

HCDD CDBG DR-2 Program Guidelines Waiver Request

Request No. 12: Adoption of Planning Study Income Targets

Date: July 12, 2013

The City of Houston (the City), for the Hurricane Ike/Dolly Round II Community Development Block Grant Disaster Recovery Program (the Program), believes that it is in the best interest of the residents of the City of Houston to modify the Texas General Land Office (GLO) Round 2 Housing Program Guidelines (the Round 2 Guidelines) and HOP Guidelines and therefore requests the following waiver.

The purpose of this waiver is the adoption of the Income Target groups identified in the Planning Study, rather than the Income Target groups identified in the Needs Assessment. Additionally based upon recent guidance from GLO interpreting the Conciliation Agreement, we have added a market component to the Income Target groups identified in the Planning Study and respectfully request that component to be added to the aforementioned Income Target groups.

The City committed, as part of the Program, to a robust planning process to determine, among other things, the mix of Income Target groups for the Community Revitalization Areas (CRAs) (described in Exhibit A attached hereto) and the CRA Outreach Areas (described in Exhibit B attached hereto). The CRAs are those areas where the City desires to invest funds from the Program, where the City has committed to affirmatively further fair housing by encouraging the creation of economically feasible, mixed income developments and communities with diverse populations to the greatest extent possible pursuant to best practices cited in the Planning Study and the Round 2 Guidelines, as amended. The planning process brought to bear national best practices and extensive market and demographic analysis to assist in the determination of appropriate mix of Income Target groups. This waiver will allow the City to build on the information provided by the Planning Study and other salient data.

The Guidelines (Part A, III, A. B. and C. (Pages 5-6 of 72)) and the HOP Guidelines (Needs Assessment (Pages 4-6)) state that a Subrecipient must perform a data-driven analysis of Hurricane Ike damages to individuals based on income categories and deliver the Program to persons who have incomes at the level of identified damages. The City has now performed two such analyses: the Needs Assessment and the Planning Study.

Using (a) the Needs Assessment, (b) a new, more detailed damage data set from LJA, (c) HUD/FEMA information from the State and (d) population figures from the U.S. Census Bureau and American Community Survey data, an updated summary identified a breakout of damage by income group. Using (a) the updated Needs Assessment with this new, more detailed damage data set from LJA and (b) National Best Practices and other resources identified in the Planning Study, the planning team made a recommendation about the funding levels by income group. The table below identifies Income Target

groups, the percentages of damages by Income Target groups identified in the Needs Assessment, the Income Target groups identified by the Planning Study, and the differences between the two for each Income Target group.

Income Targets	Needs Assessment	Planning Study	Difference
0-30%	37%	36%	- 1%
31-50%	29%	42%	+13%
51-80%	34%	22%	-12%

The Planning Study includes further breakdowns by program for each Income Target group that relies on the needs of the entities running the program and the need for long term viability. The Planning Study also suggests that the Income Target groups should remain flexible and be reviewed regularly to determine whether the chosen income mix is meeting the goals of the programs.

In accordance with the terms and conditions of (i) the Conciliation Agreement dated May 21, 2010, by and among the Texas Low Income Housing Information Service, Texas Appleseed, and the State of Texas by and through the Texas Department of Housing and Urban Affairs and the Texas Department of Rural Affairs and (ii) the Round 2 Housing Guidelines, the City of Houston altered some of the levels of funding provided for each Income Target Group by allocating an amount of funds to serve people earning more than 80% of AMFI after consultation with community advocates. The table below shows the proposed level of funding provided for each Income Target Group.

	VLI (30% AMFI and below)	LI (31% to 50% AMFI)	Mod (51% to 80% AMFI)	Market Rate
Rental Funding	15%	25%	40%	20%
HHA Funding	100%	0%	0%	0%
HAP Funding	25%	50%	25%	0%
Total Funding	36%	30%	26%	8%

The City of Houston still accepts the Planning Study's recommendation that the Income Target Groups should remain flexible and undergo regular review for compliance purposes. The City of Houston requests that a waiver be granted to adopt the Planning Study Income Target groups, as modified herein, and amend the Needs Assessment accordingly. The City will provide reports on the current status of the Income Target groups, and these reports will be available to the public.

The City of Houston respectfully requests that GLO grant this waiver to the Round 2 Guidelines and the HOP Guidelines.

Submitted by:



Neal Rackleff

Director

Housing and Community Development Department

City of Houston

7-12-13

Date

Approved by:

Jorge Ramirez

GLO

Date

Exhibit A

Please see attached.

Greater 5th Ward Community Revitalization Area

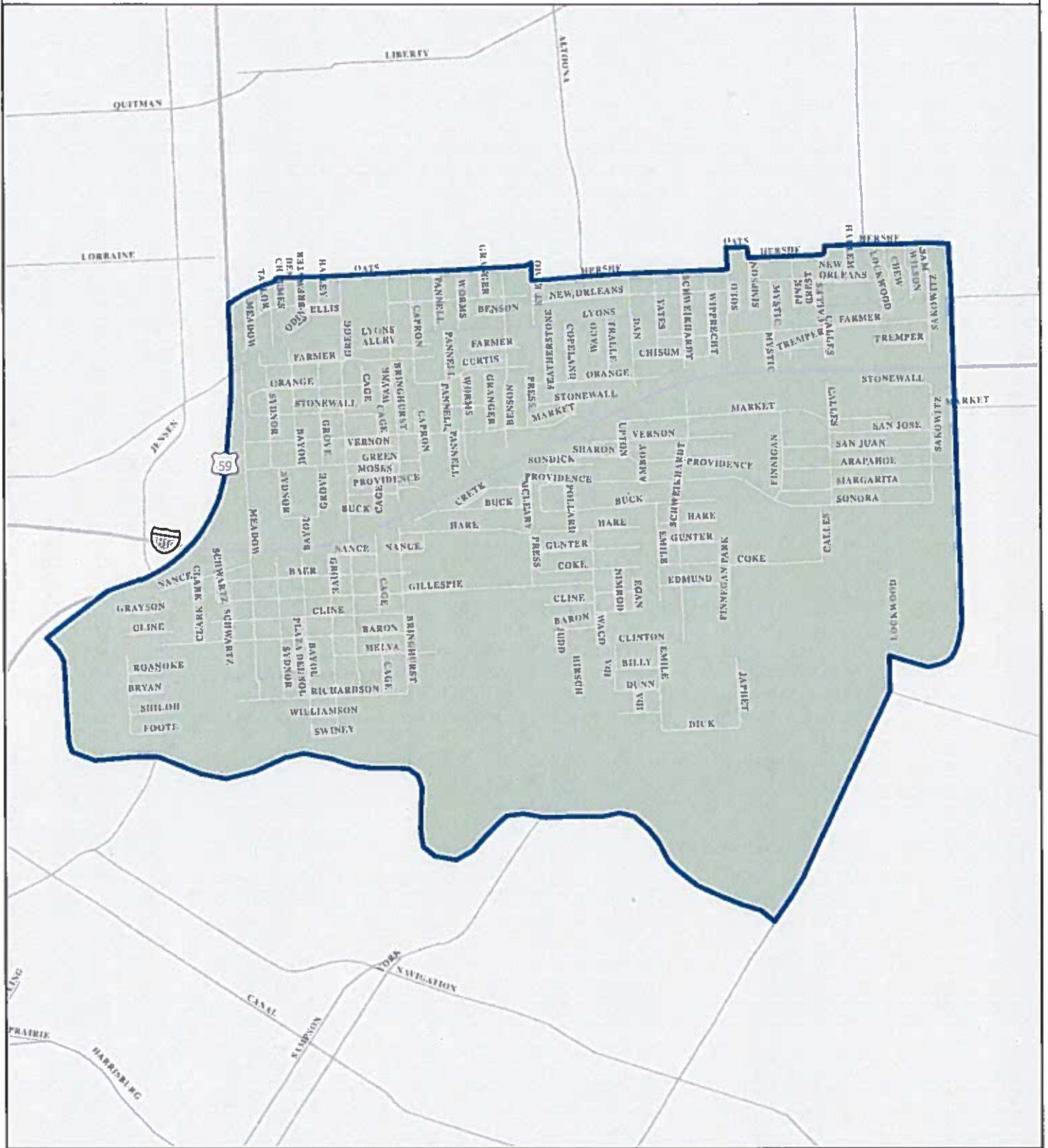
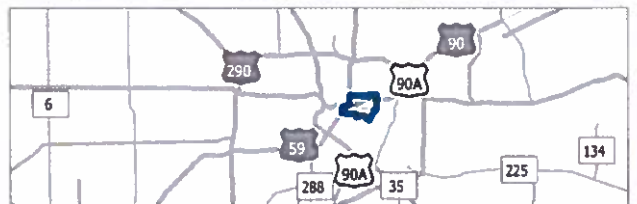


EXHIBIT A



Northside Village Community Revitalization Area

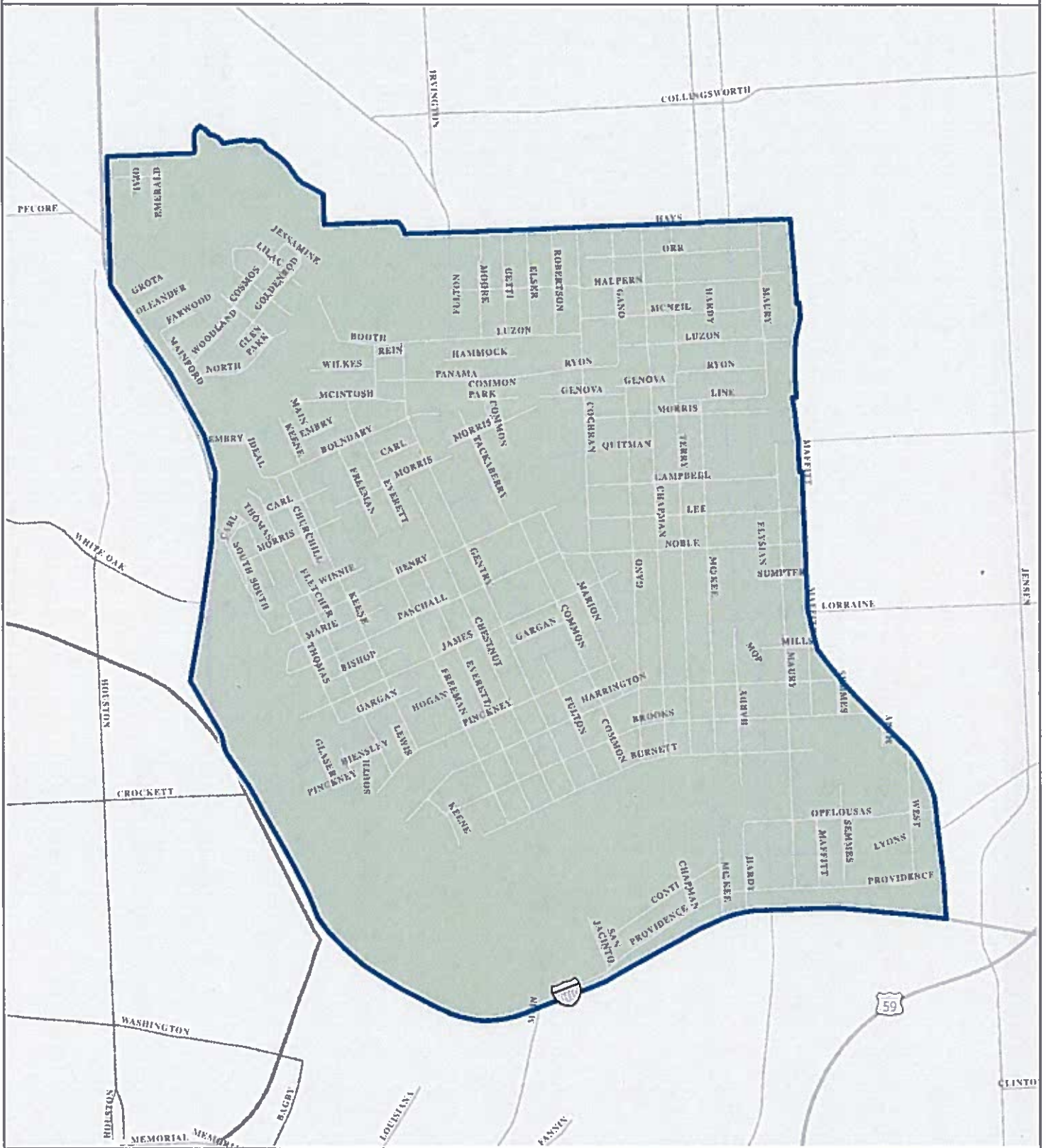


EXHIBIT A



Exhibit B

Please see attached.

Acres Homes CRA Outreach Area

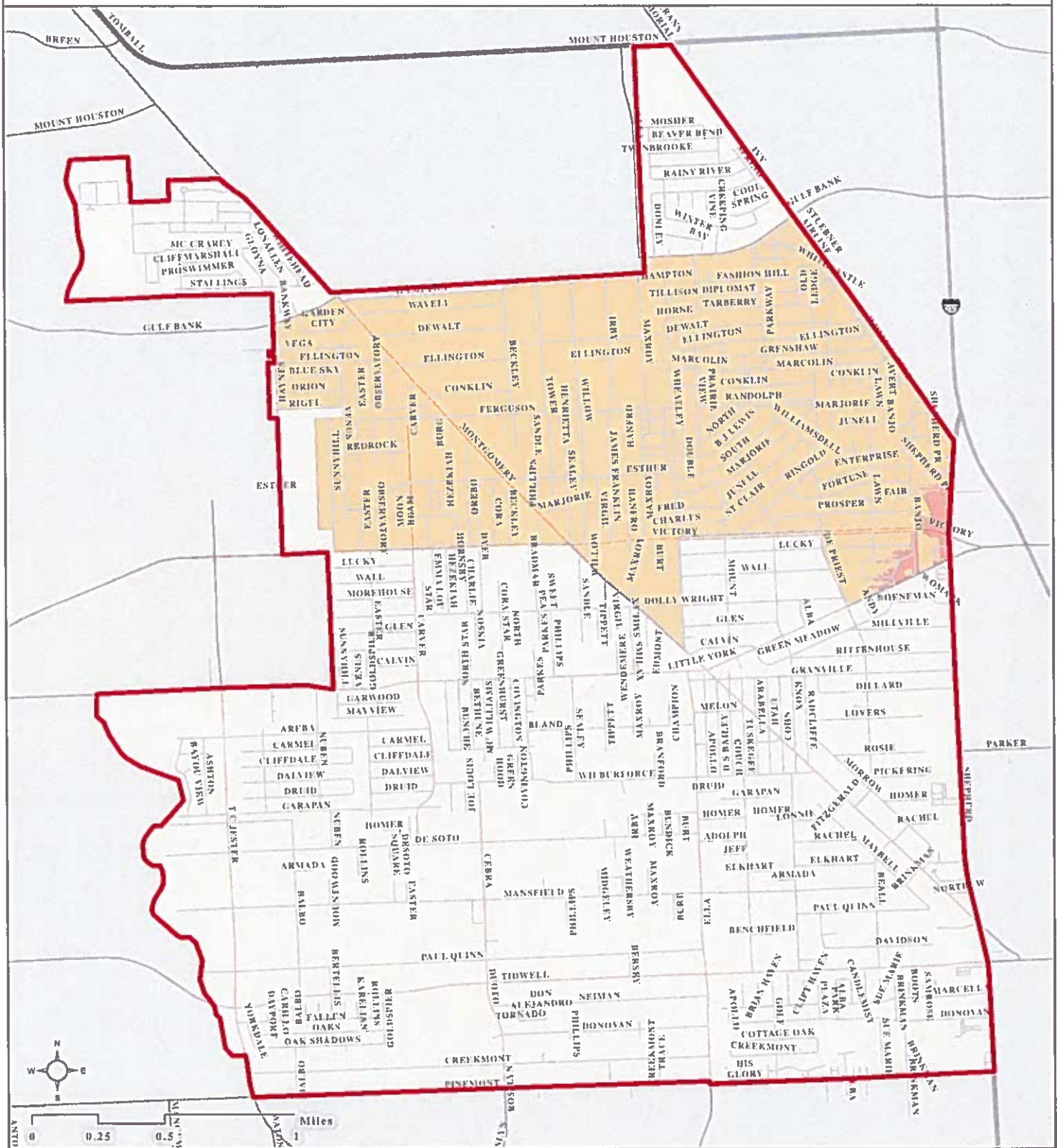
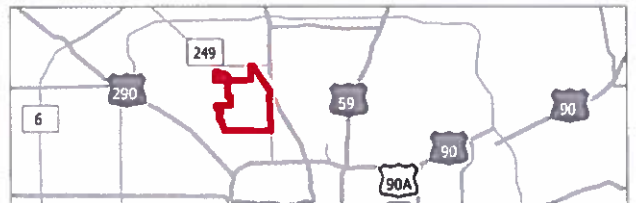


EXHIBIT B

- Primary Target Area
- Secondary Target Area
- Tertiary Target Area
- CRA Outreach Area Boundary



Greater 5th Ward CRA Outreach Area

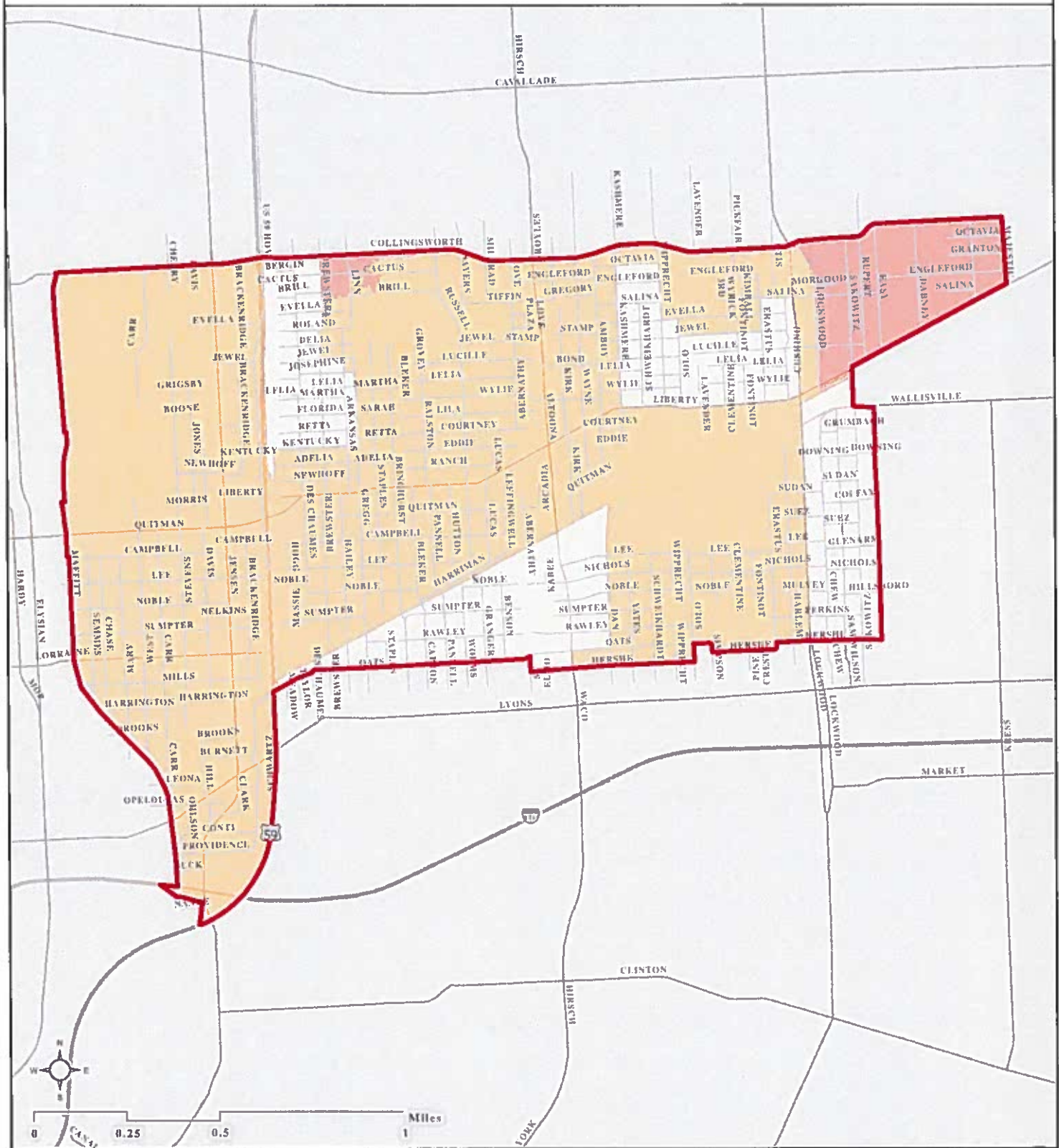


EXHIBIT B

- Primary Target Area
- Secondary Target Area
- Tertiary Target Area

CRA Outreach Area Boundary



Independence Heights CRA Outreach Area

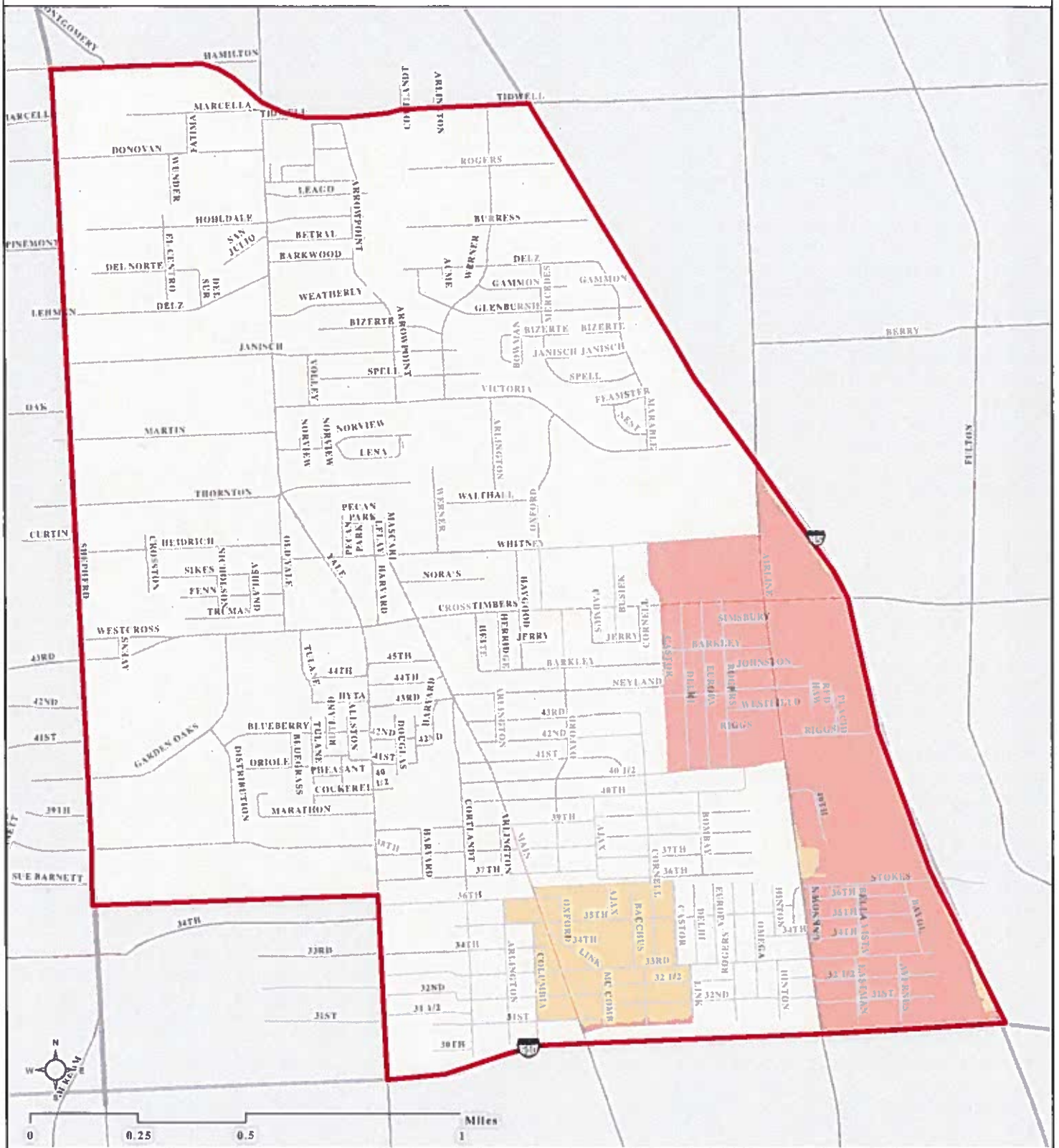


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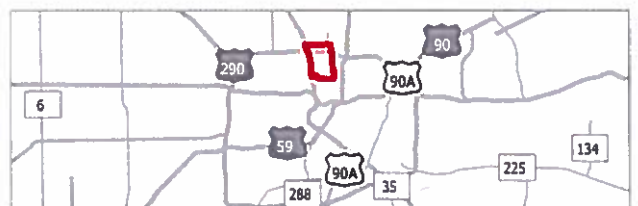


Northside Village CRA Outreach Area



EXHIBIT B

- Primary Target Area
- Secondary Target Area
- Tertiary Target Area
- CRA Outreach Area Boundary



OST/South Union CRA Outreach Area

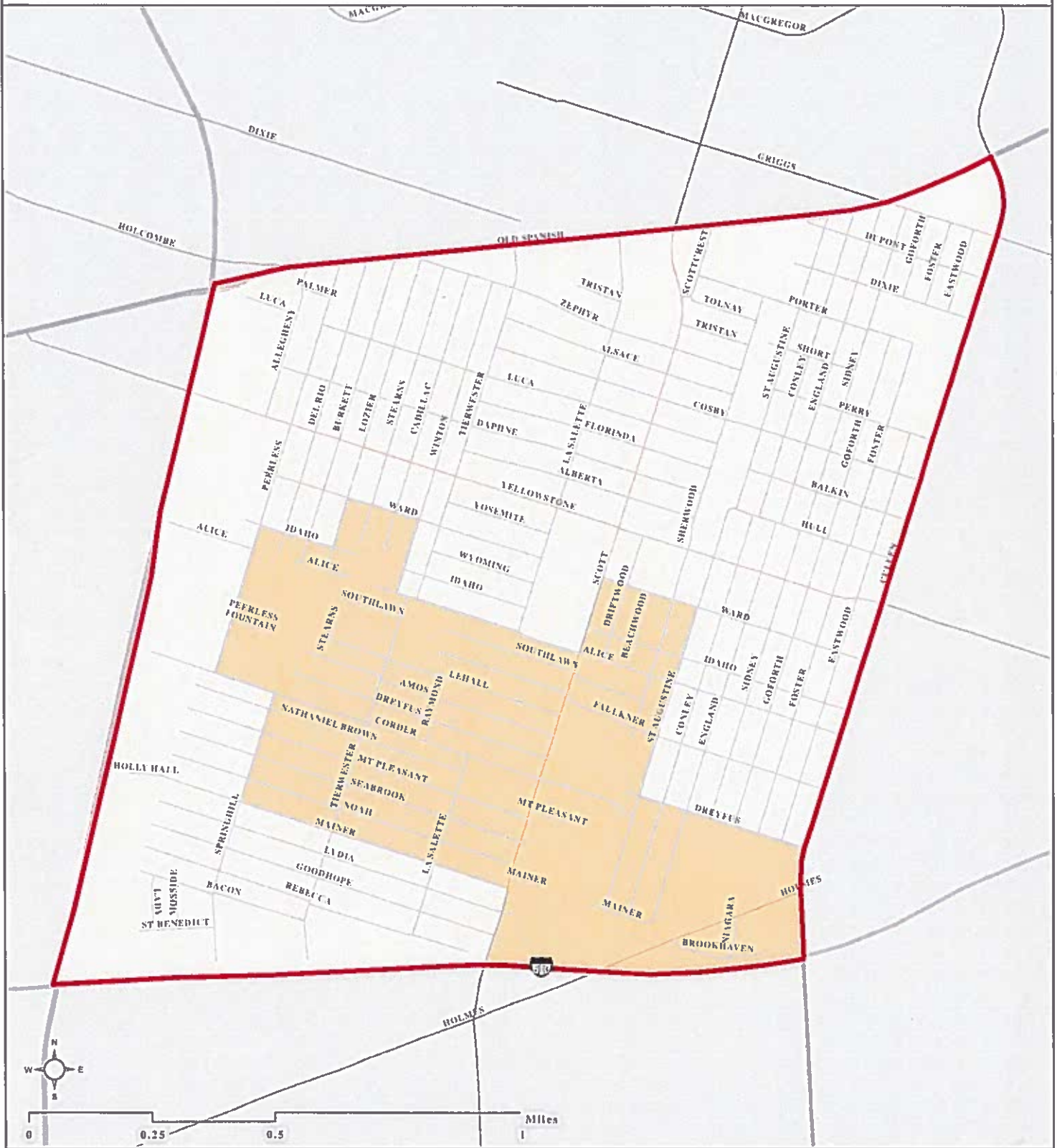


EXHIBIT B

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