

Attachments: Additional Requirements for End of Program Year Reporting

1. All Grantees Must Submit a Narrative Statement Addressing the Following:

a. Assessment of Three- to Five-Year Goals and Objectives

The PY2013-2017 Consolidated Plan goals and measurable objectives are used to guide accomplishments over the next five planning years. Funds made available to CSD will be used to address the needs shown in the Continuum of Care Homelessness Gaps Analysis, Housing Needs, Non-Homeless, and Community Needs tables. Each identified area of need is prioritized relative to other needs within each category. Priorities for community needs were assigned according to research, survey results from local governments and citizen participation. A high priority indicates that CSD will expend HUD entitlement funds on that particular activity. A medium priority indicates that additional funds will be expended if available, and HUD entitlement funds may be spent. For more information, please see the 2013-2017 Consolidated Plan Measurable Objectives Matrix in Appendix E.

b. Affirmatively Furthering Fair Housing

Harris County completed the *Analysis of Impediments to Fair Housing Choice*, with its PY2013-2017 Consolidated Plan/PY2013 Fair Housing/Analysis of Impediments to Fair Housing Choice (AI) submitted to HUD in 2013. In preparation for the Plans, data was collected and analyzed which is included in the PY2013 Fair Housing/AI Plan. The analysis was developed through a series of collaborative initiatives involving a multi-disciplinary consortium of housing organizations and advocates; meetings with federal, state, and local agencies; residents; the Greater Houston Fair Housing Center; public and private agencies; and business and civic leaders.

Through this discovery process, impediments to fair housing were identified. A detailed description of the impediments identified in the study and recommended strategies are listed below. HCCSD also maintains a report to Address Impediments to Fair Housing annually.

Impediment: Need to combat overt discrimination and lack of fair housing knowledge: Overt discrimination against protected classes, such as racial and ethnic minorities, persons with disabilities, families with children, persons with limited English proficiency, and the LGBT community inhibits housing choice and is associated with limited fair housing knowledge of residents, housing providers, financial and insurance providers, and local government entities.

Impediment: Lack of quality affordable housing: Harris County has insufficient quality, affordable housing that meet the diverse needs of low- to moderate-income individuals, especially persons with disabilities and families with children.

Impediment: Need to reduce areas of segregation and concentration: Limited housing choice has led to the segregation and concentration of poverty and minority populations.

Impediment: Need to improve lack of quality community amenities: Limited access to transportation services, infrastructure, and public facilities limits housing choice and prevents communities from improving the overall quality of life and opportunity for residents.

Impediment: Presence of governmental and community opposition towards affordable housing: Governmental and community opposition to affordable housing is often based on lack of information, misinformation, and unfounded suspicions that lead to highly desirable areas being completely shut off from affordable housing options thus limiting housing choice.

Impediment: Barriers created by credit and financial institutions: Predatory lending, concentrated foreclosures, and overt discrimination in credit and financial practices severely limit housing choice, especially for minority populations.

Strategies

1. Aggressively combat overt discrimination and lack of fair housing knowledge.
2. Promote housing choice.
3. Reduce areas of minority and poverty concentration.
4. Improve the quality of public facilities.
5. Combat NIMBYism and opposition to fair housing.
6. Overcome financial barriers to homeownership

Actions

In PY2015, HCCSD took several actions to eliminate barriers to housing choice. See Appendix J, *PY2015 Accomplishments to Implement Fair Housing Strategies to Address Impediments* for detailed information. To promote fair housing choice, HCCSD continues to maintain the Housing Community Resource Center (HCRC), which is a clearinghouse of housing related information and links in Harris County. In PY15, there were 8,061,812 visitors to the website where many sought housing assistance and referrals. The HCRC reaches out to all cultures and life situations including but not limited to the elderly, disabled, low-income families, and female-head of households. The resource center's staff also actively works with individuals, who believe they have been a victim of housing discrimination. The county also collaborates with other local Fair Housing agencies, such as the Greater Houston Fair Housing Center and HAUL on Fair Housing issues and education. In addition, trainings were provided to housing providers by CSD staff, CSD required ADA requirements per standards, and provided trainings for the Downpayment Assistance Program (DAP) lenders. HCCSD also held Fair Housing workshops with HUD staff member Linda Sanford on April 27, 2015 and Texas A&M University Professor Dr. Shannon Van Zandt on September 2, 2015. Attendees included Community Services Staff, County Attorney's Office, and the County Engineering Office.

To address the lack of fair housing knowledge as part of the county's efforts to increase public awareness of housing choice, the county participated in local community fairs, neighborhood meetings, conferences and seminars, and public events to present information on HCCSD's housing programs as well as the rights of citizens under Fair Housing. In addition, for Fair Housing month, CSD participated in the following outreach activities:

- Social Media – Posted a HUD Sponsored Fair Housing Public Service Announcement video in English/Spanish on YouTube, CSD Facebook, Twitter and Pinterest sites and website.
- Public Relations – The Harris County Commissioner’s Court passes a Fair Housing Month Resolution to kick off April as Fair Housing Month. CSD also sent a Fair Housing Public Service Announcement (PSA) to News Public Radio Stations that reached approximately 70,000 listeners nationwide.
- Informational Newsletter – CSD created a newsletter that presented articles of interest, guidance, training, and opportunities to participate in activities during Fair Housing Month. The newsletter was emailed to Housing Providers, Developers, 910 Landlords and over 500 persons registered on our interested parties list.
- Fair Housing Posters and Brochures – CSD participated in 7 Outreach Events during Fair Housing Month and passed out over 150 posters and brochures to inform residents of their rights under the Fair Housing Act.

In addition, during its annual Request for Proposals process, HCCSD staff conducted potential recipient conferences and presented on topics such as HUD regulations and Fair Housing. Under its Downpayment Assistance Program (DAP) and Neighborhood Stabilization Program (NSP), participating lenders and realtors are provided information on HUD regulations and Fair Housing. In addition, for those residents who participate in HCCSD DAP and NSP, program staff distribute HUD’s Fair Housing guide. The guide is also available to the public along with HUD’s Housing Discrimination Complaint Form.

On January 15, 2013, HCCSD submitted its new Fair Housing Plan and Analysis of Impediments along with its PY2013-2017 Consolidated Plan to HUD. During the year preceding submission (PY2012), the county conducted a series of meetings, focus groups, interviews and public hearings throughout the county seeking input from citizens, advocate groups, homeless and public service providers, CDC’s, CHDO’s and other interested groups regarding housing issues and barriers to housing choice. Staff also solicited information about community resources and problems through a community survey and needs/data assessment. The findings from the consultation, survey and needs/data assessment assisted the county to develop the Fair Housing Plan and Analysis of Impediments and to develop goals for the Consolidated Plan. Each year, the *PY2015 Accomplishments to Implement Fair Housing Strategies to Address Impediments*, Appendix J is updated to reflect activities performed to address fair housing and barriers to affordable housing development.

Assessment

CSD’s grant 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. The county also funds community revitalization and improvements, non-housing activities, particularly in LMI areas to assist with improvements of the quality of life in those areas. Harris County also continues to be the housing information clearinghouse for all county residents through the Housing Community 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.

In addition, CSD has taken actions to address Fair Housing through the following actions:

- a) *Aggressively enforce and enhance existing Fair Housing Laws* – Harris County allocated \$19,517 in local funds for staff salary in addition to office space and website hosting to the Housing Community Resource Center (HCRC) to intake and provide referral services to those who believe they have been discriminated against by landlord, property managers, and real estate agents.
- b) *Eliminate discriminatory lending* – As part of the direct homeownership program funded by county HOME funds, the program educates lenders, real estate agents, and housing developers on Fair Housing issues. Through the policies of the program, the county seeks to protect homebuyers from predatory lending practices and homebuyers also receive counseling that includes their rights under the law.
- c) *Eliminate barriers to affordable housing developments* – Harris County expended \$727,895.84 in PY15 HOME funding to direct homeownership assistance, which provides greater housing choice to eligible homebuyers. Harris County also expended \$411,552.84 in PY15 CDBG funding for home repair to serve low-income homeowners predominately in low-income, minority concentrated neighborhoods.

In PY15, CSD has in construction six projects and expended \$862,120.58 in HOME funds on: 1) new affordable single-family housing in high opportunity areas where the county overcame great opposition and NIMBYism to construct housing and; 2) on new affordable multi-family housing where the county's Housing Concentration Policy encouraged development of new subsidized affordable units for families and seniors in areas that was not saturated with subsidized units, which can have the effect of concentrating areas of poverty.

- d) *Encourage educational activities which promote awareness about fair housing and individual rights to fair housing choice* – In addition to counseling, the HCRC was also allocated in county local funds \$77,155.13 for staff to provide educational activities to local residents, fair housing materials, and an affordable housing search assistance tool which is used throughout the county.
- e) *Encourage assistance to families* – The HCRC also provides on online and phone-based housing search tool for homebuyers and renters. In PY15, there were over 8 million visitors to the website. Many sought housing assistance and referrals. In addition, participants in the Homeownership Assistance Program receive homebuyer counseling which includes budget/credit counseling.
- f) *Soliciting public participation* - During the Citizen Participation process, CSD affirmatively solicited citizen participation by publishing in the Houston Chronicle and Spanish newspaper La Voz whose circulation has over 2.3 million readers, and posted the notices in English and Spanish to the CSD website. CSD also sent the public notices to over 500 interested parties via email blast, which includes but is not limited to individuals, other

county departments, local cities, non-profits, business, housing developers/providers, utility districts, and healthcare organizations for distribution and information. Many of these interested parties are non-profits who advocate and serve persons in protected classes.

- g) *Limited English Proficiency (LEP)* - During Citizen Participation process, notice of community meetings and comment period were made to the Limited English Proficiency (LEP) population in Spanish. All public hearings and community meetings conducted by CSD have Spanish interpreters available. CSD staff who speak Spanish were also available to consult with LEP populations in person or via phone or email.
- h) *Persons with disabilities in alternative formats* – As stated above, Harris County also sent the public notice to over 500 interested parties via email blast, this group included several non-profits that serve and house persons with disabilities in addition to publishing in traditional news media.
- i) *Accessibility to persons with disabilities in public areas in construction projects* – CSD requires within its Affordable Housing Standards that all common areas and facilities as well as mail areas and spaces be designed to be handicapped accessible with particular attention given to the needs to the elderly and other special needs individuals. Additionally, all contractual agreements between CSD and project sponsors contain language that ensures construction projects adhere to all federal, state, and local laws regarding accessibility of all newly constructed facilities to persons with disabilities. To ensure that these regulations are being followed, CSD has in place regular monitoring and compliance activities.

c) 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. 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 experienced a significant decline in housing values. However, Harris County's housing market saw little decline in housing values but continues to grow, such that 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 2015, approximately 38 percent of the homes in Harris County were classified as substandard; 5 percent were dilapidated and 14 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 of 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: Expand the supply of affordable housing options.

Strategy Two: Preserve, rehabilitate, and increase the supply of quality affordable housing units

Strategy Three: Increase the availability of accessible and larger housing units

Strategy Four: Provide education and outreach activities in order to counteract negative effects from NIMBYism and other community opposition.

Strategy Five: Encourage the development of local ordinances that are more inclusive 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 HCCSD from March 1, 2015 to February 29, 2016.

Harris County expended \$2,380,722.35 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 97 low-income households.

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 PY15, Seven CHDO's applied for recertification and (7) received recertification during PY15. Through CHDO status, organizations have the opportunity to attain funding not available to them, therefore overcoming the lack of capacity barrier to developing affordable housing.
- 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 (HCHA) to increase the county's inventory of affordable multi-family units. Currently, eight multi-family complexes totaling 1,038 units have been developed thus far to provide housing for seniors and families.
- Harris County CSD maintains a report called the *Activities Performed to Address Fair Housing and Barriers to Affordable Housing Development* 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 and included with the PY2015 CAPER report in Appendix J.

These actions are in line with the principles of action stated in the Harris County 2013-2017 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 PY15 addressed six barriers to affordable housing with strategies aimed at overcoming these barriers, identified in the 2013-2017 Consolidated Plan. The following table summarizes actions taken according to the strategy addressed.

Table 1: Summary of Actions Taken to Eliminate Barriers, to Encourage, and Support the Development of Affordable Housing

Strategy	Action
<p>1. Expand the supply of affordable housing options by supporting the use of public-private partnerships to increase quality, affordable housing in the county. Harris County will expand the supply of affordable housing options by providing or funding local providers to provide housing services that support housing choice. These services include but are not limited to homeownership, construction of new affordable housing units, and rental assistance.</p>	<ul style="list-style-type: none"> ▪ Harris County expended \$2,380,722.35 in CDBG and HOME entitlement funds to further affordable housing throughout the county. Direct homeownership assistance, rental assistance, and new construction and were provided to 97 low-income households ▪ 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. Seven CHDO's were recertified in PY15. Through CHDO status, organizations have the opportunity to attain funding not available to them, therefore overcoming the lack of capacity barrier to developing affordable housing.
<p>2. Preserve, rehabilitate, and increase the supply of quality affordable housing units by providing or funding providers to provide housing services that supports housing choice. These services include but are not limited to minor home repair, reduction of lead hazards in housing, rehabilitation of housing units, and removal of dilapidated and unsafe housing structures.</p>	<ul style="list-style-type: none"> ▪ Minor repair, rehabilitation, and lead-based paint abatement services were provided to 46 low-income households. ▪ Twenty-eight (12) dilapidated and unsafe structures were removed.
<p>3. Increase the availability of accessible and larger housing units.</p>	<ul style="list-style-type: none"> ▪ Ensure that regulations are being followed through regular monitoring and compliance activities. ▪ Require adherence to Section 504 requirements and when possible require a greater set aside for persons

Strategy	Action
	<p>with mobility disabilities and visual/auditory disabilities (stricter terms than Section 504 requirements)</p> <ul style="list-style-type: none"> ▪ Petition the Texas Department of Housing and Community Affairs concerning the Low Income Housing Tax Credit (LIHTC) awards for new construction of rental properties in the county to require projects to construct and reserve a greater number of units for disabled persons, large families and/or the homeless.
<p>4. Provide education and outreach activities in order to counteract negative effects from NIMBYism and other community opposition.</p>	<ul style="list-style-type: none"> ▪ Harris County developed an Anti-NIMBYism plan in PY13 and applies the plan when providing funding or resolutions to support affordable housing. ▪ Provide proactive strategies for education, outreach and marketing in high opportunity areas in order to build support among community residents. ▪ Require housing developers applying for CSD funding to conduct community engagement activities to educate the public and garner support for their housing proposal.
<p>5. Encourage the development of local ordinances that are more inclusive of affordable housing</p>	<ul style="list-style-type: none"> ▪ Provided technical expertise to local municipalities. ▪ Provide fair housing training and education opportunities that address the impacts that local ordinances can have on affordable housing development.

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. During PY15, The Men’s Center changed its name to ReCenter

which is a 64 unit transitional housing facility. The facility will serve 128 homeless men and women recovering from chemical dependency and substance abuse disorders. This population has significant barriers to finding and securing housing. The Re-Center project provides new, safe housing with supportive services. In PY2015, the Re-Center completed lease-up and provided transitional housing to 50 homeless persons.

The Harris County Downpayment Assistance Program (DAP) program also offers greater subsidies for disabled homebuyers. Harris County’s Minor Home Repair program targets low-income elderly and disabled homeowner for home repair up to \$10,000. In an effort to increase public awareness of local housing services, Harris County has developed the Housing Community 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 housing and social services resources.

Assessment of Housing Projects Performance

- Assessment of the performance of PY15 affordable housing projects includes an explanation of projects failing to meet expectations and actions to correct these shortcomings. The county identified these projects and assigned appropriate actions and/or explanations for failing to meet expectations in the Table 2: Affordable Housing Activities Failing to Meet Service Goals.

Table 2. Affordable Housing Activities Failing to Meet Service Goals

Project ID	Project Name	Service Goal	Served in PY 15	Total Served	Explanation/Action
2011-0056	The Men’s Center Residential Housing	50	3	50	Lease-up completed in PY2015.
2012-0030	Temenos Place Apartments II	41	0	0	Owner and contractor had design, materials, and payment issues that significantly delayed construction. As of 2/29/2016, project is 95% complete.
2013-0040	Retreat at Westlock	71	0	0	As of 2/29/2015, project 5% complete. Delay due to change in Developer/General Contractor.
2015-0033	Harris County Down Payment Assistance	35	5	5	Due to utilizing 2012 and 2014 funds, project was slow to start.
2015-0034	Sunrise Orchard Apartments	17	0	0	As of 2/29/2016, 50% of Design Development Phase completed.

- Harris County has achieved 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 45 households with entitlement funds and local funds for homeownership services in PY2015. 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 (DAP) Community Outreach Efforts during PY 2015.
 - 49 DAP deferred loans were given to qualified homebuyers
 - 65 DAP information packets were mailed to potential clients
 - 415 persons were referred to housing counseling programs
 - 10 Lender trainings were conducted for 115 mortgage lenders from 25 mortgage companies
 - 25/town hall/housing fairs/ were conducted with over 45,632 people
 - Brochures and forms were made available in both English and Spanish
- In addition to the DAP program, the county provides a home repair program. 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 45 households of which 28 were elderly and 11 were disabled in PY15.
- Harris County has identified lead-based paint as a priority matter for Harris County. The primary goal was to educate and provide lead abatement to homeowners. Using HCPHES's streamlined lead screening and abatement process, 20 homes were abated of lead contamination in PY2015.
- Harris County has identified the need to expand its efforts in nuisance abatement and rehabilitation of county housing. Through HCCSD's partnership with HCPHES 12 abandoned houses were cleared in PY15.
- 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.
- Harris County has also provided reconstruction and rehabilitation activities to homeowners who suffered damage to their home during Hurricane Ike in 2008. Through the HDRP program CSD has completed a total of 515 reconstruction/rehabilitation projects and two housing buyouts.

d. Continuum of Care Narrative

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

Actions

- The FY2015 Continuum of Care (CoC) funding remained consistent with the previous year in both the types of funding available and the way in which Harris County, as part of the Houston/Harris County (The Way Home) Continuum of Care submitted applications for funding. For FY2015, the CoC collaborative application was submitted to HUD through a community ranking process that included dividing new and renewal projects into two separate tiers. The requested funding is for costs including leasing,

rental assistance, supportive services, operating costs, and HMIS. The projects provide permanent housing, consisting of permanent supportive housing for homeless persons with disabilities and their families as well as Rapid Re-Housing for homeless families with children, transitional housing and supportive services for homeless HIV infected women and their children, and transitional housing and supportive services to battered women and their children. Both Tier 1 and Tier 2 projects have been funded for FY2015 CoC funding, which includes 54 programs totaling \$32,098,014.

Assessment

The CoC Steering Committee provided executive oversight to the CoC competition to ensure that the projects submitted were in line with the community goals identified in The Way Home 2015 Annual Action Plan and were in line with current HUD priorities (Permanent Housing, Transitional Housing, and also Supportive Services Only utilized with Coordinated Access). Applications were again ranked and submitted in a two-tier system for both new and renewal applications. The ranking included program outcomes, data quality, and HUD compliance. Renewal projects with equal scores and the same project component were ranked alphabetically.

Applications were submitted through the e-snaps online system. Overall, the application contained the same data collection modules as the previous year, remaining in line with performance measures required by the HEARTH Act. Funding was available for new projects including those created through reallocation and Permanent Supportive Housing Bonus projects (limited to one project per CoC). The CoC accepted applications for new housing projects including a Permanent Supportive Housing Bonus project dedicated to serving 100% chronically homeless persons referred through Coordinated Access and three Permanent Supportive Housing projects created through the reallocation of existing project funding.

e. Other Actions

The following is a narrative discussion and assessment of planned actions, compliance with the 2013-2017 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. Throughout all departments of the county, grant sources include Health and Human Services, Transportation, and Justice to name a few.
- **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, eight apartment complexes have been completed.

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 target areas.

The County and the City of Houston have also increased their coordination efforts to end chronic and veteran homelessness by 2016 and family and youth homelessness by 2020. As well as discussing the distribution of HOPWA to assist homeless with HIV/AIDS status households.

- **CONSOLIDATED PLAN IMPLEMENTATION** - Harris County did not hinder Consolidated Plan implementation by action or willful inaction, but actively addressed strategies of the 2013-2017 Consolidated Plan by funding projects which specifically met the needs of low-income persons. Program Year 2015 represents the third year of the 20013-2017 Consolidated Plan.
- **MEETING UNDERSERVED NEEDS** - *Underserved Needs & Obstacles to Meeting Underserved Needs.* Harris County's 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 and Community Resource Center (HCRC) to act as a clearinghouse for information on local initiatives offering housing services.

The Harris County Housing and Community Resource Center (HCRC), 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. HCRC's mission is to aid the community in finding decent, safe, and affordable housing in a manner that promotes equal opportunity and fair housing. In accomplishing this goal, the HCRC 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 HCRC provides include affordable housing assistance; homeownership assistance; emergency assistance; and support services.

In PY15, the HCRC continued to provide the public free affordable housing information which links property owners with those in need of quality affordable housing. Updates were made to the HCRC website and the CSD brochures/flyers, which includes new and expanded information on housing units, apartment landlords, fair housing issues and contacts, and local social service organizations. In addition, the County expanded its outreach by posting on social media outlets via Facebook and Twitter. HCRC staff also participated in a number of community outreach programs including:

- Housing Opportunities for People with AIDS (HOPWA)
- Houston Center for Independent Living
- Care for Elders
- Elder Care Network
- Aging and Disability Resources
- Interagency Network
- United Way - Thrive
- Gateway to Care
- Serving the Incarcerated and Recently Released (SIRR)
- Coalition for Behavioral Sciences
- Veterans – Stand Down
- Disaster Preparedness
- Communities in Schools
- Neighborhood Centers – Headstart
- Mobile Health, Education and Resource Fairs
- Town Hall Meetings
- Voluntary Organizations Active in Disaster (VOAD)
- One Voice
- Community Development Organizations
- Alliance for Economic Inclusion
- Coalition for the Homeless
- Hunger Free Texas Regional Coalition Steering Committee
- The Way Home – a collaborative model to prevent and end homelessness

The HCRC website received 8,061,812 hits and 907 landlords registered with the free affordable housing search tool. The HCRC referred 48,620 persons to various homebuyer, foreclosure, emergency housing, and special needs assistance programs through their Resource Navigators. Over 7,850 brochures and flyers about CSD programs and fair housing laws were distributed. In addition, 111,970 individuals searched for rental units and homes using the free affordable housing search tool.

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 PY15 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 multiple locations 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 undeserved 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 PY15, the RIDES program expended \$1,550,030 for services and provided over 70,641 demand response trips. The Harris County CSD Office of Transit Services expended \$1,875,280 and provided over 117,893 trips with its Cities of Baytown and La Porte, Crosby and Highlands Service, Social Services Shuttle and the Baytown Park and Ride services.

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 eight apartment complexes in partnership with Harris County by using the Low-Income Housing Tax Credit program to provide affordable housing.

- **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 PY15 was to reduce poverty and improve the quality of life for low-income persons.
- **CERTIFICATIONS OF CONSISTENCY/RESOLUTIONS** - Harris County provided Resolutions of Support to 4 developers during PY15 for low income tax credits. The Texas Department of Housing and Community Affairs (TDHCA) tax credit rules state that jurisdictions in which a project will be located, request and receive resolutions from the governing body in which the project is located. The resolutions were requested in conjunction with the application for Low Income Housing Tax Credits (LIHTC) and will develop 630 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 Affordable Housing Standard/Site and Neighborhood Standards for multi-family and single-family developments, multi-family project concentration, minimum acceptable standards for residential acquisition, rehabilitation, and construction of new and existing homes' CHDO certification, and the Request for Proposal process.
- 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 wrapped up its Disaster Recovery Program and will continue to focus on disaster preparedness in efforts to help rebuild and rehabilitate homes and infrastructure severely damaged by any future hurricanes or natural disasters.
- Harris County will continue to collaborate with the Coalition for the Homeless, other local jurisdictions, housing providers, social service organizations, and other interested

parties to meet the federal goal of ending homelessness and local goals in The Way Home Houston program.

- Due to changes in the housing market, HCCSD is reviewing its affordable housing programs to improve its marketing plan and its delivery of services.
- Changes in the Rapid Re-Housing program resulted from the creation of Coordinated Access and the need to expand the use and effectiveness of rapid re-housing within the local Continuum of Care. In an effort to align funds and standardize service delivery so that funds can be used efficiently while reducing the administrative burden on both funders and providers, a funding collaborative was established to serve as a single access point to multiple funding streams instead of multiple jurisdictions individually funding rapid re-housing programs.

f. Leveraging Resources

The funding of projects active during PY15 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 a source 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 PY15:

- Public Service projects leveraged allocated funds with \$2,632,149.05.
- Infrastructure projects utilized \$330,777.85 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 Financial Summary and Match reports in Appendix C.

g. Citizen Comments

Harris County provided several opportunities for public comment on the CAPER during the 2015 program year. These opportunities included public hearings for the Annual Action Plan (AAP), previous year CAPER's and other HUD funding sources such as NSP and Hurricane Ike Disaster Recovery TxCDBG funding. Notices for opportunities for public comment were published in local newspapers and placed on the CSD website prior to each event.

For the PY2015 CAPER, the public was given a 15-day review and comment period prior to its submittal to the U. S. Department of Housing and Urban Development (HUD). A legal notice was published in the *Houston Chronicle*, Spanish newspaper *La Voz* and on the CSD website. The English and Spanish translations of the public notice were posted to the website at www.csd.hctx.net. CSD also sent the public notice to over 500 interested parties via email blast. The public notice informed Harris County residents about the public hearing and an opportunity to comment on the documents. The availability of the PY2015 CAPER review was May 9-24, 2016.

A public hearing for the CAPER was held May 12, 2016 and there were three public comments.

h. 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 PY15. One measure of impact is the number of persons served and projects completed. In housing, the impact of the County's efforts resulted in direct homeownership assistance, home repair, construction of rental housing units, and lead abatement of housing units, which assisted 97 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 1,895 low-income persons. Likewise, activities benefiting the homeless population resulted in shelter and services to more than 1,869 homeless individuals and families with ESG funds and 322 with CDBG funds.

Barriers to fulfilling strategies

While successful in implementing activities that addressed priority needs outlined in the 2013-2017 Consolidated Plan, Harris County realizes that barriers still exist to fulfilling strategies and assessing impact.

The continuation of the CHDO certification program and the addition of the CHDO re-certification program for funded projects are examples of an action taken to overcome the lack of organizational capacity for local nonprofits who work on housing related issues. The HOME regulations have created a greater emphasis on CHDO capacity and staff experience. As a result, these organizations need greater technical assistance and training to fulfill these requirements.

Another barrier to fulfilling strategies is the lack of strong intergovernmental coordination on the outset of projects. During PY15, 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 communication, 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.

To meet the goals in the Rental Assistance Program, changes have been made to program to include Rapid Re-Housing. This will ensure that rental assistance is provided to persons to ensure rapid transition from homelessness into permanent housing. In addition, CSD did not meet its goals in the Street Improvements activity or Economic Development activity. No new projects were funded in PY2015 for these activities.

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 12 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 PY15 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 PY15, 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 2013-2017 Consolidated Plan, thus allowing Harris County to remain on target with major goals.

Harris County has previously funded both homelessness prevention and rapid re-housing programs. With HUD currently encouraging communities to create and implement more rapid re-housing programs, Harris County has decided to provide HCCSD ESG funds for rapid re-housing programs rather than homelessness prevention programs. Harris County expects this shift in focus to be temporary and for funding of homelessness prevention programs to be revisited in future funding years. However, homelessness prevention services will still be offered at Harris County and local agencies through other funding sources as they are available.

The county also created a Harris County Transit Plan in PY05. In PY15, the county continued to receive Federal Transit funds to improve and expand transit opportunities in the underserved sections of the county. The funding was used to develop the Baytown, La Porte, Crosby / Highlands Fixed Route, Medical Transportation, Shuttle and Baytown Park and Ride services. It also provides 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.