

Executive Summary

The Harris County Program Year 2004 (PY04) Consolidated Annual Performance and Evaluation Report is the second annual performance report, which describes the one-year actions and funding priorities used to carry out the PY 2003-2007 Consolidated Plan. The report describes progress made from August 1, 2004 to July 31, 2005 toward the goals set forth in the PY 2003-2007 Consolidated Plan. During PY04, Harris County expended \$23,763,886.45 in Community Development Block Grant, HOME Investment Partnerships, and Emergency Shelter Grant Funds on over 100 projects. Highlights of performance accomplishments according to specific need categories include:

Housing

Assisted 192 homebuyers with direct homeownership assistance. Rehabilitated 18 owner-occupied, acquired 184 multi-family units, and abated 44 lead contaminated housing units occupied by low-income persons.

Homelessness

Assisted 5,559 homeless individuals and families with shelter and supportive services utilizing ESG and CDBG funds.

Successfully collaborated with the Coalition for the Homeless of Houston/Harris County and the City of Houston on the submission of the PY04 Continuum of Care grant application, which was awarded \$18,720,885.00 for 30 agencies.

Public Facilities & Infrastructure

Completed the renovation/construction of one general center serving 1,550 persons. Completed one parking area improvement project and seven water/sewer improvement projects serving 32,665 low-income persons.

Public Services

Assisted more than 6,802 low-income persons with health services, youth and senior services, child care, employment services, and services for abused and neglected children.

Clearance

Assisted local communities by clearing 20 abandoned homes that contributed to slum and blight in the county.

As indicated by program accomplishments, Harris County continued to make strides in promoting affordable housing and providing a suitable living environment for its low-income citizens during PY04.

In regard to the administration of U.S. Housing and Urban Development (HUD) entitlement funds, Harris County Community & Economic Development Department has worked diligently to comply with HUD regulations and monitoring guidelines. During PY04, HCCEDD was able to reconcile and close one of five open HUD findings. The county will continue to work with HUD to resolve all findings and increase the efficient use of federal funds to serve low-income persons.

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Introduction

A Brief Note to the General Public

The Program Year 2004 Consolidated Annual Performance and Evaluation Report (CAPER) describes Harris County’s use of Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Shelter Grant (ESG) funds, which are grants generated by tax dollars to improve the quality of life for county residents. Accomplishments reported in this document were made between August 1, 2004 and July 31, 2005. These accomplishments were made within the Harris County service area, which includes unincorporated Harris County and a variety of small cities within the county that have signed cooperative agreements of service with Harris County. These small cities are referred to as Cooperative Cities. The cities of Houston, Pasadena and Baytown utilize their own community development resources and therefore are not within the Harris County service area. All Harris County U.S. Department of Housing and Urban Development (HUD) entitlement resources are dedicated exclusively to improve living conditions for low-income individuals and reduce slum and blight.

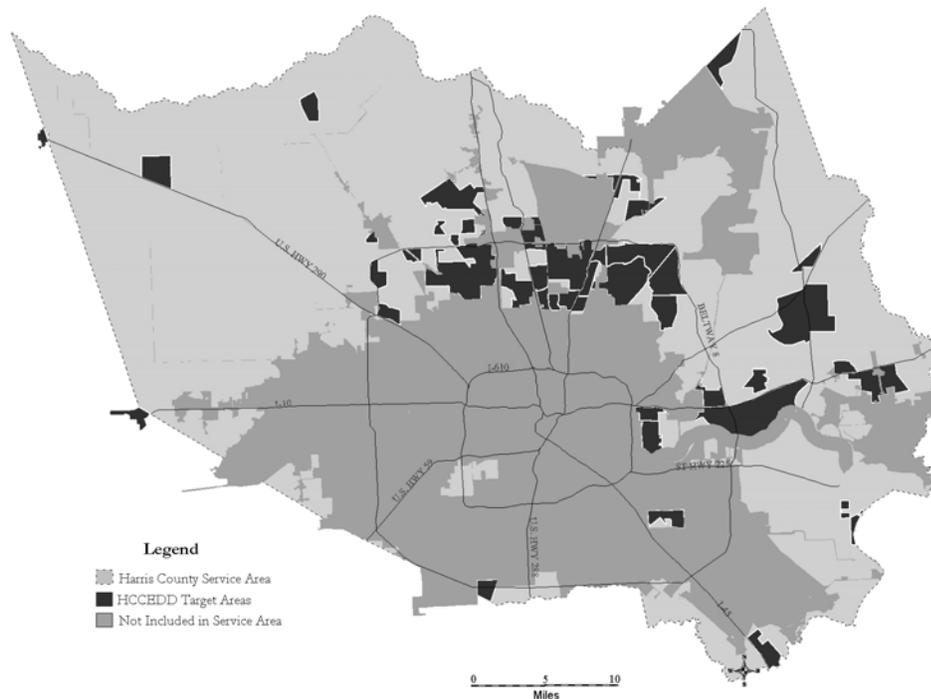
Table 1. PY 2004 Low and Moderate Income Limits

Houston Metropolitan Statistical Area (MSA)	
FY 2003 Median Family Income*	\$59,600
Very Low-Income (30% of the Median)	\$17,900
Low-Income (50% of the Median)	\$29,800
Moderate-Income (80% of the Median)	\$47,700

**Based on a Family of four*

Source: U.S. Dept. of Housing and Urban Development, HUD Program Limits, FY2004

Figure 1. HCCEDD Service and Target Areas



What is the CAPER?

The CAPER is both a public awareness and performance evaluation document. It is required by the U. S. Department of Housing and Urban Development (HUD) for any jurisdiction receiving CDBG, HOME and ESG federal “entitlement” grants – funds allocated to Harris County based on a formula of population and poverty characteristics. In fact, the CAPER is only one part of an extensive community development planning process for long- and short-term solutions for improving the lives of low-income individuals. Harris County’s practices have been specifically developed to assist in mapping strategies for community development and making good use of available resources. The CAPER is Harris County’s evaluation instrument for determining how effective these practices have been in its distribution of services and programs.

The Community Development Process

Long-term strategies for community development in the Harris County service area are dictated by the principles outlined in the Harris County PY 2003-2007 Consolidated Plan. The Consolidated Plan, another requirement of HUD, provides a comprehensive list of countywide needs, goals, strategies, and solutions to be implemented over the course of three or five program years. The Consolidated Plan was significantly affected at a neighborhood level by a series of public meetings held in conjunction with the Harris County 2000 program.

Harris County 2000, an initiative developed to complement HUD’s required process, develops long-range revitalization solutions at the community level. Individual communities often face specific needs which are not applicable countywide. Depending extensively on local participation and community empowerment, *Harris County 2000* discovered those specific needs and provided goals, strategies and actions that specifically fit that community. *Harris County 2000* created empowerment, enhanced problem solving at the local level, and ensured that the plan was truly reflective of community needs.

Resources made available toward community development within Harris County are largely dedicated to projects, programs and initiatives that meet a public need or provide a solution indicated within the PY2003-2007 Consolidated Plan.

Use of county resources, specifically HUD entitlement resources, was monitored throughout PY 2004 to ensure compliance with federal, state and local regulations and to guarantee the effective use of such funds. Now that PY04 has concluded, Harris County has developed the PY04 CAPER. The CAPER provides an account of all resources, and evaluates the county’s ability to utilize resources effectively while addressing the needs established in the PY 2003-2007 Consolidated Plan.

Why is the CAPER Important?

Simply put, a large majority of resources discussed within the CAPER either directly or indirectly flow from tax dollars. This alone warrants a need to use funds and other resources as wisely and prudently as possible. The CAPER reports to the general public and HUD the actual method in which resources were made available for use. In so doing, it provides an additional forum for community input into the community development process. The CAPER also ensures accountability by providing a detailed account of the provision of services by Harris County. Equally important is the fact that the CAPER is an evaluation instrument. It provides a summary of Harris County’s performance as a HUD entitlement fund service provider, complete with strengths and weaknesses. It requires the participating jurisdiction to conduct a self-assessment, asking the questions: How well did the county utilize its HUD resources? Could more people

have been served? Further, the CAPER provides a means by which HUD can ensure that agencies pursue and attain the proper and efficient use of resources.

The CAPER includes 1) a table of Consolidated Plan Annual Progress, 2) a summary of accomplishments, 3) an assessment of performance, and 4) a discussion of citizen participation. Each topic is developed so that the process is understandable to members of the general public.

An Additional Note to HUD Representatives

To make the PY04 CAPER more “user-friendly”, a matrix has been added that guides HUD representatives to required information. It also provides an index of information presented by the CAPER to the general public. The CAPER Requirements Matrix is designed to direct the reader to key information directly requested by HUD by listing the page where the information is found.

Table 2. CAPER Requirements Matrix

Assessment of 3- to 5-Year Goals and Objectives	Yes	No	Reporting Method	Notes/Comments
1. Does the report demonstrate how activities undertaken during the program year address pertinent Strategic Plan objectives and areas of high priority identified in the 3- to 5-year plan?	❖		Narrative	p. 13-20
2. Is there an assessment of the relationship of the use of CDBG funds to the high priority needs/objectives in the Plan, including an analysis of the extent to which CDBG funds were distributed among different categories of housing needs identified in the Consolidated Plan?	❖			p. 26-30; 50-53
3. Is special attention given to the highest priority activities?	❖			p. 25-30; 49-52
4. If the grantee receives HOME funds from HUD, is there an analysis of the extent to which HOME funds were distributed among different categories of housing needs identified in the grantee’s approved consolidated plan?	❖			p. 26; 32-33; 53-54
5. If the grantee receives HOPWA funds directly from HUD, is there an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs identified in its approved Consolidated Plan?		❖		Do not receive HOPWA funds.
6. If the grantee receives ESG funds directly from HUD, is there a description of the extent to which activities supported directly with ESG funds addressed homeless and homeless prevention goals, objectives, and priorities established in the Consolidated Plan, and if applicable, the Continuum of Care Plan. (May be discussed in the continuum of Care section of the CAPER.)	❖			p. 30-31; 43; 56-57

	Yes	No	Reporting Method	Notes/Comments
1. Does the report contain an assessment of the grantee's efforts in carrying out the planned actions described in its action plan? Does it indicate the grantee: <ul style="list-style-type: none"> a. Pursued all resources that it indicated it would pursue. b. Provided requested certifications of consistency for HUD programs, in a fair and impartial manner. c. Did not hinder Consolidated Plan implementation by action or willful inaction. 	❖		Narrative	p. 42-47
Affirmatively Furthering Fair Housing				
1. Does the report include information regarding actions taken to complete an analysis of impediments to fair housing choice?	❖		Narrative	p. 34-41
2. Does the report include a summary of impediments identified in the analysis?				
3. Have actions been taken during the year to overcome the effects of the identified impediments?				
Affordable Housing				
1. Does the report include the following? <ul style="list-style-type: none"> a. number of extremely low-income (0-31% of MFI) renter households assisted? b. number of extremely low-income (0-31% of MFI) owner households assisted? c. number of very low-income (31-60% of MFI) renter households assisted? d. number of very low-income (31-60% of MFI) owner households assisted? e. number of low-income (61-80% of MFI) renter households assisted? f. number of low-income (61-80% of MFI) owner households assisted? 	❖		HOME – C04PR23 CDBG – narrative	Appendix p. 26
2. Is there a comparison of actual accomplishments with proposed goals for the reporting period?	❖		Narrative	p. 13-21
3. Does the report identify actions taken to: <ul style="list-style-type: none"> a. foster and maintain affordable housing? b. eliminate barriers to affordable housing 	❖			p. 35-44
	❖			p. 39-40
4. Have efforts been made to address "worst-case needs" and the needs of persons with disabilities?				p. 40
Continuum of Care				
Are the following included:	❖		Narrative	p. 43

1. A summary of actions taken to prevent homelessness?	❖			
2. Actions taken to address the emergency shelter and transitional housing needs of homeless individuals and families?	❖			
3. New federal resources obtained during the year from the Continuum of Care SuperNOFA.	❖			
Other Actions			Reporting Method	Notes/Comments
Does the report address actions taken to:	❖		Narrative	p.43-47
1. Address obstacles to meeting underserved needs?	❖			
2. Overcome gaps in institutional structure and enhance coordination?	❖			
3. Improve public housing and resident initiatives?	❖			
4. Evaluate and reduce lead-based paint hazards?	❖			
5. Ensure compliance with program and comprehensive planning requirements?	❖			
6. Reduce the number of persons living below the poverty level?	❖			
Leveraging Resources	Yes	No		
1. Does the report describe progress in obtaining other public and private resources?	❖		Narrative	p. 47-48
2. Is there a discussion of how federal resources made available from HUD leveraged other public and private resources, including how any matching requirements were satisfied?				
Displacement and 1-4-1 Replacement				
If any CDBG activities involved acquisition, rehabilitation (rental) or demolition of occupied real property, did the grantee submit a narrative that identified the activities?	❖		Narrative	p. 51-52
a. Does it identify steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities?	❖			
b. Does it identify steps taken to identify households, businesses, farms, or nonprofit organizations that occupy the site of a CDBG-assisted project subject to the requirements of the URA or Section 104(d) of the 1974 Community Development Act, as amended?	❖			
c. Does it identify whether or not these households, etc., were actually displaced?	❖			
d. Does it identify the nature of their needs and preferences?	❖			
e. Does it describe the steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations?	❖			
Is the information provided by the grantee satisfactory?				

If no, was the CAPER sent to the Relocation Specialist?			
Self-Evaluation			p. 48
1. Is the self-evaluation results-oriented?	❖		Narrative p. 48
2. Has the grantee considered the following as part of its self-evaluation:	❖		p.48
a. Whether activities and strategies addressed in the strategic plan and action plan are making an impact on identified needs	❖		
b. Which indicators would best describe the results of activities/strategies impacting needs	❖		p. 48
c. What barriers may have a negative impact on fulfilling the strategies and the overall vision	❖		p. 48
d. The status of grant programs	❖		p. 48-50
e. Whether any activities or types of activities are falling behind schedule	❖		p. 48
f. Whether grant disbursements are timely	❖		p. 49
g. Whether actual expenditures differ substantially from line of credit disbursements	❖		p. 49
h. Whether major goals are on target	❖		p. 50
i. What adjustments or improvements to strategies and activities might meet the grantee's needs more effectively	❖		p. 50

CDBG

Summary of Activities Report (C04PR03)	Yes	No	Notes/Comment
1. Are all activities that were underway on the CAPER included on the report?	❖		Appendix
1. Are the 2004 activities relevant to the projects approved in the 2004 Action Plan and any subsequent amendments?	❖		Appendix
2. For each activity, does the activity description provide a clear description of the nature and eligibility of the activity?	❖		Appendix
3. Is the organization carrying out the activity identified?	❖		Appendix
4. Has an appropriate matrix code been included for each activity?	❖		Appendix
5. Is the status of each activity appropriate?	❖		Appendix
6. For each activity in which the status is completed, does it appear that the requirements for meeting one of the national objectives have been met?	❖		Appendix

7. Has beneficiary data been reported for direct benefit activities? Does it correspond with the actual accomplishments reported? <i>(For multi-family housing and job creation activities, this information must be cumulative over the life of the activity. For all other direct benefit activities, the beneficiary data should be provided for just this year's accomplishments.)</i>	❖		Appendix
8. For each activity, have actual accomplishments been entered that include an appropriate unit of measure and the number of units completed during the program year?	❖		Appendix
9. If an activity has not been completed, has information been provided in the accomplishment section that adequately describes the status of the activity?	❖		Appendix
10. If any activity uses the nature and location of the activity to meet the LMC criteria, does the grantee describe how the nature and/or location of the activity demonstrates that the activity benefits a limited clientele, at least 51 percent of whom are low/mod income persons? <i>(This information does not print on the report – you must go into IDIS (view activity module) to verify this information.)</i>	❖		Appendix
11. For LMA benefit activities, have census tract/block group data and the percentage of low/mod persons residing in the area been provided? <i>(This information does not print on the report – you must go into IDIS (view activity module) to verify this information.)</i>	❖		Appendix
a. Are the CT/BG data and percentages valid?	❖		
13. Have street addresses or other location information been provided for each activity (except relocation, planning and administration activities)?	❖		
14. If a survey was used that was not previously approved by HUD, has a copy of the survey instrument and the results obtained been submitted?			n/a
15. For SBA benefit activities, have the boundaries of the designated area been identified, as well as the year of designation and the percentage of buildings deteriorated at the time of designation? <i>(This information does not print on the report – must go into IDIS view activity module to verify this information.)</i>			Appendix
16. For each acquisition activity, has the planned use of the property acquired been identified?	❖		Appendix
17. For each code enforcement activity, have the geographic boundaries of the target area, CT/BG, and percent of low/mod persons resident in the target area been provided? <i>(CT/BG and l/m percentages do not print on the report – must go into IDIS view activity module to verify this information. See #11.)</i>			n/a
18. For each historic preservation activity reported, has it been reported if the structure is residential or nonresidential?			n/a
19. If an activity is designated to specifically address an outstanding noncompliance finding or court order based on a FHEO law, is this noted in the activity description?			n/a
20. Does any activity involve assistance in the form of a guarantee of payment of			n/a

indebtedness incurred by another party? a. If yes, is the amount of the contingent liability that may be required to be repaid with CDBG funds included in the activity description?			
21. Where there is a lump sum drawdown activity, does the amount drawn include only those funds disbursed (or transferred to a reserve account) by financial institutions for assistance provided to the ultimate beneficiary?			Appendix

Multi-Unit Housing Activities	Yes	No	Notes/Comment
1. For each multi-unit housing activity, have the total number of units and the number occupied at the start of the activity been reported?	❖		Appendix; p, 53-54
2. For multi-unit housing activities meeting the low/mod housing national objective, have the following been reported. <i>(This information does not print on the report – must go into IDIS view activity module to verify this information.)</i>	❖		
a. Number of units occupied by low/mod income persons at the start of the activity?	❖		
b. Total number of units to be occupied by low/mod income persons at completion?	❖		
c. Percentage of units to be occupied by low/mod income persons?	❖		
3. Has the maximum amount of CDBG funds to be credited for low/mod benefit been identified in the accomplishment field for each multi-unit housing activity?	❖		Appendix
4. Have the previous low/mod credit and the low/mod credit for this reporting period been provided for each multi-unit housing activity, as appropriate?	❖		Appendix
5. Have the total cost and total CDBG share of that cost been reported in the accomplishment field?	❖		Appendix
Economic Development Activities			
1. For economic development to for-profit businesses, does the activity description, accomplishment section, or narrative identify the form of assistance?	❖		Appendix-No Economic Development activities during PY04.
2. If the assistance is in the form of a loan, have the interest rate and repayment period been shown? <i>(This information does not print on the report – must go into IDIS view activity module to verify this information.)</i>	n/a		
3. For low/mod job creation and retention activities, have the number of permanent full-time and part-time jobs to be held by or made available to low/mod persons been provided? <i>(This information does not print on the report – must go into IDIS view activity module to verify this information.)</i>	n/a		
4. If jobs were made available to low- or moderate-income persons but were not	n/a		

taken by them, does the CAPER provide: <i>(should be included as a narrative unless its in the accomplishment section).</i>				
a. Narrative of actions taken by the grantee and businesses to ensure first consideration was or will be given to low/mod persons.	n/a			
b. Listing by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.	n/a			
Overall Benefit				
1. Did the grantee meet the overall low/mod income benefit test? <i>(See financial summary or FA review for this information.)</i>	n/a			
2. If no, or if the grantee did not use CDBG funds exclusively for the three national objectives (excluding planning/admin), is a narrative provided that addresses how the use of funds did not address national objectives and how future activities might change as a result of the current experience?	n/a			
HUD-Approved Neighborhood Revitalization Strategy				
Does the CAPER report progress against benchmarks established for the program year? (For EZ/ECs, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting annual progress on neighborhood revitalization strategy areas.)				Narrative N/a

HOPWA

	Yes	No	Reporting Method	Notes/Comments
1. Does the CAPER include an overview of activities carried out, barriers encountered, actions in response to barriers, and recommendations for program improvement?			Narrative	N/A, Do not receive HOPWA funds
2. If grantees use project sponsors, does the CAPER address how grant management oversight of sponsor activities was undertaken, including how recipients of such assistance were chosen and what services were provided?				
3. Does the CAPER include information on what other resources were used in conjunction with HOPWA-funded activities, including cash resources and in-kind contributions?				
4. Does the CAPER indicate how activities were carried out in collaboration with related programs, including consultations or coordination of planning with clients, advocates, and entities that administer programs under the Ryan White CARE Act, AIDS Drug Assistance Programs, Continuum of Care Homeless Assistance Programs, or other efforts that assist persons living with HIV/AIDS and their families?				

ESG

	Yes	No	Reporting Method	Notes/Comments
1. Does the CAPER include a description of the sources and amounts of funds used to meet the match requirements of the ESG program.	❖		Narrative	Appendix C
2. For each year of funds expended during the program year, was the amount expended for essential services within the 30 percent cap?			C04PR19 and C04PR20 (only if grantee separated activities by eligible category.	
3. For each year of funds expended during the program year, was the amount expended for homeless prevention services within the 30 percent cap?			Otherwise, supplemental	
4. For each year of funds expended during the program year, was the amount expended for administration within the 5 percent cap?			narrative.)	
5. Were each year's grant funds expended within the 24-month time period?				

Public Participation

	Yes	No	Reporting Method	Notes/Comments
1. Did the jurisdiction make the CAPER available to the public for examination and comment for a period of at least 15 days?	❖		Narrative	p. 58
2. Did the performance report provided to citizens identify all federal funds made available for furthering objectives of the Consolidated Plan?	❖			p. 21-25
3. Did the grantee provide the following information in the performance report:	❖			p. 21-25
a. Total amount of funds available (including estimated program income) for each formula grant program.	❖			p. 21
b. Total amount of funds committed during the reporting period.	❖			p. 21-25
c. Total amount expended during the reporting period.	❖			p. 21-25
d. Identify the geographic distribution and location of expenditures.	❖			Appendix; Maps
4. Did the grantee provide the public with a summary of community accomplishments for each priority need designated in the strategic plan?	❖			p. 13-21

Consolidated Plan Annual Progress

Program Years 2003 and 2004

Table 3. Consolidated Plan Goals Summary of Progress

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY04
	Housing OWNERS	
H	Objective 1: Homeownership- To provide 500 individuals and families with the opportunity for homeownership by July 31, 2008, thus improving quality of life and supplying decent housing. This objective will be accomplished through financial assistance to prospective homebuyers. Financial assistance includes, but is not limited to downpayment and closing cost assistance. Programs providing Downpayment and Closing Cost services should provide a minimum of \$10,000 in downpayment and closing costs per eligible program participant. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.	Provided homeownership assistance to 362 low/moderate income individuals and families.
M	Objective 2: New Construction- To provide financial assistance to aid in the construction of 80 affordable housing units within the Harris County service area by July 31, 2008 for the purpose of supplying decent housing for low- and moderate income owner occupied households. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.	Provided new construction of 6 affordable housing units.
H	Objective 3: Single Unit Major Rehabilitation- To provide financial assistance to aid in the major rehabilitation of 100 single family housing units within the Harris County service area by July 31, 2008 for the purpose of supplying decent housing for low- and moderate-income owner occupied households. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.	Provided rehabilitation to 12 units.
H	Objective 4: Minor Home Rehabilitation- To provide 200 low- and moderate-income homeowners with minor home repair assistance for the purpose of supplying decent housing for low- and moderate-income households. Minor home repair assistance includes but is not limited to rehabilitation of septic systems and water wells. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS. (CDBG funds use only and involves repairs that cost less than \$10,000 per house)	Provided minor repair to 12 units.

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY04
H	Objective 5: Lead Based Paint Abatement -To assist in the abatement of lead based paint hazards in 140 owner occupied, single-family housing units by July 31, 2008 for the purpose of providing safe and decent housing for low- and moderate-income households.	Provided financial assistance to aid in the rehabilitation to 76 single family housing units.
	RENTERS	
H	Objective 6: New Construction -To provide financial assistance to aid in the construction of 15 affordable multi-family housing units within the Harris County service area by July 31, 2008 for the purpose of supplying decent housing to low- and moderate-income renter households. Harris County places a high priority on projects servicing seniors, the disabled, and persons with HIV/AIDS.	Project under construction.
H	Objective 7: Acquisition of Multi-Family Housing -To provide assistance to acquire 100 multi-family, affordable housing units in the Harris County service area by July 31, 2008 for the purpose of supplying decent housing to low- and moderate-income renter households. (If acquiring and rehabilitating units use code 14G)	Acquired 184 units.
M	Objective 8: Rehabilitation, Multi-Unit -To provide financial assistance to aid in the rehabilitation of 15 multi-family, affordable housing units in the Harris County service area by July 31, 2008 for the purpose of supplying decent housing to low- and moderate income renter households.	No progress to date.

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY04
H	Objective 9: Rental Assistance- To provide tenant based rental assistance to 200 extremely low- and low-income Harris County families and individuals, by July 31, 2008 for the purpose of supplying decent housing for low- and moderate income renter households.	No progress to date.
H	Objective 10: Lead Based Paint Abatement- To assist in the abatement of lead based paint hazards in 20 renter-occupied, single-family housing units by July 31, 2008 for the purpose of providing safe, decent housing for low- and moderate-income renter households.	No progress to date.
Homeless		
H	Objective 1: Essential Services- To provide 2,500 units of outreach, assessment and other essential services for homeless persons and families to improve their overall quality of life and assist in moving them to self-sufficiency by July 31, 2008. Essential services include but are not limited to counseling, case management, food and clothing distribution, job training and placement, life skills training, child care, health care, transportation, emergency dental care, education, housing placement and substance abuse treatment.	Served 1,257 homeless persons.
H	Objective 2: Homeless Prevention- To provide outreach and homeless prevention services to 500 persons and families at risk of homelessness by July 31, 2008 for the purpose of promoting the sustenance of decent housing for the low- and moderate-income population. Homeless prevention services include but are not limited to emergency housing and utility assistance, security deposits, mediation and legal assistance, case management and counseling.	Served 87 persons.
H	Objective 3: Emergency and Transitional Shelters- To maintain and expand operations and support renovations and rehabilitation of structures to provide shelter for 1000 homeless persons within new and existing emergency and transitional shelters by July 31, 2008 for the purpose of providing decent housing for the homeless population.	Served 4,549 homeless persons.
Public Facilities		
H	Objective 1: General Public Facilities- Provide improvements and/or construction of 10 neighborhood or social service facilities benefiting low- and moderate-income areas by July 31, 2008 for the purpose of improving the quality of life of 20,000 residents of low- and moderate-income communities by promoting the availability of public facilities to the meet unmet neighborhood needs. Neighborhood facilities include but are not limited to community centers, multi-purpose centers, and arts and crafts facilities. Social Service Facilities are structures, which provide space for the purpose of providing a needed service to low- and moderate-income persons such as group homes, libraries, and healthcare facilities.	Five facilities completed serving 1,538 persons.

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY04
H	Objective 2: Senior Centers -Provide improvements to 6 senior center facilities located throughout the Harris County service area by July 31, 2008 for the purpose of improving the quality of life of 6,000 elderly individuals by promoting the availability of facilities to serve unmet needs. Senior centers are facilities that exclusively provide space for services to persons aged 65 years and older.	One facility completed.
H	Objective 3: Youth Centers -Provide improvements to 2 youth centers located in the Harris County service area by July 31, 2008 for the purpose of improving the quality of life of 1,000 youth by promoting the availability of facilities to serve unmet needs. Youth centers are facilities that primarily provide space for services to persons aged 18 years and younger.	No progress to date.
H	Objective 4: Parks -Provide improvements to and/or construction of 10 parks/recreational facilities benefiting low- and moderate-income areas by February 28, 2008 for the purpose of improving the quality of life of 5,000 residents of low- and moderate-income communities by promoting the availability of green space and playground areas to serve recreational and leisure needs.	Seven parks completed.
H	Objective 5-Fire Stations -Assist in the acquisition of property, construction and/or provide improvements to one fire stations benefiting low- and moderate-income areas in the Harris County service area by July 31, 2008 for the purpose of improving the quality of life and sense of safety of 1,000 residents of low- and moderate-income communities by promoting the availability of adequate fire safety facilities.	No progress to date.
M	Objective 6: Removal of Architectural Barriers -Provide improvements to 3 facilities and structures to removal barriers for handicap accessibility in the Harris County service area by July 31, 2008 for the purpose of improving the quality of life of 1,000 disabled persons.	No progress to date.
Economic Development		
H	Objective 1: Direct Financial Assistance to For-Profits -To provide direct financial assistance to for-profit businesses by July 31, 2008, for the purpose of creating/retaining 25 jobs with at least 51% reserved for low and moderate income persons thus expanding economic opportunity and improving the quality of life for unemployed and underemployed individuals.	No progress to date.
H	Objective 2: Microenterprise Assistance -To provide financial and technical assistance and training to enable 50 low and moderate-income persons the opportunity for entrepreneurship by July 31, 2008. Training and assistance to include but not limited to business counseling and micro-loan availability.	No progress to date.

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY04
M	Objective 3: Technical Assistance -To assist 3 businesses in expanding, maintaining, and improving operations by providing financial and/or technical assistance for the purpose of retaining and creating jobs particularly jobs for low- and moderate-income persons thus expanding the economic opportunity and improving the quality of life for unemployed and underemployed individuals. Technical assistance includes, but is not limited to, marketing, referrals, workshops, small business training and counseling, and competitive business planning.	No progress to date.
M	Objective 4: Brownfields -To providing direct financial to 1 public entities, education institutions, community development corporations and/or Brownfield site owners for the purpose of cleaning up and reusing Brownfield, thus reducing potential health problems, potential spreading of contamination and creating employment opportunities for Harris County low- to moderate-income communities.	No progress to date.
Infrastructure		
H	Objective 1: Street Improvements -Construct and improve 30,000 feet of roadways benefiting low-income areas of the Harris County service area by July 31, 2008 for the purpose of improving the living environment and quality of life of 15,000 low- and moderate-income persons.	Served 2,000 persons.
H	Objective 2: Water/Sewer Improvements -Provide improvements to 90,000 square feet of water/sewer lines and 3 water/sewer facilities benefiting low- and moderate-income areas within the Harris County service area by July 31, 2008, for the purpose of improving the living environment and quality of life of 20,000 low- and moderate-income persons. Improvements may include, but are not limited to sewage treatment facilities, rehabilitation of manholes, rehabilitation of water storage tanks, and construction and maintenance of lift and pump stations.	Served 34,665 persons.
H	Objective 3: Sidewalks/Pathways -Construct and improve 3 miles of sidewalks/pathways benefiting low and moderate-income areas within the Harris County service area by July 31, 2008, for the purpose of improving the living environment and improving the quality of life for 5,000 low- and moderate-income persons.	No progress to date.
H	Objective 4: Flood drain improvements -Construct and improve 1,000 feet of flood drains benefiting low and moderate-income areas of the Harris County service area by July 31, 2008 for the purpose of improving the living environment and quality of life of 10,000 low- and moderate-income persons.	No progress to date.

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY04
Public Services		
H	Objective 1: General Services- To provide general public services to 15,000 low and moderate persons to increase quality of life and general well-being for individuals and families throughout the HCCDD service area. Services include but are not limited to food and clothing distribution, housing counseling, and neighborhood clean up.	2,967 persons served.
H	Objective 2: Senior Services (Special Needs Population)- To provide senior services to 2,450 elderly and frail elderly persons to enable them to increase or maintain quality of life and promote physical, mental, and social well-being. Senior services include but are not limited to food and clothing distribution, housing counseling, transportation services, enrichment classes, exercise and recreation programs, healthcare/medication assistance, <i>emergency</i> dental care and services for Alzheimer's disease patients and their families.	501 seniors served.
H	Objective 3: Youth Services- To provide youth services for 12,000 low- and moderate-income persons, 5-19 years of age, for the purpose of enriching, protecting, and improving quality of life by July 31, 2008. Youth services include but are not limited to counseling, after-school programs, sports and recreational programs, education and tutoring programs, life skills building, self-esteem building, drug and alcohol education, youth retreats, mentor programs, summer youth programs, and job and career counseling.	4,214 youth served.
H	Objective 4: Health Services- To provide health prevention, services, and outreach to 7,500 low and moderate income persons to increase the mental, physical, and social well-being of the individual and family. Health prevention, services, and outreach include but are not limited to immunization, health clinic service, mobile care, vision care, dental care, nutrition counseling, tele-medicine, after hours care, physical rehabilitation, and health education and awareness.	1,754 persons served.
H	Objective 5: Services to Persons with Disabilities (Special Needs Population)- To provide services to 450 disabled adults to enable them to increase or maintain their quality of life and promote physical, mental, and social well-being. Services to the disabled include but are not limited to counseling, housing placement, food and clothing distribution, transportation services, enrichment classes, exercise and recreation programs, job training and placement and independent living skills training.	109 persons served
M	Objective 6: Transportation Services- To promote transportation services to 500 low and moderate-income persons by July 31, 2008 to increase mobility to access essential service, facilities, jobs and employment centers thus improving the quality of life.	No progress to date.
H	Objective 7: Services for Persons with HIV/AIDS (Special Needs Population)- To provide services to 300 persons with HIV/AIDS and their families to increase or maintain their quality of life and promote physical, mental, and social well-being. Services to persons with HIV/AIDS include but are not limited to counseling, education, housing placement, referral and outreach, health services, transportation services, food and clothing distribution, independent living skills training, job training and placement and awareness.	No progress to date.

PRIORITY	OBJECTIVE	CUMULATIVE ACCOMPLISHMENTS THROUGH PY04
H	Objective 8: Abused and Neglected Children- To provide services to 1,500 abused and neglected children by July 31, 2008 for the purpose of enabling a secure and stable environment thus increasing quality of life. Services include but are not limited to advocacy, counseling, childcare, and protection.	548 children served.
M	Objective 9: Child Care Services- To provide child care services to 100 low- and moderate-income persons to enable families to find safe, secure, and enriching environments for children, while allowing parents the ability to access education, job search, job training and placement services and employment. Childcare services include but are not limited to childcare referral and information, and provision of childcare.	51 persons served
M	Objective 10: Crime Awareness and Juvenile Justice- To assist and provide 1,000 low- and moderate income youth and their families with crime awareness, prevention and juvenile justice programs by July 31, 2008. Services in this objective include, but are not limited to juvenile justice, delinquency and gang prevention services, crime awareness activities, in areas at particular high risk of crime to hinder potential criminal activity and increase safety awareness thus improving the quality of life. Crime awareness, prevention, and juvenile justice programs includes, but is not limited to police storefronts, safety and self-defense workshops, crime watch programs, equipment, and security guards.	No progress to date.
Other		
H	Objective 1: Clearance and Demolition- To eliminate 50 dilapidated and/or unsafe structures located in low and moderate-income areas in an effort to improve integrity of Harris County neighborhoods by July 31, 2008.	61 houses demolished.
M	Objective 2: Nonprofit Technical Assistance- To provide assistance to 6 non-profit organizations, including assistance to Community Housing Development Organizations (CHDOs) and Community Based Development Organizations (CBDOs), to build capacity to support revitalization activities in low and moderate-income communities. Assistance includes but is not limited to technical assistance, referral services, and providing research and information services.	Assisted 1 organization with CHDO operating funds.
H	Objective 3: Planning- To support, encourage and facilitate countywide service planning and local community planning activities through the Harris County service area for the purpose of preparing for the future and ensuring stabilization and needed expansion of services and facilities through July 31, 2008. Local planning activities to provide neighborhood level plan for 5 low- and moderate-income target areas by developing and conducting a planning process, supporting research and analyses, and providing technical assistance. Four plans to be submitted to the U.S Department of Housing and Urban Development as Neighborhood Revitalization Strategies (NRS) by July 31, 2008.	6 agencies served.

Summary of Resources and Accomplishments

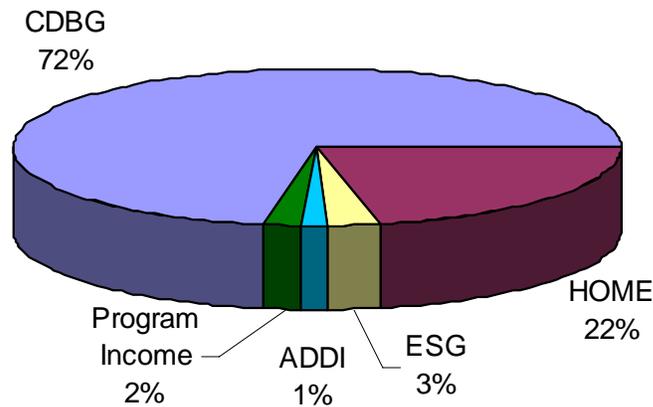
Resources Available

In recent years, Harris County, as a whole, has expanded its funding base beyond a reliance on federal HUD entitlement funds. The increase in funding sources is largely a result of the county's continued commitment to expanding its role in community revitalization. Projects and partnerships funded through Harris County programs often include substantial public and private funds leveraged to maximize success. Other Harris County departments have actively sought over 200 Federal, state, and local grants to improve the quality of life in the county. In addition, other outside agencies throughout the county offer services to low-income communities and in many cases complement the county's HUD entitlement programs' efforts.

Federal Entitlement Resources

For PY04, Harris County received funds through four of the five major formula grants issued by HUD: Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), American Dream Downpayment Initiative (ADDI), and the HOME Investment Partnerships Act. The City of Houston's Department of Housing and Community Development was responsible for the administration of Harris County's Housing Opportunities for Persons With AIDS (HOPWA) allocation. In total, Harris County received \$17,313,147.00 in CDBG, HOME, ADDI, and ESG funds for PY 2004. Additionally, there was \$357,759.02 generated through program income available for use during PY 2004.

Chart 1. PY 2004 HUD Entitlement and Program Income Funds



Other Resources, Federal and Non-federal

Housing Choice Voucher Program

The Harris County Housing Authority-Housing Choice Section 8 Rental Assistance program provides rent subsidies for very low-income individuals and families, as well as, persons who are elderly or disabled to maintain their rents at affordable levels. The program offers the freedom of choice to recipients so that they may find housing units suitable to their needs. The Harris County Housing Authority expended approximately \$13,437,244 (excluding administrative and operational funds) in housing assistance payments for PY04. During PY04, the program provided approximately 1,800 individuals and families monthly rental subsidy payments.

Continuum of Care

Harris County in conjunction with the Coalition for the Homeless of Houston/Harris County and the City of Houston, developed Harris County's Continuum of Care program, a network of comprehensive housing and services for the homeless in Harris County. The Continuum of Care creates a pathway enabling homeless individuals and/or families to access emergency shelter; move into transitional housing; receive supportive services; and find permanent supportive housing or live independently in market housing.

For PY 2004, Harris County had \$18,720,885.00 available to assist homeless families and persons through the Supportive Housing, Shelter Plus Care Programs, and Single Room Occupancy. Grants were allocated to 30 local agencies that provided: literacy/education training, preventive health care, transportation, supportive service for drug-dependent individuals, transitional housing and supportive services for homeless HIV infected women and their children, transitional housing and supportive services to battered women and their children, and permanent housing for homeless persons with disabilities and their families. Harris County sponsored nine of those agencies performing 15 projects with a request of \$3,705,082.00.

Lead Based Paint

Harris County, through the Harris County Public Health and Environmental Services Department (HCPHES), has been addressing the lead-based paint issue since 1992. Services for lead-based paint hazard control include: public education and outreach, screening and identification of lead-based paint hazards by HCPHES, lead inspection and specifications for abatement by a lead-based paint testing service, hiring of a certified contractor, relocation of the family by HCPHES, abatement by the certified contractor, and clearance by the inspector. For PY04, \$858,106.13 was expended in CDBG funds and 44 households were served. Also in PY04, HCPHES applied for HUD Lead-Based Paint grant, but was unsuccessful.

State Funds

Low Income Housing Tax Credits. Low Income Housing Tax Credits (LIHTC) provide a financial incentive to developers to build affordable rental units for low-income families and individuals. During PY04 eight developers applied for tax credits to build 1,370 new units within the Harris County service area.

Local Funds

During PY04, Harris County utilized special tax increment reinvestment zone funds earmarked for the creation of affordable housing to provide additional funding for homeless shelters and downpayment assistance. The county also partnered with the Harris County Housing Finance Corporation to increase homeownership opportunities in the county through the Downpayment Assistance Program (DAP) Plus program. This program assists the revitalization low-income areas by supporting the creation of new homes in the community.

Other County Department Resources. Harris County Community & Economic Development Department represents only one of the many departments within Harris County working diligently to improve the quality of life for all Harris County residents including those low-income individuals and families within the county's service area. In fact, the vast majority of county departments, in some manner, act to improve the quality of life and enhance community revitalization in the county and work to serve families through prevention, investigation, and protective services. At the same time, they serve thousands of persons in education, health, public service, and public safety -- all priorities of the Consolidated Plan. With 5,250 road miles and approximately 130 parks and community centers maintained by Harris County precincts, infrastructure and civic enrichment programs are always priorities

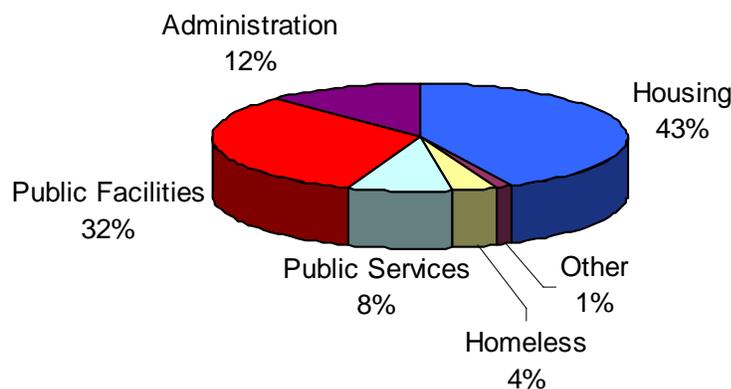
Analysis of the expenditures in the major areas of the 2003 Consolidated Plan, such as housing, infrastructure, economic development, and health, indicate how the activities of other county departments complement the actions taken by Harris County HUD programs. Housing and homelessness receive little assistance from other departments, yet these concerns are well funded by Harris County HUD programs. Conversely, the Harris County Department of Health, spends a substantial amount of funds providing health services such as immunization, prenatal care, and pediatric health care thus allowing Harris County HUD programs to concentrate their resources in other areas.

Funds Authorized/Expended

Entitlement funds are authorized for expenditure following the completion of project selection and the subrecipient contract process. For this narrative, authorized funds represent 1) funds previously expended, 2) funds expended during PY04, and 3) funds yet to be expended, thus it represents the initial allocation set aside to fund projects reported in this document. Conversely, expended funds represent funds expended during PY04 only. Authorized funds for projects active during PY04 amounted to \$47,621,438.01. These projects expended entitlement funds amounting to \$23,763,886.45 during PY04.

Accomplishments According to Consolidated Plan Need Areas

Chart 4: PY04 Expenditure of Entitlement Funds According to Consolidated Plan Priority Area



One of the primary functions of the CAPER is to report on an entitlement community's annual efforts to implement its Consolidated Plan. Implementation of the plan is measured through the accomplishments attained through projects and programs implemented during the program year. The following section summarizes Harris County's PY04 efforts including accomplishments according to the needs and strategies reported in the Harris County 2003 Consolidated Plan. The priority need areas stated in the 2003

Consolidated Plan include: Public Services, Economic Development, Education, Health, Homelessness, Housing, Infrastructure, and Public Safety. *Chart 4. Expenditure of Entitlement Funds According to Consolidated Plan Priority Area* indicates funds expended to meet the full range of community development and housing needs.

Economic Development

Harris County did not authorized the use of CDBG funding for economic development projects during the 2004 program year. In the future, the county may participate in activities such as small business loan program and business development initiatives creating jobs for income eligible persons.

Homelessness

CDBG funding in the amount of **\$435,442.82** was authorized during PY04 for 6 projects that provided services and shelter exclusively for homeless persons and expended **\$120,023.10** during PY04. These programs provided services to **410** individuals and families who were homeless or “at risk” of becoming homeless. Activities funded included supportive services and emergency shelter services to the homeless. In PY04, Harris County authorized the use of **\$1,574,340.23** in ESG funding for **18** homelessness projects. Of these funds, **\$622,117.59** was expended during PY04 and a total of **5,149** homeless persons were benefited by the ESG authorized funds.

Homeless projects addressed the following 2003 Consolidated Plan Strategies: Essential Services, Homeless Prevention, and Emergency and Transitional Shelters.

Housing

Harris County continued to advance the availability of decent, safe and affordable housing through 27 HOME and CDBG housing projects (some projects received both types of funding). Harris County authorized the use of **\$9,484,425.14** in CDBG funding for **11** housing related projects in PY04, **\$1,892,702.55** was expended during the program year, and a total of **240** households were benefited.

During PY04, Harris County authorized **\$17,405,140.19** in HOME funds for **17** housing projects. Of these HOME funds, **\$8,881,381.65** was expended and **163** households benefited. Harris County authorized and expended **\$434,039.89** in ADDI funds for **35** first-time homebuyers.

Program purposes included programs providing downpayment and closing costs assistance, acquisition of rental units, and owner occupied housing rehabilitation services. Housing-related activities addressed the following 2003 Consolidated Plan Housing Strategies: Homeownership, Single Unit Rehabilitation, Lead Based Paint Abatement, and Acquisition.

Public Facilities and Improvements

In PY04, Harris County authorized the use of **\$9,282,281.55** in CDBG funds for **20** public facilities and **\$12,486,632.50** for **26** infrastructure improvement projects. Activities funded included road improvement projects, water supply and sewer system improvements and storm drainage improvements and flood abatement. Harris County expended **\$1,204,750.10** in CDBG funds for public facilities and **\$5,643,532.49** for infrastructure.

Infrastructure activities addressed 2003 Consolidated Plan Strategies Street Improvements, Water and Sewer Improvements, and Construction of Facilities.

Other

During PY04, Harris County authorized the use of **\$668,709.88** in CDBG funds for **2** activities to address community development needs in the areas of clearance and demolition and expended

\$206,405.81. Projects addressed 2003 Consolidated Plan Strategies of Clearance and Demolition.

Public Services

Harris County authorized the use of **\$3,112,086.92** in CDBG funds for **37** public service projects in PY04. A total of **\$1,711,604.95** was expended during PY04, and **6,802** persons benefited. Each of these projects addressed community development needs in the areas of youth, health, transportation, abused and neglected children, and crime awareness.

PY04 public service activities addressed 2003 Consolidated Plan Strategies General services, Youth Services, Health Services, Services for the Disabled, Child Care, Senior Services, Services for Abused and Neglected Children, and Employment Training.

Affordable Housing Accomplishments

Furthering affordable housing encompasses one of the primary purposes of HUD and is therefore a major component in reporting and evaluating performance. This section summarizes Harris County’s efforts to further affordable housing during PY04. These achievements utilized CDBG, ADDI and HOME funds to promote the availability of affordable housing and increase the amount of decent, safe housing stock. The following tables and charts identify the number of beneficiaries (persons, households, and housing units) by income and ethnicity. It also identifies the type and number of projects funded and the amount of entitlement funds expended during PY04.

Table 5. Summary of Affordable Housing Accomplishments

Activity (HUD Matrix Code)	Number of Projects	Service Goal PY04-07	Total Served PY04	HOME Assisted Owners	ADDI Assisted Owners	CDBG Assisted Owners	HOME Assisted Renters	CDBG Assisted Renters	Amount Authorized	Expended in PY04
Direct Homeownership Assistance (13)	8	500	192	102	35	55	0	0	\$8,475,444.05	\$3,249,635.58
Construction of Housing (12)	6*	95	0	0	0	0	0	0	\$7,203,000.00	\$6,548,608.24
Rehabilitation-Single Unit Residential (14A)	6	200	18	12	0	6	0	0	\$4,153,758.50	\$534,379.58
Lead-Based/Lead Hazard Test/Abate (14I)	3	140	44	0	0	44	0	0	\$3,144,410.67	\$858,106.13
CHDO Operating Costs (21I)	1	0	0	0	0	0	0	0	\$49,992.00	\$17,394.56
Acquisition (01)	3	100	184	0	0	0	49	135	\$4,460,000.00	\$0.00
Total Served	27	1,120	438	114	35	105	49	135	\$27,486,605.22	\$11,208,124.09

Note: Categories contain past year projects making final draws.

*Total projects under Construction of Housing (12) contain single-family and multi-family housing construction projects.

Chart 5. Affordable Housing Accomplishments: Persons Assisted According to Ethnicity

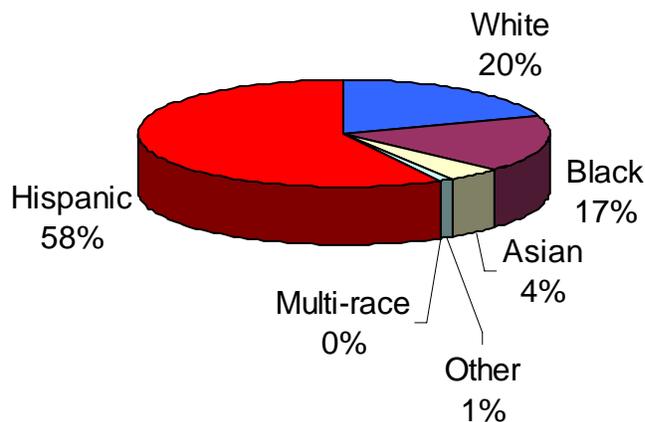


Table 6. Housing Accomplishments According to Income

Priority Need Category	Units
Owners : (254 households)	
Extremely Low (0-30% MFI)	5
Very Low (30-60% MFI)	95
Low (60-80% MFI)	154
Renters: (184 households)	
Extremely Low (0-30% MFI)	65
Very Low (30-60% MFI)	87
Low (60-80% MFI)	32
Total	438

MFI: Median Family Income, See Table 1. PY 2004 Low and Moderate Income Limits

*Note: In PY04, rental projects were under construction.

Table 7. Housing Accomplishments According to Race/Ethnicity

Housing by Race/Ethnicity		
Hispanic		166
Non Hispanic		272
<i>White</i>	<i>141</i>	
<i>Black</i>	<i>114</i>	
<i>Asian</i>	<i>12</i>	
<i>Other</i>	<i>5</i>	
<i>Multi-race</i>	<i>0</i>	
Total		438

CDBG Specific Accomplishments

CDBG funds, which comprise the majority of Harris County entitlement funds reported in this document, were established to provide specific eligible services and other activities specifically for improving the quality of life for low-income persons. This section of the CAPER is dedicated to summarizing CDBG program accomplishments in eight non-housing community development areas of eligible activities: public service, public facilities, infrastructure, crime awareness, special needs groups, workforce development, economic development and area benefit projects. CDBG public service and crime awareness projects primarily benefited low-income limited clientele. Special needs programs primarily benefited those persons, who are elderly, disabled, are infected with HIV/AIDS, and/or have a substance abuse problem. Public facilities and infrastructure projects primarily consisted of the construction and renovation of public buildings that served a majority low-income area or a low-income limited clientele and

public works improvements located within low-income areas. This section concludes with a description of the accomplishments of area benefit projects that benefited all persons residing in a particular geography.

Public Services

Table 8. Public Service Projects Accomplishments Table

Priority Need Category/Matrix Code	Projects Funded	Projects Completed	Amount Authorized	Amount Expended	Total Assisted
General Public Services (05)	9	1	\$548,627.90	\$379,086.89	2,874
Senior Services (05A)	2	0	\$49,248.75	\$27,022.46	396
Service for the Disabled (05B)	1	0	\$40,000.00	\$35,702.38	109
Youth Services (05D)	15	6	\$1,658,136.24	\$901,273.21	2,345
Employment Training (05H)	1	1	\$49,198.69	\$7,301.98	0
Child Care (05L)	1	0	\$75,000.00	\$56,137.87	51
Health Services (05M)	5	3	\$441,875.34	\$223,152.96	888
Abused and Neglected Children	3	2	\$250,000.00	\$81,927.20	139
Total	37	13	\$3,112,086.92	\$1,711,604.95	6,802

Note: 1) Several projects remain open pending final draws.
 2) Homeless projects under Public Services (05) category are reported in the Homeless section (p. 29).

Chart 6: Public Services Expenditures by Project Type

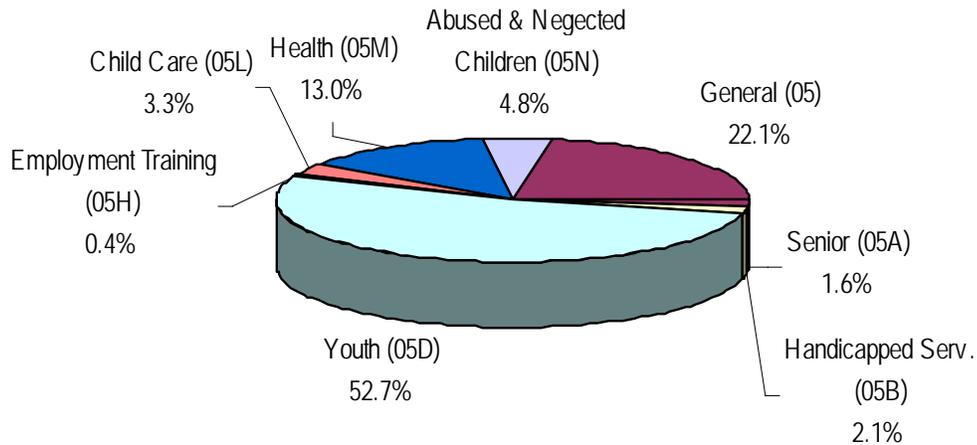
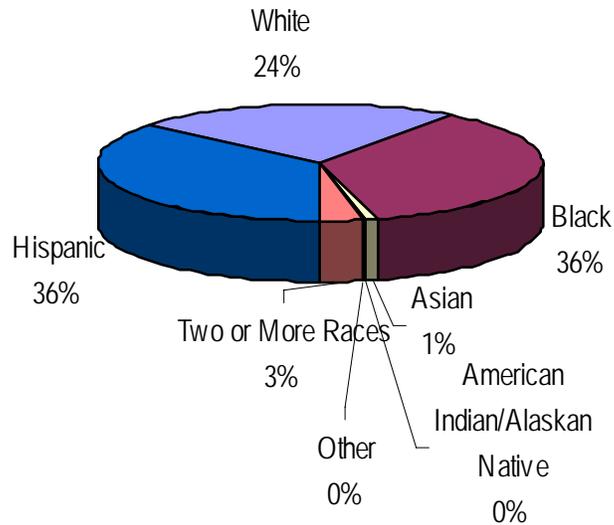


Chart 7: Public Services Activities Persons Served by Race/Ethnicity



Public Facilities

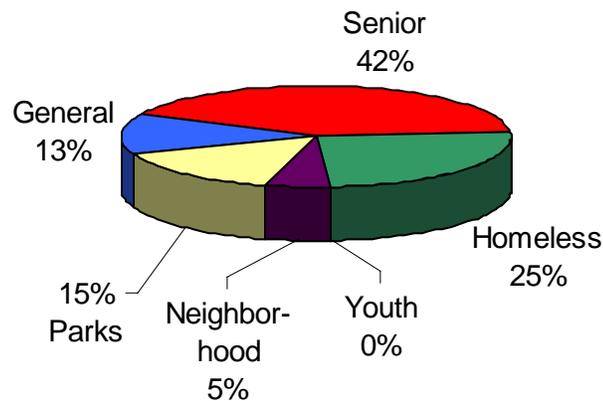
Table 9. Summary of Accomplishments for Public Facilities

Priority Need Category/Matrix Code	Projects Funded	Projects Completed	Persons Served	Amount Authorized	Amount Expended
General (03)	7	1	1,538	\$2,977,672.00	\$158,222.39*
Senior Centers (03A)	2	0	0	\$1,052,000.00	\$493,108.02*
Homeless Facilities (03C)	3	0	0	\$1,873,035.55	\$305,925.83
Youth Facilities (03D)	1	0	12+	\$560,000.00	\$0.00
Neighborhood Facilities (03E)	2	0	0	\$852,368.00	\$64,000.00*
Parks, Recreational Facilities (03F)	4	0	0	\$1,967,206.00	\$183,493.86*
Total	19	1	1,550	\$9,282,281.55	\$1,204,750.10*

Note: *Contains projects performing final draws, completed in last program year.

+Project expended all funds in PY03.

Chart 8: Public Facilities Expenditures by Project Type



Housing and Homelessness

As seen in Table 5, CDBG funds were used to serve 240 households in Harris County. The areas of service included homeownership, minor home repair and lead-based paint abatement. The county authorized \$435,442.82 and expended \$120,023.10 in CDBG funding and served 410 persons with homeless services in PY04.

Infrastructure

Table 10. Summary of Accomplishments for Infrastructure

Priority Need Category/Matrix Code	Projects Funded	Projects Completed	Persons Served	Amount Authorized	Amount Expended
Parking Facilities (03G)	1	1	0	\$176,000.00	\$152,026.67
Flood Drainage Improvements (03I)	1	0	0	\$31,538.00	\$0.00
Water /Sewer Improvements (03J)	22	7	32,665	\$11,277,619.50	\$4,697,630.48*
Street Improvements (03K)	2	0	0	\$1,001,475.00	\$793,875.34
Total	23	8	32,665	\$12,486,632.50	\$5,643,532.49

* Final Draw in PY04

Water and Sewer projects accounted for 83 percent of the infrastructure expenditures in PY04. Water and sewer improvement projects served 32,665 residents of Harris County with potable water and increased sanitary conditions. It is expected that projects underway will expend the majority of their funds in PY05. Also, several infrastructure projects are older projects making final draws as they are completed.

Economic Development

Economic development activities may include, but is not limited, to loans to for-profit businesses, microloans to small businesses, and training for low-income persons. Harris County neither allocated nor spent CDBG funds on economic development projects during PY04.

Other

In PY04, Harris County funded two projects through the HCPHES to conduct clearance and demolition of abandoned residential property in the service area. The county authorized \$382,363.66 and expended \$233,196.43 in CDBG funds and demolished of 20 properties.

Table 11 Summary of Accomplishments for Other

Priority Need Category/Matrix Code	Projects Funded	Projects Completed	Amount Authorized	Amount Expended
Clearance and Demolition (04)	2	1	\$382,363.66	\$233,196.43
Planning (021A)	0	0	\$0.00	\$0.00
Total			\$382,363.66	\$233,196.43

Area Benefit Projects

Table 12. Summary of Accomplishments for Low Income Area Benefit Projects

Project Type	Projects Funded	Projects Completed	Persons Served	Amount Authorized	Amount Expended	Low Income Percent
General (03)	7	1	1,538	\$2,977,672.00	\$158,222.39	66.7%
Neighborhood Facilities (03E)	2	0	0	\$852,368.00	\$64,000.00	81.1%
Parks, Recreational Facilities (03F)	4	1	0	\$1,967,206.00	\$183,493.86	75.9%
Park Facilities (03G)	1	1	0	\$176,000.00	\$152,026.67	58.0%
Flood Drainage	1	0	0	\$31,538.00	\$0.00	69.6%
Water /Sewer Improvements (03J)	22	7	32,665	\$11,277,619.50	\$4,697,630.48	95.0%
Street Improvements (03K)	2	0	0	\$1,001,475.00	\$793,875.34	75.0%

ESG Specific Accomplishments

During PY04, Harris County expended \$622,117.59 ESG dollars in assisting homeless persons with shelter and supportive services. For ethnicity, 1,408 or 27 percent of clients served reported they were Hispanic. Nine-hundred and nineteen reported that they were a female head of household. Ninety-three persons reported they were disabled.

Chart 9. ESG Activities Persons Served by Race

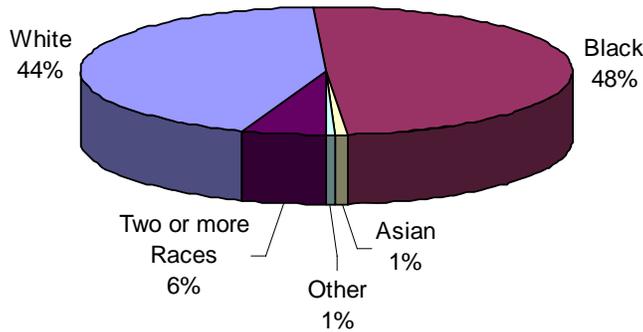


Table 13. ESG Project Accomplishments

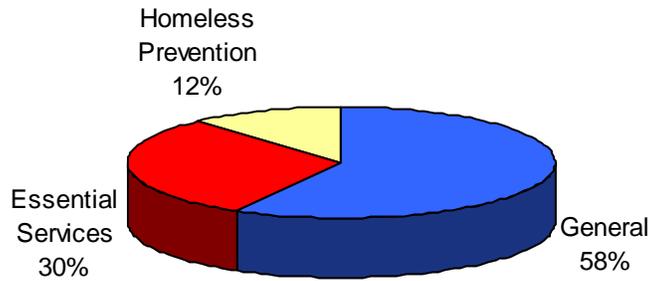
Year	Local ID	Project Title	Services Provided	Total Persons Served in PY04	Total Authorized*	Expended in PY04*
2002						
	2002-0071	Bread of Life Renovation Project	Shelter Renovation/Rehab	0	\$300,000.00\$	\$23,125.00\$
2003						
	2003-0040	Bay Area Homeless Services - Project Fresh Start	General Shelter Operations/	0	\$26,781.95	\$6,727.11

Year	Local ID	Project Title	Services Provided	Total Persons Served in PY04	Total Authorized*	Expended in PY04*
			Essential Services			
	2003-0041	Houston Area Women's Center - Essential Services for Homeless/Battered Women and Children	Essential Services	0	\$68,436.88	\$7,551.68
	2003-0042	Bridge over Troubled Waters - County ESG Program	General Shelter Operations	0	\$111,332.00	\$12,375.00
	2003-0043	Associated Catholic Charities - Villa Guadalupe Transitional Housing Facility	Essential Services/Operations Personnel	0	\$22,107.95	\$2,506.79
	2003-0044	Bay Area Women's Center - Emergency Shelter Project	Essential Services/Operations Personnel/General Operations	0	\$57,639.43	\$15,905.19
	2003-0046	Coalition for the Homeless Project Helping Hands	Essential Services	428	\$34,602.18	\$8,365.10
	2003-0057	Star of Hope Mission Transitional Living Center Rehabilitation	Shelter Renovation/Rehab	0	\$172,302.42	\$0.00
	2003-0058	Star of Hope Mission Women & Family Emergency Shelter	General Shelter Operations	900	\$33,546.99	\$33,546.99
	2003-0059	Northwest Assistance Ministries Program	Homeless Prevention	0	\$98,737.10	\$98,737.10
	2003-0060	Catholic Charities Guadalupe Social Services	Homeless Prevention	42	\$83,582.14	\$83,582.14
<i>2003 Total</i>				1,370	\$709,069.04*	\$269,297.10*
2004						
	2004-020	The Bridge Over Troubled Waters, Inc.- Harris County Emergency Shelter Grant	General Shelter Operations	261	\$64,861.00	\$59,400.00
	2004-023	Catholic Charities-Villa Guadalupe Transitional Housing	General Shelter Operations/ Essential Service	59	\$27,500.00	\$15,203.38
	2004-024	Star of Hope Mission-Men's Development Center	General Shelter Operations	1,964	\$108,391.00	\$91,808.47
	2004-025	New Horizon Family Center- ESG Grant 2004	General Shelter Operations	370	\$63,236.00	\$47,089.14
	2004-026	Northwest Assistance Ministries-Interfaith Hospitality Network Program	Essential Services	50	\$38,781.25	\$23,982.02
	2004-027	Houston Area Women's Center-Essential Service for Homeless Battered Women and Children	General Operations/ Essential Services/Operations Personnel	1,039	\$187,440.00	\$92,212.48
	2004-057	Services for the Emergency Aid and Resource Center for the Homeless (SEARCH)- Resource Center	General Shelter Operations/ Essential Services	36	\$75,061.94	\$0.00
<i>2004 Total</i>				3,779	\$565,271.19*	\$329,695.49*

Notes: § Final draws are in process, awaiting beneficiary data in PY05.

* Project amounts may include multi-years of ESG funding.

Chart 10: Distribution of ESG Funds by Consolidated Plan Priorities



ADDI Specific Accomplishments

For PY04, ADDI activities expended \$434,039.89 assisted **35** low-income households with first-time homebuyer downpayment assistance.

Table 14. ADDI Project Accomplishments

Matrix Code	Year	Project Title	Status	Households Assisted PY 03	Total Authorized	Expended in PY04
13	2004-029	Mortgage Assistance Program-ADDI	Underway	23	\$233,734.89	\$233,734.89
13	2003-061	Mortgage Assistance Program-ADDI	Underway	12	\$200,305.00	\$200,305.00
TOTAL				35	\$434,039.89	\$434,039.89

HOME Specific Accomplishments

For PY04, HOME activities expended \$8,881,381.65 assisted 163 low-income households with housing related services.

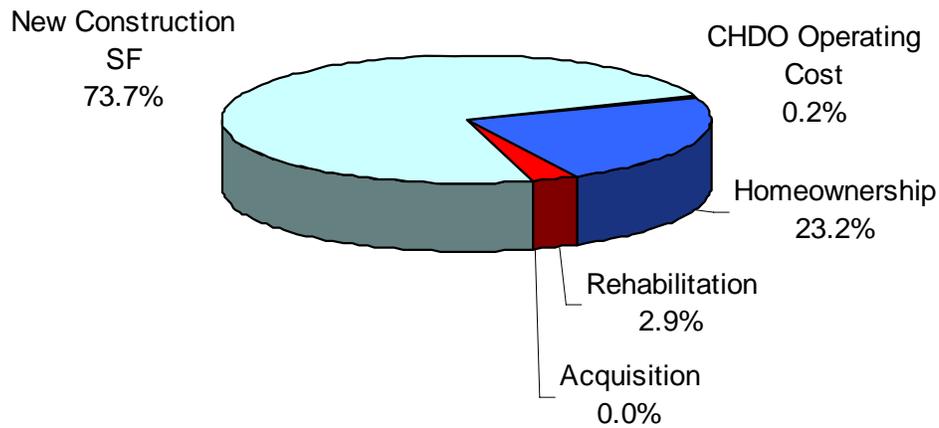
Table 15. HOME Project Accomplishments

Matrix Code	PID	Project Title	Status	Households Assisted PY 04	Total Authorized	Expended in PY04
1	2002-087	Oaklake-Enclave at Copperfield	Complete	38	\$1,520,000.00	\$0.00
1	2002-088	Oaklake-Enclave at Quail Crossing	Complete	11	\$440,000.00	\$0.00
12	2002-084	HCHA Cornerstone Village	Underway	0	\$1,400,000.00	\$1,394,047.18
12	2003-051	Northland Woods Multi-Family	Underway	0	\$1,300,000.00	\$1,095,384.06
12	2004-046	Bayou Housing Partners-La Porte	Underway	0	\$163,000.00	\$0.00
12	2004-054	Village at Louetta	Underway	0	\$1,810,000.00	\$1,800,819.00
12	2004-055	HCHA Primrose at Bammel	Underway	0	\$1,810,000.00	\$1,790,858.00
12	2004-056	Baybrook Park Retirement Center	Underway	0	\$720,000.00	\$0.00
13	1998-077	Tejano Center Housing Program	Underway	6	\$831,900.00	\$367,855.25
13	2002-046	La Porte-Downpayment Program	Underway	7	\$350,000.00	\$153,748.00
13	2002-083	Mortgage Assistance Program	Underway	0	2,472,500.00	\$66,255.32
13	2003-006	Mortgage Assistance Program	Underway	18	\$1,500,000.00	\$319,651.55
13	2004-047	DownPayment Assistance Program	Underway	71	\$1,498,162.39	\$1,149,218.12

Matrix Code	PID	Project Title	Status	Households Assisted PY 04	Total Authorized	Expended in PY04
14A	1998-090	HC Rehabilitation Program	Complete	0	\$837,325.14	\$26,653.00
14A	1999-109	HC Rehabilitation Program	Complete	0	\$502,426.66	\$17,907.00
14A	2003-019	HC Rehabilitation Program	Underway	12	\$262,834.00	\$214,090.61
21I	2003-004	Bayou Housing Partners-Op Cost	Underway	0	\$49,992.00	\$17,394.56
TOTAL				163	\$17,405,140.19	\$8,881,381.65

Note: Several older projects are making final draws in PY04.

Chart 11: Distribution of HOME Funds Expenditure by Consolidated Plan Priorities



Assessment of Performance (HUD Required Narratives)

Fair Housing

Harris County completed the *Analysis of Impediments to Fair Housing Choice*, its study of fair housing in Harris County in 1995 and updated the analysis in 2003. This plan was developed through a series of collaborative initiatives involving a multi-disciplinary consortium of banking and housing organizations/agencies. A lack of affordable housing was identified as a major impediment to fair housing. A detailed description below of the impediments identified in the study and recommended strategies.

Impediment: Overt Discrimination

Overt discrimination is the impediment that most often denies fair housing opportunities. Persons who are lower income or of minority status are often discriminated against through racial steering, denial of apartment showings, and higher rental charges.

Impediment: Financing

Banks and mortgage institutions fail to participate in the provision of housing opportunities for lower income groups and minorities.

Impediment: Insurance Discrimination

Insurance companies may compound the problem of discriminatory lending practices by denying loans based on the age of housing stock in the neighborhood, appraisal value, the condition of the housing stock and the frequency of crime in the area. These factors disproportionately affect lower income homebuyers.

Impediment: Community Pressure

Community attitudes about the presence of housing for lower income persons reduce the availability of affordable housing opportunities.

Public Policy Issues

Public policy issues impacting housing costs include: 1) fees assessed by water and sewer service districts serving subdivisions in the unincorporated area, 2) various complex land-use regulations and strict building codes of cooperative cities, and private sector deed restrictions utilized by a number of subdivisions place an undue burden on extremely low-, low-income households.

Strategies

1. Aggressively enforce and enhance existing fair housing laws.
2. Eliminate discriminatory lending.
3. Eliminate barriers to affordable housing development.
4. Encourage educational activities which promote awareness about fair housing and individuals rights to fair housing choice.
5. Encourage assistance to families.

Actions

HCCEDD sought to increase public awareness of Fair Housing in PY04 by participating in community fairs, circulating flyers at public meetings, and updating community development corporations on Fair Housing rights. In addition, HUD's Fair Housing guide is distributed to all new DAP participants and is available to the public along with HUD's Housing Discrimination Complaint Form. During the program year, HCCEDD allocated funds to the creation of new affordable multi-family units in partnership with the Harris County Housing Authority.

Assessment

Harris County HUD entitlement programs furthers fair housing through the allocation of dollars to support the construction of affordable housing units, by assisting low-income homebuyers with downpayment costs, and through the rehabilitation of owner and renter-occupied low-income housing units. The support of such projects not only serves to encourage access to affordable housing, but also furthers fair housing by increasing housing options for this segment of the population. Though these actions are limited, they indicate Harris County's recognition of the need for action and its ability to respond to fair housing issues.

Affordable Housing

Barriers to Affordable Housing

When compared to similar counties, housing in Harris County is relatively affordable. However, for a number of reasons, many low-income persons still cannot find quality, affordable housing to meet their needs. For the most part, this is the result of market-driven economics in the Harris County area and national housing trends. For a number of years, builders have utilized existing subdivided, improved land left vacant as a result of the economic bust of the 1980s. As a result, developers have been able to provide new homes at a lower rate, with some homes affordable for middle-income and even moderate-income households. But as Harris County continues to grow, such land is becoming scarce. At the same time, 30-year mortgage rates still remain the lowest in several decades.

In addition to the rising cost of land in Harris County, many low- and moderate-income potential homebuyers lack the downpayment to purchase a house, thus presenting another barrier to obtaining affordable housing. In fact, the lack of downpayment funds has been cited as a major barrier for first-time homebuyers. The majority of homes that are affordable for very low- and low-income households are substandard or inappropriate for that particular household. Additionally, the percentage of units with potential lead-based-paint contamination is extremely high in the service area. In 2000, approximately 30 percent of the homes in Harris County were classified as substandard; three percent were dilapidated and 7.1 percent of homes were vacant.

For some households, an affordable housing unit may not be an appropriate unit. Most housing, regardless of affordability, is not appropriate for disabled persons. Depending upon the disabilities involved, rehabilitation of a home into a barrier-free environment can be relatively expensive. Even newly constructed housing often fails to address the needs of disabled persons. Many seniors, particularly the frail elderly, are faced with a

similar dilemma. Large families are often forced into an overcrowded environment because smaller units are more affordable and much more readily available.

If public policy plays a role in creating barriers to the development of affordable housing, its role is relatively small. State policy impacts affordable housing only in its regulation of water districts. The state allows three types of water districts: fresh water supply districts (FWSD), water control and improvement districts (WCID), and municipal utility districts (MUD). These districts provide financing for water and sewer improvements through bonds. Most of the water and sewer services for residential subdivisions in unincorporated Harris County are provided by water districts. Payment of fees assessed by the local FWSD, WCID or MUDs can significantly impact the housing cost burden very low-, and low-income families.

Harris County, like all Texas counties, has no regulatory powers over area land use. As a result, there are no zoning ordinances to control and plan housing development. Only minimal building codes are in effect in the unincorporated area of the county. In the absence of county land-use policies, most subdivisions have developed complex systems of deed restrictions, ranging from allowable land uses to required upkeep. While a home in a subdivision may initially be affordable, a homeowner's ability to maintain a home according to the specifications of the homeowner's association and local deed restrictions may keep extremely low- and low-income families from finding affordable housing. Many subdivisions with homes that are affordable and available to extremely low- and low-income households have permitted local deed restrictions to lapse or become invalid, often as a result of the inability to meet the legal fees necessary to enforce the private restrictions.

Each of the 34 incorporated cities, towns and villages have the legal authority to regulate land use within their boundaries. However, the extent to which land-use regulations are maintained and enforced varies considerably among those communities. Regulations requiring large residential lots, a minimum building footprint, a minimum landscaping footprint, extensive setbacks or other aesthetic requirements may increase housing costs beyond a range that is affordable to extremely low-, very low- and low-income households.

Public policy issues impacting housing cost-burden include fees assessed by water and sewer service districts serving subdivisions in the unincorporated area. Additionally, each of the cooperative cities in the service area has various land-use regulations, which may impact the cost and/or availability of area housing. Finally, private sector deed restrictions utilized by a number of subdivisions may place an undue burden on very low- and low-income households.

Strategies to be utilized by Harris County in overcoming the barriers identified above include the following:

Strategy One. To promote and support affordable housing opportunities throughout the service area, including downpayment assistance programs, new construction, minor home repair, and rehabilitation of affordable housing units for the purpose of increasing the availability of housing to the very-low and low-income persons.

Strategy Two. Develop a Housing Resource Center that will be an information clearinghouse for those interested in the search of affordable housing initiatives in the service area.

Strategy Three. Promote the development of collaborations and partnerships of both non-profit and for-profit builders, developers, and other interested parties for the purpose of increasing the capacity for the development of affordable housing in the service area.

Strategy Four. Promote and assist in the development of applications for additional funds for the use in development of affordable housing in the service area, including Low-Income Housing Tax Credits and Homeownership Zones.

Strategy Five. Promote and provide technical assistance for the review and revision of land-use regulations in cooperative cities that may present an obstacle in the development of affordable housing.

Actions

Harris County has continually moved to promote the availability of affordable housing for its lower-income residents. The county is fully aware that homeownership is an essential factor for neighborhood stabilization. The summary below reflects the actions taken to eliminate barriers to, encourage, and support the development of affordable housing by this Department from August 2004 to July 2005.

- Harris County expended \$8,881,381.65 in HOME, \$434,039.89 in ADDI, and \$1,892,702.55 in CDBG entitlement funds to further affordable housing throughout the county. Direct homeownership assistance, new construction housing, rehabilitation, and Lead-based paint abatement were provided to 438 low-income households. Detailed information regarding the progress in meeting the County's affordable housing goals is found in the Summary of Affordable Housing Accomplishments in this report.
- Harris County continued the Community Housing Development Organization (CHDO) Certification Program this year. The CHDO Certification Program enables communities to develop a full range of services and opportunities for citizens in need of housing. The program provides operating expense grants and project-specific pre-development loan assistance to certified Harris County CHDOs. Recertification is required each year or before allocation of new year funds for a proposed CHDO project.

During PY04, several organizations inquired about and received CHDO Certification Program qualifications and guidelines. However, only two of these organizations were prepared to submit an application and received CHDO certification.

During PY04, Harris County CHDOs experienced timeliness issues and other impediments to project development. The most significant impediment has been adhering to a timely project schedule. Harris County encourages its CHDOs to fully

utilize the project-specific technical assistance and capacity building resources available to them. Harris County has continued collaborations with nonprofit intermediaries like the Development Training Institute to promote coordinated training for capacity building, and technical assistance at no cost to eligible CHDOs. The availability of project-specific loans for housing projects will ease the financial burden of CHDOs in their planning and development of affordable housing in their communities.

- The Harris County Housing Resource Center also provided additional information and referral service to affordable housing in the county. The information provided includes rental housing, homeownership, homeless shelters, homebuyer counseling, and social services. The center provides services in several languages and uses a phone system and internet website to reach a large clientele.
- Harris County has partnered with the Harris County Housing Authority to increase the county's inventory of affordable multi-family units. Currently, four apartment complexes are under construction and are expected to be undergoing lease-up in PY 2005 and 2006.
- Harris County has also partnered with the Harris County Housing Finance Corporation to provide direct homeownership assistance to eligible homebuyers. This program is in addition to the CDBG, HOME, and ADDI funded DAP.
- During PY04, Harris County CEDD held a forum for CHDOs and private housing developers. In this forum, attendees were provided information on funding opportunities for CHDO-Developer partnerships to create innovated affordable housing projects, ways to develop partnerships, housing project development assistance, and general information on HOME and CDBG regulations.
- To support community-based organizations, HCCEDD developed the Three Track program to build organizational capacity. The aim of the program is to increase the knowledge and skill base of an organization and enable them to development projects that create affordable housing for their community.

These actions are in line with the principles of action stated in the Harris County 2003 Consolidated Plan. Affordable housing for very low- and low-income persons is a high priority need for County residents. Harris County is committed to supporting affordable housing opportunities throughout the service area including the rehabilitation of existing structures.

All affordable housing actions taken during PY04 addressed three barriers to affordable housing with strategies aimed at overcoming these barriers, identified in the 2003 Consolidated Plan. The following table summarizes actions taken according to strategy addressed.

Summary of Actions Taken to Eliminate Barriers, to Encourage, and Support the Development of Affordable Housing

Strategy	Action
<p>1. To promote and support affordable housing opportunities throughout the Harris County service area, including downpayment assistance programs, new construction and rehabilitation of affordable housing units for the purpose of increasing the availability of housing to the very-low, low-income persons.</p>	<ul style="list-style-type: none"> ▪ Harris County expended \$7,386,392.66 in HOME and \$1,681,471.85 in CDBG entitlement funds to further affordable housing throughout the county in direct homeownership assistance, lead abatement, construction, acquisition, and housing rehabilitation were provided to 461 low-income households. ▪ HCCEDD continued a Community Housing Development Organization (CHDO) Certification Program this fiscal year and included a Re-certification Program for organizations re-applying for HUD funds. Through CHDO status, organizations have the opportunity to attain funding heretofore not available to them, therefore overcoming the lack of capacity barrier to developing affordable housing. ▪ HCCEDD developed the Three Track program to build organizational capacity. The aim of the program is to increase the knowledge and skill based of the organization to enable them to development projects that created affordable housing and increase the quality of life for their community.
<p>2. To act as a clearinghouse for affordable housing information in the county.</p>	<ul style="list-style-type: none"> ▪ The Harris County Housing Resource Center provides additional information and referral service to affordable housing in the county. The information provided includes rental housing, homeownership, homeless shelters, homebuyer counseling, and social services. The center provides services in several languages and uses a phone system and internet website to reach a large client-based.
<p>3. Promote the development of collaborations and partnerships of both non-profit and for-profit builders, developers, and other interested parties for the purpose of increasing the capacity for the development of affordable housing in</p>	<ul style="list-style-type: none"> ▪ Harris County has continued collaborate with nonprofit intermediaries like the Development Training Institute and Local Initiatives Support Corporation (LISC) to promote coordinated training for capacity building.

Strategy	Action
<p>the Harris County service area.</p>	<ul style="list-style-type: none"> ▪ During PY04, Harris County CEDD held a forum for CHDOs and private housing developers. In this forum, attendees were provided information on funding opportunities for CHDO-Developer partnerships to create innovated affordable housing projects, ways to develop partnerships, housing project development assistance, and general information on HOME and CDBG regulations. ▪ Harris County has also partnered with the Harris County Housing Finance Corporation to provide direct homeownership assistance to eligible homebuyers. This program is in addition to the CDBG, HOME, and ADDI funded DAP.
<p>4. Promote and assist in the development of applications for additional funds for the use in development of affordable housing in the Harris County service area, including Low-Income Housing Tax Credits and Homeownership Zones.</p>	<ul style="list-style-type: none"> ▪ Harris County provided 8 Certifications of Consistency with the Harris County Consolidated Plan, which are required for applications for Low Income Housing Tax Credits. These applications, if approved by the state, will bring 1,370 additional affordable multi-family units to Harris County.
<p>5. Promote and provide technical assistance for the review and revision of land-use regulations in cooperative cities that may present an obstacle in the development of affordable housing.</p>	<ul style="list-style-type: none"> ▪ No actions taken to address this strategy in PY04.

Worst Case Housing Needs/Housing Needs for Persons With Disabilities

Worst case housing is defined as low-income renter households who pay more than half their income for rent, live in substandard housing (which includes homeless persons) or have been involuntarily displaced. Many of the households exhibiting worst case housing needs are assisted through the Harris County Housing Authority Housing Choice Voucher Program-Section 8 Assisted Housing Choice program. The Authority grants a special consideration exception to the disabled for the \$25.00 minimum rent requirement, awards higher rents to landlords who make needed modification to rental units used by disabled persons, and gives preferences to elderly/disabled persons on the waiting list. As discussed in a previous section, affordable housing is a significant problem for Harris County elderly and disabled population. During PY04, Harris County allocated funds for the acquisition and construction of multi-family units (with an emphasis on disabled and elderly citizens) and increased the available number of housing

units for these populations. The Harris County Downpayment Assistance Program (DAP) program also offers greater subsidies for disabled homebuyers. In an effort to increase public awareness of local housing services, Harris County has developed the Housing Resource Center, using Harris County general funds, to act as a clearinghouse of information to Harris County residents. Residents are encouraged to contact the 24-hour service line and interactive website for referrals to local resources.

Assessment of Housing Projects Performance

- Assessment of the performance of PY04 affordable housing projects includes an explanation of projects failing to meet expectations and actions to correct these shortcomings. In addition, areas of improvement identified in the PY04 CAPER Assessment section provide a basis for an analysis of the county’s ability to address the needs identified in the Consolidated Plan, and its capacity to remove the barriers that prevent the public from reaching their goals in affordable housing.
- The county identified these projects and assigned appropriate actions and/or explanations for failing to meet expectations in the table below:

Table 16. Affordable Housing Activities Failing to Meet Service Goals

Project ID	Project Name	Service Goal	Served in PY 04	Total Served	Explanation/Action
Construction of Housing					
1999-130 (1997-0085 in IDIS) Activity #1158	Great Northwest CDC-Trace Meadows	18	0	7	As of December 2004, this project was still not in compliance with Davis Bacon and Related Acts (DBRA) compliance. Legal action pending the CDC’s ability to resolve outstanding issues.
Rehabilitation: Single Unit Residential					
2003-19	Harris County Home Repair Program (HOME/CDBG)	25	14	18	Focus on HUD Findings hindered this project’s ability to meet the goal of rehabilitating/repairing 25 housing units. Project complete with the exception of final drawdowns for one-year retainage.
2004-035	Harris County Home Repair Program (CDBG only)	15	3	3	In addition to the 3 housing units completed during PY04, project has 3 activities currently underway. The total housing units to be assisted under this project will be 6. Focus on HUD findings during this program year also hindered the ability of this project to complete more housing units. Project to be completed during PY05.

- During PY 2004, HCCEDD continued to concentrate its housing rehabilitation and repair efforts on housing units which HUD deemed as unacceptable workmanship by two previous Harris County subrecipients. As a result of the focus on HUD's required corrective actions, performance in new rehabilitation and repair activities utilizing federal funds lagged behind during this reporting period. However, HCCEDD's focus on HUD's corrective actions did result in the repair, rehabilitation and/or reconstruction of 66 of the estimated 139 deficient housing units. Upon completion during next program year, all of these actions will utilize more than \$800,000 in local affordable housing set-aside funds in addition to the federal funds expended. At the end of PY 2004, HUD had cleared one of the two findings in this area and HCCEDD continued its progress toward completion of all repairs on the remaining housing units under HUD's required corrective actions which are anticipated to be concluded during the next reporting period.
- Harris County has achieved great success in its stated objective of expanding the opportunities for homeownership. The county has made a concerted effort to expand opportunities for homeownership for its target population with the creation of the HCCEDD Downpayment Assistance Program (DAP). It has taken steps to assist the underserved populations such as those of limited income, disabled, and the elderly. To this end, DAP provides a special category of homeownership funding to allow disabled citizens to acquire affordable housing. In addition, the DAP program experience higher than normal demand do to the City of Houston's program being placed on hold. The county has been able to keep up with this demand and provide needed assistance to homebuyers. ADDI funds were also added to the county's available resources as well as a partnership between Harris County and the Harris County Housing Finance Corporation for the DAP-Plus program.
- Harris County has identified the lead-based paint problem as a priority matter for Harris County. The Harris County response was a major initiative to free homes from lead-based paint. Education and paint removal were the goals. Harris County's Lead-Based Paint Program will continue to place priority in the Lead-Based Paint Initiative and will continue to target this area for improvement during the next program year. Under HCPHES the program will be able to streamline its lead screening and abatement process. The program abated 44 homes of lead contamination in PY04.
- Harris County has identified the need to expand its efforts in nuisance abatement and rehabilitation of County housing. HCCEDD has partnered with the Harris HCPHES for the last eight years to further the effort of nuisance abatement in the county. During PY04, 26 abandoned houses were cleared.
- Harris County Housing Authority has made significant process in improving administration of the Housing Choice Voucher Program (adding more vouchers to Harris County's supply) and added to the county's short supply of affordable apartment units through the acquisition and construction of multi-family complexes.

Continuum of Care

During the reporting period, the following actions were taken to assist the homeless and those with special needs:

Actions

- Harris County, the Coalition for the Homeless and the City of Houston (the Collaborative) were successful for the tenth consecutive year in securing the Houston/Harris County Continuum of Care grant for additional funds to serve the homeless. As a result, \$18,720,885.00 in Supportive Housing and Shelter Plus Care Program funds were awarded to shelter and provide supportive services to assist the homeless. These funds will be expended over the next five years by 30 local agencies for a wide range of services ranging from supportive services to rental assistance. Harris County sponsored nine of those agencies performing 15 projects with a request of \$3,705,082.00.
- Through its entitlement funds, the county supports the operation of a number of homeless shelters. During the reporting period, Harris County HUD programs allocated approximately two million dollars in ESG and CDBG funds to area homeless organizations. Funded projects include emergency shelters, supportive services, and programs aimed at prevention of Homelessness.

Assessment

- Several activities added and continued to improve the PY 2004 Continuum of Care Consolidated Grant Application process, such as the continued use of a full-time project manager, providing a budget development workshop, the provision of more technical assistance, and a review of the Consolidated Grant Application by an independent grant consultant and review team.
- To determine the overall success of Houston/Harris County's Continuum of Care system, the Collaborative should develop measurable objectives that correlate to the Gaps Analysis. At the end of each program year, the Collaborative should evaluate the outcomes. Based on those outcomes, new objectives should be established.

Other Actions

The following is a narrative discussion and assessment of planned actions, compliance with the 2003 Consolidated Plan and program requirements and other issues related to HCCEDD's programmatic performance in these areas.

▪ **SUPERNOFA FUNDS PURSUED**

For PY 2004, Harris County pursued one of the SuperNOFA Competitive grants. The following is the list of SuperNOFA grants that the county pursued. (It should be noted that grants awarded were for renewal of current Supportive Housing and Shelter Plus programs.)

Program	Partners
Continuum of Care	City of Houston & Coalition for the Homeless of Houston/Harris County

- **FEDERAL FUNDS**-In PY04, Harris County sought federal funds to create an Economic Development Plan for the county, establish a small business loan program, and collaborate with local education agencies to develop a workforce education program. These requests are pending at the end of PY04.
- **INSTITUTIONAL STRUCTURE/COORDINATION**-HCCEDD continues to work with other Harris County departments, such as Public Health & Environmental Services, Public Infrastructure, Harris County Flood Control District, Library District, and Justice to maximize federal dollars and decrease gaps in service. The department is also able to meet CDBG timeliness and ESG and HOME commitment requirements through innovative partnerships that served many Harris County extremely low-, very low-, and low-income households. HCCEDD's partners ranges from for-profit developers to grass-root community groups.

Harris County has partnered with the Harris County Housing Authority to increase the county's inventory of affordable multi-family units. Currently, four apartment complexes are under construction and are expected to be undergoing lease-up in PY 2005 and 2006. Harris County has also partnered with the Harris County Housing Finance Corporation to provide direct homeownership assistance to eligible homebuyers. This program is in addition to the CDBG, HOME, and ADDI funded DAP.

- **CONSOLIDATED PLAN IMPLEMENTATION**- Harris County did not hinder Consolidated Plan implementation by action or willful inaction, but actively addressed strategies of the 2003 Consolidated Plan by funding projects which specifically met the needs of low-income persons. Program Year 2004 represents the second year of the 2003-2007 Consolidated Plan.
- **MEETING UNDERSERVED NEEDS**

Underserved Needs & Obstacles to Meeting Underserved Needs.

Harris County Underserved Needs include but are not limited to: Housing, Special Needs of the Non-Homeless, Homelessness, Non-Housing Community Development Needs (Public Facilities, Public Services, Infrastructure, Economic Development, Education and Workforce Development, and Public Safety). In the attempt to meet the needs of Harris County's low-income population, many obstacles exist. Personal issues such as physical or mental health problems, lack of affordable child care, bad credit, low educational attainment, and lack of transportation to service locations may regularly put opportunities out of reach for disadvantaged persons. Many times, if an individual or family has more than one of these problems, these barriers can compound on each other, causing a seemingly impossible situation in which quality of life improvements are unlikely.

Lack of public awareness of available programs is a major obstacle to community development efforts. In an effort to increase public awareness, Harris County makes information on community development services available to persons at community outreach meetings, website, RFP meetings, and professional consultation forums. In addition, all public notices, press releases, and invitation letters are complete with Harris County HUD program contact information. Public awareness is also addressed at the subrecipient level by individual Harris County HUD program affiliated service providers. Harris County has also developed a Housing Resource

Center to act as a clearinghouse for information on local initiatives offering housing services.

The Harris County Housing Resource Center provides additional information and referral service to affordable housing in the county. The information provided includes rental housing, homeownership, homeless shelters, homebuyer counseling, and social services. The center provides services in several languages and uses a phone system and internet website to reach a large client-based. Clients can obtain information on the location of affordable multi-family complexes and the amenities they provide, find contact information for local home downpayment assistance programs, and many other housing-related issues and providers in the county.

Another major obstacle of many non-profit service providers is capacity building, or the ability to bring the organization to the point of being fully staffed and functional. This may be very difficult for organizations that begin with little or no resources, other than Harris County HUD program funding. For this reason, organizations that wish to conduct programs or projects with HOME funds are required by HUD to have matching funds of greater than or equal to 25 percent of the amount granted by Harris County HUD HOME program. Similarly, organizations that are granted ESG funds must have matching funds of greater than or equal to 100 percent of the amount granted by Harris County ESG program.

Harris County continues to place high priority on meeting the underserved needs for Harris County residents. All projects funded during PY04 at least partly satisfied an existing unmet need of low-income persons. Harris County recognizes that many obstacles exist to meeting underserved needs. These obstacles include: Current funding policy, i.e. utilization of census tracts and not block groups to determine low income areas, does not favor urban counties, therefore Harris County must become innovative in securing funding for underserved Harris County residents by using income surveys. The size of the county is also an obstacle to meeting the underserved needs. Programs must offer multi-locals or require the client to travel to a central location. If the client has limited transportation options this becomes a barrier.

Harris County maintained several collaborative efforts during PY04 as innovative ways to overcome these obstacles. The CHDO certification program is an effort that Harris County continued, which supports the development of affordable housing. The county continued its partnership with the Best Practice awarded Houston/Harris County Continuum of Care collaborative. In the future, Harris County plans to focus on projects and further collaborative building to benefit special needs populations (elderly/frail elderly, persons with disabilities, persons with alcohol/drug addiction problems, and persons with HIV/AIDS) that often face more than one barrier in obtaining affordable housing, sustaining a decent quality of life, and/or accessing economic opportunity.

- **PUBLIC HOUSING/RESIDENT INITIATIVES-** The Harris County Housing Authority acquired land for the development and construction of multi-family and senior complex in PY04. In PY04 three complexes were acquired. These are tax-credit, Harris County, Harris County Housing Authority partnership projects.

- **COMPLIANCE WITH PLANNING/PROGRAM REQUIREMENTS-** The Grants Management of HCCEDD is charged with monitoring compliance for all HUD programs administered by Harris County. HCCEDD requires subrecipients to submit monthly, quarterly, and annual program and financial reports to facilitate monitoring. The Planning and Development Division prepares 1) the Annual Action Plan, which details the use of federal HUD entitlement funds and 2) the Consolidated Annual Performance and Evaluation Report (CAPER), which tracks the county's overall performance with respect to its Consolidated Plan and Annual Action Plan and evaluates the county's efforts at implementing the plans' goals and objectives.
- **PERSONS BELOW POVERTY-**The primary purpose of the Harris County HUD programs is to reduce the number of persons and families living in poverty by providing social and economic opportunities via development, housing, social services, and other activities that provide lower income persons an opportunity to improve their living standards. The primary goal of all the projects funded during PY04 was to reduce poverty and improve the quality of life for low-income persons. Harris County 2000 is a neighborhood level initiative that seeks to assist communities to reduce poverty and revitalize their neighborhoods.
- **HARRIS COUNTY 2000-**As part of its neighborhood level planning process, Harris County 2000, the county had proposed to complete community plans for at least one service areas per year as outlined in the 2003 Consolidated Plan. In PY04, HCCEDD staff was actively involved in the development of the Cloverleaf and Airline Community Revitalization Plans. These plans will act as a guide map for community-based initiatives that assist disadvantaged persons within their community. The Airline plan will be completed in PY 2005 and the Cloverleaf plan was completed in September 2004. The plans have entered into its implementation phase, where local nonprofit organizations are being trained to implement the goals and objectives of the plan.
- **Three Track Program-**Nonprofit Education-The Three Track Program was developed to assist communities who have participated in the Harris County 2000 program. The program provides training for the three levels of the program, start-up, immediate, and advanced non-profits. Each level assists the community to develop and strengthen a nonprofit Community Development Corporation (CDC) to serve their community. This program will allow the community and local CDCs to fully utilize their community plan and make positive change in their area.
- **CERTIFICATIONS OF CONSISTENCY-**Harris County provided certifications of consistency with the Consolidated Plan to 8 developers during PY04. Certifications were provided upon request in a fair, impartial, and timely manner. The certifications were requested in conjunction with the application for Low Income Housing Tax Credits (LIHTC) and will develop 1,370 affordable rental housing units in the county.

Assessment

Harris County recognizes that opportunities remain for continued improvement in the organization and in the efficiency of its future performance. The following is a highlight of several promising opportunities that Harris County will be challenged within the

upcoming months:

- Harris County will continue to develop new criteria, training opportunities and provide technical assistance to ensure that subrecipients begin service in a timely manner, and complete projects within a 12-month period. These actions will aid Harris County in tracking expenditures, reporting activity and benchmarking. Several training opportunities are currently planned to assist subrecipients in the areas of required documentation and regulations.
- Harris County is developing and expanding several policies and procedures in the areas of Site and Neighborhood Standards for multi-family and single-family developments, a citizenship policy, multi-family project concentration, and minimum acceptable standards for residential acquisition, rehabilitation, and construction of new and existing homes..
- Harris County will continue to ensure that staff receives the necessary training, particularly in HUD entitlement programs, to ascertain compliance with HUD grant rules and regulations.
- Harris County will continue to facilitate HUD Entitlement grant program training to local organizations, subrecipients, and interested parties.
- Harris County will continue to improve its allocation, expenditure and disbursement processes, and continue to improve the process of subrecipient oversight.
- Harris County will continue to work to improve the overall financial management system to which they have made great strides in clearing outstanding findings with HUD.

Leveraging/Match

The funding of projects active during PY04 included significant amounts of project specific match as well as leveraging. Project match is required funds and/or in-kind services provided by the subrecipient that will be matched with entitlement funding to operate a specified program or complete a specific project. Leveraging is sources of project funds (non-HUD funds) that an organization utilizes to operate the proposed project, but are not required as is the case with match. Examples of leveraging include, but are not limited to other federal and state grant awards, proceeds from fundraisers, and grants from foundations. The following list details leveraged amounts according to Consolidated Plan priority need areas reported for PY04:

- Public Service projects leveraged allocated funds with \$2,400,000.00.
- Infrastructure projects utilized \$185,000.00 in leveraged funds.
- Public Facilities projects utilized \$135,091.00 in leveraged funds.

Other sources of leveraged funds included forgone taxes, construction materials, and bond financing. For information regarding HOME matching funds, please refer to Appendix C. For a detailed explanation of ESG matching funds, please refer to the ESG Match report on pages 59-60.

Citizen Comments

No citizen comments were received in PY04.

Self Evaluation

Impact of activities.

Harris County continued to make major strides in promoting affordable housing and providing a suitable living environment for low-income citizens during PY04. One measure of impact is the number of persons served and projects completed. In housing, the impact of Harris County's efforts resulted in direct homeownership assistance, home repair, acquisition of rental housing units, and lead abatement of housing units, which assisted 438 low-income persons. Harris County's efforts in other areas produced similar positive results. Public service activities provided a variety of services to more than 6,802 low-income persons. Likewise, construction was completed on nine public facility and improvements projects, which will benefit over 32,000 persons residing in low-income areas as well as provide facilities for senior citizen activities and homeless shelters. Activities benefiting the homeless population resulted in shelter and services to more than 5,559 homeless individuals and families.

Barriers to fulfilling strategies.

While successful in implementing activities that addressed priority needs outlined in the 2003 Consolidated Plan, Harris County realizes that barriers still exist to fulfilling strategies and assessing impact. One such barrier is capacity of local nonprofit organizations to initiate change and measure impact. During the Summer of PY04, HCCEDD conducted HUD Entitlement training (CDBG, ESG, and HOME) and a grant writing workshop for local organizations to improve grant writing capacity. Harris County strives to improve and expand technical assistance to local nonprofits and provide on-going information.

The continuation of the CHDO certification program and the addition of the CHDO re-certification program are examples of an action taken to overcome the lack of organizational capacity for local nonprofits who work on housing related issues. HCCEDD has also instituted the Three Track Program to assist participating communities in the HC2000 program to create and expand local CDCs and gain valuable community development training. Nonprofits are offered the opportunity to building management and financial skills.

Another barrier to fulfilling strategies is the lack of strong intergovernmental coordination on the outset of projects. During PY04, Harris County continued a working relationship with several nearby cities and other county agencies to collaborated on projects, such as water/sewer improvements and social service programs. However, there still remains a need to strengthen and foster intergovernmental, particular when projects cross multiple jurisdictional boundaries. The effect of this has been more efficient project development schedules and the cutting of "red tape".

Explanation of activities or types of activities falling behind schedule.

This section discusses projects that have been delayed and the reasons for the delay. These projects often have complex management requirements or procedures that must

be addressed before funds are expended. The majority of these projects involve construction, which must be evaluated for environmental concerns.

Nuisance abatement projects require several months of research and public notice prior to demolition. If in the event, a homeowner comes forward to reclaim their property, this time is foregone and the health inspector moves on to another home. These proceedings have concluded and work has began with 20 abatements being completed.

It is not uncommon for most construction projects to take several years to complete. At the inception of the program year, environmental reviews are conducted. The environmental review process typically takes a minimum of 3 months, but in recent months one of the review agencies has prolonged the process and another has set up new procedures requiring more examination by the county. Once the environmental review has been completed and a release of funds has been secured, project designs begin. Architectural projects in the range of \$500,000 to \$1,000,000 require a minimum of a 12-month design time. This includes time for all appropriate city, county and state reviews and permits, as well as entity approvals. Once the design is approved, the preparation of the construction documents and bidding require an additional 4 months. Bidding tabulation, construction contract approval, and receipt of a purchase order are estimated to take approximately 3 months. The actual time of construction on these projects is at least a year. If acquisition is involved, an additional 9 months must be added to the above time frame. During PY 2004, changes were made in HCCEDD's procedures to initiate Environmental Review with applications submitting forms and data for staff review.

To assist in improved construction project management, HCCEDD has encouraged developers particularly in the public facilities and infrastructure areas to apply for funds on a phase by phase basis. Many projects in PY04 were funded for phase I design or phase II construction. This has allowed HUD funds to used more efficiently in the year they are allocated.

Are grant disbursements timely?

Harris County continued to place emphasis in this area to improve the process. During PY04, Harris County completed a Timeliness Work-Out Plan, which planned Harris County's actions to come into compliance with CDBG expenditure requirements. Harris County was successful in implementing this plan, which placed expenditures well inside the 1.5 ratio of expended funds to entitlement resources.

Do grant expenditures differ substantially from line of credit disbursements?

The procedure for the distribution of grant funds at Harris County requires that all checks written for grant expenditures be made from the general operating funds of Harris County. Expenditures are then reimbursed to Harris County from the segregated grant cash accounts. In the past the reimbursement to Harris County for the expenditures of grant funds has not been timely in all instances. HCCEDD staff continues to work towards a monthly reconciliation process to ensure that the line of credit drawdowns reimburse Harris County for its grant expenditures on a timely and methodical basis.

Are major goals on target-what adjustments or improvements might meet needs more effectively?

Projects funded during this reporting period specifically addressed a need/strategy identified in the 2003 Consolidated Plan, thus allowing Harris County to remain on target with major goals.

In the area of economic development, Harris County has been exploring opportunities and developing a Economic Development Strategic Plan. Previous administrators of HUD entitlement funds often did not adhere to HUD regulations when allocating entitlement funds as loans to local businesses. The current administrators of HUD entitlement funds in Harris County have worked diligently to overturn and clear these ineligible loan findings. HCCEDD will be presenting its plan to the HUD representative for review. It is expected that in the next program years, Harris County will begin to execute its plan for economic development starting with the creation of a strategic plan in PY 2005-2006 and program development in PY07.

Harris County has made concentrated efforts to continue improvements in terms of development of subrecipient contracts, accountability and specificity, and increased monitoring. We have taken steps to improve expenditure of funds and address slow moving projects by developing a project Work-out Plan. We have also taken steps to enhance the RFP criteria and the review/selection process, which will increase the quality of projects and increase monitoring efficiency. Harris County will continue to assess and evaluate these processes to aid in remaining on target with planned goals. Harris County staff has been working closely with HUD representatives to reconcile HUD entitlement programs and have succeeded in clearing all but three outstanding findings. HCCEDD is making great headway in clearing these findings in PY05.

What is the status of Harris County's Performance Measurement System?

During PY2004, Harris County reviewed HUD releases and publications regarding the new Performance Measurement System. Staff also attended a round table session by HUD on the Performance Measurement System to gain farther information. During PY2004, Harris County began to develop a system for collecting performance data. The county's system examined two of its goals and assessed performance measurements to them. The result was that Harris County provided 32,665 residents with improved public water and sewer services for the purpose of creating a suitable living environment and 192 households have access to homeownership for the purpose of creating decent affordable housing. With this successful test, Harris County will continue to create a program wide performance measure system for all goals of the Consolidated Plan in PY2005 and PY2006. During the next program year, Harris County will develop procedures that will assign appropriate objectives and outcomes to activities to be funded, include performance measurement language in the next Consolidated or Annual Action Plan, revise request for proposal forms to incorporate performance measurement language, and make changes to subrecipient agreements so that performance data, relative to the activity being undertaken, is required to be reported.

Program Specific Assessment

CDBG

Assessing the Use of CDBG Funds to address Consolidated Plan Priorities

All CDBG funds expended during PY04 addressed 2003 Consolidated Plan priorities. *Table 17. PY04 CDBG Expenditures According to Consolidated Plan Priority Need Areas* details the expenditures of CDBG funds according to Consolidated Plan priority needs areas.

Table 17. PY04 CDBG Expenditures According to Consolidated Plan Priority Need Area

Area	Expenditure	Percent
Economic Development	\$0.00	0%
Homelessness	\$120,023.10	1%
Housing	\$1,892,702.55	18%
Infrastructure	\$5,643,532.49	52%
Other	\$233,196.43	2%
Public Facilities	\$1,204,750.10	11%
Public Services	\$1,711,604.95	16%

Of the total CDBG expenditures in PY04, projects in the infrastructure category made up the highest percentage of the 2004 expenditures. Housing projects were second with 18 percent of the PY04 expenditures. Public services projects were the third greatest expenditure.

An analysis of the use of CDBG funds to address priority needs was also conducted. A summary of this analysis is provided in *Table 18. CDBG Expenditures According to Priority Needs*. [Also, please see Table 3 (pp. 11-18) for more detail.]

Table 18. CDBG Expenditures According to Priority Needs

Priority Need Area	Expended in PY04	Priority Level
Housing	\$1,892,702.55	H
Homeless	\$120,023.10	H
Public Facility		
General Facility	\$158,222.39	M
Senior Centers	\$493,108.02	H
Homeless Shelters	\$305,925.83	H
Youth Centers	\$0.00	H
Neighborhood Facilities	\$64,000.00	M
Parks and/or Recreational Facilities	\$183,493.86	H
Infrastructure Improvement		
Street Improvements	\$793,875.34	H
Water/Sewer Improvements	\$4,697,630.48	M
Parking	\$152,026.67	H

Flood Drainage Improvements	\$0.00	H
Public Service Needs		
General Services	\$379,086.89	M
Senior Services	\$27,022.46	M
Youth Services	\$901,273.21	H
Handicapped services	\$35,702.38	H
Health Services	\$223,152.96	M
Battered Spouses	\$0.00	H
Abused and Neglected Children	\$81,927.20	H
Substance Abuse Services	\$0.00	H
Subsistence Payments	\$0.00	M
Child Care Services	\$56,137.87	H
Employment Services	\$7,301.98	H
Crime Awareness	\$0.00	H
Economic Development		
Direct Financial Assistance to For-Profits	\$0.00	M
Technical Assistance	\$0.00	M
Micro-Business	\$0.00	M
Other		
Clearance and Demolition	\$233,196.43	H
Planning	\$0.00	M
Total CDBG Amount Expended During PY04 Addressing Priority Needs:	\$10,805,809.62	

Changes in Program Objectives

Amendments made to the 2003 Consolidated Plan Program Objectives during PY04 included the addition of policies for housing projects. As this is the first year of the 2003-2007 Consolidated Plan no major changes to objectives are planned.

Compliance with Certifications

Harris County maintains compliance with all certification requirements outlined in the 2003 Consolidated Plan.

Use of funds not addressing National Objectives

All CDBG funds authorized and expended during PY04 were utilized in compliance with the three national objectives of the CDBG program.

Actions Taken to Minimize Displacement

Harris County undertook no activities involving permanent displacement or relocation in PY04. Our policy states "the permanent displacement of homeowners, tenants, businesses, non-profit corporations or farms is discouraged. If permanent displacement is necessary, it must comply with federal regulations."

Relocation Process must comply with the following:

- Harris County will follow the requirements of the URA or Section 104 (d) of the 1974 Community Development Act, as amended. These requirements provide

for uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

- In the case of temporary and voluntary displacement, Harris County or their subrecipient will inform program participant of relocation services available. Commonly the information is distributed by flyer to homeowners or tenants, who are receiving rehabilitation services.
- If permanent displacement is necessary, homeowners, tenants, businesses, farms, or non-profits that occupy the site of the CDBG-assisted project will be identified through tax records and/or visual inspection and informed by certified letter.
- Harris County or their subrecipient will serve as liaison between program participant, contractor, landlords, movers, etc. to ensure a problem free transition. The Harris County or their subrecipient will identify and accommodate the displaced household or business when possible as to their need or preference for a particular unit size and location. These will be determined in the in-take process for relocation services.
- Harris County or subrecipients submits necessary documentation to secure relocation payments.
- Relocation evaluation form is forwarded to program participant to evaluate the success of the relocation.
- If complaints arise Harris County program administrators, their subrecipient and the program participant will enter into informal complaint resolution
- Documenting relocation services and maintaining files on each program participant by Harris County subrecipients.

Eleven homeowners agreed, on a voluntary basis, to temporarily relocated due to the rehabilitation of their housing units in PY04. Federal regulations and Harris County policies were followed, which provided relocation assistance to a suitable housing unit and secure storage for the client's household items.

Economic Development Activities

Harris County allocated no HUD funds to economic development activities.

Activities Benefiting Limited Clientele not Presumed Benefit

For activities benefiting low-income limited clientele, subrecipient organizations collected income data from primary and secondary data sources, such as check stubs, or verification of participation in public assistance programs. This information was not collected for persons fitting the presumed benefit category. The presumed benefit category includes homeless persons, battered or abused spouses or children, elderly persons, disabled persons, illiterate persons, or persons living with HIV/AIDS.

Program Income

During PY04, loan repayments to the Small Business Development and Revolving Loan Program, the Housing Rehabilitation Program and sale of equipment, generated program income. Harris County received \$155,157.78 in program income in PY04. For a detailed

list of program income, see appendix B-Financial Summary-CDBG Program Income.

Rehabilitation Projects

During PY04, Harris County provided owner occupied housing rehabilitation for low-income homeowners. HCCEDD's Housing Construction and Inspection Services (HCIS) section administered this program. The scope of the program included provision of assistance for the repair and/or installation of water wells and septic systems as well as rehabilitation services necessary to address projects that were deemed deficient by HUD. The County expended **\$275,728.97** in CDBG funds and provided services to nine (9) low-income households. Six (6) of the nine activities were completed during PY04. Assistance was provided in the form of grants with emphasis on elderly households and HUD designated corrective action repairs.

Neighborhood Revitalization Strategy

Harris County did not submit any Neighborhood Revitalization Strategy in PY04. However, two community plans were completed that establish effective and efficient development of a Neighborhood Revitalization Strategy for Airline (Little York) and Cloverleaf target areas. HCCEDD is in the process of applying for strategy zone area designation from HUD.

HOME

Analysis of the Distribution of HOME funds among Consolidated Plan Housing Needs

All HOME funds authorized and expended during PY04 addressed 2003 Consolidated Plan Housing priorities. Of the activities operating during the Program Year, eight projects expending \$2,056,728.24 addressed Homeownership; three projects expending \$1,562,884.06 addressed New Construction Housing; one organization expending \$258,650.61 addressed Single Unit Rehabilitation (Owner-Occupied), three projects expending \$4,985,724.18 addressed acquisition of Multi-Family Housing, and one organization expending \$17,394.56 addressed CHDO Operating Costs.

HOME Match Report

See Appendix D for the HOME match report.

Program Income

During PY04, Downpayment Assistance repayments and the multi-family housing development loans generated program income. The HOME program income was \$202,601.24. For a detailed list of program income, see appendix B-Financial Summary-HOME Program Income.

Affirmative Marketing

In 1992, Harris County received approval from HUD of its affirmative marketing policies and procedures for the sale or rent of housing. This policy pertains to all HUD-assisted housing containing five or more units. The policy requires that all owners of federally assisted housing affirmatively market their housing units. Harris County assesses the success of owners' affirmative marketing efforts on a quarterly and annual basis. If the efforts do not result in attracting eligible persons from all racial, ethnic and gender groups in the housing market area, Harris County determines the necessary corrective actions.

For PY04, the marketing efforts of HOME-funded projects that provided rental units were analyzed. The following table summarizes the ethnicity of tenants of HOME-assisted affordable housing units.

Table 19. PY04 HOME-Assisted Rental Units According to Ethnicity (Occupied Units Only)

Project	White	Black	Hispanic	Asian	Indian	Black/White	Other	Total
Harris Housing Ltd.-Mid Towne	4	1	1	0	0	0	0	6
Destiny Village	20	8	14	0	0	0	0	42
Sprucewood Apts.	9	0	2	2	0	0	0	13
The Bridges Apts.	7	19	88	1	0	0	1	116
Total	72	118	135	14	0	1	4	177

In coordination with the development of its HOME Program Description, Harris County includes a policy for outreach to minority and women-owned businesses. All contracts involving the construction of HOME assisted housing outline the policy for outreach to minority and women-owned businesses. During PY04, no HOME funded rental construction projects were in operation.

Harris County uses an outreach program to increase the participation of minority and women-owned businesses. The program consists of these components:

- Harris County will maintain an inventory of certified minority and women's business enterprises that includes their capabilities, services, supplies, and products.
- Harris County will develop a brochure describing contract/subcontract opportunities, and disseminate it annually to the businesses included in the inventory.
- For each major contracting opportunity (\$50,000+), a formal notice of bids will be placed in one major newspaper and a press release will be sent to the smaller newspapers.
- Harris County sponsored business opportunity-related meetings with minority and women business organizations during the year.
- Harris County will use the services and assistance of the local offices of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- Harris County will require prime contractors to take affirmative marketing steps.

Results of On-Site Inspections of Affordable Rental Housing

During PY04, HOME-assisted rental housing units were inspected by HQS certified inspectors. HCCEDD has continued to develop an inspection plan to meet inspection responsibilities in the area of affordable rental housing. The following table summarizes the PY04 inspection results.

Table 20. PY04 Rental Housing Inspection Summary

Project	Date of Inspection	Results/Comment (If there is a failed inspection date of clearance included, if applicable)
Destiny Village	8/4/04, 9/29/04	#202: Fail (9/29/04), Pass (10/8/04) #302: Fail (9/29/04), Pass (10/11/04)
Enclave at Copperfield	11/3/04, 11/05/04, 1/11/05, 2/16/05, 3/11/05, 4/21/05, 4/29/05, 5/27/05, 5/19/05, 5/26/05, 6/29/05, 7/6/05, 7/7/05, 7/8/05, 7/10/05, 7/17/05, 7/20/05, 7/21/05, 7/22/05, 7/25/05, 7/28/05,	#822: Fail (11/3/04), Pass (11/12/04) #814: Fail (11/3/04), Pass (11/16/04) #928: Fail (11/3/04), Pass (11/12/04) #735: Fail (11/3/04), Pass (11/16/04)
Enclave at Quail Crossing	3/18/05, 4/1/05, 6/24/05, 7/7/05, 7/13/05,	
Bridges Apartments	8/26/04, 8/30/04, 9/3/04, 9/30/04, 10/4/04	
Sprucewood Apartments	11/11/04, 11/15/04	
Mid-Towne II	8/17/04	
SHED Northline Inn SRO	No inspections	No inspections performed due to pending litigation with this property owner. Inspections anticipated to occur during mid PY2005.

ESG

Analysis of the distribution of ESG Funds addressing Consolidated Plan Homelessness Priorities

All ESG funds authorized and expended during PY04 addressed 2003 Consolidated Plan Homelessness priorities. Of the 11 activities operating during the program year, 3 projects expending \$78,157.65 addressed Essential Services. One projects expending \$2,013.41 addressed Homeless Prevention. The remaining 8 projects expended \$268,811.13 for operations and maintenance of emergency shelters and addressed Emergency and Transitional Shelters. [Also, please see Table 3 (pp.11-18) for more detail.]

Sources and Amounts of Funds Used for ESG Program Match

All matching funds for the ESG Program were provided by subrecipient nonprofit organizations. Details of the specific amounts and sources of match for the ESG program can be found in Appendix B Financial Summary-ESG Match Report.

ESG Cap Analysis

The ESG program mandates spending caps in three areas of eligible activities. These caps include a 30 percent cap on essential services, a 30 percent cap on homeless prevention, and a 5 percent cap on administration. Harris County expended ESG funds within the required caps. *See Appendix for ESG Cap Analysis* summarizing expenditures according to activity.

Citizen Participation

Harris County has always considered citizen participation to be vital to the development of successful planning and community revitalization efforts for low- and moderate-income communities.

Harris County makes certain that HUD entitlement related public meetings and newspaper ads provide citizens with information about the use of funds available for community development projects as well as the amount of funds expected to be used for activities that benefit persons of very-low and low-income. These actions ensure that low- and moderate-income persons have access to information pertaining to all HUD related community development activities.

Actions to Solicit Citizens Input

Harris County HUD entitlement programs provided several opportunities for public comment on the Consolidated Planning process during the 2004 program year. These opportunities included public hearings for the Annual Action Plan (AAP), previous year CAPER and the 2003 Consolidated Plan. Notices for opportunities for public comment were published in local newspapers prior to each event.

The public was given a 15-day review and comment period for the Harris County PY 2004 CAPER prior to its submittal to the U. S. Department of Housing and Urban Development (HUD). A legal notice was published in the *Houston Chronicle* advising the public of the CAPER's availability between October 10 - 24, 2005. A public hearing on the CAPER was held October 20, 2005. No comments on the PY04 CAPER were received during the public review period.

Harris County is committed to citizen participation as a crucial element in promoting community-based solutions. The county continues to create new and innovative ways to gain public response to initiatives and projects for community revitalization. Despite the significant effort made by Harris County in the area of citizen participation it is anticipated that future program years will include even more opportunities for active citizen participation in the revitalization process.

Other Efforts

In addition to a broad based citizen participation effort, HCCEDD annually conducts an extensive public outreach effort in the Request for Proposal (RFP) Process that is used to determine the projects to be funded with CDBG, ADDI, HOME and ESG funds. This action further ensures that the RFP process is a fair, open, and competitive process in which participation by organizations throughout the community is essential. The RFP process includes a number of opportunities for public interaction, including a proposal information workshop in which potential applicants are informed of the guidelines for the application and review process.

Appendix

A: Economic Development Attachment

B: Financial Summary

C: IDIS Reports

D: Match Reports

E: ESG Cap Analysis

F: Geographic Analysis

G: Public Comments

A: Economic Development Attachment

Special Economic Development Activities

August 1, 2004 through July 31, 2005

No new business development or micro-loans were made during this reporting period. For specific information regarding past business development loan payments made during this reporting period, please see the schedules entitled “List of Outstanding Loans – with PY 2004 Activity and Program Income Calculation” and “List of Outstanding CDBG Loans (ineligible) – with PY 2004 Activity and Returned Funds Calculation” in the Financial Summary Appendix of this document.

Harris County has completed an Economic Needs Assessment of Harris County. In 2005, this assessment will be used to create a Economic Development Plan.

TECHNICAL ASSISTANCE

No economic development technical assistance activities were undertaken during the 2004 program year.

B: Financial Summary

C: IDIS Reports

D: Match Reports

E: ESG Cap Analysis

F: Geographic Analysis

G: Public Comments

Public Review was October 10 to October 24, 2005. No comments were offered during the review period.