: Less than $3,000 of FEMA-inspected real property damage.*
    - *Minor-High: $3,000 to $7,999 of FEMA-inspected real property damage.*
    - *Major-Low: $8,000 to $14,999 of FEMA-inspected real property damage and/or 1 to 4 feet of flooding on the first floor.*
    - *Major-High: $15,000 to $28,800 of FEMA-inspected real property damage and/or 4 to 6 feet of flooding on the first floor.*
    - *Severe: Greater than $28,800 of FEMA-inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.*

- *For the purposes of categorizing damage in San Marcos, the levels above correspond to the Levels 0-4 listed above as follows (applicable to Rental units as well):*
    - *None: No Damage*
    - *Minor-Low = San Marcos Level 1, Affected*
    - *Minor-High = San Marcos Level 2, Minor*
    - *Major-Low = San Marcos Level 3, Major*
    - *Major-High and Severe = San Marcos Level 4, Severe*

To meet the statutory requirement of "most impacted," homes are determined to have a serious level of damage if they have damage of "major-low" or higher. That is, they have a real property, FEMA-inspected damage of $8,000 or flooding over 1 foot. Furthermore, a homeowner is determined to have unmet needs if the homeowner received a FEMA grant to make home repairs. For homeowners with a FEMA grant and insurance for the covered event, HUD assumes that the unmet need "gap" is 20 percent of the difference between total damage and the FEMA grant.

- *FEMA does not inspect rental units for real property damage so personal property damage is used as a proxy for unit damage. Each of the FEMA inspected renter units are categorized by HUD into one of five categories:*

- *Minor-Low: Less than $1,000 of FEMA-inspected personal property damage.*
- *Minor-High: $1,000 to $1,999 of FEMA-inspected personal property damage.*
- *Major-Low: $2,000 to $3,499 of FEMA-inspected personal property damage and/or 1 to 4 feet of flooding on the first floor.*
- *Major-High: $3,500 to $7,499 of FEMA-inspected personal property damage and/or 4 to 6 feet of flooding on the first floor.*
- *Severe: Greater than $7 ,500 of FEMA-inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.*

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

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

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

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

The chart below shows the latest comprehensive damage estimate for housing units within the most impacted area of San Marcos, and represents the basis for our unmet needs calculation. Given that full costs to repair are not fully known at this time and that the majority of the impacted units are less than 50% damaged, it should be noted that the final costs may deviate significantly from this estimate. Therefore, this number should be seen as the maximum cost to repair at this point in time. Once firm costs to repair are determined, and additional NFIP payout information is included, this damage estimate will most likely change.

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

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

Insurance Proceeds

Standard homeowner's insurance does not cover flooding, however it is important to have protection from the floods associated with hurricanes, tropical storms, heavy rains and other conditions that impact the U.S. FEMA created the National Flood Insurance Program (NFIP) to help provide a means for property owners to financially protect themselves. The NFIP offers flood insurance to homeowners, renters, and business owners if their community participates in the NFIP. Participating communities agree to adopt and enforce ordinances that meet or exceed FEMA requirements to reduce the risk of flooding. Properties that were located in the FEMA flood zone along the Blanco and San Marcos Rivers were able to collect insurance proceeds from the NFIP. To date, NFIP claims have been processed for 447 properties (269 owner occupied and 178 rental). This represents potentially an additional $17,037,400 in funding that has been provided to the citizens of San Marcos to assist with their flooding recovery, and will reduce the overall unmet need for housing.

Owner Occupied Housing Needs

While FEMA Individual Assistance, as well as flood insurance assistance, has been provided to many of the impacted homeowners, households that used their own funds to repair their homes before CDBG-DR program funds were available are still feeling the impacts from those costs and would potentially be eligible for CDBG-DR assistance from this allocation. FEMA data shows that 1,103 of the 5,102 owner occupied units (city-wide) applied for assistance immediately after the floods. Of these homes, 1,013 units (from all sources: 925 FEMA IA, 88 SBA,) have already received either Individual Assistance or payouts from other sources including insurance or SBA loans. This leaves 90 of the FEMA applicants with no current source of rehabilitation funding, and the City may need to provide assistance to these

families under this CDBG-DR allocation. Based upon the SBA data, the current cost to repair homes to a pre-flood state is approximately $80,176. Once their level of damage has been accurately determined, the remaining need for these affected homeowners may be as high as $7,215,840.

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

Rental Property Needs

According to initial City estimates, out of 13,680 rental units city-wide, the flood damaged over 675 rental housing units within our most impacted area. These rental units, as mentioned previously, typically house the LMI population of the City, as well as a large portion of the student population of Texas State University. The rental housing market can define its unmet needs as rental programs to repair/replace damaged rental units, create additional rental programs to house displaced households (homeowners and renters), and rental housing to assist special needs populations who have difficulty finding affordable housing in the restricted and expensive rental housing market. Of the 675 units that were damaged, insurance payouts have already been provided to 134 units. While residents within the remaining units may have received FEMA IA, the assistance they have received would not have covered the property damage as they are not the owners of record. Therefore, the City estimates that there are still 541 rental units within this area, and possibly more across the City, that may need Disaster Recovery assistance. Units within the 100-year flood plain that received significant damage (meeting the FEMA classifications of Major or Severe), may be purchased, but will at minimum have to be elevated to two feet above the Base Flood Elevation. Those adjacent to the flood plain will not require elevation and can be rehabilitated or reconstructed depending on the level of damage. In all circumstances, LMI residents within these units may be provided relocation assistance to other units within San Marcos while their unit is being repaired or replaced.

Public and HUD Assisted Housing Needs

During the Memorial Day and All Saints floods of 2015 the San Marcos Housing Authority sustained damages of approximately $1,300,000 to 100 units of their 287-unit inventory. The majority of the units are occupied by persons/families well below 30% of the local median income. The repairs are progressing with the help of local and other contributions. The Housing Authority has been forced to use resources originally intended for improvements to other facilities and has delayed those improvements for an indefinite period since other sources of revenue have been exhausted. Since the floods, the Housing Authority has received $278,000 in assistance, broken out as follows:

Housing Authority Assistance	
United Way Contribution	$70,000.00
Private Cash Donation	$40,000.00
TML Flood Insurance (All Saints)	$168,000.00
TOTAL	**$278,000.00**

Therefore, based upon the original damage estimate of $1.3 Million, the Housing Authority still needs $1,022,000 to repair and rehabilitate the remainder of their impacted units. The Housing Authority has additional needs in the Infrastructure sector as well, and will be further detailed in those sections.

Other Sources of funds

Thanks to the generosity of many of the non-profit organizations that volunteered their time and assistance to victims of these floods, over 45 families have received over $183,000 of housing assistance. The assistance provided to date has been for temporary shelter, damage repair and relocation. Other agencies are still providing assistance to affected residents of San Marcos, and their funds will be calculated as they become known.

Multiple non-profit organizations came to San Marcos and provided volunteers, food and other non-housing related assistance. While this help is certainly significant in assisting the citizens recover from the flood, it was not directed to address housing needs and therefore is not a part of the unmet needs calculation for housing.

Displaced Households

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

Homelessness

Overall, the City cannot state that homelessness has increased as a result of these floods. While there is evidence of increased activity at the local shelters immediately following both events, that increase in activity is partially as a result of the influx of volunteers who came in to assist with the recovery, not only as families displaced from their homes. Additionally, tracking the numbers at the shelters since the floods occurred indicates that the overall homeless count in the City has remained statistically constant. There remains a high risk for homelessness given that the pre-flood conditions of high cost burden and

high maintenance costs of housing due to the age of the housing stock still exist, however the City cannot positively conclude that the floods contributed to a rise in homeless populations.

Hazard Mitigation Activities for Housing

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

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

While this Needs Assessment does not recommend specific projects, the City of San Marcos will investigate the possibility of Hazard Mitigation activities similar to the two listed above as part of their housing allocation in order to increase sustainability and resilience within the community.

Conclusion and Summary of Unmet Need for Housing

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

Remaining Unmet Housing Need	
Total Need	$
Cost to repair	$42,332,928.00
Housing Authority need	$1,022,000.00

Hazard Mitigation needs *	$14,900,000.00
Previous Benefits	$
FEMA IA provided	($4,333,990.00)
SBA Loans	($3,357,700.00)
NFIP claims **	($17,037,400.00)
Other Sources	($461,000.00)
Total Unmet Housing Need	**$33,064,838.00**

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

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

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Infrastructure

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

The City, in conjunction with FEMA, is working to develop multiple Project Worksheets (PWs) to repair damages caused by the floods. Federal Declarations #4223 and #4245 were published May 29th and November 25th therefore allowing the process of recovery to begin in San Marcos. As of June 1, 2016 a total of $6,769,827 has initially been identified by the City as needed in order to repair and/or replace disaster impacted facilities. The Presidential decision that was set for this disaster included a 75 percent cost share therefore leaving 25 percent of all dollars ($1,642,456 to date) obligated to the City.

The estimated funds are identified in Categories A-G. Each Category is represented by different functions within the program. Categories A and B are considered Emergency Measures: Category A is specifically for Debris Removal and Category B is for Emergency Protective Measures. Categories C through G are for the Permanent Work groups. Category C is defined for Roads and Bridges. Category D is for Water Control Facilities. Category E addresses damages to Buildings, Contents, and Equipment. Category F is for all Utilities and Category G addresses Parks, Recreational and Other Facilities. Out of the all of the eligible activities under the Infrastructure Category that the City has identified to date, there is approximately $1,642,456 left that the City has to fund. This represents the amount not covered by insurance and anticipated FEMA payouts. It should be noted that the figures in the Categories listed below are currently estimates (except where noted as funds being received), reflecting what the City has identified as costs incurred as a result of the floods. Finalized FEMA Project Worksheets for both events have not been returned to the City as of June 30, 2016, therefore these numbers will need to be reevaluated once more hard data has been received.

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

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Category A –Debris Removal

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

Category A breakdown			
Flood	**Damage**	**FEMA PA**	**Unmet need**
Memorial Day	$ 62,323.00	$ 46,742.25	$ 15,580.75
All Saints Day	$ 150,000.00	$ 112,500.00	$ 37,500.00
Total	**$ 212,323.00**	**$ 159,242.25**	**$ 53,080.75**

Category B –Emergency Protective Measures

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

- Search & Rescue.
- Emergency Medical Care.
- Emergency mass care and shelter was provided.
- Security Forces (Police & Guards) in the disaster area to include alerting the public of dangers by setting up barricades or other warning devices. Labor, equipment, and materials used in these activities.
- Provision of food, water, ice and other essential needs at central distribution points for use by local citizens.
- Activation of a Local Emergency Operations Center (EOC) to coordinate and direct the response to the disaster event.
- Emergency measures to prevent further damage to facilities, i.e., boarding windows or doors and covering the roof.
- Removal of health & safety hazards and disposal of dead animals.
- Pumping of trapped floodwaters.
- Pumping of septic tanks or decontamination of wells.
- Control of rodents or insects that pose a serious health hazard, but not when they are merely a nuisance.
- Construction of emergency protective measures to protect lives or improved property.
- Restoration of access when work was done.
- Building inspections. Safety inspections that are necessary to establish if a damaged structure posed an immediate threat.
- Eliminate or reduce an immediate threat to life, public health, or safety.
- Eliminate or reduce an immediate hazard that threatens significant damage to improved public or private property.

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- Bracing & shoring damaged structures to protect against further damage to the structure to protect the general public.
- Closure of public parks, particularly those adjacent to the Rivers to ensure the safety of citizens attempting to access the inundated areas.

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

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

Category B breakdown			
Flood	**Damage**	**FEMA PA**	**Unmet need**
Memorial Day	$ 269,950.00	$ 202,462.50	$ 67,487.50
All Saints Day	$ 170,000.00	$ 127,500.00	$ 42,500.00
Total	**$ 439,950.00**	**$ 329,962.50**	**$ 109,987.50**

Category C –Roads Systems and Bridges

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

- Pavement failures including potholes, spalled and cracked pavement;
- Washouts;
- Missing/damaged signage and traffic signals;
- Damaged railroad trestles and bridging; and
- Blocked and damaged culverts.

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

Category C breakdown			
Flood	**Damage**	**FEMA PA**	**Unmet need**
Memorial Day	$ 439,785.00	$ 329,838.75	$ 109,946.25
All Saints Day	$ 1,470,000.00	$ 1,102,500.00	$ 367,500.00
Total	**$ 1,909,785.00**	**$ 1,432,338.75**	**$ 477,446.25**

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Category D –Water Control Facilities

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

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

Category E –Buildings, Contents, and Equipment

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

- Rehab/repair of public Housing Authority properties;
- Replacement of ten (10) City-owned vehicles, including multiple damaged fire trucks and emergency management personnel vehicles; and
- Repairs to fencing and other mechanical components of major City-owned buildings

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

Category E breakdown			
Flood	**Damage**	**FEMA PA**	**Unmet need**
Memorial Day	$ 788,000.00	$ 591,000.00	$ 197,000.00
All Saints Day	$ 35,000.00	$ 26,250.00	$ 8,750.00
Total	**$ 823,000.00**	**$ 617,250.00**	**$ 205,750.00**

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Category F –Utilities

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

Category F breakdown			
Flood	**Damage**	**FEMA PA**	**Unmet need**
Memorial Day	$ 171,719.00	$ 128,789.25	$ 42,929.75
All Saints Day	$ 1,000,000.00	$ 750,000.00	$ 250,000.00
Housing Authority repairs	$ 200,000.00	$ -	$ 200,000.00
Total	**$ 1,371,719.00**	**$ 878,789.25**	**$ 492,929.75**

Category G –Parks, Recreational, and Other Facilities

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

Category G breakdown			
Flood	**Damage**	**FEMA PA**	**Unmet need**
Memorial Day	$ 1,365,400.00	$ 1,024,050.00	$ 341,350.00
All Saints Day	$ 75,000.00	$ 56,250.00	$ 18,750.00
Total	**$ 1,440,400.00**	**$ 1,080,300.00**	**$ 360,100.00**

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

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Photo courtesy of Expressnews.com

FEMA Public Assistance Unmet Need

Due to the damages incurred from the flooding of 2015, the City of San Marcos needs approximately $1.8 million to restore and complete projects identified throughout the community that received direct damage from the flooding. The goals of these projects are to allow damaged buildings, parks, and other facilities to return to pre-flood conditions. To date, the City has received funding of approximately

$330,000 for these projects. A summary of the total damages (referred to as project cost), funding received (FEMA and others), and unmet needs is outlined in the table below.

Summary of Calculable FEMA PA Program Unmet Need			
FEMA Public Assistance Category	**Project Cost**	**FEMA PA**	**Unmet Need**
A - Debris Removal	$212,323.00	$159,242.00	$53,081.00
B - Emergency Protective Measures	$439,950.00	$329,962.00	$109,988.00
C - Road Systems and Bridges	$1,909,785.00	$1,432,338.00	$477,447.00
D - Water Control Facilities	$572,650.00	$429,487.00	$143,163.00
E - Buildings, Contents, and Equipment	$823,000.00	$617,250.00	$205,750.00
F - Utilities	$1,371,719.00	$878,789.00	$492,930.00
G - Parks, Recreation and Other Facilities	$1,440,400.00	$1,080,300.00	$360,100.00
Total	**$6,769,827.00**	**$4,927,368.00**	**$1,842,459.00**

Hazard Mitigation/Resilient Critical Infrastructure Activities for Infrastructure

As noted in the Housing section above, the City of San Marcos is determined to address the conditions that have allowed for repetitive losses due to flooding. Not only have there been these two events within six months of each other, but in the last 20 years there have been multiple flooding events that have caused loss within the City. Residents of the City have increasingly indicated to the City Council and other leaders that they want the infrastructure improved to prevent this ongoing occurrence. Additionally, research indicates that had the infrastructure prior to these events been of a sufficient and appropriate nature, much of the damage to homes and businesses could have been alleviated or mitigated. Therefore, it is the opinion of the City leaders that much of the damage to Housing was exacerbated by a failure of the infrastructure in place, and to stop this from happening in the future, the City must invest its Recovery money in upgrades to its Infrastructure system. City leaders have identified multiple activities under each Category from above that could result in an improvement in the resiliency and sustainability of the City of San Marcos in the face of future floods and other events. The additional Hazard Mitigation and Emergency Preparedness activity costs are enumerated in the table below.

City staff has also been working on options to reduce the floodwater overflow into the Blanco Gardens area in addition to the overflow channel and upstream detention being analyzed by the Army Corps of Engineers. The Federal Register prohibits the utilization of more than $250,000 towards Army Corps projects. In order to fully flesh out the additional hazard mitigation projects that will help reduce repetitive losses, the City will likely reserve the maximum HUD allowed allocation for Planning. Using these funds to amend the City's Hazard Mitigation plan, whether stand alone or as part of a larger Comprehensive Plan update, will provide the City with a perfect opportunity to fully evaluate the costs and benefits of multiple alternatives, and then choose the projects that best accomplish the goals of this Action Plan. Incorporating these types of activities into this Needs Assessment will add roughly $50 million to the overall need total. It should be noted, however, that many of these activities and projects

are inter-related, and therefore will have an overlapping of cost and potentially benefit. Therefore, once all potential projects are vetted as the City enters its implementation phase, this cost may go down as activities are combined or streamlined for efficiency and to remove potential duplications of effort.

The activities represented by these numbers include such possible projects as drainage improvements, early warning system upgrades, investment in emergency preparedness technology upgrades, construction of road closure systems and much more. This Needs Assessment does not recommend any specific project, however as the Action Plan moves forward into implementation, the City will begin conducting Benefit/Cost Analysis studies on many potential projects and then selecting those that perform the best and have the greatest impact on the health, safety and overall welfare of the citizens of San Marcos. As has been noted before, given the location of the majority of the flooding, any future infrastructure project would directly benefit the LMI population that HUD requires as a part of the CDBG-DR funding.

Infrastructure Categories	Additional Hazard Mitigation needs
A - Debris Removal	$ -
B - Emergency Protective Measures	$ 150,000.00
C - Road Systems and Bridges	$ 1,820,000.00
D - Water Control Facilities	$ 76,290,000.00
E - Buildings, Contents, and Equipment	$ 1,760,000.00
F - Utilities	$ 1,125,000.00
G - Parks, Recreation and Other Facilities	$ 100,000.00
Hazard Mitigation	$ 425,000.00
Total	**$ 81,670,000.00**

Conclusion and Summary of Unmet Need for Infrastructure

The Chart below summarizes the City's unmet need related to Infrastructure; discussions with the public and with City leadership will continue to refine this information and prioritize the assistance needed. At this time, it appears that the priority for utilization of CDBG-DR funding (related to infrastructure) will be for repairs to essential services and damaged facilities and for the implementation of Hazard Mitigation infrastructure projects. Given that this is an early estimate of need, the City knows that the unmet need under this Category will grow as specific hazard mitigation projects and activities are proposed and engineered.

Remaining Unmet Infrastructure Need	
Category	**Amount**
FEMA PA Categories	$ 1,842,459.00
Hazard Mitigation needs *	$ 81,670,000.00
Total Unmet Need (Infrastructure)	**$ 83,512,459.00**

Economic Development

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

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

As of April 30, 2016, SBA loan data shows that from the two Flood events, 29 businesses applied for SBA assistance, with 15 of those applications being approved. SBA has currently provided San Marcos business owners with $4,227,300 of assistance; the City will need to evaluate the remaining 14 applicants to determine why they were ineligible and if they need assistance. Additionally, 30 businesses have filed insurance claims with the NFIP.

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

Conclusion and summary of Unmet Economic Development Need

Given that the business industry seems to have recovered itself, and that it has the adequate resources to affect any additional recovery needed, the City does not anticipate allocating any CDBG-DR funds under the Economic Development category. However, efforts to obtain additional and more complete business data are ongoing, and should the City discover that there are unmet needs that would assist the LMI business owners of San Marcos in their recovery from these two floods, amendments will be made to the funding allocations given later in the Action Plan.

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Additional Hazard Mitigation activities

As has been mentioned in each of the above sections, Hazard Mitigation activities will need to be undertaken in nearly all sectors of San Marcos to ensure that the losses incurred by these floods, and the multitude of floods that have inundated the area over the last 20 years, do not continue to occur. While some activities are currently being researched and vetted, the City knows that many more projects will be required in order to keep the City of San Marcos safe over the upcoming years. To that end, the City will most likely engage in multiple planning activities, both internally and as part of the greater region that includes Austin and San Antonio, to determine what Hazard Mitigation projects will be required. It is anticipated that the City will complete a new Comprehensive Plan that includes a detailed and specific Hazard Mitigation Plan, complete with implementation schedules and projects. The cost for these activities is unknown at this time, but the City anticipates allocating a portion of its CDBG-DR funds for the planning necessary, as well as to early infrastructure projects that are cost beneficial and reduce the potential for loss in the LMI populations that HUD expects us to serve.

Final Unmet Needs Summary and Application to the Action Plan

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

Total Unmet Need	
Category	Amount
Housing	$ 33,064,838.00
Infrastructure	$ 83,512,459.00
Economic Development	$ -
Hazard Mitigation (unknown)	$ -
Total Unmet Need	**$ 116,577,297.00**

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

they represent an effort by HUD to assist San Marcos in initiating long term recovery, and getting the ball rolling. During implementation of these activities, the City will need to continue to seek ways to leverage these funds against other grants, General Funds and other sources to further extend the use of this very limited resource.

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

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