

CITY OF HOUSTON
Annise D. Parker, Mayor
HOUSING AND COMMUNITY
DEVELOPMENT DEPARTMENT
James D. Noteware, Director

2011 Community
Development Block
Grant

Disaster Recovery
Hurricane Ike Program



HOUSING ACTIVITIES APPLICATION ROUND II, PHASE II

APPLICANT: City of Houston, Housing & Community Development Department

COUNCIL OF GOVERNMENT: Houston-Galveston Area Council

FUNDING REQUEST: \$151,413,020





CITY OF HOUSTON
Housing & Community Development Department

Annise D. Parker

Mayor

James D. Noteware
Director
601 Sawyer Street
Houston, Texas 77007
T. (713) 868-8300
F. (713) 868 8414
www.houstonhousing.org

December 9, 2011

Mr. Gary Hagood
Deputy Commissioner
Texas General Land Office
301 Congress Avenue, Suite 600
Austin, Texas 78701

Via Electronic Mail

RE: City of Houston Disaster Recovery Program Hurricane Ike Round 2.2 Housing Activities Application

Dear Commissioner Hagood,

We are attaching the package of documents which comprises the submission of the City's Disaster Recovery Program Hurricane Ike Round 2.2 Housing Activities Application by the City of Houston Housing and Community Development Department (HCDD). The package includes:

1. General Housing Activities and Subsidized Housing Activities Applications
2. Appendix A — Method of Distribution for Hurricane Ike Round 2.2 Disaster Recovery Funds
3. Appendix B — Needs Assessment for Hurricane Ike Round 2.2 Disaster Recovery Funds
4. Appendix C — Supplement to the General Housing Activities and Subsidized Housing Activities Applications

We are pleased that the City of Houston's Housing and Community Development Department has received approval of its Fair Housing Action Statement—Texas (FHAAT) and has completed this critical next step toward addressing the needs in the City of Houston left by Hurricane Ike. During the next few weeks, we look forward to addressing additional clarifications regarding the City's application and engaging in a partnership with your organization as the City prepares a targeted recovery plan.

We look forward to participating in the Disaster Recovery Round 2 program with the General Land Office and I look forward to discussing next steps personally with you.

Sincerely,

A handwritten signature in black ink, appearing to read "James D. Noteware".

James D. Noteware

Disaster Recovery Program Hurricanes Dolly and Ike

City of Houston, Texas

Summary of Funding in Application Round 2.2

	Funding Amount
General Housing Formula Grant Amount	\$107,348,346
Single-Family Rental Housing Grant Formula Amount	\$7,270,468
Other Rental Housing Grant Formula Amount	\$7,304,160
Subsidized Formula Housing Grant Amount	\$29,490,046
Total Grant Funding	\$151,413,020

Note: The City of Houston Housing and Community Development Department is submitting an application for Ike Disaster Recovery Round 2.2 – General Housing Activities and Ike Disaster Recovery Round 2.2 – Subsidized Housing Activities. The following application includes two additional, supplemental tabs to the General Housing Application (Tab VI and Tab VII) to address the Subsidized Housing application questions. Additionally, the Subsidized Housing formula allocation amount shall be included in the SF-424.

FC 74483
2011-108

**APPLICATION FOR
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		2. DATE SUBMITTED December 9, 2011	Applicant Identifier 74-6001164
<input type="checkbox"/> Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	3. DATE RECEIVED BY STATE		State Application Identifier
4. DATE RECEIVED BY FEDERAL AGENCY			Federal Identifier

5. APPLICANT INFORMATION

Legal Name: City of Houston	Organizational Unit: Department: Housing and Community Development Department
Organizational DUNS: 83241985	Division: Planning and Grants Management
Address: Street: 601 Sawyer Street, Suite 400	Name and telephone number of person to be contacted on matters involving this application (give area code)
City: Houston	Prefix: Mr.
County: Harris	First Name: James
State: TX	Middle Name: D.
Zip Code: 77007	Last Name: Noteware
Country: USA	Suffix:
	Email: Jim.Noteware@HoustonTX.gov

6. EMPLOYER IDENTIFICATION NUMBER (EIN):
74-6001164

8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)	7. TYPE OF APPLICANT: (See back of form for Application Types) C Other (specify)
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Labor Management Cooperation Program 34-002	9. NAME OF FEDERAL AGENCY: Texas General Land Office (receives funds from HUD)

12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Areas of greatest need identified within the City of Houston, TX.	11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Community Development Block Grant (CDBG)-Disaster Recovery (DR) funds from the Texas General Land Office (GLO) for Hurricane Ike Round 2.2
---	--

13. PROPOSED PROJECT Start Date: April 1, 2012 Ending Date: March 31, 2015	14. CONGRESSIONAL DISTRICTS OF: a. Applicant: 7, 8, 18, 22, 25, 29 b. Project: 7, 8, 18, 22, 25, 29
---	--

15. ESTIMATED FUNDING:	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. Federal \$.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:
b. Applicant \$.00	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372
c. State TX CDBG DR \$ 151,413,020	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
d. Local \$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
e. Other \$.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No
f. Program Income \$.00	
g. TOTAL \$ 151,413,020	

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative		
Prefix: Ms.	First Name: Annise	Middle Name: D.
Last Name: Parker		Suffix:
b. Title: Mayor, City of Houston		c. Telephone Number (give area code): (832) 393-1011
d. Signature of Authorized Representative: <i>Annise D. Parker</i>		e. Date Signed: 12/9/2011

Previous Edition Usable
Authorized for Local Reproduction *William D. Appel*

Attest/Seal:

Van Russell

City Secretary

Countersigned:

Ronald C. Green

City Controller

Ch. B. ...

DATE OF COUNTERSIGNATURE: 12-8, 2011

APPROVED:

[Signature]

Director

Housing and Community Development Department

APPROVED AS TO FORM:

Reni F. Bell

Sr. Assistant City Attorney

Disaster Recovery Program Hurricanes Dolly and Ike

City of Houston, Texas General Housing Activities Application: Round 2.2

Dear Applicant:

The Texas General Land Office (the Land Office) is pleased to provide you with a copy of the Community Development Block Grant Disaster Recovery Program's 2011 Housing Program Application for **General Housing Applicants** related to Hurricanes Dolly and Ike Round 2.2.

This application is made available for CDBG Disaster Recovery General Housing Applicants under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, (Public Law 110-329), enacted on September 30, 2008 for the purpose of assisting in the recovery activities related to disaster relief, long-term recovery, and restoration of infrastructure, housing and economic revitalization in areas affected by Hurricanes Dolly and Ike.

The Land Office believes local knowledge of what needs to be done for recovery will be the determining factor in the long-term success of these funds. Accordingly, each selected applicant will be responsible for project development and day-to-day management under the oversight of the Land Office. Applicants must comply with the Housing and Urban Development (HUD) approved Conciliation Agreement regarding Case No. 06-10-0410-8 (Title VIII) and Case. No. 06-10-0410-9 (Section 109).

Disaster Recovery applicants and funded entities are required to carry out citizen participation procedures in accordance with the Citizen Participation Plan as described in this application and for complying with the requirements of the *Hurricanes Dolly and Ike Round 2 Housing Guidelines*. Applicants are cautioned that despite the expedited application process, they are still responsible for ensuring that all citizens have equal access to information about project activities. **Each applicant is required to conduct at least one (1) public hearing prior to submitting an application. Applications must be submitted by 5:00pm on Friday, December 9, 2011 to the address listed below.**

Questions about this application should be directed to the following:

Texas General Land Office
Disaster Recovery Program
ATTN: Dennis Ku
301 Congress Avenue, Suite 600
Austin, Texas 78701
Phone: 512-447-5590
Toll Free: 1-866-206-1084
E-mail: dku@hntb.com

We look forward to working with you to provide assistance to the areas impacted by Hurricanes Dolly and Ike.

Sincerely,

Jorge Ramirez
Disaster Recovery Program Director
Texas General Land Office

TABLE OF CONTENTS

General Housing Activities Application: Round 2.2	2
Tab I – Threshold Requirements for Housing Recipients	5
EXHIBIT 1. Previous Housing Participation Information	6
II. Affirmatively Furthering Fair Housing Threshold	8
III. Capacity Threshold.....	8
1. Background/Program Experience	9
2. Personnel/Staff Capacity.....	10
3. Financial Capacity.....	10
4. Monitoring Program Goals and Objectives	10
5. Audit Requirements	11
6. Insurance/Bonding/Worker’s Compensation	11
IV. Benchmark Requirements	11
Tab II – Housing Project Detail	12
I. Project Overview	12
II. Project Summary	13
Tab III - National Program Objectives, Low-Moderate Income Calculation, & Project Budget	18
Tab V – Citizen Participation Plan	21
Plan Requirements	21
Local Certifications	23
Tab VI – Housing Project Detail for Subsidized Housing Allocation (formerly Tab II – Housing Project Detail of Housing Authority Application)	26
Tab VII - National Program Objectives, Low-Moderate Income Calculation, & Project Budget for Subsidized Housing Allocation (formerly Tab III– Housing Project Detail of Housing Authority Application)	30

Grant Administrator Selection

Applicants who will not be using staff to administer their programs must select three (3) preferred Grant Administrative Firms from the Land Office's Master List of Qualified Administrators which are acceptable to the applicant for the operation of the Round 2.2 Disaster Recovery Program grant. This selection is for post-award activities. The Land Office will contract with one of the selected firms to provide these services.

The Land Office will negotiate with the Grant Administrative Firm to develop mutually agreeable staffing hourly rates and cost of expenses and related services, and will issue Work Orders for the provision of services to support funded projects.

The Land Office will not issue a Work Order to a Grant Administrative Firm until the Applicant / Grantee receives a Disaster Recovery grant award from the Land Office. The cost of preparing application documents may be reimbursed at the Land Office's discretion from the Disaster Recovery grant, if budgeted, but cannot be reimbursed until after the Disaster Recovery grant contract has been fully executed by the parties.

See the list of firms and required selection form at: <http://www.glo.texas.gov/GLO/disaster-recovery/>

Tab I – Threshold Requirements for Housing Recipients

In order to receive funding, it is necessary for each applicant to: demonstrate they are eligible to participate in the Program; demonstrate that they have the capacity to administer the Program; identify eligible activities that meet the needs of the region and affirmatively further fair housing; comply with the Conciliation Agreement; be recommended in the regional Methods of Distribution (MOD) adopted by the Council of Government for the applicant's jurisdiction; and define in detail the proposed scope of work. All application activities must meet the requirements of the *Community Development Block Grant Disaster Recovery Program: Hurricanes Dolly and Ike Round 2 Housing Guidelines* located at <http://www.glo.texas.gov/GLO/documents/disaster-recovery/housing/subrecipients/ike-round2-housing-program-guidelines.pdf>. Each of these items must be addressed to enable the Land Office to award and commence the preparation of the necessary contracts for execution. (NOTE: Public Housing activities are addressed in a separate "Public Housing" application).

Applicants for housing activities must meet the following threshold requirements at the time of application:

- I. Applicants are not eligible to receive a new contract until any unresolved audit findings, questionable or disallowed costs are resolved. Applicant must be in good standing with any outstanding program commitments.
- II. Applicant may not be listed as "debarred" on federal or state debarment lists.
- III. The activities undertaken will affirmatively further fair housing and comply with the Conciliation Agreement.
- IV. The applicant must have sufficient capacity to administer these funds.

Submission of application documents, **due December 9, 2011**, may be made electronically via Adobe Portable Document File (*.pdf) format. The Land Office requests that electronic submission of any spreadsheets be in a format readable by Microsoft Excel with all formulas intact. In addition, the Land Office requests electronic submission of word-processing documents be in a format readable by Microsoft Word. The electronic submission may utilize a CD-ROM submitted with the hard copy, or sent separately via email to Dennis Ku at dku@hntb.com. The completed application must be signed by an authorized signatory.

Applicants will have sixty (60) calendar days following contract execution to submit local Housing Guidelines to the Land Office for approval.

EXHIBIT 1. Previous Housing Participation Information

SECTION 1. Previous Participation and Background Certification Form

Although the Disaster Recovery Program is administered by the Land Office, these Sections 1 and 2 must reflect TDHCA-assisted affordable housing or related supportive services activities. Review the information for accuracy and full disclosure as incomplete forms or disclosure may result in disqualification of the application or an administrative deficiency.

If the Applicant has no previous experience with TDHCA funding, enter N/A in the TDHCA Activity ID# column. Attach an additional sheet if necessary. ☐

Applicant Printed Name: City of Houston List the "Applicant Legal Name" for each current or pending application of the Applicant:

SECTION 1. EXPERIENCE WITH TDHCA OR OTHER APPLICABLE HOUSING CONSTRUCTION/REHAB. PROGRAMS (LIST ALL IN THE PREVIOUS 10 YEARS)

TDHCA Activity ID # ¹	Grantee, Contractor, or Sub-Recipient Name	Grantee, Contractor, or Sub-Recipient City	Total # of Units	CDBG	HOME	HTF	HTC	NSP	Other: Describe	Contract Begin	Contract End	Disclosure ²
7009000 1/GLO 09-6852- 000-5275	City of Houston	Houston	2,794	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	08/09	12/12	<input checked="" type="checkbox"/>
7006000 0002	City of Houston	Houston	1,027	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	08/07	05/11	<input type="checkbox"/>
7709000 0117	City of Houston	Houston		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	08/09	06/11	<input checked="" type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>

¹ TDHCA Activity ID #: Final Development, Contract or Loan Number used by TDHCA to identify the development or activity.

² Disclosure: Check the box if the development or activity has known past non-compliance or defaults, technical or otherwise. If disclosures exist, then provide on separate document a description of the issue and note whether it has been cured. Examples of disclosures include: defaults, mortgage relief, assignments, foreclosures, material/mechanic's liens, legal action, issuance of IRS Form 8823, instances of non-compliance with local building codes or planning regulations, and other program findings of non-compliance.

**SECTION 2. EXPERIENCE WITH TDHCA OR OTHER APPLICABLE SERVICE RELATED ACTIVITIES (CDBG, HOME, HTF, CSBG, etc. where the funds were not used for Construction)
LIST ALL IN THE PREVIOUS 10 YEARS**

TDHCA Activity ID # ³	Grantee, Contractor, or Sub-Recipient Name	Grantee, Contractor, or Sub-Recipient City	Contract Amount	CDBG	HOME	HTF	CSBG	Other Describe	Contract Begin	Contract End	Disclosure ⁴
7009000 1/ 7209000 1	City of Houston	Houston	\$10,108,500	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	08/09	12/12	<input type="checkbox"/>
6310000 0891	City of Houston	Bread of Life, SEARCH, Collaborative Episcopal Initiative	\$6,010,369.68	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	HHSP <input checked="" type="checkbox"/>	09/09	11/11	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>

³ TDHCA Activity ID #: Final Development, Contract or Loan Number used to identify the development or activity.
⁴ Disclosure: Check the box if the development or activity has known past non-compliance or defaults, technical or otherwise. If disclosures exist, then provide on separate document a description of the issue and note whether it has been cured. Examples of disclosures include: defaults, mortgage relief, assignments, foreclosures, material/mechanic's liens, legal action, issuance of IRS Form 8823, instances of non-compliance with local building codes or planning regulations, and other program findings of non-compliance.

II. Affirmatively Furthering Fair Housing Threshold

Prior to submitting an application for housing funds, applicants must review the Partial Analysis of Impediments to fair housing in the service area and describe how this application will address identified fair housing obstacles with these funds under Tab II, Housing Project Detail, in the appropriate narrative section.

Demonstration of compliance with this requirement is done through the applicant's **adoption and submittal of an approved Fair Housing Activity Statement – Texas Form (“FHA Form”) with the application.** The FHA Form is intended to be a process conducted by a locally-appointed FHA Work Group, resulting in a locally-defined Fair Housing Action Plan. Activities proposed in the application must be in accordance with the findings of the adopted FHA form.

Attach a copy of the approved & adopted FHA Form with the application. 

Applicants must also ensure that the housing needs of very low, low and moderate income households are assisted with housing in proportion to the relative percentages of the overall population which suffered housing damage within the communities being served as demonstrated through the local **Needs Assessment.** Demonstration of how the Needs Assessment serves as the basis for program design must be reflected in the application.

Attach a copy of the Needs Assessment Summary Data with the application. 

Upon award, each applicant of CDBG Disaster Recovery will be subject to the Disaster Recovery rules under 10 TAC Part 1 Chapter 54 as follows:⁵

Each applicant must document compliance regarding actions taken to affirmatively further fair housing as defined by the Partial Analysis of Impediments and to maintain records reflecting the analysis and any actions in this regard. Within six (6) months of the contract start date the Applicant must:

- (1) Have an affirmative marketing plan in place (the Housing Program Guidelines for Dolly and Ike Round 2 funding further elaborate on affirmative marketing requirements).
- (2) Establish clear policies in regard to serving people as required under the Civil Rights Act of 1964 and subsequent amendments. Applicants must collect and furnish to the Land Office, on forms to be provided by the Land Office, demographic data concerning the race, color, religion, sex, national origin, age, handicap and familial status (children under 18 living with parents or legal custodians, pregnant women and people securing custody of children under the age of 18) of program beneficiaries.
- (3) Identify the impediments to Fair Housing and have processes in place to work with recipients to meet the goals of the Fair Housing Act, as identified in the adopted FHA Form.
- (4) Design activities for income-qualified applicants who live in FEMA-designated “High Risk” areas or areas of high minority and/or poverty concentration, as approved by the Land Office.
- (5) Adopt a formal complaint process.

III. Capacity Threshold

The Land Office will greatly rely on local operation of the Program and will work closely with each applicant to ensure adequate program administration capacity. Each contract will contain provisions requiring adherence to all applicable federal and state rules and regulations. Failure to abide by the regulations may

⁵ Rulemaking authority outlined in the TAC may be amended in the future.

result in monitoring findings by the Land Office or HUD and determinations of the ineligibility of certain expenses. The Applicant will be required to repay the State for any ineligible expenses.

To help prevent findings of ineligibility in the delivery of services, disaster recovery housing funds will only be granted to eligible applicants with the capacity to carry out the housing activities provided in the Application. Sufficient capacity may be obtained from third-party sources who will work as an agent for the Applicant, by collectively demonstrating capacity through agreements, or through the staff of the Applicant. Applications must demonstrate, to the reasonable satisfaction of the Land Office that the Applicant will have the capacity to administer program funds for each of the elected housing programs in a manner which complies with the Action Plan, Action Plan Amendments, and all applicable local, state, and federal legal and regulatory requirements.

This required demonstration of capacity may be addressed in one or more of the following ways:

- By demonstrating the Applicant's proven capacity to administer program funds efficiently as a Subrecipient of funding to the satisfaction of the Land Office; or
- By the Applicant partnering with one or more other local governments or other entities with proven capacity to administer program funds efficiently as a Subrecipient of the state.

Applicants must substantiate that one or more of the above criteria are met by providing supporting documentation for each topic below.

1. Background/Program Experience

To demonstrate relevant experience, please describe programs similar in scope of activities and amounts of funding that were successfully completed in the past by the applicant. Describe past programs involving work with vulnerable populations including outreach, case management, and the demographics of the populations served. **Also describe past programs involving Community Development Block Grant (CDBG) or other HUD funds, particularly in the disaster recovery context.**

As a HUD-designated entitlement community, the City of Houston (City) has received Community Development Block Grant (CDBG) funding for 38 years. The City receives four HUD entitlement grants annually including: CDBG funding, Emergency Shelter Grants (now Emergency Solutions Grant), or ESG, HOME Investment Partnerships Program funds, and Housing Opportunities for Persons With AIDS (HOPWA) funding. The Housing and Community Development Department's (HCDD) has three objectives: to provide decent housing, create a suitable living environment, and expand economic opportunities, principally for low and moderate income persons. HCDD is an experienced agency managing and administering both federal and non-federal funds that are earmarked for the development of viable urban communities. The City has previously worked with the Texas Department of Housing and Community Affairs (TDHCA) to administer successfully the Hurricane Rita Disaster Recovery program and has been approved to receive a second round of funds from TDHCA to administer the Homeless Housing and Services Program (HHSP). Currently, the City is administering the first round of Hurricane Ike Disaster Recovery funds in partnership with the General Land Office (GLO). HCDD has no outstanding findings with TDHCA or GLO, and HCDD self-administers its programs and is on track to conclude these programs by the contract end date in December 2012. As of November 2011, HCDD has no outstanding monitoring findings related to its CDBG Disaster Recovery (DR) programs.

2. Personnel/Staff Capacity

List all key staff of the applicant that will be directly involved in the administration of the program(s); include titles/positions and briefly describe the roles each key staff member will have and their qualifications to conduct the work included in this application. Please indicate whether the Applicant has a personnel policy manual with an affirmative action plan and a grievance procedure. Discuss any plans to expand staffing to accommodate this/these new program(s) along with general qualifications.

Key staff members of the current Hurricane Ike Disaster Recovery effort, in addition to HCDD's senior leadership team, shall be responsible for the administration of the CDBG DR contract. An organizational chart is included in Appendix C of this grant application. Over the past several years, HCDD has hired additional staff to assist in the administration of the disaster recovery grant in the areas of underwriting and inspections. Based on operational needs, HCCD may hire additional staff to address service delivery. However, additional staffing determinations will depend on the pipeline of activity and the funding dates of the various grants received by HCDD.

Chapter 14 of the City of Houston's ordinances governs civil service. The City has an Affirmative Action Advisory Commission and a formal grievance procedure and appeals process. Copies of the related procedures and processes are included in Appendix C of this grant application.

3. Financial Capacity

Describe the Applicant's fiscal management procedures, including financial reporting, record keeping, accounting systems, payment procedures, and audit requirements. If a third party is to be used, describe the duties necessary to carry out the activities described in the application.

HCDD has developed comprehensive financial management policies to meet the City's centralized financial operations requirements. The City uses SAP (Systems, Applications, and Processing) as its primary accounting system. All budgets and financial transactions are tracked and processed using this software. Accounting protocols are set up within SAP to ensure that there is a segregation of duties amongst functions. HCDD processes transactions within SAP and submits reimbursement requests to the applicable awarding agencies using the various contract and cash management-reporting systems (i.e. TDHCA Housing Contract System and IDIS-Integrated Disbursement and Information System). HCDD enters demographic and statistical data relating to accomplishments into various reporting platforms dependent on grant mandates (i.e. federalreporting.gov, IDIS, DRGR-Disaster Reporting Grant Recovery, eSnaps, etc.). HCDD follows both local and federal record retention requirements, as mandated by the applicable grant. HCDD maintains a records management area where files and data are stored on the premises; older documents are archived and stored off-site. Please see the attached policies (Appendix C) and procedures that describe record keeping, payment and procurement procedures, and audit requirements for HCDD.

4. Monitoring Program Goals and Objectives

Attach copies of all data collection tools that will be used to verify achievement of program goals and objectives in accordance with benchmark requirements. If a third party will be used, describe how the Applicant will monitor the third party for programmatic compliance and how the Applicant will monitor their progress.

HCDD has a comprehensive grants management system, which includes the accounting tools described in item 3. Financial Capacity, as well as a robust compliance and monitoring program. HCDD will incorporate management of the monitoring program for CDBG DR into its current processes and does not anticipate using a third-party service. It is important to note, that the City has successfully met program goals and objectives for the Hurricane Rita Disaster Recovery Grant, met previous benchmarks established by TDHCA for the Ike Disaster Recovery Round I grant, and continues to lead in the expenditures of Hurricane Ike Disaster Recovery Round I funds for the region. Documents demonstrating the outcomes of previous monitoring reviews are included in the attachments. Also included in the attachments is a summary description of HCDD's grant monitoring structure, processes, and systems.

5. Audit Requirements

In accordance with the Office of Management and Budget Circular A-133, the Federal Government requires that organizations expending \$500,000 or more in Federal financial assistance in a fiscal year must secure a Single Audit. If the Applicant already conducts audits of all its funding sources, submit a copy of the most recent audit.

Did applicant expend \$500,000 or more in Federal financial assistance in the last fiscal year? X YES _____ NO

The City is currently developing the Single Audit for the year July 1, 2010 through June 30, 2011. HCDD has included a copy of the latest available Single Audit, for the year July 1, 2009 through June 30, 2010. A copy of the City's Single Audit is included in Appendix C.

6. Insurance/Bonding/Worker's Compensation

State whether or not the Applicant has liability insurance coverage, in what amount, and with what insuring agency. State whether or not the Applicant pays all payroll taxes and worker's compensation as required by Federal and State laws. State whether or not the Applicant has fidelity bond coverage for principal staff who handle the Applicant's accounts, in what amount, and with what insuring agency.

The City is self-insured for general liability and automobile liability. The City does carry blanket fidelity coverage with a \$2 million per loss limit through Chartis. As an employer of over 20,000 employees, all payroll taxes as required by federal and state laws are paid according to those requirements. The City's Workers' Compensation Program is self-insured and has a contract with a Third Party Administrator (TPA) to manage claims activity. The City's initial contract with Cambridge (recently acquired by Sedgwick) became effective September 1, 2003 and expired August 31, 2008. The City Council approved a new contract with the incumbent TPA that became effective September 1, 2008.

IV. Benchmark Requirements

The contract term for awards will not exceed thirty-six (36) months for multifamily rental projects and twenty-four (24) months for all other housing activities under the Contract at the discretion of the Land Office, which will be evaluated according to benchmark requirements found under 10 TAC §54.2.

Tab II – Housing Project Detail

I. Project Overview

Select all activities that the Applicant is applying to administer or that program funds will be used for. Housing activities shall be administered by the Land Office in accordance with federal and state laws and regulations, and terms of the HUD approved Conciliation Agreement. **Activities selected here should be reflected in Tab III: Excel Project Budget Form.**

	Activity Description	Act. Code	Description
✓	Single Family Homeowner Assistance Program – Rehabilitation, Reconstruction, New Construction	HAP - LMI	Rehabilitation or reconstruction of original, hurricane-damaged property, including HOP and non-HOP activities.* May involve clearance, demolition, and proper disposal of construction waste; replacement or rehabilitation of hurricane damaged manufactured housing units; elevation of homes; relocation and/or buyout. New Construction (outside of HOP) is limited to situations where local codes and/or zoning will not allow reconstruction. <i>*HOP eligibility to be determined at individual application phase.</i>
✓	Individual Mitigation Measures (IMM)	IMM - LMI	Activities designed to mitigate future disaster damage, such as hardening and elevation. (IMM activities must mitigate and/or reduce risk beyond the pre-disaster condition. Costs associated with meeting minimum code and standard requirements are not IMM. However, costs associated with going above and beyond minimum current code and standard requirements to reduce risk and damage from future disasters may be considered IMM activities.)
✓	Rental Rehabilitation, Reconstruction, New Construction - Multifamily	R – LMI- Multi	Rental - Clearance, Demolition, Removal, New/Reconstruction, and Rehabilitation for multifamily rental projects.
✓	Rental Rehabilitation, Reconstruction, New Construction – Single Family	R – LMI - Single	Rental - Clearance, Demolition, Removal, New/Reconstruction, and Rehabilitation for single-family rental stock recovery.
✓	Demolition Only	DEMO - SB	Demolition of structures with proper disposal of construction waste.
N/A	Rapid Housing Recovery Pilot Program (certain regions only)	RHRP	Rapid, efficient, large-scale production of temporary and permanent housing following natural disasters.
✓	Homebuyer Assistance Program	HBA - LMI	Including HOP and non-HOP activities.* Acquisition of original hurricane-damaged property and relocation. Relocation will involve acquisition and may involve rehabilitation, reconstruction or new construction. Non-HOP assistance will be more limited to down payment, principal reduction, closing costs, etc. <i>*HOP eligibility to be determined at individual application phase.</i>
No	Planning Activities	205-P	Planning only activities.

✓	General Administration	206-GA	General Administrative activities. Grant Administration is limited to 2% of the grant amount.
✓	Project Delivery	4-PD - LMI	Project Delivery associated with a specific activity that will be carried out under the CDBG DR program. Project Delivery is limited to 10% of the grant amount.

II. Project Summary

The Applicant must describe the proposed project by answering the following questions:

1. Describe the extent of the needed improvements for the affected area(s), including a description of damage or destruction to housing units, and the extent of the need by persons affected by Hurricane Dolly or Ike as determined by the local Needs Assessment.

The City of Houston Housing and Community Development Department (HCDD) is presently engaged in an ongoing process to refine the local Ike Disaster Recovery Needs Assessment. Based on the preliminary data provided by the Office of Emergency Management, there are over 60,000 damaged households that need improvements in affected areas, and according to the Harris County Executive Summary of *Hurricane Ike Residential Assessment (2008)*, total damage overall was projected at approximately \$3.6 billion. The final determination of the priorities to address outstanding needs resulting from Hurricane Ike will be based on a variety of data sets, including information provided by the General Land Office and the Houston Galveston Area Council, local descriptive data and community experts to determine the extent of the need by affected persons (See Appendix B).

The City of Houston, in partnership with HUD Headquarters, is also in the midst of conducting extensive community outreach and engagement to determine the final target areas for assistance in the Ike Disaster Recovery single-family homeowner programs. This process shall continue to be conducted in tandem with the development of the City program guidelines and a final map shall be submitted to the GLO with the program guidelines for review and approval.

2. Describe how the Applicant will prioritize the provision of decent, safe and sanitary housing for the elderly and disabled populations with an emphasis on housing choice and design to reduce maintenance and insurance costs as well as provide for the provision of independent living options.

According to both the *City of Houston 2010 Needs Assessment Survey* and the *State of Texas Analysis of Impediments*, persons with disabilities are a critically underserved population in the City of Houston. Another factor identified in both documents is the problem of overcrowding within family residential units in the City of Houston.

Special needs populations, such as persons with disabilities and elderly will receive priority for assistance in the single-family homeowner assistance program. As prescribed by the state program guidelines, each qualified household shall be counseled regarding their options and a qualified household shall not be refused assistance because it resides in the floodplain. For those qualified households that choose to remain in place, the City shall repair or reconstruct the home to meet all accessibility, visitability, and floodplain construction requirements (e.g. elevation). For those qualified households who wish to exercise their choice to move, the City shall assist, as stipulated in the state guidelines, and counsel each qualified household prior to making decisions regarding its type of assistance. Design that implements visitability, and accessibility features for the elderly and disabled will be considered as essential to ensure decent, safe and sanitary housing for the aforementioned population groups.

It is important to note, that the City is examining options to utilize funding to assist qualified households to “shelter in place” for mitigating the impacts of future natural disasters and other disastrous events. The City shall develop specific program guidelines to address the application process and design requirements, as needed, that are beyond the state’s requirements. Additional “shelter in place” design elements may be included, if financially feasible, given the prescribed caps for activities.

As described within the application, the substantial majority of low-income and extremely low-income Houstonians live in rental housing. The City will dedicate five percent (5%) of all newly constructed or rehabilitated multifamily units to assist qualified persons with mobility impairments and two percent (2%) of units toward those with visual and hearing impairments. The City will prioritize housing that meets critical and special needs and also assist low-income families live in mixed-income communities.

3. Describe how the Applicant proposes to resolve the identified needs with the activities described in this application. This should include details on the work to be performed, including the housing activities to be undertaken, the number and types of units to be built, the goals and objectives of the project, and the method of approach.

The City of Houston has developed a document titled, *Method of Distribution for Hurricane Ike Round 2.2 Housing Disaster Recovery Funds*, which outlines the goals, objectives, activity allocation, and approach for structuring the round 2.2 disaster recovery program. This document is included in Appendix A of this application.

4. Identify the location of proposed activities.

Please refer to the attachments in Appendix B, *City of Houston Ike Disaster Recovery Needs Assessment*, regarding the data and software for determining the locations which will be finalized and submitted to the General Land Office for review.

5. Describe how the Applicant will identify clients, the estimated number of clients to be served, and description of population in terms of age, gender, ethnicity, income level, and other defining characteristics. This should include a description of how program outreach and administration will be tailored to meet the needs of the affected population.

Please refer to the documents titled *Method of Distribution for Hurricane Ike Round 2.2 Housing Disaster Recovery Funds (Appendix A)* for information regarding the description of the population, the quantification of clients to be served, and the *City of Houston Needs Assessment (Appendix B)* for information regarding the data and software that will be used to identify the final location of proposed housing activities.

As prescribed by the Conciliation Agreement and guidelines provided by the State of Texas, outreach for Disaster Recovery programs shall be conducted in a manner which addresses Fair Housing considerations. In order to assist the population in proportion to the damage received, outreach will be tailored according to the program guidelines provided to the State for approval. This may include, but is not limited to, direct contact with the homeowner, either through direct mail or phone calls, and may include community meetings to let target communities know they are eligible to apply for assistance.

6. Describe the process used by the Applicant to gather public input, including participation by neighborhood organizations, community development organizations, social service organizations, community housing development organizations, and members of each distinct affected community or neighborhood which might fall into the assistance category of low to moderate income communities.

HCDD held a public hearing on Monday, November 28, 2011, which had an approximate total of sixty-four (64) community attendees, and an approximate total of thirty (30) citizens provided public comment. Round 2 Activity was also presented for discussion to the HCDD Advisory Task Force on November 15, 2011. This committee represents a broad array of community organizations, neighborhood leaders, and other HCDD stakeholders.

7. Describe any known factors that may present fair housing obstacles and how those obstacles will be addressed with these funds. Be very specific about how those factors were taken into account and how they specifically propose to address Affirmatively Furthering Fair Housing (AFFH) requirements, compliance with the Conciliation Agreement and the Fair Housing Activity Statement – Texas Form (“FHA Form”) adopted by the Applicant. To the extent that such solutions may increase the cost of delivery, the applicant should also describe their assessment of those cost factors and the final recommendations for use of these funds.

As described in the Department's *FHAST and Analysis of Impediments Summary of Objectives & Planned Actions*, there are certain factors that may present fair housing obstacles that will need to be addressed over the next several years. Planned actions will be taken to "affirmatively further fair housing, including taking actions to complete an analysis of impediments to fair housing choice, a summary of impediments identified in the analysis, and to overcome the effects of impediments identified through the analysis." (24 CFR 91.520(a)) These actions will be carried out by HCDD staff as a component of the Department's current Fair Housing program and processes.

There are several factors of concern that create fair housing obstacles, which directly impact the Disaster Recovery grant:

1. *Clear Title*

While Texas state law was changed during the 81st Legislative Session to eliminate the need for a household to have clear title to participate in the Ike Disaster Recovery programs, a clear title is needed for the City to execute the exchange of land to allow a household to move (at their choice) and purchase another home in the H-GAC region. Disaster Recovery funding will need to continue to be used to address the title issue, to create options for the household. As required by the program guidelines, funding shall be reserved for the period of one year to allow for clouded title issues to be addressed. HCDD staff anticipates these challenges will hinder its opportunities to work with additional families waiting in queue that are eligible for assistance through the single family assistance program.

2. *Caps on Assistance*

The Ike Disaster Recovery Program guidelines provide caps on the amount of assistance to be provided for a particular activity. Historically, strict cost caps in a housing program have limited participation because the cost of repair, or reconstruction, may exceed the amount of available funding to rehabilitate or reconstruct the home or apartment unit to required standards. This is of a particular concern with the special needs population that needs accessibility or other modifications to the housing unit. HCDD will maximize available assistance, to the extent feasible, in an effort to alleviate obstacles posed by caps on assistance. HCDD staff shall monitor this issue closely and will work with state staff and may request changes to guidelines or targets, when necessary, in order to administer a program that provides the best quality of housing possible.

3. *Concentration of Low-Income Housing Units*

Another obstacle for the Disaster Recovery program is coupling the regulatory and/or program requirements with very low-income targeting goals. In the instance of multifamily housing, inadvertent impacts could include the over-concentration of low-income households, which impacts both the quality of life of families and the quality of the property. The City continues to examine alternatives to providing multifamily affordable housing. In this round of funding the City may allow for higher costs on land acquisition, additional construction requirements, or mitigation costs to support quality affordable housing that fosters mixed-income communities.

8. Describe the process including the setting of goals that will be utilized by the Applicant to meet Section 3 Requirements. Applicants will be required to provide job opportunities to low-income residents and businesses, to the greatest extent possible. The Land Office will develop minimum thresholds and impose quarterly reporting requirements that will include, but not be limited to, the demographics and addresses of hires and local efforts towards stated goals.

HCDD has a comprehensive Section 3 program and is including the following documents, which describes the program in detail:

- 1. Section 3 Policy Guidelines**
- 2. Standard Operating Procedure**
- 3. Summary of Regulatory Requirements and Forms**
- 4. Training Manual**
- 5. Frequently Asked Questions Publication**

9. Describe how the Applicant will ensure that it adheres to the Land Office's expenditure performance requirements. The expenditure performance requirement also requires that the Applicant provide an expenditure rate submittal at least every six months, or as requested by the Land Office, from contract execution date.

As described in this application, HCDD has financial management systems, which utilizes the SAP accounting system, HUD IDIS Reporting System, and the State of Texas Housing Contract System. HCDD currently submits regular reports to the State of Texas for Hurricane Ike Disaster Recovery Round I and will continue to do so, as stipulated by the contract or as requested, throughout the Ike Disaster Recovery Round II contract period.

Tab III - National Program Objectives, Low-Moderate Income Calculation, & Project Budget

Benefit to Low-Moderate Income (LMI) is the only National Objective that is approved for the Rental Program under Round 2. Benefit to LMI is the principal National Objective that is approved for the Single Family Program under Round 2, with projects serving the elimination of Slum and Blight to be eligible upon request and approval from the Land Office.

LMI activities shall benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with 24 CFR Part 5 requirements using procedures as stated in the Technical Guide for Determining Income and Allowances, 3rd Edition (HUD-1780-CPD). The most current income limits, published annually by HUD, shall be used by the applicant to verify the income eligibility of each household applying for assistance at the time assistance is provided. LMI economic subcategories are as follows:

- Very low: Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size
- Low: Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size
- Moderate: Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size

The Applicant must provide a budget breakout for the entire grant award. Complete the attached Excel Budget Form for the total allocation for the Applicant, by National Objective and LMI category, including all housing activities. Additional information that is normally included in a CDBG application may be collected during the contract stage to limit the amount of information required in the application. All applicants must keep financial records for the proposed project at an officially designated site **that is accessible to the public**. The funds must be adequately managed on a timely basis using generally accepted accounting principles.

The City of Houston Ike Disaster Recovery Round 2.2 General Housing Activities Project Budget is included in the following page.

Tab III: GENERAL HOUSING ACTIVITIES APPLICATION: ROUND 2.2 Project Budget Form

Region: HGAC Region Applicant: City of Houston Housing & Community Development Department

Required	Budget Breakout by LMI Population			Subtotal	Budget Breakout by Slum & Blight	Budget Total	Estimated Low/Mod Households Served				Estimated Slum & Blight HH (if applicable)
	Required	Required	Required		Subtotal		Total	Required	Required	Required	Subtotal
Activity Type	Very Low HH (<30%)	Low HH (31%-50%)	Moderate HH (51%-80%)	Budget for Combined HH	Budget for Slum & Blight (if applicable)		Very Low HH (<30%)	Low HH (31%-50%)	Mod HH (51%-80%)	Number of Combined LMI HH Served	Number of Slum & Blight HH
Project/ Construction*				\$0.00	\$0.00	\$0					0
HAP - LMI	\$25,189,367	\$8,396,456	\$0	\$33,585,823	\$0.00	\$52,901,266	238	79	0	317	0
IMM - LMI	\$3,967,595	\$1,322,532	\$0	\$5,290,127	\$0.00	\$0	0	0	0	0	0
DEMO - SB	\$600,000	\$200,000	\$0	\$800,000	\$0.00	\$0	0	0	0	0	0
HBA - LMI	\$9,918,987	\$3,306,329	\$0	\$13,225,316	\$0.00	\$0	79	27	0	106	0
R – LMI- Multi	\$14,132,195	\$12,469,584	\$14,963,501	\$41,565,280	\$0.00	\$41,565,280	114	98	121	333	0
R – LMI - Single	\$4,395,791	\$3,775,330	\$4,654,551	\$12,825,672	\$0.00	\$12,825,672	63	54	66	183	0
Acquisition				TBD	\$0.00	\$0					
Engineering				TBD	\$0.00	\$0					
Project Delivery ¹				\$12,192,297	\$0.00	\$12,192,297					
Administration ²				\$2,438,459	\$0.00	\$2,438,459					
TOTAL:	\$58,203,935	\$29,470,230	\$19,618,052	\$121,922,974	\$0.00	\$121,922,974	494	258	187	939	0

"HH" equals Households.

COH Note: IMM, Demo-SB, and HBA-LMI shall be combined with HAP activities and will report under HAP Beneficiaries

¹ Project Delivery is capped at 10% of the grant amount. ² Administration is capped at 2% of the grant amount.

Tab IV – Listing of Properties Currently Owned or Managed - Multifamily

All applicants for multifamily rental funds must provide a complete listing with addresses of multifamily properties currently owned or managed.

The City of Houston Housing and Community Development Department does not directly own or manage multifamily properties. As a recipient of entitlement funds, HCDD utilizes a portion of its annual HOME Investment Partnerships Program allocation, among other local funds, to leverage multifamily affordable housing investment qualifying for Low-Income Housing Tax Credits or other bond financing. HCDD has a monitoring responsibility during the prescribed affordability period to ensure the quality and use of the units in each property remains affordable to low-income families. As of November 1, 2011, there are 66 properties under a Land Use Restriction Agreement (LURA), where HCDD has the responsibility to monitor the properties during the affordability period.

Through various grants and loans, HCDD is assisting 31 properties under construction and expects to assist 6 additional properties in the next twelve months. A summary table in Appendix C provides detail regarding property names and addresses in the City of Houston.

Tab V – Citizen Participation Plan

A grant to a locality under the Texas General Land Office (the Land Office) Financial Management Disaster Recovery Program (Disaster Recovery) may be awarded only if the locality certifies that it is following a detailed citizen participation plan that provides for and encourages citizen participation at all stages of the Disaster Recovery Program.

Disaster Recovery applicants and funded entities are required to carry out citizen participation procedures in accordance with the Citizen Participation Plan as described in this application. Each applicant certifies, by signing the Form 424 that it has and will comply with the requirements of the Citizen Participation Plan as stated in this section.

Each applicant must maintain a citizen participation file which includes a copy of the Plan Requirements below; the applicant's complaint procedures; any technical assistance provided by the applicant; and public notices, minutes, and attendance lists for public hearings. Applicants are cautioned that despite the expedited application process, they are still responsible for ensuring that all citizens have equal access to information about project activities. Each applicant is **required** to conduct at least one (1) public hearing prior to submitting an application. In conjunction with the posting of the public hearing the Applicant must post the application on the Applicant's website.

Plan Requirements

The Plan Requirements include the following:

1. Outreach Efforts: Provide for reasonable public notice, appraisal, examination, and comment on the activities proposed for the use of Disaster Recovery funds. These efforts shall include:
 - i. Provide for and encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas and areas in which Disaster Recovery funds are proposed to be used;
 - ii. Ensure that citizens will be given reasonable and timely access to local meetings, information, and records relating to an entity's proposed and actual use of Disaster Recovery funds;
 - iii. Furnish citizens information, including but not limited to:
 - a. The amount of Disaster Recovery funds expected to be made available;
 - b. The range of activities that may be undertaken with the Disaster Recovery funds;
 - c. The estimated amount of the Disaster Recovery funds proposed to be used for activities that will meet the national objective of benefit to low and moderate income persons; and
 - d. The proposed Disaster Recovery activities likely to result in displacement and the entity's anti-displacement and relocation plan.
 - iv. Provide citizens with reasonable advance notice of, and opportunity to comment on, proposed activities in an application to the state and, for grants already made, activities which are proposed to be added, deleted or substantially changed from the entity's application to the state. Substantially changed means changes made in terms of purpose, scope, location or beneficiaries as defined by criteria established by the state.
 - v. These outreach efforts may be accomplished through one or more of the following methods:
 - a. Publication of notice in a local newspaper. A published newspaper article may also be used so long as it provides sufficient information regarding program activities and relevant dates;

- b. Notices prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups;
 - c. Posting of notice on the local entity website (if available); or
 - d. Individual notice to eligible cities and other entities as applicable using:
 - i. Certified mail
 - ii. Electronic mail or fax
 - iii. First class (regular) mail
 - iv. Personal delivery (e.g., at a Council of Governments [COG] meeting);
2. Complaint Procedures: The applicant/recipient must have written citizen complaint procedures that provide a timely written response (within 15 working days) to complaints and grievances. Citizens must be made aware of the location and the days and hours when the location is open for business so they may obtain a copy of these written procedures.
 3. Technical Assistance: When requested, the applicant/recipient shall provide technical assistance to groups representative of persons of low and moderate income in developing proposals for the use of Disaster Recovery funds. The level and type of assistance shall be determined by the applicant/recipient based upon the specific needs of the community's residents.
 4. Public Hearing Provisions: Although the Federal Notice [Docket No. FR-5256-N-01] regarding *Disaster Recovery Grantees Under 2008 Supplemental CDBG Appropriations* specifically removes the mandate for public hearings at either the state or local government level for projects proposed under this Fund, the applicant is **required** to conduct at least one (1) public hearing prior to submitting an application. In addition, all notices of any public hearings or requests for public comment that relate to the administration of Disaster Recovery funds must be submitted to the Land Office to post on the Land Office's website. For each public hearing scheduled and conducted by a Disaster Recovery applicant or recipient, the following public hearing provisions shall be observed:
 - i. Public notice of all hearings must be published at least seventy-two (72) hours prior to the scheduled hearing. The public notice must be published in a local newspaper. Each public notice MUST include the DATE, TIME, LOCATION and TOPICS to be considered at the public hearing. A published newspaper article may also be used to meet this requirement so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups.
 - ii. Each public hearing shall be held at a time and location convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. Persons with disabilities must be able to attend the hearings and an applicant must make arrangements for individuals who require auxiliary aids or services if contacted at least two days prior to each hearing.
 - iii. When a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter will be present to accommodate the needs of the non-English speaking residents.

The applicant must also comply with the following citizen participation requirements in the event that the applicant receives funding from the Disaster Recovery Program:

1. The funded entity is highly encouraged to hold a public hearing concerning any substantial change, as determined by the Land Office, proposed to be made in the use of Disaster Recovery funds from one eligible activity to another.
2. Upon completion of the community development program activities, the funded entity is encouraged to hold a public hearing and review its program performance, including the actual use of Disaster Recovery funds.
3. If applicable, the funded entity must retain documentation of the hearing notice(s), attendance list(s), minutes of the hearing(s), and any other records concerning the actual use of funds for a period of

three years after the project is closed out. Such records must be made available to the public in accordance with Chapter 552, Government Code.

The applicant must submit to GLO at DRSRound2Postings@GLO.texas.gov all notices of any public hearings or requests for public comment the applicant may have that relates to the administration of Hurricane Recovery funds that are provided to the applicant. GLO will post such notices received on its website. Such postings will not fulfill the applicant's responsibility under Chapter 551 of the Texas Government Code. The applicant certifies compliance with these Citizen Participation Plan requirements by signing the 424 FORM.

The City of Houston shall comply with state required Citizen Participation Plan guidelines associated with this grant and shall also adhere to local Citizen Participation Plan requirements, as adopted in March 2010.

The following documents related to this section are included in Appendix C:

- 1. City of Houston Citizen Participation Plan**
- 2. Copy of Public Notice**
- 3. Copy of Web Page**
- 4. Attendance List for Public Hearing**
- 5. Complaint Procedures**

Local Certifications

Each applicant for Disaster Recovery funding must certify by signing the 424 Form that Local Certifications included in this Application have been followed in the preparation of any Disaster Recovery Program application and that they will continue to be followed in the event of funding.

Each applicant must comply with the provisions of the National Environmental Policy Act, Council on Environmental Quality regulations, as well as the requirements set forth in Title 24 Code of Federal Regulations Part 58 and applicable Land Office policy directives. All applicable federal and state laws, including environmental, labor (Davis-Bacon), procurement procedures, and civil rights requirements apply to the use of these funds.

With respect to the expenditure of funds provided under a Disaster Recovery contract, each Disaster Recovery grantee is required to certify that:

1. It will minimize displacement of persons as a result of activities assisted with such funds.
2. The program will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) and the Fair Housing Act (42 USC 3601-3619), and that it will affirmatively further fair housing, as specified by the Land Office.
3. It will provide for opportunities for citizen participation and access to information with respect to its disaster recovery programs and it is following the Land Office's Disaster Recovery Program Citizen Participation Plan.
4. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with Disaster Recovery funds by assessing any amount against properties owned and occupied by persons of low to moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless: (A) disaster recovery grant funds are used to pay the proportion of such fee or assessment related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (B) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons

of very low income, the grantee certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (A).

5. It will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, with provisions as waived under the Federal Notice [Docket No. FR-5256-N-01] regarding *Disaster Recovery Grantees Under 2008 Supplemental CDBG Appropriations* and will follow a residential anti-displacement and relocation assistance plan, as specified by the Land Office, in the event that displacement of residential dwellings will occur in connection with a project assisted with Disaster Recovery funds.
6. It has adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
7. To the best of the Disaster Recovery grantee's knowledge and belief:
 - (A) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Disaster Recovery grantee, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - (B) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Disaster Recovery grantee shall complete and submit Standard Form-LLL, "Disclosure Form To Report Lobbying", in accordance with its instructions.
 - (C) The Disaster Recovery grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
8. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*) as a result of natural disasters that occurred and were declared in 2008.
9. Disaster Recovery funds will not be used for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR Part 55.

List of Required Attachments

In addition to this completed application, please submit the following attachments:

- ✓ Previous Participation Form (if applicable)
 - ✓ Fair Housing Activity Statement – Texas Form (“FHA Form”) (Included in Appendix C)
 - ✓ Needs Assessment Summary Data (Included in Appendix A)
 - ✓ Single Audit (if applicable)(Included in Appendix C)
 - ✓ Organizational Chart (Included in Appendix C)
 - ✓ Project Location Map (Included in Appendix B)
 - ✓ Tab III: Excel Project Budget Form
 - ✓ Tab IV: Listing of All Properties (if applicable)(Included in Appendix C)
- N/A Grant Administrator Selection Form (if applicable)

Subsidized Housing Application (formerly Public Housing Activities Application: Round 2.2)

City of Houston, Texas

Note: The City of Houston Housing and Community Development Department is submitting an application for Ike Disaster Recovery Round 2.2 – General Housing Activities and Ike Disaster Recovery Round 2.2 – Subsidized Housing Activities. The following application includes two additional, supplemental tabs to the General Housing Application (Tab VI and Tab VII) to address the Subsidized Housing application questions. Additionally, the Subsidized Housing formula allocation amount shall be included in the SF-424.

Tab VI – Housing Project Detail for Subsidized Housing Allocation (Formerly Tab II – Housing Project Detail of Housing Authority Application)

I. Project Overview

Public housing activities shall be administered by the Land Office in accordance with federal and state laws and regulations and terms of the HUD approved Conciliation Agreement:

Activity Description	Act. Code	Description
<input checked="" type="checkbox"/> Rental Rehabilitation, Reconstruction, New Construction	R - LMI	Rental - Clearance, Demolition, Removal, New/Reconstruction, and Rehabilitation.

II. Project Summary

The Applicant must describe the proposed project by answering the following questions:

1. Describe the extent of the needed improvements for the affected area(s), including a description of damage or destruction to public housing units, and the extent of the need by persons affected by Hurricane Dolly or Ike as determined by the local Needs Assessment.

The City of Houston and Houston Housing Authority continue to experience challenges following Hurricane Ike, but in a manner different from other cities in the region. One notable difference, after each of Hurricanes Katrina and Ike, was the number of low-income families that migrated permanently into the City. Today, the Houston Housing Authority provides public housing to 1,640 households who qualified for disaster housing and has a waiting list of approximately 29,498 households; the vast majority of whom are extremely low-income. The Houston Housing Authority's Housing Choice Voucher waiting list has been closed for several years.

Due to its metropolitan characteristics, medical amenities, and geographic proximity, the City experiences continued in-migration of those populations most in need of assistance. It is estimated that tens of thousands of additional families will apply for Housing Choice Vouchers when the waiting list is reopened in early 2012. It is important to note, that both the 2010 *Needs Assessment* and the *State's Analysis of Impediments* indicate that there is tremendous unmet need for affordable housing for this population.

In addition, the Houston Housing Authority recently disposed of 174 scattered site properties that were previously public housing but had been rendered uninhabitable, in part due to the effects of the storms. Similarly, the building for the elderly at 2100 Memorial also experienced hurricane damage, some of which was covered by insurance. However, vacancies caused by the damage have never been reversed, and the 197-unit property is now in need of comprehensive modernization to increase occupancy and ensure long-term viability of this resource for low-income seniors. Therefore, the need by persons affected, which includes the special needs population, is significant.

2. Describe how the Applicant will prioritize the provision of decent, safe and sanitary housing for the elderly and disabled populations with an emphasis on housing choice as well as provide for the provision of independent living options.

As published in the 2010 Consolidated Plan, the Houston Housing Authority has a continued strategy to prioritize decent, safe and sanitary housing for elderly and disabled populations. The Houston Housing Authority accomplishes this in several ways. First, by meeting or exceeding the number of accessible units it creates as a percentage of any new construction or comprehensive modernization efforts. The result of this strategy has been the successful ADA modification of units in over 11 properties in recent years, as well as a significant renovation project at the Lyerly Elderly Housing Development. Second, the Houston Housing Authority operates the Mainstream voucher program, which is specifically for disabled households. Third, the Houston Housing Authority has several public housing developments designated specifically for elderly households. These designated properties include the provision of social and supportive services for the elderly residents that need them, through strategic partnerships with local providers. Fourth, the Houston Housing Authority will assist in the provision of Project Based Vouchers to providers of supportive housing for elderly and disabled Houstonians. Finally, the Houston Housing Authority has a staff member dedicated to enforcing and promoting the Housing Authority's 504/ADA requirements and procedures. In the aggregate, these efforts ensure that the provision of safe, affordable housing to elderly and disabled low-income households remains an organizational priority and informs the City and the Houston Housing Authority's daily operations and long-term planning.

3. Describe how the Applicant proposes to resolve the identified needs with the activities described in this application. This should include details on the work to be performed, including the public housing activities to be undertaken, the number and types of units to be built, the goals and objectives of the project, and the method of approach.

HCDD shall collaborate with the Houston Housing Authority on the Subsidized Housing activities, which may include the utilization of HHA's project-based voucher funds toward the acquisition and development or redevelopment of additional multifamily affordable housing to address long-term housing needs in Houston. The City will work with the Houston Housing Authority to develop a proposed Interlocal Agreement for a variety of Subsidized Housing activities including Rental Rehabilitation, Reconstruction, or New Construction and which may include additional construction requirements to address accessibility or shelter-in-place. (See Tab VII: Excel Project Budget Form)

4. Identify the location of proposed activities.

The City of Houston Housing and Community Development Department shall work with the Houston Housing Authority to develop an Interlocal Agreement to determine locations for proposed projects. Sites will be identified based on a series of factors including but not limited to the following: acquisition cost, long-term financial viability, concentrations of poverty, accessibility to public transportation, accessibility to healthy food choices, proximity to educational and employment opportunities for low-income households, as well as existing geographical and infrastructure qualities that may mitigate future storm damage.

5. Describe how the Applicant will identify clients, the estimated number of clients to be served, and description of population in terms of age, gender, ethnicity, income level, and other defining characteristics. This should include a description of how program outreach and administration will be tailored to meet the needs of the affected population.

Priority shall be given to current public housing residents or those on HHA or other needs-based waitlists requesting access to subsidized housing. In addition to the 1,640 households already identified as receiving disaster relief, the Houston Housing Authority's waiting lists provide critical real-time data that will be used to analyze demand for the affordable units that will be developed, including, but not limited to the following applicant data: race and ethnicity, income, gender, household size, age, and whether or not an applicant qualifies for elderly or disabled housing.

The Houston Housing Authority will have a particularly robust data set once the Housing Choice Voucher waiting list is reopened in early 2012, as the Housing Authority anticipates tens of thousands of new applicants at that time. This data will be used at critical decision points to help determine the type and location of housing developed.

6. Describe the process used by the Applicant to gather public input, including participation by neighborhood organizations, community development organizations, social service organizations, community housing development organizations, and members of each distinct affected community or neighborhood which might fall into the assistance category of low to moderate income communities.

Please see Tab V - Citizen Participation Plan, for a response regarding citizen input to this application.

7. Describe any known factors that may present fair housing obstacles and how those obstacles will be addressed with these funds. Be very specific about how those factors were taken into account and how they specifically propose to address Affirmatively Furthering Fair Housing (AFFH) requirements, compliance with the Conciliation Agreement and the Fair Housing Activity Statement – Texas Form (“FHA Form”) adopted by the Applicant. To the extent that such solutions may increase the cost of delivery, the applicant should also describe their assessment of those cost factors and the final recommendations for use of these funds.

Please see Tab I - Threshold Requirements for Housing Recipients, Part II, for the Affirmatively Furthering Fair Housing (AFFH) response to this application.

8. Describe the process including the setting of goals that will be utilized by the Applicant to meet Section 3 Requirements. Applicants will be required to provide job opportunities to low-income residents and businesses, to the greatest extent possible. The Land Office will develop minimum thresholds and impose quarterly reporting requirements that will include, but not be limited to, the demographics and addresses of hires and local efforts towards stated goals.

Please see Tab II - Project Summary Question 8, with detail in attachments, for a response regarding the City of Houston Section 3 program.

9. Describe how the Applicant will ensure that it adheres to the Land Office's expenditure performance requirements. The expenditure performance requirement also requires that the Applicant provide an expenditure rate submittal at least every six months, or as requested by the Land Office, from contract execution date.

Please see Tab II - Project Summary, Question 9, for a response regarding expenditure performance reporting for this application.

Tab VII - National Program Objectives, Low-Moderate Income Calculation, & Project Budget for Subsidized Housing Allocation

(Formerly Tab III- Housing Project Detail of Housing Authority Application)

Benefit to Low-Moderate Income (LMI) is the only National Objective that is approved for the Rental Program under Round 2. LMI activities shall benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with 24 CFR Part 5 requirements using procedures as stated in the Technical Guide for Determining Income and Allowances, 3rd Edition (HUD-1780-CPD). The most current income limits, published annually by HUD, shall be used by the applicant to verify the income eligibility of each household applying for assistance at the time assistance is provided. LMI economic subcategories are as follows:

- Very low: Household's annual income is up to 30% of the area median family income, as determined by HUD, adjusted for family size
- Low: Household's annual income is between 31% and 50% of the area median family income, as determined by HUD, adjusted for family size
- Moderate: Household's annual income is between 51% and 80% of the area median family income, as determined by HUD, adjusted for family size

The Applicant must provide a budget breakout for the entire grant award. Complete the attached Excel Budget Form for the total allocation for the applicant, by LMI category, including all public housing activities. Additional information that is normally included in a CDBG application may be collected during the contract stage to limit the amount of information required in the application. All applicants must keep financial records for the proposed project at an officially designated site **that is accessible to the public**. The funds must be adequately managed on a timely basis using generally accepted accounting principles.

List of Attachments

In addition to this completed tab, the following attachments are included:

- N/A Project Location Map
- ✓ Tab VII (formerly Tab III): Excel Project Budget Form

City of Houston—Subsidized Housing Allocation (formerly PUBLIC HOUSING ACTIVITIES APPLICATION: ROUND 2.2)

Tab VII: Excel Project Budget Form (formerly Tab III of Public Housing Authority Application)

Region: H-GAC

Applicant: City of Houston Housing & Community Development Department

Required	Budget Breakout by LMI Population				Estimated Low/Mod Households Served			
	Required	Required	Required	Subtotal	Required	Required	Required	Subtotal
City of Houston	Very Low HH (<30%)	Low HH (31%-50%)	Moderate HH (51%-80%)	Budget for Combined HH	Very Low HH (<30%)	Low HH (31%-50%)	Moderate HH (51%-80%)	Number of Combined LMI HH Served
Project/ Construction*				\$0				0
Rental Rehabilitation, Reconstruction, New Construction	\$8,894,361	\$7,638,937	\$9,417,943	\$25,951,241	81	69	86	236
				\$0.00				0
				\$0.00				0
				\$0.00				0
				\$0.00				0
Acquisition				TBD				
Engineering				TBD				
Project Delivery ¹				\$2,949,005				
Administration ²				\$589,800				
TOTAL:	\$8,894,361	\$7,638,937	\$9,417,943	\$29,490,046	81	69	86	236

"HH" equals Households.

*Eligible activities should be broken down under the "Project/ Construction" line item. These include: rehabilitation, reconstruction, replacement, new construction, and associated elevation and demolition. Individual Mitigation Measures (energy efficiency and storm mitigation) may also be identified.

¹Project Delivery is capped at 10% of the grant amount.

²Administration is capped at 2% of the grant amount.