

**Grantee: Houston, TX**

**Grant: B-11-MN-48-0400**

**January 1, 2014 thru March 31, 2014 Performance Report**

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**Grant Number:**

B-11-MN-48-0400

**Obligation Date:****Award Date:****Grantee Name:**

Houston, TX

**Contract End Date:****Review by HUD:**

Rejected - Await for Modification

**LOCCS Authorized Amount:**

\$3,389,035.00

**Grant Status:**

Active

**QPR Contact:**

No QPR Contact Found

**Estimated PI/RL Funds:**

\$691,537.21

**Total Budget:**

\$4,080,572.21

## Disasters:

### Declaration Number

NSP

## Narratives

### Summary of Distribution and Uses of NSP 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 using the NSP 3 mapping tool areas with a score of seventeen or higher were included in the current NSP 3 Target Zones, this data was determined by, numbers of REO (real estate owned) properties by lenders, and data provided by HUD regarding risk of foreclosure and relative levels of subprime lending. Based upon the data found in the Target Zones, HCDD decided to implement the following four activities or programs: 1. \$338,000 for administrative use 2. \$1,713,035 for acquisition, rehabilitation and redevelopment of single family homes to benefit households at or below 80-120% of AMI. 3. one multi-family unit acquired and rehabilitated for \$1,000,000 to be conveyed to qualified third parties to construct up to 200 units with 25% being rented to households earning less than 50% of AMI in order to satisfy the set aside requirements. 4. \$338,000 will be used for demolition.

### How Fund Use Addresses Market Conditions:

Using the HUD mapping tool, the City of Houston (the "City") ensured that the areas of greatest need identified on the NSP Map had a minimum foreclosure score of 17 (State of Texas has an overall foreclosure score of 16) or above. The City overlaid the flood plain map to ensure that it will not fund projects in target areas that are located in the flood plain. The City has acknowledged the current market conditions and identified areas within those communities whose homes may start decreasing in value due to high rates of foreclosures in the communities surrounding these areas. The City has determined that its areas of greatest need include most, if not all, of the areas with the highest percentages of homes financed by subprime mortgage related loans.

The preservation of vacant, abandoned and foreclosed housing and the provision of subsidized housing opportunities for households at or below 120% of area median income will result in increased home values and improved neighborhood conditions.

### Ensuring Continued Affordability:

The City has adopted the HOME Program affordability standards to meet the continued affordability standards of the Neighborhood Stabilization Program ("NSP"). Utilizing these standards, the City will ensure that all NSP3-assisted housing remains affordable to individuals or families whose incomes do not exceed 120 percent of area median income. These standards require that rental and homeownership housing must remain affordable for 5 to 20 years, depending on the amount of NSP3 funds invested in the housing unit. Long term affordability will be enforced through rental and deed restrictions, including resale/recapture provisions. The City shall ensure, to the maximum extent practicable and for the longest feasible term, that the redevelopment of abandoned and /or foreclosed upon residential properties remains affordable.

### Definition of Blighted Structure:

Blighted Structure - A residential or commercial building that exhibits an extensive level of physical decline or decay, as further defined in the City of Houston's ordinances at the following link:

[http://library.municode.com/HTML/10123/level3/COOR\\_CH10BUNEPR\\_ARTXIVABUNVIBL.html](http://library.municode.com/HTML/10123/level3/COOR_CH10BUNEPR_ARTXIVABUNVIBL.html)



**Definition of Affordable Rents:**

The city will identify areas of foreclosed abandoned and vacant properties that can be used to provide greatest impact in communities hit the hardest by foreclosures. HOME program’s definition of affordable rents will be used for projects funded by the City of Houston HCDD NSP3. These are updated annually by the U.S. Department of Housing and Urban Development. HOME Program rent limits are available at www.hud.gov.

**Housing Rehabilitation/New Construction Standards:**

The City is will utilize the following building standards to govern single family or multi-family dwellings purchased and/or rehabilitated/constructed through the NSP program :

1. The City of Houston’s current property rehabilitation standards for single and multifamily rehabilitation projects.
  2. The City of Houston’s Local Maintenance and Building Code
  3. Section 8 Housing Quality Standards
  4. The Energy Standards for New Homes and Model Energy Code
  5. ANSI Standards for handicap accessibility
- HUD Guidelines for the Evaluation and Control of Lead Based Paint Hazards in Housing.

**Vicinity Hiring:**

The City of Houston shall, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of such project. The City will achieve this by including such requirements in NSP agreements with developers and subrecipient; require developers and subrecipients to include plans for vicinity hiring in proposals for funding; and will establish a periodic reporting system including back up documentation from developers and subrecipients to ensure that those requirements are met. The City will also work through community based workforce development organizations to identify opportunities for vicinity hiring compliance and match these with NSP developers and subrecipients.

**Procedures for Preferences for Affordable Rental Dev.:**

The City of Houston HCDD certifies that it will be abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

**Grantee Contact Information:**

Edwards, Deborah  
City of Houston, Housing and Community Development Department (&ldquo;HCDD&rdquo)  
601 Sawyer Fourth Floor, Houston, TX 77007  
Deborah.Edwards@houstonTX.gov  
713-865-4192

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$3,455,887.88
<b>Total Budget</b>	\$160,000.00	\$3,455,887.88
<b>Total Obligated</b>	\$160,000.00	\$3,389,035.00
<b>Total Funds Drawdown</b>	\$190,150.66	\$3,389,035.00
<b>Program Funds Drawdown</b>	\$0.00	\$3,185,110.52
<b>Program Income Drawdown</b>	\$190,150.66	\$203,924.48
<b>Program Income Received</b>	\$370,036.58	\$554,045.08
<b>Total Funds Expended</b>	\$189,086.92	\$3,389,035.00
<b>Match Contributed</b>	\$0.00	\$0.00



## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$508,355.25	\$0.00
Limit on Admin/Planning	\$338,903.50	\$338,000.00
Limit on State Admin	\$0.00	\$338,000.00

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$338,903.50	\$404,852.88

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$847,258.75	\$1,025,517.50

## Overall Progress Narrative:

Federal Grant from HUD

The \$3,389,035 in funding from HUD is allocated among the following activities:

Single Family Acquisition and Development	\$2,051,035
Demolition	\$ 840,000
Single Family Rehabilitation	\$ 160,000
Administration	\$ 338,000

Project One:

HCDD awarded \$2,051,035 in NSP Funds to Mayberry Homes, Inc. to build 14 to 20 single family homes. All single family funds are expended. At least 50% of the funds will be used for LH &ndash 25% set-aside for at or below 50% AMI. There are 14 houses 100% complete. There are 8 houses sold. There are 2 houses under contract and 4 houses unsold.

Project Two:

HCDD allocated \$840,000 to demolition of blighted structures to potentially demolish a 100 plus structures. All demolition funds are expended. HCDD partnered with DON (Department of Neighborhoods) to demolish all structures.

Project Three:

HCDD awarded \$160,000 in NSP funds to Tejano Center for Community Concerns to finish rehabilitating 7 houses. These were houses acquired through NSP1. The seven houses are complete. There are 2 homes sold. The expenditure deadline to spending 100% of the funds has been met.

HCDD has received program income. HCDD will go to Housing Committee then to City Council to request amending the NSP action plan to include the program income and to use the program income for building more single family housing.



# Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
04-Demo, Demolition	\$0.00	\$840,000.00	\$840,000.00
14G-AQU-MF, Multi Family Acquisition and Rehab	\$0.00	\$0.00	\$0.00
14G-AQU-SF, Single Family Acquisition and Rehab	\$0.00	\$2,211,035.00	\$2,051,035.00
21A-11A01, Program Administration	\$0.00	\$338,000.00	\$294,075.52
9999, Restricted Balance	\$0.00	\$0.00	\$0.00



# Activities

**Project # / Title:** 04-Demo / Demolition

**Grantee Activity Number:** 04-11K90

**Activity Title:** Demolition and Land Bank

**Activity Category:**

Clearance and Demolition

**Project Number:**

04-Demo

**Projected Start Date:**

08/01/2011

**Benefit Type:**

Area Benefit (Census)

**National Objective:**

NSP Only - LMMI

**Program Income Account:**

General Program Income

**Activity Status:**

Under Way

**Project Title:**

Demolition

**Projected End Date:**

08/01/2015

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Houston Housing and Community Development

Overall	Jan 1 thru Mar 31, 2014	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$840,000.00
<b>Total Budget</b>	\$0.00	\$840,000.00
<b>Total Obligated</b>	\$0.00	\$840,000.00
<b>Total Funds Drawdown</b>	\$0.00	\$840,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$840,000.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$840,000.00
City of Houston Housing and Community Development	\$0.00	\$840,000.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

The City will establish a land bank through a governmental entity or nonprofit entity at least in part, to assemble, temporarily manage, and dispose of homes or residential properties that have been foreclosed upon for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of said properties. The land bank will operate in specific, defined geographic area as a part of the larger NSP target areas. The City may demolish a structure on a property that it will land bank. HCDD will work with developers and subrecipients to insure that any displacement that results from this activity will comply with URA.

If the City establishes the land bank as a governmental entity, it may also maintain each such foreclosed property that it does not own, provided it charges the owner of each such property the full cost of each of the demolition and maintenance service or places a lien on the property for the full cost of each such service. The City with the governmental entity or the nonprofit entity will develop a plan that will develop each such property for acceptable use within ten years.

**Location Description:**

NSP identified target zones.



## Activity Progress Narrative:

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/39
# of buildings (non-residential)	0	0/1
# of Public Facilities	0	0/0
# of Businesses	0	0/0
# of Non-business Organizations	0	0/0
Activity funds eligible for DREF (Ike)	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	96/40
# of Multifamily Units	0	1/1
# of Singlefamily Units	0	95/39

### Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

### Activity Locations

Address	City	County	State	Zip	Status / Accept
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### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP3	\$0.00
Total Other Funding Sources	\$0.00

**Project # / Title: 14G-AQU-SF / Single Family Acquisition and Rehab**

**Grantee Activity Number: 14G-11H10**  
**Activity Title: Single Family - Acquisition and Rehabilitation**

**Activity Category:** Acquisition - general  
**Activity Status:** Under Way  
**Project Number:**  
**Project Title:**



14G-AQU-SF

Single Family Acquisition and Rehab

**Projected Start Date:**

08/01/2011

**Projected End Date:**

08/01/2015

**Benefit Type:**

Direct Benefit (Households)

**Completed Activity Actual End Date:**

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

City of Houston Housing and Community Development

**Program Income Account:**

General Program Income

Overall	Jan 1 thru Mar 31, 2014	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$1,025,517.50
<b>Total Budget</b>	\$0.00	\$1,025,517.50
<b>Total Obligated</b>	\$0.00	\$1,025,517.50
<b>Total Funds Drawdown</b>	\$0.00	\$1,025,517.50
<b>Program Funds Drawdown</b>	\$0.00	\$1,025,517.50
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$184,008.50
<b>Total Funds Expended</b>	\$0.00	\$1,025,517.50
City of Houston Housing and Community Development	\$0.00	\$0.00
Mayberry Homes, Inc.2	\$0.00	\$1,025,517.50
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

HCDD will, through an RFQ/RFP process, select qualified developers and/or subrecipients that will acquire foreclosed and/or abandoned single-family properties. Foreclosed properties shall be purchased at a maximum of 99% of appraised value. Properties will be secured and/or demolished as needed for safety and blight removal. The selected developers and/or subrecipients will rehabilitate existing houses or build new homes on such lots. These developers and/or subrecipients then will sell these properties to qualified low-income buyers. HCDD will work with developers and subrecipients to insure that any displacement that results from this activity will comply with URA.

Developers and subrecipients will be required to set aside at least 25% of the NSP allocation to serve households at or below 50% of area median income. Households earning less than 50% of area median income will be affirmatively sought for participation in this program. The remaining homes will serve households at or below 120% of area medium income. Proceeds from each such sale will be returned to HCDD or retained by the developer or subrecipient, in accordance with established resale and recapture provisions and other terms of the agreement by and between HCDD and each such developer or subrecipient.

Homebuyers will be required to take an 8 hour training course to qualify for purchasing one of these homes, and utilized only lender identified within the approved lender list and that comply with the current HCDD policy prohibiting subprime lending. Use of sub-prime loans will be disallowed. In lieu of such loans, additional subsidies will be considered to see that buyers are committed to mortgages that they can afford. Affordability periods will reflect total subsidy allocated per homeowner based on the amount of funds made available to a buyer per the terms of the City's Neighborhood Stabilization Program. Long term affordability will be ensured via the affordability covenants and/or second mortgage normally placed by HCDD on the homes.





## Location Description:

HCDD will prioritize the expenditure of NSP 3 funds in its identified areas of greatest need.

## Activity Progress Narrative:

HCDD awarded \$2,051,035 in NSP Funds to Mayberry Homes, Inc. to build 14 to 20 single family homes. All funds single family funds are expended. At least 50% of the funds will be used for LH &dash 25% set-aside for at or below 50% AMI. There are 14 houses 100% complete. There are 8 houses sold. There are 2 houses under contract and 4 houses unsold.

Address of homes sold:

8009 Parnell Street  
 8113 Parnell Street  
 8116 Parnell Street  
 8300 Parnell Street  
 8317 Parnell Street  
 8327 Parnell Street  
 8326 Parnell Street

## Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Properties	0		0/15	
# of buildings (non-residential)	0		0/0	
# of Parcels acquired by	0		0/0	
# of Parcels acquired by admin	0		0/0	
# of Parcels acquired voluntarily	0		0/15	
Total acquisition compensation to	0		0/0	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		0/15	
# of Singlefamily Units	0		0/15	

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0	0

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	1	6	7	1/0	6/15	7/15	100.00
# Owner Households	1	6	7	1/0	6/15	7/15	100.00

## Activity Locations

No Activity Locations found.



## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP3	\$0.00
Total Other Funding Sources	\$0.00

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<b>Grantee Activity Number:</b>	<b>14G-11H11</b>
<b>Activity Title:</b>	<b>Single Family Redevelopment</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

14G-AQU-SF

**Projected Start Date:**

02/01/2013

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Program Income Account:**

General Program Income

**Activity Status:**

Under Way

**Project Title:**

Single Family Acquisition and Rehab

**Projected End Date:**

02/28/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Houston Housing and Community Development

Overall	Jan 1 thru Mar 31, 2014	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$1,025,517.50
<b>Total Budget</b>	\$0.00	\$1,025,517.50
<b>Total Obligated</b>	\$0.00	\$1,025,517.50
<b>Total Funds Drawdown</b>	\$0.00	\$1,025,517.50
<b>Program Funds Drawdown</b>	\$0.00	\$1,025,517.50
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$370,036.58	\$370,036.58
<b>Total Funds Expended</b>	\$0.00	\$1,025,517.50
City of Houston Housing and Community Development	\$0.00	\$0.00
Mayberry Homes, Inc.2	\$0.00	\$1,025,517.50
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

**Location Description:**

**Activity Progress Narrative:**

HCDD awarded \$2,051,035 in NSP Funds to Mayberry Homes, Inc. to build 14 to 20 single family homes. All funds single family funds are expended. At least 50% of the funds will be used for LH &ndash 25% set-aside for at or below 50% AMI. There are 14 houses 100% complete. There are 8 houses sold. There are 2 houses under contract and 4 houses unsold.

Address for House sold:  
8324 Pannell Street



## Accomplishments Performance Measures

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Properties	0	0/5

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	0	0/5
# of Singlefamily Units	0	0/5

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	1	0	1	1/5	0/0	1/5	100.00
# Owner Households	1	0	1	1/5	0/0	1/5	100.00

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

<b>Grantee Activity Number:</b>	<b>14G-11H13</b>
<b>Activity Title:</b>	<b>Single Family Rehabilitation</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

14G-AQU-SF

**Projected Start Date:**

05/07/2013

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Program Income Account:**

General Program Income

**Activity Status:**

Under Way

**Project Title:**

Single Family Acquisition and Rehab

**Projected End Date:**

02/15/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Tejano Center for Community Concerns

Overall	Jan 1 thru Mar 31, 2014	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$160,000.00
<b>Total Budget</b>	\$160,000.00	\$160,000.00
<b>Total Obligated</b>	\$160,000.00	\$160,000.00
<b>Total Funds Drawdown</b>	\$160,000.00	\$160,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$160,000.00	\$160,000.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$160,000.00	\$160,000.00
Mayberry Homes, Inc.2	\$0.00	\$0.00
Tejano Center for Community Concerns	\$160,000.00	\$160,000.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

The City of Houston secured Tejano Center to carry out this project to rehabilitate single Family Homes.

**Location Description:**

NSP 3 Target Zones

**Activity Progress Narrative:**

HCDD awarded \$160,000 in NSP funds to Tejano Center for Community Concerns to rehabilitate 3 houses. These were houses acquired through NSP1. The seven houses are complete. There are 2 homes sold.

Homes sold:

9106 Chatwood Drive

7962 Sexton Street

**Accomplishments Performance Measures**

This Report Period  
Total

Cumulative Actual Total / Expected  
Total



# of Properties 0 0/6

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/6
# of Singlefamily Units	0	0/6

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Households	1	1	2	1/0	1/0	2/6	100.00
# Owner Households	1	1	2	1/0	1/0	2/6	100.00

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

### Project # / Title: 21A-11A01 / Program Administration

<b>Grantee Activity Number:</b>	<b>21A-11A01-101</b>
<b>Activity Title:</b>	<b>Program Administration</b>

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

21A-11A01

**Project Title:**

Program Administration

**Projected Start Date:**

08/01/2011

**Projected End Date:**

08/01/2015

**Benefit Type:**

N/A

**Completed Activity Actual End Date:**

**National Objective:**

N/A

**Responsible Organization:**

City of Houston Housing and Community Development

**Program Income Account:**

General Program Income

Overall Jan 1 thru Mar 31, 2014 To Date

<b>Total Projected Budget from All Sources</b>	N/A	\$404,852.88
<b>Total Budget</b>	\$0.00	\$404,852.88
<b>Total Obligated</b>	\$0.00	\$338,000.00
<b>Total Funds Drawdown</b>	\$30,150.66	\$338,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$294,075.52
<b>Program Income Drawdown</b>	\$30,150.66	\$43,924.48
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$29,086.92	\$338,000.00
City of Houston Housing and Community Development	\$29,086.92	\$338,000.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

NSP3 funds to cover all expenses related to administration of the grant.

**Location Description:**

601 Sawyer, Houston, Texas 77007

**Activity Progress Narrative:**

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures found.**

**Beneficiaries Performance Measures**

**No Beneficiaries Performance Measures found.**

**Activity Locations**

**No Activity Locations found.**

**Other Funding Sources Budgeted - Detail**

**No Other Match Funding Sources Found**

<b>Other Funding Sources</b>	<b>Amount</b>
NSP3	\$0.00
Total Other Funding Sources	\$0.00

