



U.S. Department of Housing and Urban Development  
Houston Field Office, Region VI  
Office of Field Policy Management  
1301 Fannin, Suite 2200  
Houston, Texas 77002  
(713) 718-3199 - FAX (713) 718-3251  
www.hud.gov

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Mr. David Turkel, Director  
Harris County Community Services Department  
Harris County  
8410 Lantern Point Drive  
Houston, TX 77054

Dear Mr. Turkel:

SUBJECT: Annual Community Assessment for the 2009 Program Year  
(March 1, 2009 through February 28, 2010)  
Harris County, Texas

Under the Housing and Community Development Act of 1974 and the National Affordable Housing Act of 1990, HUD is required to conduct an annual assessment of performance to determine whether grant recipients are carrying out planning, activities and reporting within the statutory requirements. The evaluation of these actions is based upon the grantee's Consolidated Annual Performance and Evaluation Report (CAPER), data as reported in IDIS and other information available to this office.

Additionally, this office must determine that each recipient has the continuing capacity to implement and administer the programs for which assistance is received. The review consists of analyzing your consolidated planning and progress in carrying out the programs, the management of funds by Harris County and subrecipients, the annual performance report, and achievement of program objectives.

This office congratulates Harris County's progress and accomplishments during the past year on meeting stated goals and objectives of the Program Year 2009 Action Plan and the Harris County Consolidated Plan (2008- 2012).

Harris County was awarded \$10,796,676 in Community Development Block Grant (CDBG) funds; however, the award was reduced in the amount of \$863,602 as a resolution to the Program Year 2001 monitoring findings 2A and 2B. The County received \$9,933,074 in CDBG funding for the 2009 Program Year (PY) after the reduction. The County was also awarded \$3,714,611 in HOME Investment Partnerships Act (HOME) and \$478,553 in Emergency Shelter Grant (ESG) for PY 2009. Additionally, Harris County received funding from American Recovery and Reinvestment Act of 2009 (ARRA) for the Community Development Block Grant - Recovery Act (CDBG-R) in the amount of \$2,919,475, and the Homelessness Prevention and Rapid Re-housing Program (HPRP) in the amount of \$4,463,961. Neighborhood Stabilization Program (NSP) funds were awarded to the County in the amount of \$14,898,027.

2006 (2008)

**Primary Benefit:** In 2009, Harris County expended 98.24 percent of its CDBG funds for activities that benefit low-moderate-income (LMI) persons. Harris County has complied with the regulations at 24 CFR 570.200(a)(3). This meets the 70 percent minimum standard for overall program benefit.

**Overall Progress:** HUD's CDBG timeliness standard, at 24 CFR 570.902(a)(1)(i), states that 60 days before the end of the program year, a grantee must not have more than 1.50 program years of grant funds in its line of credit. When the 60-day test was conducted the drawdown ratio was 1.01 and consequently in compliance with HUD's timeliness standards.

**Planning and Administration:** The amount of funds expended on planning and administration with CDBG funds was 20 percent for this Program Year. Therefore, Harris County is in compliance with CDBG regulations at 24 CFR 570.200(g).

**Public Service:** The amount of funds expended on public service activities only applies to CDBG. Harris County's public service funds were expended at 13.74%. Harris County is found to be in compliance with public service cap of 15% in accordance with 24 CFR 570.201(e)(1).

CDBG funds were utilized for eleven public facilities and twenty-three infrastructure improvements projects. These projects addressed the 2009 Consolidated Plan strategies for general facilities, senior facilities, parks, street improvements, water and sewer improvements and construction of facilities. CDBG funds were also used to address the area of clearance and demolition for two projects, crime awareness projects that primarily benefited low-income limited clientele and special needs programs that primarily benefited those persons, who are elderly, disabled, are infected with HIV/AIDS, and/or have substance abuse problem.

**Home Program:** HOME Regulations require funds be committed/obligated within 24 months after the last day of the month in which HUD notifies the recipient of HUD's execution of the grant agreement in accordance with (24 CFR 92.500(d) (1) (B)). Furthermore, recipients are required to totally expend funds within five years of the grant award (24 CFR 92.500(d) (1) (C)). Additionally, 15 percent, at a minimum, of those funds are to be reserved for and used by Community Housing Development Organizations (CHDOs) as required by 24 CFR 92.300(a)(1).

HOME funds were expended for three homeownership projects, eight projects for new construction housing, seven organizations expended funding for single unit rehabilitation (owner-occupied), and one organization funding for CHDO Operating Costs.

**Emergency Shelter Grant:** Harris County assisted 8,418 homeless persons with shelter and supportive services with ESG funding. Four projects provided essential services, four projects addressed homeless services and six projects expended funds for operation and maintenance of emergency and transitional shelters.

*American Recovery and Reinvestment Act of 2009:* CDBG-R funds were used to fund three projects for modernization of infrastructure within WCID No. 36's District through the replacement and rehabilitation of portions of the existing gravity wastewater system in the district.

HPRP funding has provided financial assistance and stabilization services to the homeless and low-income individuals at-risk of homelessness. Harris County assisted 210 households with financial assistance, housing relocation and stabilization services and data collection and evaluation.

NSP funding will be used to construct new multifamily housing, perform traditional acquisitions and redevelopments of abandoned properties, all of which will be supplemented with Harris County funding. The County has acquired 66 single-family, vacant, foreclosed homes sold to eligible NSP homebuyers. The County has also obligated \$4,000,000 for an 88-unit senior citizen rental development and nine home acquisitions are in progress.

*Neighborhood Revitalization Strategy Area (NRSA):* The CAPER does not reflect any updates for the for the designated Airline area. Annual performance information for the NRSA needs to be submitted on an ongoing basis.

*Department of Fair Housing and Equal Opportunity (FHEO):* Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin in all HUD-assisted programs. Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) prohibits discrimination in the sale, rental and financing of dwellings based on race, color, religion, sex, or national origin. Title VIII was amended in 1988 by the Fair Housing Amendments Act to prohibit discrimination based on disability or on familial status. FHEO staff have the primary responsibility of ensuring compliance with fair housing laws. FHEO staff have reviewed the information submitted and they have not expressed any concerns for this CAPER.

## **Recommendations**

HUD has begun publishing a regular status report for HOME commitment, expenditure and Community Housing Development deadlines on the internet at the following site:

<http://www.hud.gov/offices/cpd/afordablehousing/reports/index.cfm>

We strongly encourage Harris County to review this report in addition to other reports available from IDIS on a regular basis.

## **Conclusion**

Based on the review of information pertaining to your performance in the CDBG, HOME, ESG, HPRP, and the NSP programs during Program Year 2009, we have determined that Harris County has carried out its programs substantially as described in its Consolidated Plan. The Consolidated Plan submission as implemented complies with the requirements of the Housing and Community Development Act and other applicable laws and regulations. It has

also been determined that Harris County has the continuing capacity to carry out its approved programs and that your overall progress and management of these HUD approved programs is highly satisfactory and generally consistent with HUD statutes and regulations. This determination, however, does not reflect a comprehensive evaluation of specific activities.

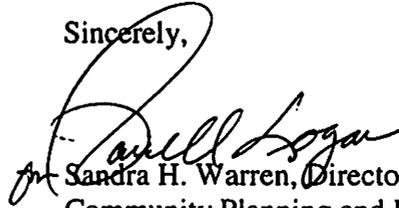
Please recognize that the comments and conclusions made in this letter are subject to a 30-day review and comment period by Harris County. We may revise this letter after consideration of Harris County's views and will make the letter, the comments and any revisions available to the public within 30 days after receipt of the comments. Absent any comments by Harris County, this will be considered the final letter on this subject.

**Public Access:**

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

If you have any questions regarding this letter please contact me or Joyce Young, Community Planning and Development Representative at (713) 718-3120.

Sincerely,

  
for Sandra H. Warren, Director  
Community Planning and Development