

GENERAL QUESTIONS

Program Year 3 Action Plan General Questions response:

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.

Maps provided in the *Appendix* illustrate the known locations of proposed federally funded projects and activities for PY 2012, relative to designated low- and moderate-income areas. Locations of all 2012 projects and activities will be determined in detail after the solicitation process is completed and all subrecipients are identified. Other maps illustrate areas of minority concentration, City Council Districts, and Super Neighborhoods.

2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.

Allocation Priorities. HCDD has made estimated funding allocations for PY2012, based upon: the priorities shown in the 2010-2014 Consolidated Plan, community input, qualified responses to request for proposals, analyses of prior years' budget and expenditure data, and City Council direction.

Additional factors that impacted decisions targeting PY2012 funding to particular activities or specific geographic areas of the City are: the stated needs, analysis, and objectives in the 2010-2014 Consolidated Plan, priorities stated in each respective program's solicitation and award guidelines, compliance with HUD entitlement grants' (CDBG, HOME, HOPWA, and ESG) rules and regulations, and Areas for Community Reinvestment plan.

Geographic Distribution. Establishing the Areas for Community Reinvestment plan allows HCDD staff to analyze those indicators that best help to provide data-driven recommendations for projects and activities that will foster investment in select geographic areas (Super Neighborhoods) that demonstrate the most need. The goal is to take the limited funding HCDD receives, leverage it with private investment within these areas, to ultimately arrest decline and bring about positive outcomes in historically underserved communities.

Use: The Areas for Community Reinvestment plan may be applied to activities funded by the HOME Investment Partnerships Program (HOME), the Community Development Block Grant (CDBG) Program, and the Section 108 Loan Guarantee Program. HCDD adopted this HUD approved map in the 2011 Annual Action Plan for code enforcement activity and has extended it to other activities, including multifamily housing rehabilitation/new construction, homebuyer's assistance, single family home repair, public services, and the rehabilitation/new construction of public/private facilities. When reviewing projects for funding, HCDD staff may give special consideration to projects that fall within the boundaries of the chosen areas or leverage additional funding, such as State Housing Tax Credits.

HCDD expects to expend Entitlement funds within these boundaries, through a variety of eligible activities including public facilities, code enforcement, and housing activities. Additionally, the City's Capital Improvement Plan (CIP) includes projects to be located within the Areas for Community Reinvestment including parks, fire, storm drainage, and street projects. More specifics about these current proposed projects may be found in the Appendix. Furthermore, there is overlap between the Areas for Community Reinvestment, the Neighborhood Stabilization Program Areas, and the Disaster Recovery Areas that will lead to additional housing and non-housing investment in these underserved communities.

Improved infrastructure, greater availability for affordable rental housing, enhanced neighborhood integrity through code enforcement, and increased access to public facilities will help to arrest the decline and blight found within these areas.

Methodology: To determine the map of Areas for Community Reinvestment, HCDD has adopted the methodology utilized in development of the previously mentioned code enforcement activity map. HCDD staff conducted an analysis of several demographic and income elements of Houston's eighty-eight Super Neighborhoods and the following six characteristics were considered

- Low- to Moderate-Income (LMI) Population
- The Land Assemblage Redevelopment Authority (LARA) Owned Lots
- Commercial Investments (HCDD Funded) Multifamily and Public Facilities.
- Concentration of Multifamily Housing Stock (2000 Census Data)
- Designated Demolition Sites
- City of Houston Capital Improvement Plan (CIP) Projects

The newly named Areas for Community Reinvestment, which includes thirty-nine Super Neighborhoods, are shown in the Areas for Community Reinvestment Areas map shown in the Appendix section on page 185.

HCDD provided the public the opportunity to comment on the proposed Areas for Community Reinvestment during two public hearings held on October 29 and November 8, 2012. Additionally HCDD posted a 30-day public notice in the Houston Chronicle on November 3, 2012 regarding this Amendment.

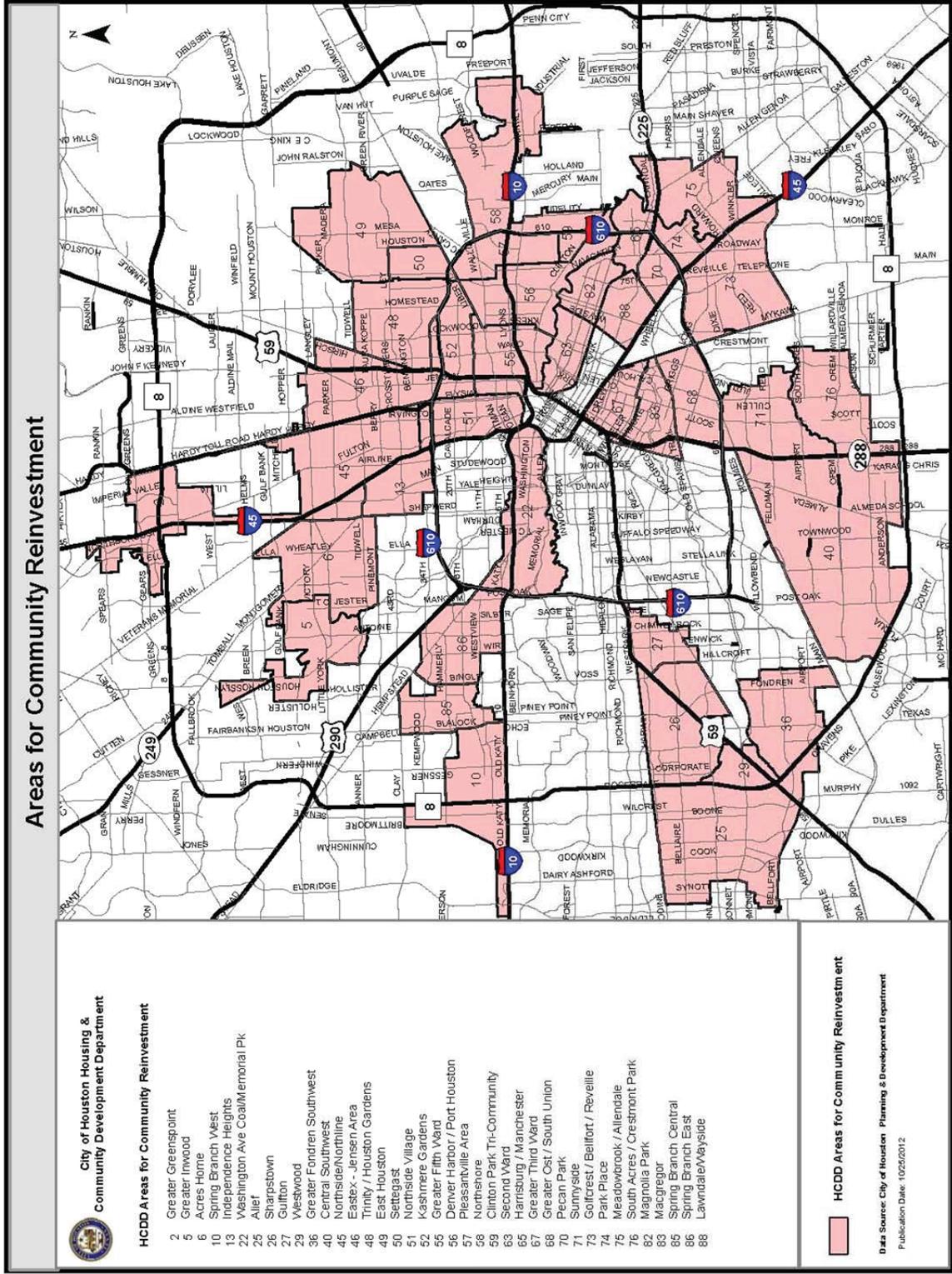
3. [Describe actions that will take place during the next year to address obstacles to meeting underserved needs.](#)

Obstacles to Addressing Underserved Needs. HCDD and the City of Houston have had the two-fold challenge of meeting the needs of the underserved and facing the stark budget realities of the recession in the larger economy. Obstacles to addressing the growing need of underserved low- and moderate-income residents include

- Citizens lack substantial funds or access to credit to initiate homeownership (downpayment/closing costs)
- The demand far surpasses the funding available for the various services required to adequately serve the needs of Houston's low- and moderate-income individuals and neighborhoods
- Households seeking mortgages having difficulty meeting underwriting requirements (credit worthiness, bank accounts)
- The ability for prospective households to sustain necessary income for homeownership;
- Households earning fixed incomes (Social Security, Disability)
- Due to language barriers or low educational attainment, many resident are unaware of the services available to them
- Working families also encounter the unique challenge of often "making too much money" to qualify for various public services

Actions to Address Obstacles. HCDD will explore the following strategies and actions during PY 2012 to address identified obstacles to meeting underserved needs

- Continue Homebuyer Assistance Programs to lower the cost of homeownership and provide funding for citizens that lack substantial funds to initiate homeownership.



Areas for Community Reinvestment Information

Expected Entitlement Expenditures in Areas for Community Revitalization

Name of Project	Address	Grant Amount	Spent as of end of PY 2011	Remaining amount to be spent starting in PY 2012
Neighborhood Facilities				
Acres Homes Multi-Service Center	6719 West Montgomery Rd	\$2,796,188	\$2,290,248	\$505,940
Deluxe Theater	3303 Lyons Ave	\$3,960,000	\$543,305	\$3,416,695
Ibn Sina Dental	5102 N.Shepherd Drive	\$1,300,000	\$800,428	\$499,572
Shifa Foundation	10003 Rolke	\$850,000	\$0	\$850,000
St. Monica Food Pantry	8421 West Montgomery Rd	\$675,000	\$0	\$675,000
Stanaker Library	611 SSGT Macario Garcia Dr	\$1,000,000	\$959,448	\$40,552
Berry Elementary	2310 Berry	\$87,500	\$0	\$87,500
Ketelsen Elementary	600 Quitman	\$75,000	\$0	\$75,000
McReynolds Middle School	5910 Market Street	\$186,037	\$136,037	\$50,000
Moreno Elementary	620 E. Canino	\$75,000	\$0	\$75,000
Glenbrook Park	8201 North Bayou Dr	\$2,500,000	\$1,624,374	\$875,626
Moody Park	3725 Fulton St	\$500,000	\$341,457	\$158,543
Schwartz Park	8203 Vogue	\$350,000	\$0	\$350,000
Total Public Facilities				\$7,659,428
Code Enforcement				
Code Enforcement for PY 2012				\$2,791,483
Total Code Enforcement				\$2,791,483
Multifamily Housing				
NHH Rittenhouse	Stuebner Airline at Rittenhouse	\$1,600,000 (Bond)	\$0	\$1,600,000
Zion Gardens	2500 Webster	\$1,398,750	\$214,318	\$1,184,432
4415 Perry	4415 Perry	\$3,000,000	\$1,426,082	\$1,573,918
2100 Memorial	2100 Memorial	\$2,309,969	\$0	\$2,309,969
Golden Bamboo III	Synott at Bellaire	\$828,450	\$ 773,904	\$54,546
Total Multifamily Housing				\$6,722,865
Total Expected Entitlement Expenditures in Areas for Community Revitalization				\$17,173,776

Expected CIP Expenditures in Areas for Community Revitalization

2013-2017 Adopted CIP

Name of Project	Address	Expected Expenditures between 2013-2017
Parks		
Emancipation Park	3018 Dowling	\$3,000,000
Hidalgo Park Improvements	7000 Avenue Q	\$500,000
Moody Park Community Center Expansion / Park	3725 Fulton	\$3,500,000
Squatty Lyons	1701 Chamberlin	\$1,500,000
Busby Park Redevelopment	6700 Hirsch	\$700,000
Total Parks		\$9,200,000
Fire		
New Fire Station No.84 Pumper, Ambulance, Squad	10859 Ella Blvd.	\$7,775,000
Total Fire		\$7,775,000
Storm Drainage		
Wirt Road Drainage and Paving		\$5,898,000
Scott Street Drainage and Paving		\$6,560,000
Total Storm Drainage		\$12,458,000
Streets		
Neighborhood Street Reconst Project 464		\$6,119,000
Pinemont Paving: T.C. Jester To Ella		\$9,762,000
Fulton Paving Tidwell To Parker		\$17,138,000
Broadway Recon: IH 45 To Airport Blvd		\$16,538,000
Holmes Rd (S. Main To Kirby Drive)		\$5,314,000
Kirby Paving & Drainage: Holmes to Orem		\$11,949,000
Brittmoore: Hammerly To Clay		\$10,710,000
Little York: N. Shepherd To T.C. Jester		\$12,157,000
PES - Parker Rd. and Fulton St. Paving		\$18,249,000
Armour Dr. and Harvey Wilson Reconstruct		\$300,000
Beechnut Paving & Drainage		\$12,362,000
Market Street Paving and Drainage		\$7,851,000
Clinton Drive Paving & Drainage		\$5,491,000
Almeda Rd Paving & Drainage		\$17,904,000
Gessner Road Paving & Drainage		\$8,269,000
Silber Paving and Drainage		\$3,168,000
Laura Koppe Paving & Drainage		\$6,250,000
Total Streets		\$ 169,531,000
Total Expected CIP Expenditures in Areas for Community Revitalization		\$ 198,964,000

City of Houston, Texas, Ordinance No. 2012- 1039

AN ORDINANCE AMENDING CITY OF HOUSTON ORDINANCE NO. 2012-353 PASSED APRIL 25, 2012, WHICH APPROVED AND AUTHORIZED SUBMISSION OF THE 2012 ANNUAL ACTION PLAN TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * *

WHEREAS, on April 25, 2012 pursuant to Ordinance No. 2012-353, the City Council of the City of Houston ("City Council") approved and authorized the submission of the 2012 Annual Action Plan ("2012 Plan") to the United States Department of Housing and Urban Development ("HUD"); and

WHEREAS, the Housing and Community Development ("HCDD") included a proposed Code Enforcement Areas map as a part of the 2012 Annual Action Plan to help historically underserved communities receive priority selection for code enforcement activities; and

WHEREAS, in the development of the Code Enforcement Areas map, certain demographic and income variables were considered, including Low to Moderate Income population; lots owned by the Land Assemblage Redevelopment Authority ("LARA"); number of HCDD funded commercial investments, multi-family and public facilities projects; concentration of multi-family housing stock; number of designated demolition sites; and number of Capital Improvement Plan projects; and

WHEREAS, through this process HCDD identified thirty-nine (39) Super Neighborhoods on the Code Enforcement Area Map, which was later approved by HUD; and

WHEREAS, HCDD now desires to make a substantial amendment the 2012 Annual Action Plan ("2012 Plan") in order to use the Code Enforcement Area map as a Community Reinvestment Area Plan and Map, which will enable the City to leverage local dollars with private investments through the State of Texas' Housing Tax Credit Program and to focus reinvestment into priority areas of the City which will ultimately arrest decline and lead to positive change in these areas; and

WHEREAS, this amendment will specifically amend the 2012 Plan by substituting new pages 34, 39, 40, 179 and 185, attached hereto under **EXHIBIT "A"** and incorporated herein by reference, to (1) amend the Geographic Distribution information under the "General Questions" section; (2) add an Appendix; and (3) make other changes as necessary to effectuate the intent of this amendment; and

WHEREAS, in accordance with HUD regulations, the City is required to amend components of a Grant Agreement when (1) an activity is added; (2) an activity is deleted; (3)

there is a change in the scope of an activity or a reallocation of funds that increases or decreases the budget of an activity by more than twenty-five (25%) of the original budget; (4) there is a change in the purpose, location or beneficiary of an activity; or (5) a priority is changed; and

WHEREAS, the City also amends the Plan when it makes a material change to information included therein; and

WHEREAS, HCDD has publicized in the Houston Chronicle its intent to amend the 2012 Plan in the manner set forth above; and

WHEREAS, the public notice period expired on December 3, 2012, and at this time no citizen's comments have been received; however, updates to HUD will follow, as necessary; **NOW, THEREFORE**,

* * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the City Council hereby authorizes a substantial amendment to the 2012 Plan authorized on April 12, 2012 pursuant to Ordinance No. 2012-353, by substituting new pages 34, 39, 40, 179 and 185, attached hereto under **EXHIBIT "A"** and incorporated herein by reference, to (1) amend the Geographic Distribution information under the "General Questions" section; (2) add an Appendix; and (3) make other changes as necessary to effectuate the intent of this amendment.

Section 3. That the City Council finds that citizens residing in community development areas and residents and members of neighborhood-based organizations were given an opportunity to comment on the proposed changes contained in this amendment.

Section 4. That the Mayor, through the Director of the HCDD, has determined:

- (1) that a formal amendment may not be required by the United States Department of Housing and Urban Development ("HUD") nor the City Council of the City of Houston for such administrative changes; and
- (2) that this document will serve as a transmittal to HUD in compliance with 24 CFR §91.505(c), if applicable.

Section 5. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage

and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 5th day of December, 2012.

APPROVED this _____ day of _____, 2012.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is DEC 11 2012.

[Handwritten Signature]

City Secretary

(Prepared by Legal Dept. Barbara J. Pierce
(TE/11/21/12) Senior Assistant City Attorney
(Requested by Neal Rackleff, Director, Housing and Community Development Department
(L.D. File No.0291200102001)
FUND REF: No Funding Required
Grant Fund

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AYE	NO	
✓		MAYOR PARKER
....	COUNCIL MEMBERS
	✓	BROWN
✓		DAVIS
✓		COHEN
✓		ADAMS
✓		SULLIVAN
✓		HOANG
✓		PENNINGTON
✓		GONZALEZ
✓		RODRIGUEZ
✓		LASTER
✓		GREEN
✓		COSTELLO
✓		BURKS
✓		NORIEGA
✓		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

EXHIBIT A

implemented to engage in different park-related activities at individual school parks that serve the public in that area. SPARK park activities are determined by each individual school's needs.

Public Safety. Public safety activities include enforcing city codes related to open and dangerous buildings and support of law enforcement and fire protection to improve the quality of life in neighborhoods by decreasing substandard living conditions. Activities included in public safety initiatives are

- **Code Enforcement.** In 2011 HCDD combined two Letters of Agreement (LOAs) to bring clarity to Clearance and Code Enforcement activities funded by HCDD and carried out by the City's new Department of Neighborhoods. The new LOA specifies that CDBG funding will be used for only code enforcement activities in HCDD designated areas while demolition and clearance activities will be funded using only non-federal dollars. Through an analysis of several demographic and income elements of Houston's eight-eight (88) Super Neighborhoods, of which fifty-five (55) are located in LMI areas, HCDD has identified thirty-nine (39) Areas for Community Reinvestment. CDBG funds will be targeted for use in Areas for Community Reinvestment for code enforcement inspections and citations as part of a comprehensive effort to arrest decline in these areas.
- **Fire and Police Facilities.** HCDD collaborates with these two City departments to help fund safety-related equipment and infrastructure to facilitate and ensure the smooth operation and delivery of services to low- to moderate-income areas
 - Fire Department - HCDD provides CDBG funding for the construction or rehabilitation of fire stations and assists with purchase of new fire pumper trucks, ladder trucks, emergency vehicles, and other firefighting equipment.
 - Police Department - HCDD provides CDBG funding for construction or rehabilitation of police storefronts in low- to moderate-income areas with high crime activity.

Solicitation & Awards. This year, projects are solicited from the public for consideration through an open RFP posted on the HCDD web site, advertised in the newspaper, and announced at public hearings. Proposals are extensively evaluated for a number of criteria including, but not limited to

- Benefit to low- to moderate-income persons
- Justification of the need for the activity
- Cost reasonableness and effectiveness
- Community needs

Proposer financial participation, capacity, historical accomplishment, and management ability will also be considered. Activities presently administered by City departments may be prioritized, if the investment leverages additional funding and is in an area with additional reinvestment leading to further stabilization of an area.

Recipients Served. HCDD uses CDBG funds for activities addressing Neighborhood Facilities and Improvements. Projects meet HUD's LMA (Low-Mod Area) National Objective because activities are located in areas that have a majority of low- and moderate-income residents, or projects meet HUD's LMC (Low-Mod Limited Clientele) because over half of the recipients served by these activities are low- and moderate-income residents. Other improvements include accessibility improvements to public facilities, which will benefit residents with disabilities.

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PY 2011 for code enforcement activity and is seeking to extend it to other activities, including multifamily housing rehabilitation/new construction, homebuyer's assistance, single family home repair, public services, and the rehabilitation/new construction of public/private facilities.

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3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.

Obstacles to Addressing Underserved Needs. HCDD and the City of Houston have had the two-fold challenge of meeting the needs of the underserved and facing the stark budget realities of the recession in the larger economy. Obstacles to addressing the growing need of underserved low- and moderate-income residents include

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Actions to Address Obstacles. HCDD will explore the following strategies and actions during PY 2012 to address identified obstacles to meeting underserved needs

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Maps

1. LMI Areas and Areas of Minority Concentration
2. Ages 17 and Below in LMI areas
3. Ages 62 and Above in LMI areas
4. HOPWA Eligible Metropolitan Statistical Areas
5. 2012 City of Houston Council Districts
6. City of Houston, Super Neighborhoods
7. Map of Areas for Community Reinvestment
8. Maps of Public Services funded
9. Map of Public Facility Projects
10. Map of Multifamily Projects

