

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. It was also updated in 2008 with the next consolidated plan. This analysis 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. HCCSD also maintains a report to Address Impediments to Fair Housing and Barriers to Affordable Housing Development (see appendix K).

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

HCCSD sought to increase public awareness of Fair Housing in PY10 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, HCCSD allocated funds to the creation of new affordable multi-family units in partnership with the Harris County Housing Authority. HCCSD also continued to maintain the Housing Resource Center (HRC), which is a clearinghouse of housing related information and links in Harris County. During Hurricanes Katrina, Rita and Ike, the HRC's website and staff provides and continues to provide valuable information on shelters, refugee resources, and permanent housing in the area. See the HCCSD Action Plan to Address Impediments to Fair Housing and Barriers to Affordable Housing Development report for more information.

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. Harris County also continues to be the housing information clearinghouse for all county residents through the nationally recognized Housing Resource Center. The center reaches out to all cultures and life situations including but not limited to the elderly, low-income families, and female-head of households. 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 low-income households. During this program year, the national housing market a significant correction (decline) in housing values. Harris County's housing market,

however, saw little decline in housing values and continues to grow, such land is becoming scarce. At the same time, 30-year mortgage rates still remain very low.

In addition to the rising cost of land in Harris County, many low-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 2010, approximately 30 percent of the homes in Harris County were classified as substandard; three percent were dilapidated and 10.2 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. Expand the Harris County Housing Resource Center to 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 March 1, 2010 to February 28, 2011.

Harris County expended \$8,673,405 in CDBG and HOME entitlement funds to further affordable housing throughout the county. Direct homeownership assistance, new construction housing, rehabilitation, and lead-based paint abatement were provided to 225 low-income households. Detailed information regarding the progress in meeting the County's affordable housing goals is found in Table 4: Summary of Affordable Housing

Accomplishments of this report on page 29. These affordable units were provided throughout the county's service area (see map in Appendix on distribution of projects).

- 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 program year funds for a proposed CHDO project.

During PY10, four new organizations submitted applications, three organizations received CHDO certification. Eight CHDO's applied for recertification and all 8 received recertification during PY10.

- 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 continued to partner with the Harris County Housing Authority to increase the county's inventory of affordable multi-family units. Currently, six multi-family complexes totaling 860 units have been developed thus far to provide housing for seniors and families.
- To support community-based organizations, HCCSD continued 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.
- Harris County CSD maintains a report called the Action Plan to Address Impediments to Fair Housing and Barriers to Affordable Housing Development (see appendix K), which tracks the performance activities related to strategies addressing impediments to fair housing and barriers to affordable housing development. This report is available to the public and the county's local officials.

These actions are in line with the principles of action stated in the Harris County 2008 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 PY10 addressed three barriers to affordable housing with strategies aimed at overcoming these barriers, identified in the 2008 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 \$8,673,405 in CDBG and HOME entitlement funds to further affordable housing throughout the county. Direct homeownership assistance, new construction housing, minor repair, rehabilitation, and lead-based paint abatement were provided to 225 low-income households (see appendix G). ▪ HCCSD 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. Eight CHDO's were recertified in PY10. 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. ▪ HCCSD continued the operation of 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. ▪ See the HCCSD Action Plan to Address Impediments to Fair Housing and Barriers to Affordable Housing Development report for more information (see appendix K).
<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-

Strategy	Action
	<p>base.</p> <ul style="list-style-type: none"> ▪ See the HCCSD Action Plan to Address Impediments to Fair Housing and Barriers to Affordable Housing Development report for more information (see appendix K).
<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 the Harris County service area.</p>	<ul style="list-style-type: none"> ▪ Harris County continues to work with non-profit and for-profit builder to increase the affordable housing stock in the county. ▪ Harris County was awarded a \$40,000 ROCA grant from the OneStar Foundation to provide direct training to CHDOs servicing the county. This training will assist the CHDOs to building much needed capacity in the areas of organizational leadership and staffing, fundraising and grant writing, budgeting, and HOME Investment Partnership requirements. ▪ Harris County has continued collaborate with nonprofit intermediaries like the OneStar Foundation, and Local Initiatives Support Corporation (LISC) to promote coordinated training for capacity building. ▪ See the HCCSD Action Plan to Address Impediments to Fair Housing and Barriers to Affordable Housing Development report for more information.
<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 18 Certifications of Consistency with the Harris County Consolidated Plan, which are required for applications for Low Income Housing Tax Credits and HUD 202 applications. These applications, if approved by the state and HUD, will bring 2,228 additional affordable multi-family and senior units to Harris County. ▪ See the HCCSD Action Plan to Address Impediments to Fair Housing and Barriers to Affordable Housing Development report for more information.
<p>5. Promote and provide technical assistance for the review and revision of land-use regulations in cooperative cities</p>	<ul style="list-style-type: none"> ▪ No actions taken to address this strategy in PY10.

Strategy	Action
that may present an obstacle in the development of affordable housing.	<ul style="list-style-type: none"> ▪ See the HCCSD Action Plan to Address Impediments to Fair Housing and Barriers to Affordable Housing Development report for more information.

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 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 PY10, 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 local 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 PY10 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 PY10 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 10	Total Served	Explanation/Action
Construction of Housing					
1999-130 (1997-0085 in IDIS) Activity #1158	Great Northwest CDC Trace Meadows	18	0	0	This project is pending cancellation. During PY10, Harris County requested a voluntary grant reduction for PY11.
2009-0054 Activity #3226	Greenhouse Place Senior Community	17	0	0	This project was cancelled to resolve outstanding findings on the project.
Rehabilitation: Single Unit Residential					
2009-0029	Harris County Health and Safety Program	6	0	0	In PY11, project will be cancelled and funds will be de-obligated and reallocated to 2010-0031 Harris County Minor Home Repair due to a shift in service priorities.
2010-0030	Harris County Health and Safety Program	6	3	3	Three (3) home repair activities were completed. This project had a slow start due to a delay in appropriation funding and backlog in county engineering reviews. HCCSD has solicited additional engineering review services to ensure goal completion.
2010-0031	Harris County Minor Home Repair	40	7	7	Seven (7) home repair activities were completed. Program is on target with work to date on expending prior year funding first and assisting the county to meet its NSP commits. This project had approx. 20 projects underway at the end of PY10. It is expected that by the end of PY11 40 homes will be completed.
2010-0035	Lead Hazard Control	46	16	16	Sixteen (16) homes had lead abatement activities completed. Failure to achieve goal due to program re-focusing on service area and program qualifications becoming more restrictive.

- 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 HCCSD Downpayment Assistance Program (DAP) serving 161 households with entitlement funds and local funds for homeownership services. It has taken steps to assist the underserved populations such as those of limited income, disabled, and the elderly.
- Below is a listing of the HCCSD Downpayment Assistance Program's Community Outreach Efforts during PY 2010.
 - 2 builders received DAP training
 - 56 DAP information packets were mailed to potential clients
 - 697 persons were referred to counseling programs
 - 171 mortgage lenders were trained for DAP approved lenders list
- In addition to the DAP program, the county provides Housing Repair services. The purpose of the program is to provide financial assistance to low-income elderly and/or disabled homeowners for the purpose of providing decent, safe, and sanitary housing conditions, as well as improving quality of life. The program assisted 26 households in PY10. 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 is able to streamline its lead screening and abatement process. The program abated 16 homes of lead contamination in PY10.
- Harris County has identified the need to expand its efforts in nuisance abatement and rehabilitation of County housing. HCCSD has partnered with the Harris HCPHES for the last ten years to further the effort of nuisance abatement in the county. During PY10, 34 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 new affordable housing.

Continuum of Care

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

Actions

- In PY10, Harris County, the Coalition for the Homeless and the City of Houston (the Collaborative) were successful for the eleventh consecutive year in securing the Houston/Harris County Continuum of Care grant for additional funds to serve the homeless. The Continuum received \$18,748,416 to assist homeless families and

persons through the Supportive Housing and Shelter Plus Care Programs. Grants were allocated to 29 applicants and 49 programs 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 administered grants to seven agencies. Those agencies performed 9 projects with an award of \$4,323,456.

- 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.
- Through the HPRP program, 355 households were assisted to prevent homelessness.

Assessment

- Several activities added and continued to improve the PY 2010 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. Additionally, HUD moved the application process from paper submission to electronic submission. This resulted in extending the one-on-one technical assistance with applicants from one week to two weeks. The electronic application streamlined activities and enhanced the application process. Currently, area homeless providers await the release of the HEARTH Act regulation.
- 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. The CoC continues to monitor HUD funded programs via the Annual Progress Reports to ensure HUD performance measures are met and for those programs that fall below, technical assistance is provided.

Other Actions

The following is a narrative discussion and assessment of planned actions, compliance with the 2008-2012 Consolidated Plan and program requirements and other issues related to HCCSD's programmatic performance in these areas.

- **SUPERNOFA FUNDS PURSUED**-As discussed above, Harris County pursued one of the SuperNOFA Competitive grants, the Continuum of Care.
- **FEDERAL FUNDS**-The Harris County Community Services Department (HCCSD) has grown to become an organization funded through a variety of federal funding sources from a variety of grants in an effort to further its pursuit of decent,

affordable housing, a suitable living environment, economic opportunities and overall improvement in the quality of life for low-income persons throughout the service area. Please refer to pages 23-26 for a description of all federal funds received.

- **INSTITUTIONAL STRUCTURE/COORDINATION-** CSD continues to work with other Harris County departments, such as Public Health & Environmental Services, Public Infrastructure, Harris County Flood Control District, Houston-Galveston Area Council (H-GAC), Library District, and Justice to maximize federal dollars and decrease gaps in service. Innovative partnerships also assist the department to efficiently expend CDBG, ESG, and HOME funding and serve many Harris County extremely low-, very low-, and low-income households. CSD'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, six apartment complexes have been completed and two additional complexes are currently under construction with completion expected in 2010. Harris County has also partnered with the Harris County Housing Finance Corporation to provide direct homeownership assistance to eligible homebuyers.

The Community Services Department and the Public Infrastructure Department collaborated to provide technical assistance on water and sewer projects, particularly for inspection and review, and conduct assessment of needs and resources for water and sewer services in the Harris County HUD target areas.

- **CONSOLIDATED PLAN IMPLEMENTATION-** Harris County did not hinder Consolidated Plan implementation by action or willful inaction, but actively addressed strategies of the 2008-2012 Consolidated Plan by funding projects which specifically met the needs of low-income persons. Program Year 2010 represents the second year of the 2008-2012 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 (HRC) a service of the Harris County Community Services Department provides a vast array of housing and related information primarily targeted to families and individuals that are experiencing housing crises or are in need of affordable housing. HRC's mission is to aide the community in finding decent, safe, and affordable housing in a manner that promotes equal opportunity and fair housing. In accomplishing this goal, the HRC is committed to serving as a viable community resource that is accessible to everyone. They are committed to bridging the communication gap in housing information between the community and other supportive and social services organizations. Referrals that the HRC provides include Affordable Housing Assistance; Homeownership Assistance; Emergency Assistance; and Support Services.

In 2010, HRC made available to the public free affordable housing information. This service links property owners with those in need of quality affordable housing. Revisions were also made to the HRC website and the HRC brochure. HRC participated in a number of community outreach programs including:

- Housing Opportunities for People With Aids (HOPWA)
- Houston Center for Independent Living
- Care for Elders with Sheltering Arms
- Elder Care Network
- Interagency Network
- United Way
- Mobile Health, Education, and Resource Fairs
- Greater Houston Foreclosure Task Force
- Town Hall Meetings
- Voluntary Organizations Active in Disasters (VOAD)
- Greater Houston Long Term Steering Committee
- One Voice: basic needs committee on housing
- Community Development Organization
- Alliance for Economic Inclusion
- Coalition for the Homeless

In PY10, 1,783,091 individuals accessed the HRC website and 541 landlords registered with the free affordable rental housing search tool. Also, HRC referred 2,152 persons to various homebuyer, foreclosure, and emergency housing assistance programs and distributed 2,255 brochures and flyers about fair housing laws.

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's 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 PY10 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 has become a regular recipient of grant funds for the expansion of transit services outside of the METRO service area or where service is inaccessible or unavailable for residents. In an effort to meet underserved needs for transportation in Harris County, funding has been programmed for various projects in multiple locations within Harris County that provide access to safe transportation for low-income residents to get to work, housing, medical services, schools, shopping and other essential activities. In PY10, the RIDES program which is a taxi and shared ride response program for the elderly/disabled expended \$951,856 and made over 50,334 demand response trips. The Baytown Fixed Route and Pasadena and Baytown Park & Ride expended \$1,269,954 and made over 51,452 trips.

Harris County maintained several collaborative efforts during PY10 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-** Although **no** public housing exists in the county service area, Harris County strived to create affordable housing in the county. The Harris County Housing Authority has developed six apartment complexes and were actively constructing two more during PY10. These are tax-credit, Harris County, and Harris County Housing Authority partnership projects.

- **COMPLIANCE WITH PLANNING/PROGRAM REQUIREMENTS-** The Grants Management section of HCCSD is charged with monitoring compliance for all HUD programs administered by Harris County. HCCSD requires subrecipients to submit monthly, quarterly, and annual program and financial reports to facilitate monitoring. The Development section prepares the Annual Action Plan, which details the use of federal HUD entitlement funds. The Planning Section prepares 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 PY10 was to reduce poverty and improve the quality of life for low-income persons. Harris County Community Planning is a neighborhood level initiative that seeks to assist communities to reduce poverty and revitalize their neighborhoods.
- **HARRIS COUNTY COMMUNITY PLANNING** – Due to the devastation from Hurricane Ike and resulting disaster recovery efforts, in PY09 CSD developed a Comprehensive Damage Assessment of the county and its small cities. The assessment is a tool for addressing the issues faced by citizens as they recover from the storm and face the upcoming hurricane season. In PY10, the county used this assessment to target homeowners who were damaged during the storm for the housing rehabilitation and reconstruction program operated by the county.
- **THREE TRACK PROGRAM-** Nonprofit Education- The Three Track Program was developed to assist communities who have participated in the Harris County Community Planning 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 18 developers during PY10. 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 2,228 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 review and expand 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, residential design standards, 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 trainings 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.
- Harris County will continue to focus on disaster recovery efforts to help rebuild and rehabilitate homes and infrastructure severely damaged by Hurricane Ike.

Leveraging/Match

The funding of projects active during PY10 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 PY10:

- Public Service projects leveraged allocated funds with \$2,403,792.
- Infrastructure projects utilized \$837,895 in leveraged funds.
- Public Facilities projects leveraged allocated funds with \$6,745,287.

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

Citizen Comments

No public comments were received.

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 PY10. 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, construction of rental housing units, and lead abatement of housing units, which assisted 225 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 15,000 low-income persons. Likewise, activities benefiting the homeless population resulted in shelter and services to more than 9,848 homeless individuals and families with ESG funds and 120 with CDBG funds.

Barriers to fulfilling strategies.

While successful in implementing activities that addressed priority needs outlined in the 2008-2012 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 PY10, HCCSD 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.

Harris County continues its Disaster Recovery activities and implementation of the stimulus programs all while under a hiring freeze.

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. HCCSD has also instituted the Three Track Program to assist participating communities in the HC Community Planning 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 PY10, Harris County continued a working relationship with several nearby cities and other county agencies to collaborate 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. In PY10, there was a delay for all HUD entitlement recipients until appropriation legislation was passed. This delay caused projects to start later than March 1.

Specific to projects, 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 begun with 29 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.

To assist in improved construction project management, HCCSD has encouraged developers particularly in the public facilities and infrastructure areas to apply for funds on a phase by phase basis. Many projects in PY10 were funded for phase I design or phase II construction. This has allowed HUD funds to be used more efficiently in the year they are allocated.

Are grant disbursements timely?

During PY10, Harris County continuously monitored its CDBG expenditure rates and has successfully met the CDBG timeliness requirements, within 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. HCCSD 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 2008-2012 Consolidated Plan, thus allowing Harris County to remain on target with major goals.

In the area of economic development, Harris County continues to develop programs in accordance with its Harris County Economic Development Plan. We are working with local Economic Development Organizations that are funded with local county funds by CSD and Houston-Galveston Area Council to develop these programs. It is expected that in the next program year, Harris County will begin to execute its plan for economic development.

The county also created a Harris County Transit Plan in PY05. In PY10, the county

sought and was granted Federal Transit funds to improve and expand transit opportunities in the underserved sections of the county. The funding was used to develop the Baytown Park-n-Ride, Pasadena Park-n-Ride, flexible routes, and circulator routes. It will also provide funding for elderly and handicap transportation programs.

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 monthly project timeliness report. 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.

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

During PY10, the county collected and reported on the performance outcomes of all open projects. See Appendix F for the performance measurement matrix.