



**U.S. Department of Housing and Urban Development**  
Houston Field Office, Region VI  
Office of Community Planning and Development  
1301 Fannin, Suite 2200  
Houston, Texas 77002  
(713) 718-3199 - FAX (713) 718-3247  
[www.hud.gov](http://www.hud.gov)

**JAN 6 2017**

Thomas McCasland  
Director, City of Houston  
Housing & Community Development Department  
601 Sawyer, Suite 400  
Houston, TX 77007

Dear Mr. McCasland:

**SUBJECT:** End of Year Assessment for Program Year (PY) 2015  
July 1, 2015 through June 30, 2016

The provisions of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require the annual submission of performance reports by grant recipients receiving federal assistance through programs covered under these Acts. Additionally, these Acts require that a determination be made by the Secretary of the U. S. Department of Housing and Urban Development (HUD) that the grant recipient is in compliance with statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

The Consolidated Plan regulations at 24 CFR 91.525 require this Department to evaluate and report to the public on a community's overall progress in the management of its program funds, compliance with the Consolidated Plan, the accuracy of performance reports, and the extent to which progress has been achieved toward the statutory goals identified in Section 91.1. This letter serves to apprise you of our assessment of the City of Houston's overall progress.

In making our evaluation, HUD relied primarily upon the City of Houston's submission of the Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year 2015. This report summarized accomplishments made with fund provided from the Community Development Block Grant (CDBG) \$22,352,814, Home Investment Partnerships (HOME) \$6,507,862, Emergency Solutions Grant (ESG) \$2,027,628, and Housing Opportunities for Persons with AIDS (HOPWA) \$10,343,492 Programs. In addition, HUD took into account technical assistance, follow up conversations with the City of Houston's Housing and Community Development Department (HCDD) staff and the handling of citizen comments and complaints.

The CAPER is also reviewed in conjunction with the Office of Fair Housing and Equal Opportunity (FHEO) to confirm there are no issues of noncompliance with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 111063, the Age Discrimination Act of 1975 and Section 3 of the Housing and Urban Development Act of 1968 and all regulations promulgated under such statutes and authorities. A copy of the FHEO comments is enclosed with this letter.

During the 2015 PY, the City of Houston expended 100 percent of its CDBG funds for activities benefiting low and moderate-income persons, which meets the primary objective of the Housing and Community Development Act of 1974. In addition, the City obligated 15 percent of funds on public service activities, which is within the 15 percent regulatory cap. The City obligated 19 percent of its funds on planning and administration, which is within the 20 percent regulatory cap. This data was verified by the CDBG Financial Summary Report (PR26) report which reflects CDBG spending during the program year including the percentage of funds benefiting low to moderate income residents, funds obligated to public services and administration and planning activities.

The City was able to meet its 2014 HOME Commitments. The commitment and reservation deadlines were met as of August 31, 2016 and the disbursement deadline was met as of the July 31, 2016 deadline. This was determined through the HOME Deadline Compliance Status report which documents compliance with the two year commitment and Community Housing and Development Organizations (CHDO) reservation requirements of the HOME statute and the five year expenditure requirements of the HOME regulations.

The ESG Program was monitored in June 2016. The on-site monitoring produced no material weaknesses and no deficiencies in internal management control related to compliance regulations. The Lead-Based Paint (LBP) program was in compliance and resulted in no findings to report. Additionally, no findings or concerns in the area of overall grant management. HCDD demonstrated that it has good internal controls for all program funds. The City did not have to get an extension to spend the balance of ESG funding.

The HOPWA Program originally proposed to served 1,625 households, but was able to serve an additional 133, totaling 1,758 households. HCDD awarded 14 projects to provide housing assistance and supportive services for low-income persons with HIV/AIDS totaling over \$10 million dollars. According to HOPWA Timeliness Dashboard (PR88) and HOPWA Performance Profile-Formula Grantee (PR90) reports the City has been timely spending their HOPWA funds.

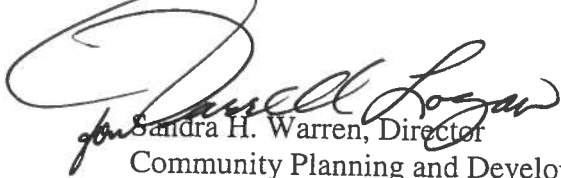
We ask that you review our assessment of your performance and provide any comments within 30-days of the date of this letter. Upon receipt, we will evaluate your comments and make any revisions that are deemed appropriate. We may revise this letter after consideration of Houston's views, and will make the letter, the City's comments, and any revisions available to the public with 30-days after receipt of the comments. If you do not have any comments, we request that you formally notify us of that fact within the 30-day timeframe. Absent any comments by the City, this will be considered the final letter on this subject. Upon final approval, the CAPER will be available to the public on the HUD Exchange at:

<https://www.hudexchange.onfo/consolidated-plan/con-plans-aaps-capers/>.

This letter is to be shared with the public. You may provide copies to interested person such as news media, member of local advisory committees, and citizens attending public hearings. We request that you also provide a copy of this letter to the Independent Public Accountant who performs the single audit of the City of Houston in accordance with OMB Circular A-133.

Congratulations to a successful 2015 PY. The Houston Field Office looks forward to our continued partnership with you and HCDD staff members to accomplish mutual goals and develop viable communities. If you have questions, please feel free to contact me or Lisa Peoples, Sr. CPD Representative at (713) 718-3116 or [Lisa.Peoples@hud.gov](mailto:Lisa.Peoples@hud.gov). We appreciate your partnership and look forward to our ongoing collaboration to improve the lives of the citizens of Houston.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra H. Warren". The signature is written in a cursive style with a large, looping initial "S".

Sandra H. Warren, Director  
Community Planning and Development

Enclosures



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MEMORANDUM FOR: Sandra H. Warren, Director, Community Planning and  
Development, 6ED

FROM: Christina Lewis, Director, Houston FHEO, 6EES

DATE: October 21, 2016

SUBJECT: CAPER Review  
City of Houston

We have reviewed the subject documents in accordance with 24 CFR Part 91.520(a) and have found it acceptable.

If you have any questions regarding this review, please contact Glenda Shepherd at (713) 718-3184.