

## HCDD CDBG DR-2 Program Guidelines Waiver Request

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**Request No. 14:** Adoption of Planning Study Income Targets for Multifamily Housing

**Date:** August 21, 2013

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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. 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). 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 racially diverse populations to the greatest extent possible and legally permissible 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 this determination. 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 shows the proposed level of funding provided for each Income Target Group as derived from the Needs Assessment, the Planning Study and collaboration with community advocates.

	<b>VLI (30% AMFI and below)</b>	<b>LI (31% to 50% AMFI)</b>	<b>Mod (51% to 80% AMFI)</b>	<b>Market Rate</b>
Rental Funding*	15%	25%	40%	20%

\*Does not include single family rental production, which through waiver will allocate 50% of single family rental production to benefit VLI households and 50% to LI households.

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 requests that GLO grant this waiver to the Round 2 Guidelines and the HOP Guidelines.

Submitted by:

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 City of Houston

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 Date

Approved by:

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 Jorge Ramirez  
 GLO

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 Date