Grantee: Houston, TX
Grant: B-08-MN-48-0400
January 1, 2011 thru March 31, 2011 Performance Report
Grant Number: B-08-MN-48-0400

Grantee Name: Houston, TX

Grant Amount: $13,542,193.00

Grant Status: Active

Obligation Date: Award Date: Contract End Date: Submitted - Await for Review

QPR Contact: Mary Louise Owens

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:
The City of Houston Planning and Development Department estimates that as of January 2008, Houston had a population of 2,229,199 residents. Over fifty-three percent of Houstonians are low to moderate-income (LMI) residents, with a majority being minorities. The supply of affordable housing has become an issue in recent years. Rental rates and purchase prices have increased rapidly, therefore limiting LMI residents' ability to afford housing. The supply of affordable housing, coupled with sub-prime lending practices, lender credit restrictions, and increased tax delinquencies, has destabilized many neighborhoods. As of March 2008, a total of 7,584 properties were foreclosed by lenders and municipalities, of which 758 properties are REO's. Furthermore, recent hurricanes (Katrina, Rita, and Ike) have adversely impacted the supply of affordable houses in the Houston area by severely damaging current dwelling units, displacing citizens, and welcoming residents from nearby counties and states.

Distribution and Uses of Funds:
NSP funds will be leveraged with private sector partners to address foreclosures, increase homeownership, and expand the stock of affordable housing while removing the blight of vacant and abandoned buildings. To identify areas with the greatest need, HCDD rated census tracts and zip codes based upon the number of credit and tax foreclosures, numbers of REO (real estate owned) properties by lenders, and data provided by HUD regarding risk of foreclosure and relative levels of subprime lending. HCDD used risk ratings to determine census tracts most impacted by increased foreclosure activity. The level of risk ranged from ten being the highest, to one being the lowest. As a result, Target Zones were defined as contiguous high risk areas, containing multiple properties ranging between nine and ten. Based upon the data found in the Target Zones, HCDD decided to implement the following three activities or programs: 1. $1,354,219 for administrative use 2. $3,385,549 to benefit households at or below 50% of area median income (AMI) A. Deliverable: 40 units of for-sale housing for low-income (<50% of AMI) households 3. $8,802,425 to benefit households at or below 120% of AMI A. Deliverable: 1 multi-family unit acquired to be conveyed to qualified third parties to construct 115 units with 25% being rented to households earning less than 50% of AMI.

Definitions and Descriptions:

Low Income Targeting:

Acquisition and Relocation:

Public Comment:
Federal Grant from HUD
The $13,542,193 in funding from HUD is broken down into the following activities:

Project One:
- HCDD has awarded $8,802,425 in NSP Funds to the South Union Development LLC. for a Multi Family Unit rehabilitation, of the Zollie Scales Apartments. This property closed in November 2010. We are currently in preparation to start the rehabilitation phase of this project.

Project Update/ Current Grant Status
- This project has completed the initial phases of Temporary Relocation.
- Currently South Union Development LLC is hiring a Project and Construction Manager

Project Two:
HCDD has awarded $3,385,549 in NSP funds for single-family rehabilitation. This funding will be available to provide
homes for ownership by families earning less than 50% AMI. HCDD has designated $3,385,549 to four non-profit organizations to acquire, rehabilitate and sell these foreclosed properties at an affordable price. HCDD has obligated, all of its single family and multifamily award in DRGR. We have trained all participating agencies to educate them on NSP/HUD regulations and HCDD closing procedures. This project will generate program income.

Project Update/Current Grant Status

- Each Agency has begun the process of Acquisition and Rehabilitation

The Current Status of the Houston Federal NSP Grant 1 all funds are obligated.

Condition Number 1:

The city must submit to the Houston field office a schedule for resolving each of the 19 outstanding monitoring findings resulting from HUD’s monitoring visits conducted: August 2-6, 2004, HOME Investment Partnerships (HOME) Program; May 2-6, 2005, Community Development Grant (CBDG), Housing Opportunities for Persons with AIDS (HOPWA) and HOME Investment Partnership (HOME) programs.

This Condition was met within 30 days of the finding.

Condition Number 2:

The City must submit to the Houston Field office a monitoring plan. The City must develop and maintain a schedule for monitoring all NSP sub recipients or contractors. HUD will verify the implementation of the process for compliance with 24 CFR Parts 85.36; 24 CFR 85.40; 85.42 24 CFR 570.501 (b); and 24 CFR 570.503 (b).

The City has a sub recipient monitoring packet that is present in each sub recipient file and is updated in accordance with the sub recipients actions.

Project Summary

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<tr>
<th>Project #, Project Title</th>
<th>This Report Period Program Funds Drawdown</th>
<th>To Date Project Funds Budgeted</th>
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