

BUILDING A MORE EQUITABLE CITY

CITY OF HOUSTON
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

2018 ANNUAL REPORT

JULY 2019

CITY OF HOUSTON
HOUSING AND
COMMUNITY
DEVELOPMENT

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MESSAGE FROM HCDD DIRECTOR AND CHIEF FINANCIAL OFFICER

2017 was a landmark year for the Housing and Community Development Department (HCDD). Hurricane Harvey struck Houston on August 25, and HCDD was in the middle of the City's immediate disaster relief efforts.

HCDD had a central role in running the 10,000-person mega-shelter at the George R. Brown Convention Center. The Department then piloted what is now a national model in homelessness prevention in transitioning Houstonians out of the disaster shelters and into new housing options. HCDD was a key member of the City's Recovery Leadership Team, and will be the primary implementer of more than $1 billion in housing recovery funds through the Community Development Block Grant – Disaster Recovery (CDBG-DR) program.

All of this activity means that HCDD is in a period of major growth. This report covers fiscal year 2018, from July 1, 2017 to June 30, 2018. During this time, HCDD started to grow its staff, build an executive team, and implemented significant programmatic reforms in the multifamily and single family divisions, all while preparing for the influx of Harvey recovery funds for housing.

This report is the Department's first annual report of its activities and financials. Our aim in publishing this report is to be a more transparent department that demonstrates to the public the good work that is being done inside government to make Houston a place where all people have a safe, affordable home in a neighborhood where they can thrive.



Tom McCasland

HCDD Director

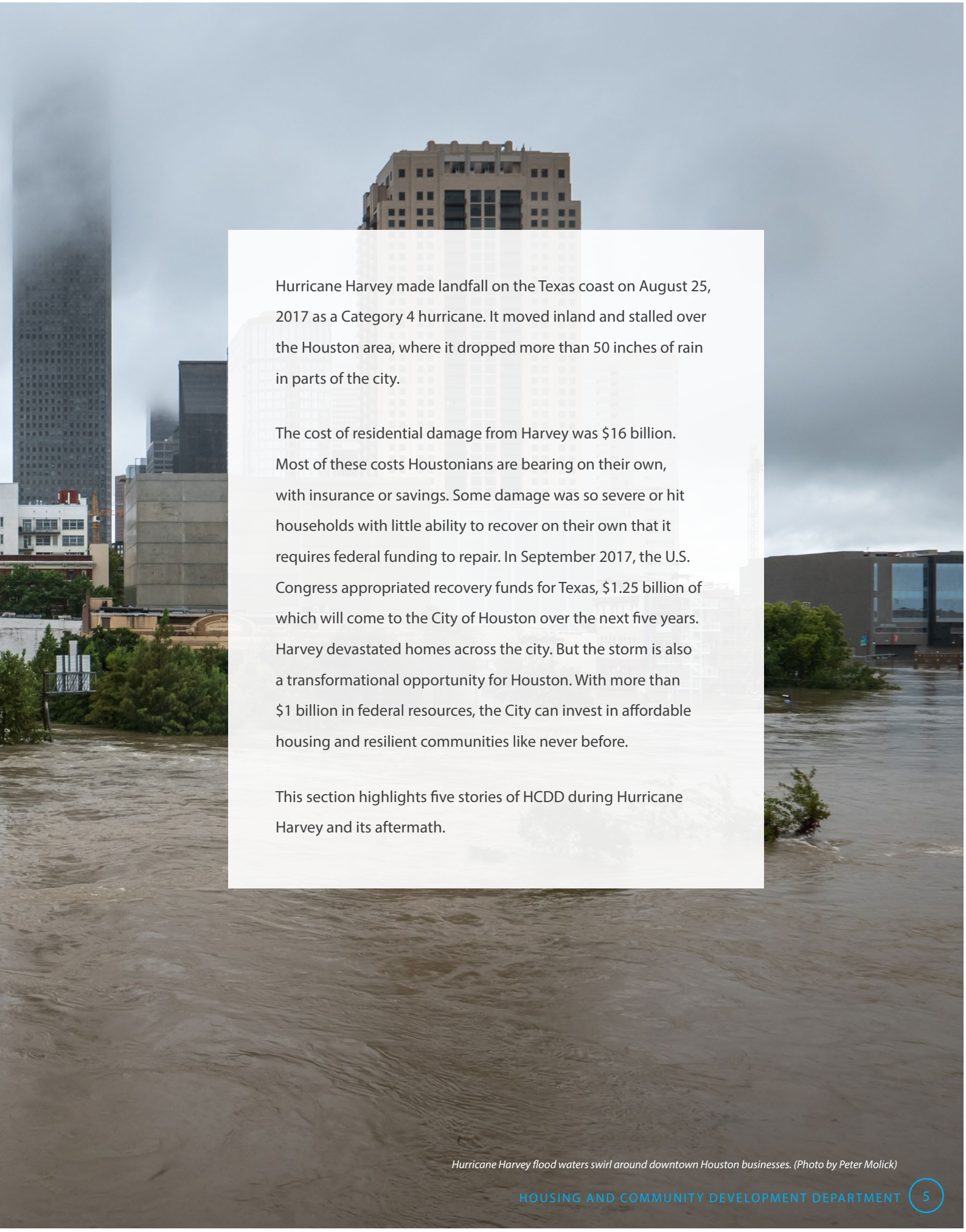


Ellen Eudy

Chief Financial Officer



HURRICANE HARVEY



Hurricane Harvey made landfall on the Texas coast on August 25, 2017 as a Category 4 hurricane. It moved inland and stalled over the Houston area, where it dropped more than 50 inches of rain in parts of the city.

The cost of residential damage from Harvey was $16 billion. Most of these costs Houstonians are bearing on their own, with insurance or savings. Some damage was so severe or hit households with little ability to recover on their own that it requires federal funding to repair. In September 2017, the U.S. Congress appropriated recovery funds for Texas, $1.25 billion of which will come to the City of Houston over the next five years. Harvey devastated homes across the city. But the storm is also a transformational opportunity for Houston. With more than $1 billion in federal resources, the City can invest in affordable housing and resilient communities like never before.

This section highlights five stories of HCDD during Hurricane Harvey and its aftermath.

Hurricane Harvey flood waters swirl around downtown Houston businesses. (Photo by Peter Molick)

George R. Brown

FOR TWO WEEKS IN THE AFTERMATH OF HARVEY, THE GEORGE R. BROWN (GRB) CONVENTION CENTER IN DOWNTOWN HOUSTON WAS THE MAIN DISASTER SHELTER. More than 10,000 disaster survivors sheltered in the GRB. It also served as the city's central location for donations and supplies.

HCDD Director Tom McCasland served as the lead GRB incident commander. He directed thousands of volunteers and staff in sheltering, feeding, and providing care to thousands of Houstonians. Along with hundreds of other City employees, HCDD staff also pitched in to make the GRB a welcoming, safe place for all Houstonians.

Many HCDD staff reported to the GRB to help Houstonians find housing and transition out of the shelter. Staff helped locate apartments and hotels and helped distribute resources like METRO cards to people leaving the GRB. The experience brought out HCDD's strong spirit of public service to the community.





HCDD Director Tom McCasland updates the public on the status of the Harvey survivors. Photo courtesy of KPRC



HCDD employees report to the GRB disaster shelter to assist with the reco for Houstonians



Photo courtesy of American Red Cross



very process



Mayor Sylvester Turner opened the George R. Brown Convention Center to residents fleeing record flooding

KEY FACTS

10,300
peak shelter population
(Aug. 28)

250,000
hot meals served

opened: August 27
closed: September 17

Housing for Harvey

IN THE SECOND WEEK THAT THE GRB WAS OPERATIONAL, ABOUT 1,600 SURVIVORS REMAINED. Sixty seven percent of this group had been in the Homelessness Management Information System before Harvey. Working with local and national partners, HCDD came up with a rapid rehousing plan called Housing for Harvey to transition these survivors into housing options around Houston.

FEMA and the Red Cross supported the plan with almost $3 million in grant funds. The Houston Apartment Association quickly identified 1,000 potential apartments for survivors. The National Guard provided 600 welcome baskets with donated household supplies. METRO, Uber, and Lyft donated transportation for survivors to their new homes. And New Hope Housing reopened a vacant emergency shelter as an alternative residential environment called Residences on Emancipation (ROE).

Survivors worked with case managers and counselors while in FEMA-funded apartments or ROE. Together, they developed plans to take over the lease or identify other permanent housing. One year later, 80 percent of participants had not reentered the homelessness response system. Housing for Harvey is now a national model for serving vulnerable survivors after a disaster.

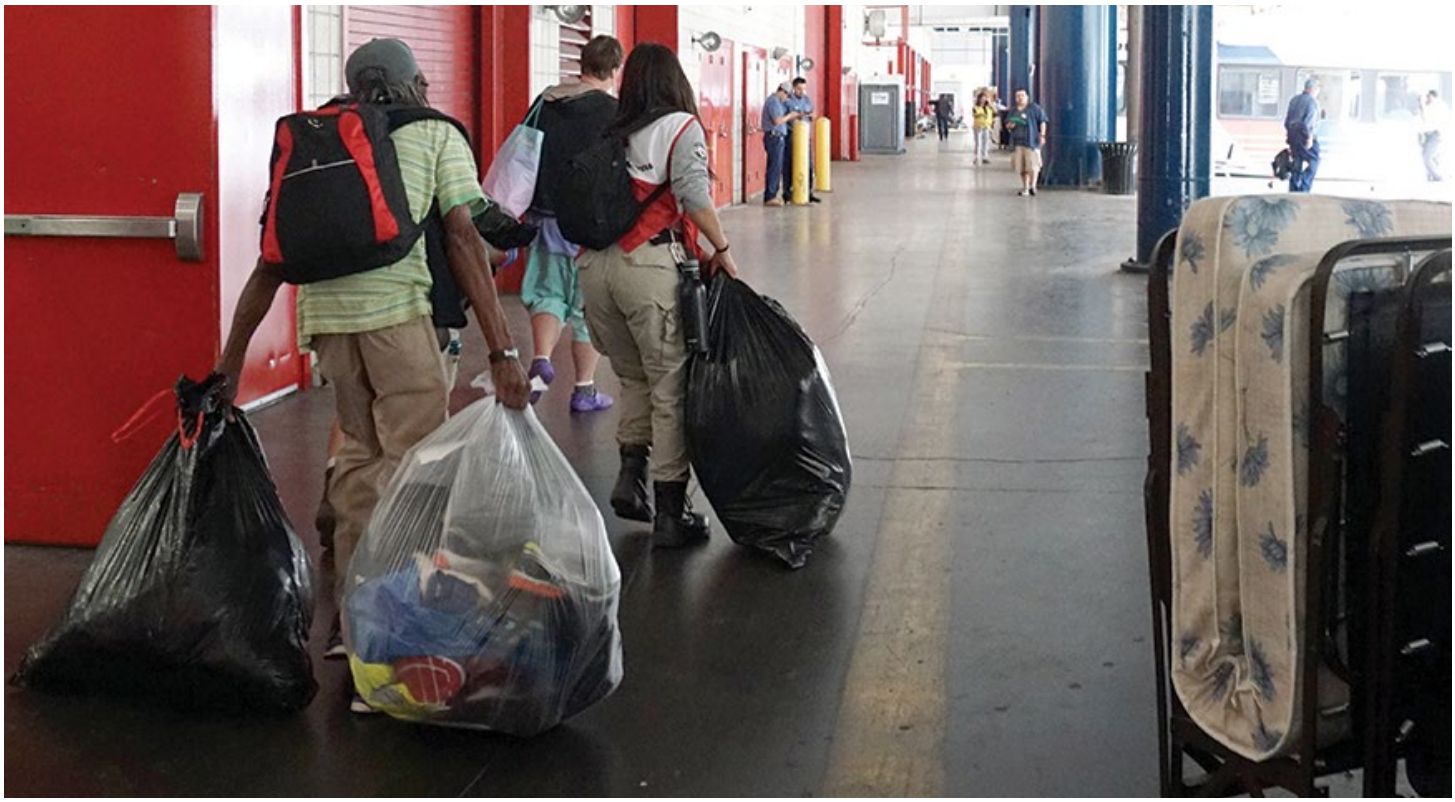
KEY FACTS

801
survivors rapidly rehoused

56
days: time from program start to closure of the last disaster shelter

80%
of participant households have not returned to or entered the homelessness response system

$2.9 million
funding from FEMA and Red Cross



As the shelter winds down, the last group of Harvey survivors leave the GRB for METRO buses headed to the Residences of Emancipation. Photos Source: COH-HCDD





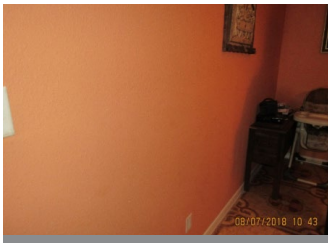
(left) New Hope Housing staff and volunteers get ROE ready in advance of the new residents. (right) New Hope Housing President and CEO Joy Horak-Brown welcomes survivors to ROE. Photos courtesy of New Hope Housing

FEMA Partnership for limited Housing Repair

AFTER HARVEY, FEMA IMPLEMENTED A NEW PARTNERSHIP WITH LOCAL JURISDICTIONS TO ADMINISTER LIMITED HOUSING ASSISTANCE PROGRAMS. FEMA partnered with the State of Texas to administer PREPS, which provided up to $20,000 to homeowners to shelter in their homes. FEMA and the State partnered with the City of Houston to administer the DALHR program within the city. This program provided up to $60,000 to homeowners for more significant repairs.



BEFORE



AFTER

In the past, FEMA has implemented these programs directly, with its own staff. With the increased frequency of disasters across the country, FEMA is looking for new ways to take advantage of capacity at the local level for housing response to disasters.

In total, the City of Houston repaired 186 homes through DALHR. Participants in the program rated it highly, with 93% of homeowners reporting that they were very satisfied. The program also presented challenges for the City. Limited housing assistance required new levels of coordination and speed in work between City departments, such as Permitting and Legal. And the City did not manage eligibility for the program, which FEMA continued to control from Washington. This resulted in a smaller number of program participants than initially anticipated.



FEMA Administrator Brock Long testifies before the Senate Oversight Committee on Homeland Security and Government Oversight about the DALHR program and the agency's partnership with local jurisdictions. Image courtesy of C-SPAN2

KEY FACTS

186
DALHR participants in the City of Houston

93%
of participants reported being very satisfied with the program

$46,200
average cost of repairs

Recovery Leadership Team

MAYOR TURNER APPOINTED MARVIN ODUM, FORMER CEO OF SHELL, TO SERVE AS HOUSTON'S CHIEF RECOVERY OFFICER IN SEPTEMBER 2017. Mr. Odum turned to HCDD as a key partner in standing up the Recovery Leadership Team (RLT) to coordinate recovery efforts across City departments. HCDD continues to bring significant knowledge of HUD regulations and experience administering past disaster recovery programs to the RLT.

One of the biggest wins for the RLT was securing local control of more than $1 billion in housing recovery funds through an agreement with HUD and the State of Texas, in March 2018. HCDD helped the City make a strong case for local control and the need for Houstonians to have a say in their own recovery.

Through the RLT, HCDD coordinates with other departments to make sure that investments in affordable housing are supported with complementary investments in infrastructure and flood mitigation. Housing recovery requires a whole-of-City effort, with support from other departments like Legal, Finance, and Public Works and Permitting.



Chief Recovery Officer Marvin Odum worked closely with Mayor Turner, to secure local control over more than $1 billion for housing recovery. Photo credit: Sylvester Turner Twitter



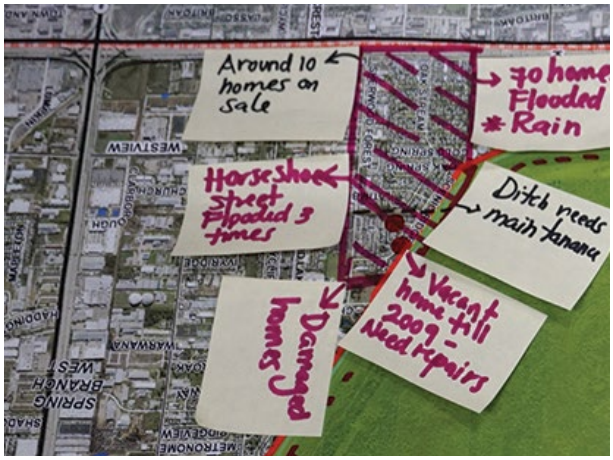
Mayor Turner works closely with partners like State of Texas General Land Office Commissioner George P. Bush to ensure a smooth recovery. Photo courtesy of GLO



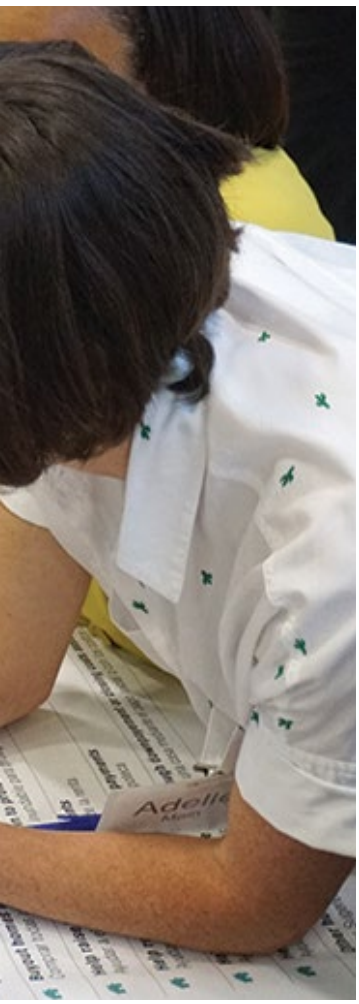
June 13, 2018: Adelle Main of the Community Design Resource Center assists as a lead facilitator at a community meeting in Southwest Houston



June 20, 2018: Community members voice their thoughts with a facilitator over a map of District K



Notes and observations fill a map during a discussion of Houston's disaster recovery needs citywide



Community Engagement

HOUSTONIANS MUST HAVE A SAY IN THEIR RECOVERY FROM HARVEY. When Mayor Turner and George P. Bush announced an agreement for local control over more than $1 billion in housing recovery funds in March 2018, HCDD jumped into action to seek community input. HCDD consulted with community groups to develop a new approach to community engagement for disaster recovery. This approach rested on partnership with community organizations to reach as many Houstonians as possible in a short time.

In May and June 2018, HCDD convened 18 in-person public meetings, working with 13 different community organizations. More than 4,500 Houstonians attended one of these events. At the same time, HCDD ran an online survey that garnered 746 responses. This was the biggest community engagement effort in HCDD's history, and one of the biggest and quickest examples of post-disaster community engagement in the country.

The focus of community engagement was included in the Local Action Plan for the Harvey recovery budget which was unanimously adopted by City Council on June 27, 2018.



Community members join in on making their mark on the maps to express issues and concerns in District A

KEY FACTS

18
public meetings

4,500
participants

13
partner organizations

746
survey respondents



WHAT WE DO



We envision a City where everyone has a home they can afford, in a community where they can thrive.

HCDD's mission is to make investments that serve Houstonians' housing needs and build a more equitable city by creating safe, resilient homes and vibrant, healthy communities.

We do this by:







INVESTING

to build new homes and fix existing homes, for renters and homeowners

CREATING

opportunities to realize the dream of homeownership

SERVING

Houstonians who don't have stable housing and those experiencing homelessness

BUILDING

neighborhood amenities that support strong communities

HELPING

the city recover from natural disasters

PRESERVING

affordability for homes and communities, for the long-term

LEADING

in a national conversation about the affordable housing crisis



NEW HOPE HOUSING HARRISBURG

MULTIFAMILY PROGRAMS

Building at Scale

HCDD IS A FINANCIAL UNDERWRITER OF MULTIFAMILY (APARTMENT) DEVELOPMENTS. HCDD provides a portion of the funding for a project, with the remainder coming from banks, investors, and sometimes private philanthropy. Our investment comes with requirements that developers include long-term affordability for periods up to 30 years. In exchange for HCDD's investment, landlords are required to rent apartments to low-income seniors, disabled individuals and working families. HCDD's compliance team monitors to ensure that landlords are meeting this requirement. Houston also has been a leader in building Permanent Supportive Housing (PSH). PSH helps break the cycle of homelessness by providing a safe and stable living environment for Houston's most vulnerable residents.


WOODLAND CHRISTIAN TOWERS


INDEPENDENCE HEIGHTS

2017-18 STATS

1,149
total affordable units completed with HCDD financing*

$191 million
in leveraged financing for completed projects

$30.8 million
invested in HCDD completed and ongoing projects

CDBG, DR Round 2, HOME, Bonds, TIRZ
source of funds**

**Includes units in multifamily projects that received a certificate of occupancy during the reporting period. Affordable housing units are income-restricted either by HCDD or the Texas Department of Housing and Community Affairs (TDHCA). **See page 29 for definitions and funding sources.*



SINGLE FAMILY AND HOMEOWNERSHIP PROGRAMS

Mayor Turner at the ribbon cutting for new affordable single family homes in Acres Home, June 2018

Helping People Realize and Preserve the Opportunity of Homeownership

THE SINGLE FAMILY PROGRAM BUILDS AND REPAIRS HOMES FOR LOW- AND MODERATE-INCOME HOMEOWNERS AND HOMEBUYERS. Under Mayor Turner's leadership and throughout FY18, HCDD made major reforms in its Single Family Program. Building on the success of the Blue Tarp Program that repaired more than 700 roofs in 2016 and 2017, the Department used TIRZ funds to jumpstart its New Home Development Program. This program will focus on building new starter homes for sale to income-qualified homebuyers in Complete Communities. Houston is one of the only jurisdictions in the country that is filling this critical gap in the housing market by building affordable single family homes. HCDD also repairs homes for low-income households to make sure these homes remain a source of quality, safe affordable housing. HCDD provides downpayment and closing cost assistance for income-qualified homebuyers. In FY18, City Council doubled the amount of assistance available to homebuyers to $30,000.

HOMEBUYER ASSISTANCE SNAPSHOT

19 people served in 2016

29 people served in 2017

59 people served in 2018

CDBG source of funds*

See page 29 for definitions and funding sources.



LAUNDRY FACILITY AT THE BEACON

PUBLIC SERVICES PROGRAMS

Serving the Most Vulnerable Houstonians

THE PUBLIC SERVICES PROGRAM HELPS OUR MOST VULNERABLE RESIDENTS OVERCOME SOCIAL AND ECONOMIC BARRIERS. HCDD provides grants to non-profit organizations to provide services like job training, childcare, legal aid, transportation, and mental health services to Houstonians in need. Dedicated federal funds also offer housing options and supportive services to people living HIV/AIDS and those experiencing homelessness.



A CARING SAFE PLACE



HCDD is an essential partner to Houston's Way Home continuum of care, which coordinates the homeless system across the region. Since 2012, the system has housed more than 14,500 individuals.

2017-18 STATS

32,920
Houstonians served through Public Services programs

$17.5 million
million invested in programs that provide job training, transportation, child care, legal services, and mental health services

CDBG, HOPWA, HHSP, ESG, TIRZ, AND GENERAL FUND
source of funds*

See page 29 for definitions and funding sources.



ROBINSON ELEMENTARY SPARK PARK

PUBLIC FACILITIES PROGRAMS

Creating Public Spaces

HCDD HELPS BUILD AND RENOVATE PUBLIC FACILITIES like community centers, job centers, health clinics, and parks. The Public Facilities team also partners with Public Works to make investments in infrastructure projects in low- and moderate-income communities.



SER JOBS CENTER



SER NIÑOS LIBRARY

In FY18, the Department kicked off the Bonita Gardens infrastructure project with Disaster Recovery funds from the 2015 floods. This project will help mitigate flooding and reduce neighborhood drainage problems in the Trinity/Houston Gardens Neighborhood. The Department also celebrated completion of five SPARK Parks, at Bush Elementary, Hartsfield Elementary, Looscan Elementary, Robinson Elementary, and Clifton Middle Schools.

2017-18 STATS

10
projects completed*

14
projects under construction

$20.7 million
spent on public facilities

CDBG, CDBG-DR15, DR Round 2, EDI/SEC. 108, TIRZ
source of funds**

**Includes projects that are noted as "construction completed" in the PY17 CAPER, p. 48. **See page 29 for definitions of funding sources.*



DISASTER RECOVERY PROGRAMS

Building Forward from Natural Disasters

HOUSTON IS NO STRANGER TO NATURAL DISASTERS. The city has suffered from a repeated cycle of urban flooding in recent years. In 2015, the Memorial Day flood swept through areas north and west of downtown, killing seven Houstonians and causing more than $450 million in severe damage. HUD allocated $87 million to the City of Houston for recovery from the Memorial Day and Halloween floods, which the City received in December 2016 and started to program in FY18.

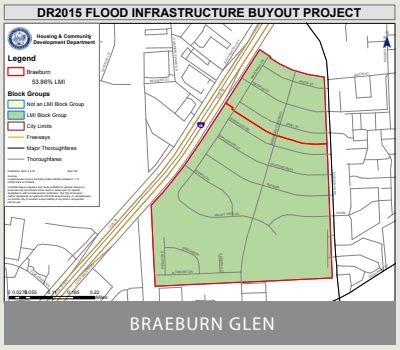
It often takes more than a year from a flood event for long-term federal funds to flow to the City from HUD and sometimes through the state. In 2016, Houston experienced the Tax Day Flood, which killed five people and flooded more than a thousand homes, as well as additional floods in May and June. Recovery funds for these events will come through the State of Texas General Land Office. As of May 2019, the State is reviewing an application from the City of Houston for $23,486,698 in recovery projects.

Hurricane Harvey happened during the reporting period for this report, on August 25, 2017. With strong support from HCDD, Mayor Turner negotiated with General Land Office Commissioner George P. Bush and HUD to ensure that the City will have local control over more than $1 billion for housing recovery. These funds became available in December 2018.

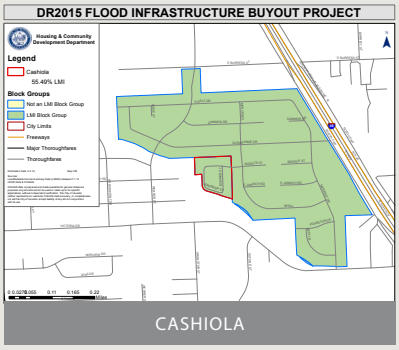
During 2018, HCDD stood up a Disaster Recovery Home Repair division for the first time. This division will provide surge capacity to other divisions through the six-year recovery from Harvey. It also will administer the $400+ million Harvey Homeowner Assistance Program (HoAP). Beginning in FY18, the Disaster Recovery Home Repair Division built capacity through hiring and training, with support from outside contractors.

While the City worked with HUD and GLO to finalize agreements for Harvey Recovery funds, the team wrote guidelines and standard operating procedures, held public engagements, and cleared many items through City Council to prepare for program launch in 2019.

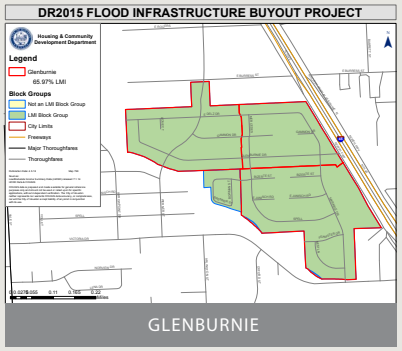
THE CITY IS WORKING WITH HARRIS COUNTY FLOOD CONTROL DISTRICT TO ENCOURAGE VOLUNTARY HOME BUYOUTS IN FOUR TARGETED BUYOUT AREAS.



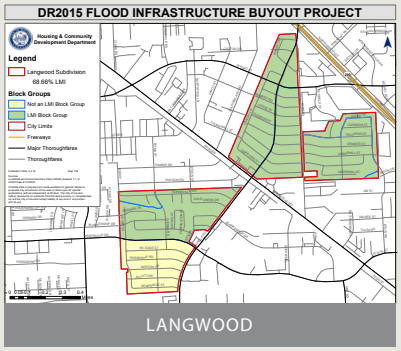
BRAEBURN GLEN



CASHIOLA



GLENBURNIE



LANGWOOD

DR15 PROGRAM SUMMARY

HOUSING BUYOUT

$10.6 million
Projected to fund 47 voluntary buyouts in four target areas.

The City of Houston and Harris County are partnering to administer the program.

SINGLE FAMILY HOME REPAIR

$12 million
Home repair focuses on low-income homeowners with flood damage.

The City is conducting outreach in areas that flooded to make sure homeowners know about the program.

INFRASTRUCTURE

$60 million
There are 3 buyout areas – Braeburn Glen, Glenburnie/Cashiola, and Langwood. There are 2 infrastructure projects in progress (Bonita Gardens & Northline/Northside), and 2 pending contract execution (Neuens Road and Spellman Detention Basin).

PLANNING AND ADMINISTRATION

$4.6 million
Funds staff time, public engagement, training, reporting, and program design and planning resources.



HCDD COMPLIANCE OFFICERS EVA ACALA AND MARIBEL RODGRIGUEZ

PROGRAM DEVELOPMENT, OUTREACH, AND MONITORING

Setting a high standard

SOUND STEWARDSHIP OF PUBLIC FUNDS IS A PRIORITY FOR HCDD. HCDD has several teams who work to make sure that our programs are compliant with HUD requirements, that they serve those who need affordable housing in smart ways, and that people know about our work.

For example, the Compliance and Monitoring Division conducts trainings for local builders to make sure they are aware of HUD Section 3 requirements to hire and train local workers for projects funded with federal dollars. This division also conducts monitoring to make sure that developers which have received HCDD funding in the past continue to offer apartments to renters at affordable rates during the compliance period.

The Planning and Grants Management Division provides expertise to the Department in securing and administering HUD entitlement and disaster recovery funding. The team supports other divisions in key technical areas, and is responsible for holding HCDD's annual public hearings.

The Policy and Communications Division helps the Department relate to other government agencies, manages media inquiries, and conducts outreach to raise awareness about HCDD programs in communities around Houston.

With an annual budget of more than $100 million in FY18, the Financial Services team is essential to HCDD's ability to pay contractors, underwrite development projects, and align with City of Houston, HUD, and GLO financial reporting standards.



Latasha Smith leads HCDD's program outreach team



In 2017, the Planning and Grants Management Division updated its public hearing format to prioritize audience engagement in HCDD's four annual public hearing events



The "Can I Be Your Neighbor?" campaign for Fair Housing Month in April 2018 helps address misconceptions of who needs affordable housing in Houston. The campaign was a finalist for the Adobe Government Creativity Awards in July 2018

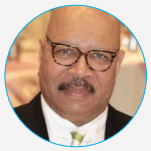
WHO WE ARE



CURRENT EXECUTIVE LEADERSHIP



TOM McCASLAND
Director



KEITH BYNAM
Deputy Director
Compliance and Operations



ELLEN EUDY
Chief Financial Officer



SARAH LABOWITZ
Assistant Director for
Policy and Communications



RAY MILLER
Assistant Director for
Multifamily and Public Facilities



LAURIE VIGNAUD
Assistant Director for
Single-Family and Economic
Development



DEREK SELLERS
Assistant Director for Planning
and Grants Management



ORIE IBE
Chief of Staff

LEADERSHIP



MELODY BARR
Deputy Assistant Director
for Public Services



CHRYSTAL BOYCE
Division Manager
Section 3 Compliance



RYAN BIBBS
Division Manager
Commercial



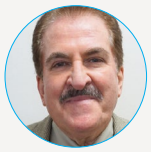
DEAN CARTER
Division Manager
Compliance



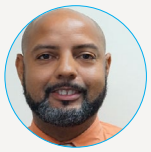
NICOLE BROOKS
Human Resources Manager



ALFRED "DOC" HENSON
GIS Manager
Planning and Grants
Management



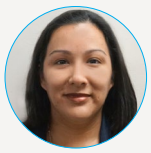
PIROOZ FARHOOMAND
Division Manager
Compliance /
Environmental



CEDRIC LASANE
Division Manager
Planning and Grants
Management



BRITTANY HYMAN
Public Information Officer



ANA PATINO-MARTINEZ
Division Manager
Public Facilities



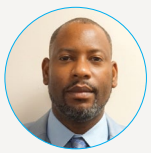
ROXANNE LAWSON
City Council Liaison



ANGELA SIMON
Division Manager
Planning and Grants
Management



TYWANA RHONE
Division Manager
Procurement



ANDERSON STOUTE
Division Manager
Single-Family Home Repair



STEPHEN SKEETE
Division Manager
Minor Critical Emergency Home
Repair



KIMESHA SONNIER
Division Manager
Single-Family Home Repair

As of July 2019

OUR TEAM

Jacqueline Adj-Omania
Shea Adolphin
Eva Alcala
Eliezer Arce
Bunny Arita
Melody Barr
Juan Barrera
Becky Benitez
David Benson
Sharon Benson
Ryan Bibbs
Kevin Bingham
Chunichi Blanton
Mayra Bontemps
Antoinette Boone
Chrystal Boyce
Nicole Brooks
Linsi Broom
Beverly Brown
Keith Bynam
Yvonne Cantu
Dean Carter
Darlene Castille
Jim Castillo
Ruperto Castillo
Yang Chen
Stephanie Clement
Michelli Cockburn
Daniel Coleman
Tishia Coleman
Margaret "Peggy" Colligan
Kathryn Cooper
Rigoberto Corona
Johnny Cratic
David Crowl
Arva Dearborne
Krupa Desai
Cathi Dixon
Charone Dixon
Valeri Dunn
Ellen Eudy
Pirooz Farhoomand
Michael Firenza
Ingrid Flornoy
Aldwin Foster-Rettig
Karen Franklin
Carlos Freitez
Caroline Gamble
Alton Garcia
Madeline Garcia
Maria Garcia
Norma Garcia
Rebecca Garcia
Sandra Garza
Elizabeth Gaytan
Sean George
Chorly Gibbons
Coryie Gilmore
Brandi Gipson
Sherrie Glover
Cesar Gonzalez
Amy Gowe
Yolanda Guess-Jeffries
LaTisha Guillory
Kent Hadnot
Gayle Hall
Whitney Harris
Barbara Hayes
Alfred "Doc" Henson
Patricia Holcombe
Keeysha Holmes
Holly Hutcheson
Brittany Hyman
Mary Itz
Paula Jackson
Robin James
Matthew Jenkins
Tony Jin
Johnny Johnson
Kionnedra Johnson
Monica Johnson
Patrick Johnson
Timothy Johnson
DéJanā Jones
Ronald Jones
Nichole Joseph
Averil Julius
Aman Khan
Dominique King
Sarah Labowitz
Sheronda Ladell
Clairisa Landry
Cedrick LaSane
Jessica Lavergne
Roxanne Lawson
Dawn Lee
Anne Jesus Lohoues-Washington
Kennisha London
Ellary Makuch
Betty Malveo
Francesca Marshall
Sasha Marshall
Kelli Matherne
Tom McCasland
Rashida McCloud
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Gerard Miles
Ray Miller III
Romeka Mimms
Jayna Mistry
Greta Molo
Jorge Moor
Juanita Moore
Benito Morales
Niquita Moret
Clarence Moton
Steven Mullings
Erica Newman
Ha Nguyen
Mary Ogunlala
Mary Owens
Ardrella Owusu
Orson Pate
Ana Patino-Martinez
Alan Perusquía
Chau Pham
Daniel Pinto
Onecca Porter
Douglas Prater
Ledon Pritchett
Nancy Ramos
Tywana Rhone
Freddie Richards
Sheree Roberts
Tiffany Roberts
Mary Robinson
Maria Rodriguez
Maribel Rodriguez
Martha Rodriguez
Vanessa Rosales
Elizabeth Young Sanford
Marion Scott
Senait Seghid
Megan Sellas
Derek Sellers
Rupa Sen
Laura Serrano
Terumi Shorter
Tandra Shropshire
Angela Simon
Greg Simon
Joyce Sisson
Stephen Skeete
Chrystal Slaughter
Katrina Sloan-Bosie
Andrea Smith
Carla Smith
Clay Smith
Michael Smith
LaTasha Smith
Kimesha Sonnier
Pedro Sosa
Asia Speights
Shaunell Stills
Anderson Stoute
Madhuram Subramaniam
Brenda Takahashi
Lakesha Tates
Apinan Thamrongratanasilp
Pauline Thomas
Arturo Tovar
Stephen Urteaga
Emilio Useche
Esdras Velasquez
Elizema Velazquez
Cesar Verde
Laurie Vignaud
Fatima Wajahat
Nathan Washington
Valerie Watson
Tasha Wells
Lester Whiteing
Dwain Woodfork
Stephanie Wrights
Yan Xu
Ben Zimmerman

As of July 2018

FINANCIALS



Generating new and revitalized affordable homes in a city as big as Houston is a complex challenge that requires collaboration between the public and private sectors. HCDD's work is primarily funded by federal grants, with some support from state and local sources.

Under the Housing and Community Development Act of 1974, Houston is an "entitlement city" and receives an annual grant to develop viable urban communities through housing and economic activity that benefits low- and moderate-income Houstonians. In FY18, Houston received $22.3 million in Community Development Block Grant (CDBG) funding from the federal government.

In recent years, Houston also has received significant funding for disaster recovery through special appropriations from Congress. In response to the Memorial Day and Halloween floods in 2015, Houston received $87 million in "Community Development Block Grant – Disaster Recovery" (CDBG-DR) funding in FY17. After Hurricane Harvey, HCDD will administer more than $1 billion in CDBG-DR funds.

In addition to these major sources of funding, HCDD receives funds from local Tax Increment Reinvestment Zones (TIRZ), other federal and state programs, and a small amount of general funding from the City's budget.

SOURCES OF FUNDING

BONDS: Voters have passed ballot measures allowing the City of Houston to borrow to finance affordable housing.

CDBG: The Community Development Block Grant (CDBG) Entitlement Program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974. *https://www.hudexchange.info/programs/cdbg-entitlement/*

CDBG-DISASTER RECOVERY: Funds necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from federally declared disasters. *https://www.gpo.gov/fdsys/pkg/FR-2016-06-17/pdf/2016-14110.pdf*

ESG: The Emergency Solutions Grant (ESG) program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly rehouse homeless individuals and families, and (6) prevent families/individuals from becoming homeless. *https://www.hudexchange.info/resources/documents/EmergencySolutionsGrantsProgramFactSheet.pdf*

GENERAL FUND: The City of Houston's general operating budget.

HHSP: Texas' Homeless Housing and Services Program provides funding to the state's eight largest cities in support of services to homeless individuals and families. Allowable activities include construction, development, or procurement of housing for homeless persons; rehabilitation of structures targeted to serving homeless persons or persons at-risk of homelessness; provision of direct services and case management to homeless persons or persons at-risk of homelessness; or other homelessness-related activity. *https://www.tdhca.state.tx.us/home-division/hhsp/index.htm*

HOME: The HOME Investment Partnerships Program (HOME) provides grants to states and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. *https://www.hud.gov/program_offices/comm_planning/affordablehousing/programs/home*

HOPWA: Under the Housing Opportunities for Persons With AIDS (HOPWA) Program, HUD makes grants to local communities, states, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS, as well as their families. *https://www.hudexchange.info/programs/hopwa/*

NSP: The Neighborhood Stabilization Program (NSP) provides grants to every state, certain local communities, and other organizations to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. *https://www.hudexchange.info/programs/nsp/*

TIRZ: Tax Increment Reinvestment Zones (TIRZs) are special zones created by Houston City Council under state law to attract new investment in an area. TIRZs are intended to help finance costs of redevelopment and encourage development in areas that would otherwise not attract sufficient market development in a timely manner. Taxes attributable to new improvements (tax increments) are set aside in a fund to finance public improvements within the boundaries of the zone. *http://www.houstontx.gov/ecodev/tirz.html*

Note on Methodology

HCDD reports annually to the City of Houston Controller as part of the City's annual budget process, which is approved by City Council. The Department also reports financial data to HUD in an annual Consolidated Annual Performance and Evaluation Report (CAPER). The City budgeting process uses accrual basis accounting, while HUD reporting uses cash based accounting. The financial reporting here is based on HCDD's audited report to the City Controller. The reporting period is July 1, 2017 to June 30, 2018.

AVAILABLE RESOURCES 2018

GRANT / FUND	FUND	SOURCE	BEGINNING BALANCE FY 2018	AWARDED	TOTAL AVAILABLE	SPENT FY 2018	ALLOCATED FY 2018	ENDING BALANCE FY 2018
CDBG	5000	Federal	$24,705,265	$22,278,733	$46,983,998	$21,158,435	$19,671,730	$6,153,832
CDBG-DR15	5000	Federal	$66,401,034	$20,532,000	$86,933,034	$2,805,395	$49,283,792	$34,843,847
ESG	5000	Federal	$3,607,114	$1,993,229	$5,600,343	$2,279,850	$452,626	$2,867,866
HOME	5000	Federal	$13,701,115	$7,169,456	$20,870,571	$7,084,740	$5,899,167	$7,886,664
HOPWA	5000	Federal	$14,923,283	$9,731,610	$24,654,893	$9,484,240	$8,082,815	$7,087,838
NSP	5000	Federal	$585,937	-	$585,937	$3,576		$582,361
*DR Round 2	5030	Federal Pass Through	$88,080,642	-	$88,080,642	$22,788,465	$22,400,860	$42,891,317
Economic Development	5000, 5001	Federal	-	$13,850,767	$13,850,767	$13,850,767		-
Harvey - FEMA	5030	Federal Pass Through	-	$595,837	$595,837	$595,837	-	-
Housing for Harvey	5303	Federal Pass Through	-	$1,172,009	$1,172,009	$1,172,009	-	-
HHSP	5010	State	$1,151,468	$1,272,861	$2,424,329	$1,574,786	$364,649	$484,893
General Fund	1000	Local	$12,957	$500,583	$513,540	$438,549		$74,991
Local Bonds	4501	Local	$11,530,020	-	$11,530,020	$4,791,046	3,567,241	$3,171,733
Local TIRZ Bonds	Various	Local	$3,718,630	-	$3,718,631	$2,171,248	$107,184	$1,440,198
Special Revenue Fund	2000	Local	$684,315	-	$684,315	-	$152,995	$531,320
**TIRZ Affordable Housing	2409	Local	$75,069,695	$17,945,800	$93,015,496	$11,686,905	$29,683,848	$51,644,742
Grand Total			**$304,171,478**	**$97,042,885**	**$401,214,363**	**$101,885,848**	**$139,666,908**	**$159,661,607**

** Ending balance includes $21.2 MM for Houston Housing Authority*
***Ending balance includes pre-encumbered amounts for single family activities, multifamily activities, homelessness and administrative expenses*

FY18 PROJECTS
(JULY 1, 2017 - JUNE 30, 2018)

MULTIFAMILY PROGRAM

COMPLETED FY18
Projects that received a certificate of occupancy during the reporting period

PROJECT	AFFORDABLE UNITS	TOTAL UNITS*	HCDD FY18 SPEND	FUNDING SOURCE(S)	TOTAL HCDD FUNDING	TOTAL PROJECT COST	LOCATION
NHH Harrisburg	175	175	$5,740,333	HOME, Bonds, TIRZ	$6,617,733	$22,048,842	3315 Harrisburg, 77003
Independence Heights	154	154	$8,176,641	DR Round 2	$12,218,889	$36,679,351	302 Crosstimbers, 77022
Woodland Christian	127	127	$797,293	HOME	$3,452,905	$16,672,186	600 E. Tidwell, 77022
Cleme Manor	284	284		DR Round 2, HOME	$4,260,000	$37,417,949	5300 Coke, 77020
NHH Reed	187	187		Bonds	$10,100,000	$31,197,200	2605 Reed, 77051
Village at Palm Center	222	222		DR Round 2	$16,800,000	$47,301,485	5110 Griggs, 77021
	1149	**1149**	**$14,714,267**		**$53,449,527**	**$191,317,013**	

ONGOING FY18
Projects that were under construction during the reporting period, between groundbreaking and receiving a certificate of occupancy

Fenix Estates	180	200	$3,900,000	HOME, TIRZ	$5,950,000	$38,643,231	1933 Hussain, 77003
Pointe at Crestmont	192	192	$1,654,087	CDBG, TIRZ	$5,000,000	$33,438,931	5602 Selinsky, 77048
Residence at Hardy Yards	350	350	$10,625,401	DR Round 2	$19,200,000	$62,614,868	1550 Leona, 77098
	722	**742**	**$16,179,488**		**$30,150,000**	**$134,697,030**	

NEW FY18
Projects that HCDD agreed to finance and were approved by City Council during the reporting period

Sunrise Orchard	52	52	HOME	$3,500,000	$13,634,334	5300 Sunrise Road, 77021
Cleburne Senior Living Center	112	112	TIRZ	$4,706,000	$26,696,966	2222 Cleburne, 77004
Light Rail Lofts	56	56	HOME, CDBG	$3,300,000	$11,277,476	4600 Main, 77002
	220	**220**		**$11,506,000**	**$51,608,776**	

*Total Units includes all units produced in a project, some of which are income-restricted either by HCDD or the Texas Department of Housing & Community Affairs (TDHCA)

FY18 PROJECTS CONT.
(JULY 1, 2017 - JUNE 30, 2018)

PUBLIC FACILITIES PROGRAM

COMPLETED FY18 Projects that are noted as "construction completed" in the PY17 CAPER, p. 48

PROJECT	PROGRESS	HCDD FY18 SPEND	FUNDING SOURCE	TOTAL HCDD FUNDING	TOTAL PROJECT COST	LOCATION
Ser Jobs for Progress	Complete	$2,677,166	CDBG	$5,300,000	$8,923,222	1710 Telephone Rd
Ser Niños Library	Complete	$15,203	CDBG	$2,000,000	$3,831,833	5815 Alder Dr
SPARKS-Bush Elementary	Complete	$150,000	CDBG	$150,000	$165,000	9730 Stroud
SPARKS-Clifton Middle	Complete	$81,232	CDBG	$90,000	$105,000	6001 Golden Forest
SPARKS-Hartsfield Elementary	Complete	$90,000	CDBG	$90,000	$105,000	1500 Perry
SPARKS-Looscan Elementary	Complete	$33,276	CDBG	$90,000	$149,495	3800 Robertson
SPARKS-Robinson Elementary	Complete	$12,644	CDBG	$98,500	$105,000	12425 Wood Forest Dr
Children's Assessment Center	Complete		CDBG	$65,000	$65,000	2500 Bolsover
Mabee WholeLife Service Center	Complete		CDBG	$1,630,000	$9,452,762	1905 Jacquelyn and 1838 Johanna, 77055
Star of Hope Cornerstone Community	Complete		TIRZ	$800,000	$64,000,000	2575 Reed, 77051
		$3,059,521		**$10,313,500**	**$86,902,312**	

FY18 PROJECTS CONT.
(JULY 1, 2017 - JUNE 30, 2018)

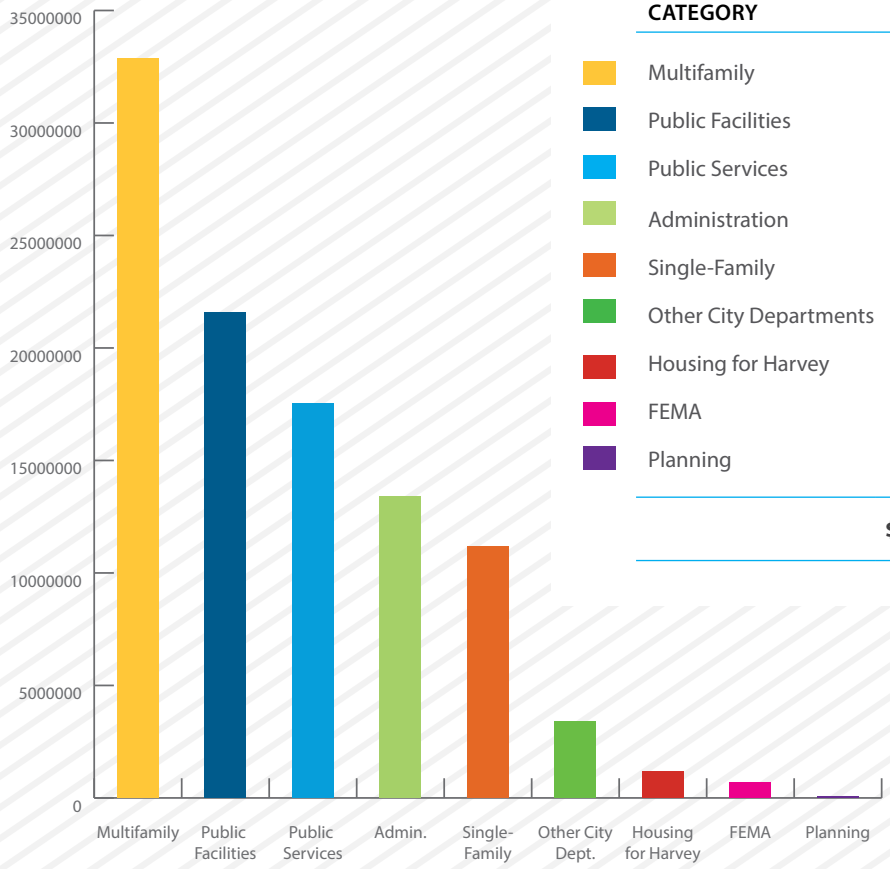
PUBLIC FACILITIES PROGRAM

ONGOING FY18 Projects that were under construction during the reporting period

	PROJECT	PROGRESS	HCDD FY18 SPEND	FUNDING SOURCE	TOTAL HCDD FUNDING	TOTAL PROJECT COST	LOCATION
	HEB	Acq. Complete/ Design Phase	$13,850,767	EDI/ Section 108	$13,862,000	$33,862,000	NE Intersection of 288 and N Macgregor
	Swiney Community Center	Design Phase	$17,794	CDBG	$150,000	$150,000	2812 Cline St
	Chinese Community Center	Under Construction	$1,361,342	CDBG	$1,500,000	$7,678,906	9800 Town Park Drive
	Pro Vision	Under Construction	$1,067,892	CDBG	$2,800,000	$7,127,786	4590 Wilmington
	SPARKS-Lockhart Elementary	Under Construction	$10,925	CDBG	$90,000	$105,000	3200 Rosedale
▲	Buyout Program	Underway	$1,379,150	CDBG DR15	$10,660,000	$10,660,000	Braeburn Glen, Glenburnie & Cashiola, and Langwood
	Independence Heights Community Center	Design Phase		SPG/CDBG	$169,000	$169,000	603 E 35th St
	SPARKS - Milne Elementary	Design Phase		CDBG	$150,000	$270,000	7800 Portal
	SPARKS - Whidby Elementary	Design Phase		CDBG	$150,000	$170,000	7625 Springhill
	Hernandez Tunnel Phase II (DR2.2)	Design Phase		DR Round 2	$636,009	$699,610	N Main from Brooks to 245 feet south of Hernandez Tunnel
	Open Ditch - Nichols, West Coke, Gano (DR2.2)	Design Phase		DR Round 2	$3,841,123	$4,040,000	Nichols, West Coke & Gano Streets
	Open Ditch - Calhoun (DR2.2)	Design Phase		DR Round 2	$4,315,032	$4,540,000	Calhoun/OST
	Bering Omega	Under Construction		CDBG	$1,100,000	$6,540,000	2920 Fannin
	Hardy Near Northside (Hernandez Tunnel)	Under Construction		CDBG	$11,967,569	$11,967,569	Near Northside
			$17,687,870		**$51,390,732**	**$87,979,871**	

▲ Disaster Recovery Project

F18 Spending At A Glance:



CATEGORY	SPENT
Multifamily	$32,864,324
Public Facilities	$21,586,629
Public Services	$17,548,356
Administration	$13,406,095
Single-Family	$11,179,570
Other City Departments	$3,403,585
Housing for Harvey	$1,172,009
FEMA	$672,500
Planning	$52,780
	$101,885,848

SOURCES OF FUNDING FY18 (JULY 1, 2017 - JUNE 30,2018)

GRANT / FUND	FEDERAL	STATE	LOCAL	TOTAL
CDBG	$22,278,733	-	-	$22,278,733
CDBG-DR15	$20,532,000	-	-	$20,532,000
Economic Development	$13,850,767	-	-	$13,850,767
General Fund	-	-	$500,583	$500,583
Harvey - FEMA	$595,837	-	-	$595,837
ESG	$1,993,229	-	-	$1,993,229
HHSP	-	$1,272,861	-	$1,272,861
HOME	$7,169,456	-	-	$7,169,456
HOPWA	$9,731,610	-	-	$9,731,610
Housing for Harvey	$1,172,009			$1,172,009
TIRZ Affordable Housing	-	-	$17,945,800	$17,945,800
	$56,791,641	**$1,272,861**	**$18,446,383**	**$97,042,885**

KEY FACTS

$97 million
total resources available in FY18

73%
of HCDD's budget comes from federal sources

$17.9 million
TIRZ affordable Housing Fund contribution to HCDD's budget

<1%
general fund contribution to HCDD's budget

Tax Increment Reinvestment Zones (TIRZ) are a tool to help spur economic development in defined geographic areas within the City of Houston.

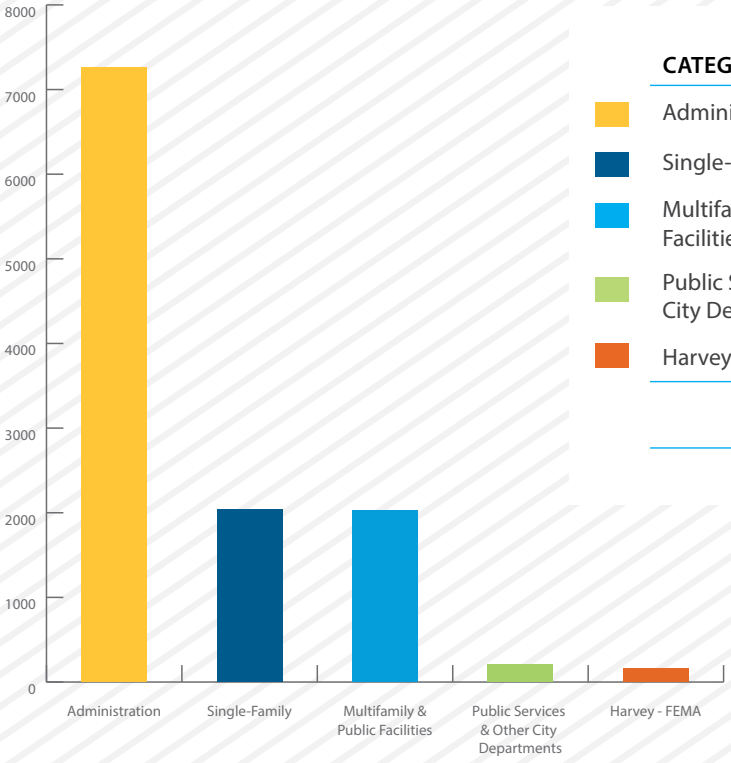
City Council creates TIRZs to attract new investment in areas that otherwise would not attract significant private investment. A TIRZ can help fund capital improvements - like street reconstruction and expansion, street lighting, curbs and sidewalks, park improvements, and drainage projects - to attract private investment and development within its geographic boundaries. A TIRZ uses improvements to encourage development, then funnels taxes on improved properties into a fund that pays for the improvements.

There are 27 TIRZs within the City of Houston. Eight of these TIRZs contribute a third of the money they raise in tax increments into affordable housing throughout the city, through a fund managed by HCDD. Two more - Midtown and South Post Oak - set aside a third of their funds for affordable housing within the boundaries of the TIRZ. In FY18, the eight TIRZs that contribute to HCDD's Affordable Housing Fund raised $17.9 million for affordable housing activities.

TIRZ funding is a critical part of HCDD's budget. HCDD receives almost no budget from the City's General Fund. TIRZ funding is a way for the City to develop affordable housing in ways that are sometimes more innovative than federal funds allow, and to meet immediate needs. For example, in 2016 and 2017, HCDD repaired more than 700 roofs through the Blue Tarp Program. TIRZ funding also provided the seed funding for HCDD's New Home Development Program.

TIRZ funding helps underwrite the basic operational expenses of the Department by supplementing administrative costs. Federal and state grants limit administrative costs, while also requiring extensive oversight of the funds. TIRZ money helps fill the gap in funds needed to efficiently and effectively administer the City's affordable home and disaster recovery programs.

HCDD's goal is to keep administrative expenses under 13% of total expenditures over a three year rolling average. The actual average administrative expenditures for the last three years was 12.72%.



CATEGORY	SPENT
Administration	$7,257,487
Single-Family	$2,038,191
Multifamily & Public Facilities	$2,023,283
Public Services & Other City Departments	$210,757
Harvey - FEMA	$157,187
	$11,686,905



CITY OF HOUSTON
HOUSING AND COMMUNITY DEVELOPMENT

City of Houston
Housing and Community
Development Department

2100 Travis Street
9th floor
Houston, TX 77002

houstontx.gov/housing

/houstonhcdd

EQUAL HOUSING OPPORTUNITY

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