



HARRIS COUNTY, TEXAS

NEIGHBORHOOD
STABILIZATION PROGRAM

SUBSTANTIAL AMENDMENT TO THE 2008-
2012 CONSOLIDATED PLAN

**FY 2008 ANNUAL ACTION PLAN
AMENDMENT APPLICATION**

Prepared by the Community Services Department
Office of Housing and Community Development
8410 Lantern Point
Houston, TX 77096
(713) 578-2000

Harris County, Texas
Neighborhood Stabilization Program (NSP)
Substantial Amendment

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Harris County has prepared this Amendment to both the Program Year 2008 Annual Action Plan (Action Plan) and the 2008-2012 Consolidated Plan (Consolidated Plan) submitted to the Department of Housing and Urban Development (HUD) on January 15, 2007 to include the additional allocation to Harris County of \$14,898,027 in Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes as part of the Housing and Economic Recovery Act of 2008 Neighborhood Stabilization Program (NSP). The NSP provided \$3.92 billion to state and local governments to assist in “addressing the effects of abandoned and foreclosed properties in the nation’s communities.”

Harris County, under this Amendment to the Action Plan and Consolidated Plan, is proposing to fund projects that will stabilize neighborhoods across the area through acquisition and rehabilitation of foreclosed properties that would become sources of abandonment and blight within the community. Harris County will fund projects that both acquire and rehabilitate foreclosed upon and abandoned properties as well as create programs to help low- moderate- and middle- income individuals create equity to achieve home ownership.

A. Areas of Greatest Need

A community’s population is dependent upon a number of factors to ensure ongoing stability and growth. These include, but are not limited to a community’s ability to provide quality housing and satisfactory levels of basic public services and facilities, such as police, fire and utilities, at an acceptable cost. Harris County has been fortunate with the surplus of available land to absorb an expanding population at relatively low costs. This trend, however, is changing as an ever increasing immigrant and natural populations are pushing growth to the out lying regions of the County and are in need of affordable housing and housing finance products.

Harris County is the third largest county in the United States by population and is home to the fourth largest city in the nation, Houston. Harris County is situated in the Gulf Coast region of the state of Texas. It is estimated that there were 3,935,855 people living in Harris County and 1,544,601 housing units in 2007 (Census, 2007 ACS). With a population this size, one of the major goals of the County is the provision of safe and affordable housing. To meet this goal both public and private housing financing markets must be healthy and active. The first quarter of 2007 showed signs of a market that was anything but healthy.

After years of steady growth in home prices resulting from low interest rates and creative financing, foreclosures and mortgage delinquencies began to rise in 2007. In the Harris County area, the foreclosures rose to 4.3 percent or 32,666 foreclosures by mid-2008 from 3.0 percent in 2006. This percentage is slightly lower than the national rate of 4.8 percent. The major causes for the increase in foreclosures are subprime lending practices, overextended speculators and over zealous financial institutions.

The majority of Harris County's foreclosures are occurring adjacent to Beltway 8 in expanding and new subdivisions and where homebuyers need creative financing to overcome bad credit and high debt ratios. In HUD's Foreclosure Abandonment Risk Score Index, which evaluates the number of subprime loans, pre-foreclosures, and foreclosures, for Harris County, the areas with the highest risk scores are located adjacent to Beltway 8 from State Highway 249 east to Interstate 10, around the Bush Intercontinental Airport, and the ship channel (Appendix 1). These areas have a higher percentage of low- to moderate-income communities than the west side of the county.

These areas also have a significantly higher percentage of high cost loans and subprime loans. From Home Mortgage Disclosure Act data provided by the Federal Reserve Bank Dallas, shows the location of high cost loans in Harris County. (Appendix 2) The areas with the highest percentage are similar to the areas of highest Foreclosure Abandonment Risk Scores (Appendix 1).

Based on the Foreclosure Abandonment Risk Score and information from the Federal Reserve Bank, Harris County identified areas with the greatest need of NSP assistance. These areas have a high risk score and high number of subprime loans. Appendix 3 shows these targeted areas and location points of foreclosed homes. In several high risk areas, foreclosed properties are clustered tightly together.

As denoted in each map, Harris County identified twenty-two zip codes with the greatest need for assistance based on the areas with the greatest percentage of home foreclosures, highest percentage of homes financed by a subprime mortgage related loan and those likely to face a significant rise in home foreclosures. The list below indicates zip codes* where the County will focus much of its NSP allocation:

- 77014
- 77015
- 77029
- 77037
- 77038
- 77039
- 77044
- 77049
- 77050
- 77066
- 77067
- 77073
- 77093
- 77338
- 77396
- 77521
- 77530
- 77536
- 77547
- 77562
- 77571
- 77587

* Please note that some zip codes are located only partially within the Harris County Service Area.

Multi-family housing represented 33.6 percent of the total housing in Harris County in 2006. There are an estimated 447,275 multi-family housing units in Harris County. Similar to the rise of single family residential, the increase in the construction of multi-family housing developments in 2006 is described as a "boom time" for the Harris County apartment industry. Multi-family housing developments also increased in the County due to the needs of evacuees from hurricanes Katrina and Rita. As is the case with single family housing, multi-family housing has been affected by the foreclosure crisis. In the case of multi-family units, not one but many families are in danger of losing their homes as landlords default on mortgaged apartment complexes. Appendix 4 shows multi-unit properties in Harris County which have been foreclosed upon or are pending foreclosure.

B. Distribution and Uses of Funds

Harris County will allocate funding to the areas of greatest need, as described in the maps and needs statement. The identified areas represent those 1) with the greatest percentage of home foreclosures, 2) with highest percentage of homes financed by a subprime mortgage related loan, and 3) those identified by Harris County as likely to face a significant rise in home foreclosures.

Based on these needs, Harris County developed the Home Ownership Protection Program (HOPP) to best allocate NSP funding. HOPP is a holistic approach to addressing the foreclosure problems in Harris County. Harris County will use NSP funding to perform traditional acquisitions and redevelopments of abandoned properties, but also supplement this with Harris County funding to creatively address the needs of low-income home owners and residents in the County. HOPP will focus on two areas that address Harris County's greatest need: 1) direct owner intervention and 2) County acquisition & disposal.

The direct owner intervention portion of the program will work directly with home owners that are in the Harris County Service Area, have current, stable employment, have the ability to service debt and are at or below 120 percent of the median family income. All single family activities created through HOPP will include a minimum of eight hours of housing counseling. The County acquisition and disposal portion will focus on acquiring and redeveloping properties that are in the Harris County Service Area, in an area where rehabilitation and resale will be in the best possible physical condition and have an impact on stabilizing the neighborhood. The table below describes the types of activities that will be carried out under HOPP and how NSP funds will be allocated among the subprograms.

Table 1. Harris County Home Ownership Protection Program (HOPP) Activities

HOPP Program	Program Description	Areas Need Receiving Benefit from Program	Estimated Funding for Activity
1. Direct Owner Intervention			
a. Foreclosure Prevention Program	Provide mortgage payment assistance that will result in foreclosure cancellation to homeowners that are facing a scheduled foreclosure	<ul style="list-style-type: none"> High percentage of homes financed by subprime mortgages Likely to face significant rise in home foreclosures 	<ul style="list-style-type: none"> No NSP funds used to support this program
b. Home Ownership Preservation Program	Harris County will work with lenders to obtain a deed-in-lieu (DIL) of foreclosure in order to purchase homes at 20% discount of current appraised value and convey the property to the current owner at a discounted price and on affordable terms. This may prevent homeowners in delinquency from ever leaving their homes.	<ul style="list-style-type: none"> High percentage of homes financed by subprime mortgages Likely to face significant rise in home foreclosures 	\$2,000,000 <ul style="list-style-type: none"> Supplemented with HC Downpayment Assistance Program
c. Home Ownership Restoration Program	Harris County will purchase already foreclosed upon homes at 20% discount of current appraised value, then convey the property to its original owner at a price and on terms that the owner can afford.	<ul style="list-style-type: none"> High percentage of homes financed by subprime mortgages Likely to face significant rise in home foreclosures 	\$2,000,000

2. County Acquisition & Disposal			
a. Foreclosed Housing Acquisition, Repair and Resale Program	Qualified applicants will be offered homes acquired and repaired by the County at a price and on terms they can afford.	<ul style="list-style-type: none"> • Greatest percentage of foreclosures • High percentage of homes financed by subprime mortgages • Likely to face significant rise in home foreclosures 	\$2,000,000 <ul style="list-style-type: none"> • May be Supplemented with HOME Funds for downpayment assistance
b. Multifamily Project Acquisition, Rehab and Rental Program	Harris County will acquire and rehabilitate foreclosed or vacant apartment projects of less than 100 units to be utilized for Senior Rental Housing.	<ul style="list-style-type: none"> • Greatest percentage of foreclosures • Likely to face significant rise in home foreclosures 	\$4,000,000
c. Homeless SRO Housing Acquisition, Rehab and Operating Program	Foreclosed or Vacant property in Central Business District will be acquired and rehabilitated jointly by City and County.	<ul style="list-style-type: none"> • Greatest percentage of foreclosures • Likely to face significant rise in home foreclosures 	\$3,408,225 <ul style="list-style-type: none"> • May be Supplemented with HOME Funds
3. Program Administration			
a. Harris County Administration	Harris County will provide project selection and oversight on all activities funded through the NSP.	N/A	\$1,489,802

C. Definitions and Descriptions

Below are the definitions that Harris County will use for purposes of the NSP:

Blighted Structure: A building that has been maintained in a manner that is structurally unsafe or constitutes a hazard to safety, health, or public welfare because of inadequate maintenance, unsanitary conditions, dilapidation, obsolescence, disaster, damage, or abandonment or because it constitutes a fire hazard.

Affordable Rents: Harris County Community Services Department's (HCCSD) CDBG Rental Housing Policy uses the most current Home Investment Partnerships (HOME) Program rent schedule to ensure affordable rents. The rents included for residents at or below 120 percent median income will be whichever is higher of the High HOME rent or fair market rent. The policy also allows HCCSD Director to adjust rent schedules on a project-by-project basis to best serve the low-income residents of Harris County and/or ensure project feasibility.

Table 2. 2008 NSP Rents Schedule

Percentage of income	Efficiency	1 bedroom	2 bedroom	3 bedroom	4 bedroom	5 bedroom
50% or below	\$535	\$573	\$687	\$794	\$886	\$978
80% or below	\$631	\$702	\$852	\$999	\$1094	\$1189
120% or below	\$631	\$702	\$852	\$1042	\$1297	\$1642

Source: HOME Rents 2008-

www.hud.gov/offices/cpd/affordablehousing/programs/homes/limits/rent/2008/tx.pdf

Rent schedules include the cost of utilities in the rent amount. All projects shall use utility allowances published by the Harris County Housing Authority unless located in another jurisdiction and then that jurisdiction’s allowances will be used.

Ensuring Affordability: Harris County will use the same standards developed by the HOME program to ensure affordability. These standards include requiring a minimum affordability period for assisted units based on the benefit or subsidy provided by the County. For all projects, the affordability period will be at least five years. The table below describes affordability for homeownership activities:

Table 3. Affordability Periods for Homeownership

NSP Benefit to Buyer	Minimum Period of Affordability
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

The County also has affordability requirements for rental housing projects under the HOME program. Below is a table that describes such affordability requirements:

Table 4. Affordability Periods for Rental Housing

Activity	NSP Subsidy	Minimum Period of Affordability
Rehabilitation or acquisition of existing housing	Less than \$15,000/unit	5 years
	\$15,000 - \$40,000/ unit	10 years
	Greater than \$40,000/unit	15 years
Rehabilitation with refinancing	Any Amount	15 years
New construction or acquisition of new housing	Any Amount	20 years

Housing Rehabilitation Standards: Harris County Community Services Department (HCCSD) will use its “Minimum Acceptable Standards for Residential Acquisition, Construction and Rehabilitation” to guide rehabilitation. This document establishes minimum standards for single-family and multiple-family home inspection for housing that receives federal assistance through HCCSD. The requirements establish a minimum standard for the health and safety of a home’s occupants. The details for equipment and facilities standards will help to ensure long-term efficiency and reduced maintenance costs. The document includes detailed standards for:

- Multi-Family Rental Housing
- Minor Home Repair
- Single Family Rehabilitation
- Single Family Substantial Rehabilitation/Reconstruction
- Single Family Acquisition – New Construction
- Single Family Acquisition – Resale

The complete document can be found at http://www.csd.hctx.net/PS_HomeRepairProgram.aspx

D. Low-income Targeting

Harris County plans to redevelop multi-family properties as well as single family homes to address the NSP requirement that 25 percent of funding be used to house and assist individuals who do not exceed 50 percent of median income. Harris County will allocate at least \$3,724,507.00 toward projects that will serve those individuals below 50 percent of median family income. Harris County

will work closely with Habitat for Humanity and other nonprofit housing organizations that have a proven success record with area residents that are at or below 50 percent. The table below describes the income limits that will be used.

Table 5. Income Limits for Eligible NSP Participants

Income Category	1 Person	2 People	3 People	4 People
Extremely Low Income Limits (30 percent)	\$12,850	\$14,700	\$16,500	\$18,350
Very Low Income Limits (50 percent)	\$21,400	\$24,450	\$27,500	\$30,550
Low Income Limits (80 percent)	\$34,250	\$39,100	\$44,000	\$48,900
Middle Income Limits (120 percent)	\$51,300	\$58,650	\$66,000	\$73,300

E. Acquisitions & Relocation

Harris County proposes to concentrate program efforts in areas hardest hit by foreclosure, which will likely result in the acquisition of property within target areas as noted in Appendix 1. Project activities will focus on acquiring abandoned and vacant properties therefore eliminating the need for substantial relocation.

The displacement of single family occupants will not occur as all single family homes will be acquired directly from lenders as part of a foreclosure. It is estimated that a total of 60 single family homes will be acquired as part of HOPP, of which 100 percent will be sold to homeowners earning less than 120 percent MFI.

The acquisition and rehabilitation of foreclosed multi-family properties will be limited to those with low occupancy rates. For these properties, rehabilitation will begin with vacant units and residents will then be moved to already renovated units within the same property to complete the renovation. It is proposed that one multifamily project and one SRO project will be acquired and renovated under HOPP. More than 50 percent of the residents for both projects will be at or below 50 percent MFI.

Harris County will avoid displacement and will relocate residents in accordance with URA regulations as required by HUD guidelines. Harris County or the administering agency will provide moving expense assistance and reimbursement for expenses related to connecting and transferring necessary utilities to eligible persons who must move as a result of the renovations.

F. Public Comment

In accordance with HUD requirements for the NSP, HCCSD posted a draft of the NSP Amendment on November 3, 2008 available for public comment on the Community Services website (<http://www.csd.hctx.net/Article.aspx?ArticleID=755>). The draft was made available in English, Spanish and Vietnamese. HCCSD also published notification in English and Spanish in the local paper, as well as notification in Vietnamese in a local Vietnamese newspaper. Harris County did not receive any public comments during this period.

G. NSP Information By Activity

Responsible Organization Harris County Community Services Department	Activity Name Home Ownership Preservation Program
Address 8410 Lantern Point Drive Houston, TX 77054	Total Project Budget \$2,000,000.00
Key Contact/ Phone/ E-mail David B. Turkel/ 713-578-2000/ david.turkel@csd.hctx.net	Location Description County wide

Activity Description

The Home Ownership Preservation Program will address areas with the highest percentage of homes financed by subprime mortgages as well as areas likely to face the greatest increase in home foreclosures. The special financing activities within this program will assist homeowners with *only a single lien* on the property that agree to transfer title in lieu of foreclosure back to lender. If the lender will accept this title in lieu with no deficiency action against the borrower Harris County will offer to purchase the property from the lender via a "Short Sale" at the lesser of a 20 percent discount from current appraised value or 80 percent of the balance due. The County will then convey the property to the original owner at a price and on terms that the owner can afford.

Interest rates will be offered at the set FHA rate at time of transaction, currently 6 percent, for a 30 year fixed loan.

Benefits to homeowners will depend on the total NSP subsidy received by the homeowner and will comply with the affordability period established in the Action Plan.

Funding under this activity is available for all eligible low- moderate- middle income residents within the Harris County service area, including homeowners that are 50 percent below median family income and current homeowners.

Objective Number Housing # 1	NSP Use Financing Mechanism	Funding Sources	
HUD Matrix Code 13	CDBG Regulation Citation 570.201 (n)	CDBG Public Service	\$0.00
Type of Recipient Local government	National Objective LMMH	CDBG General	\$0.00
Compliance Period Variable	Performance Measures 20 total housing units 15 households at or below 120 percent (at or below \$105,000 per home) 4 households at or below 80 percent (at or below \$90,000 per home) 1 household at or below 50 percent (at or below \$80,000 per home)	ESG	\$0.00
Projected Start Date 02/01/2009	Projected End Date 06/2013	HOME	\$0.00
		NSP Funding	\$2,000,000.00
		Other Funding	\$0.00
		Total	\$2,000,000.00

Responsible Organization Harris County Community Services Department	Activity Name Home Ownership Restoration Program
Address 8410 Lantern Point Drive Houston, TX 77054	Total Project Budget \$2,000,000.00
Key Contact/ Phone/ E-mail David B. Turkel/ 713-578-2000/ david.turkel@csd.hctx.net	Location Description County wide

Activity Description

The Home Ownership Restoration Program will assist former homeowners whose homes have been foreclosed upon, but wish to reacquire their home. Harris County will purchase the property from the lender at a 20 percent discount from the appraised value, and then convey the property to the original owner at a price and on terms that the owner can afford.

Interest rates will be offered at the set FHA rate at time of transaction, currently 6 percent, for a 30 year fixed loan.

Benefits to homeowners will depend on the total NSP subsidy received by the homeowner and will comply with the affordability period established in the Action Plan.

Funding under this activity is available for all eligible low- moderate- middle income residents within the Harris County service area, including homeowners that are 50 percent below median family income and current homeowners.

Objective Number Housing # 1	NSP Use Financing Mechanism	Funding Sources	
HUD Matrix Code 13	CDBG Regulation Citation 570.201(n)	CDBG Public Service	\$0.00
Type of Recipient Local government	National Objective LMMH	CDBG General	\$0.00
Compliance Period Variable	Performance Measures 20 total housing units 15 households at or below 120 percent (at or below \$105,000 per home) 4 households at or below 80 percent (at or below \$90,000 per home) 1 household at or below 50 percent (at or below \$80,000 per home)	ESG	\$0.00
Projected Start Date 02/01/2009	Projected End Date 06/2013	HOME	\$0.00
		NSP Funding	\$2,000,000.00
		Other Funding	\$0.00
		Total	\$2,000,000.00

Responsible Organization Harris County Community Services Department	Activity Name Foreclosed Housing Acquisition, Repair and Resale Program
Address 8410 Lantern Point Drive Houston, TX 77054	Total Project Budget \$2,250,000.00
Key Contact/ Phone/ E-mail David B. Turkel/ 713-578-2000/ david.turkel@csd.hctx.net	Location Description County wide

Activity Description

Harris County will purchase foreclosed properties at 80 percent of their appraised value and perform all necessary repairs. These properties will be available for sale to qualified applicants, who will be offered the properties at a price and on terms that are affordable. Ownership pending resale may be retained by County or conveyed to suitable non-profit as long as all profits from sale go to County. Any profits will be reinvested in the program to purchase more eligible properties.

Interest rates will be offered at the set FHA rate at time of transaction, currently 6 percent, for a 30 year fixed loan.

Benefits to homeowners will depend on the total NSP subsidy received by the homeowner and will comply with the affordability period established in the Action Plan.

Funding under this activity is available for all eligible low- moderate- middle income residents within the Harris County service area, including homeowners that are 50 percent below median family income and current homeowners.

Objective Number Housing # 1	NSP Use Purchase and Rehabilitation	Funding Sources
HUD Matrix Code 14 A	CDBG Regulation Citation 570.202	CDBG Public Service \$0.00
Type of Recipient Local government	National Objective LMMH	CDBG General \$0.00
Compliance Period Variable	Performance Measures 20 total housing units 15 households at or below 120 percent (at or below \$105,000 per home) 4 households at or below 80 percent (at or below \$90,000 per home) 1 household at or below 50 percent (at or below \$80,000 per home)	ESG \$0.00
Projected Start Date 02/01/2009	Projected End Date 06/2013	HOME \$250,000.00
		NSP Funding \$2,000,000.00
		Other Funding \$0.00
		Total \$2,250,000.00

Responsible Organization Harris County Community Services Department	Activity Name Multifamily Project Acquisition, Rehab and Rental Program
Address 8410 Lantern Point Drive Houston, TX 77054	Total Project Budget \$4,000,000.00
Key Contact/ Phone/ E-mail David B. Turkel/ 713-578-2000/ david.turkel@csd.hctx.net	Location Description County wide

Activity Description

Harris County will acquire and rehabilitate foreclosed or vacant apartment project(s) of less than 100 units and utilize for Senior Rental Housing. Ownership may be retained by County or conveyed to suitable non-profit as long as all profits from rental and ultimate sale go to County.

Benefits to renters will continue as long as a resident is income eligible. The requirements of the property owner and manager will depend on the total NSP subsidy to the project and will comply with the affordability period established in the Action Plan.

Funding under this activity is available for all eligible low- moderate- middle income residents within the Harris County service area, but will allow for a majority of residents for these rental projects to be eligible for those at or below 50 percent below median family income.

Objective Number Housing # 6	NSP Use Purchase and Rehabilitation	Funding Sources
HUD Matrix Code 14 B	CDBG Regulation Citation 570.202	CDBG Public Service \$0.00
Type of Recipient Local government	National Objective LMMH	CDBG General \$0.00
Compliance Period Variable	Performance Measures 1 property 100 total units (\$40,000 per unit) 5 units at or below 120 percent 45 units at or below 80 percent 50 units at or below 50 percent	ESG \$0.00
Projected Start Date 02/01/2009	Projected End Date 06/2013	HOME \$0.00
		NSP Funding \$4,000,000.00
		Other Funding \$0.00
		Total \$4,000,000.00

Responsible Organization Harris County Community Services Department	Activity Name Homeless SRO Housing Acquisition, Rehab and Operating Program
Address 8410 Lantern Point Drive Houston, TX 77054	Total Project Budget \$3,408,225.00
Key Contact/ Phone/ E-mail David B. Turkel/ 713-578-2000/ david.turkel@csd.hctx.net	Location Description County wide

Activity Description

In coordination with the City of Houston, Harris County will acquire and rehabilitate foreclosed or vacant property in the Central Business District to be redeveloped as properties for homeless SRO facilities of less than 80 units. Ownership may be retained by County/City or conveyed to suitable non-profit as long as all profits from rental and ultimate sale go to County/City.

Benefits to renters will continue as long as a resident is income eligible. The requirements of the property owner and manager will depend on the total NSP subsidy to the project and will comply with the affordability period established in the Action Plan.

Funding under this activity is available for all eligible low- moderate- middle income homeless individuals within Harris County, with a majority of the units to be eligible for those at or below 50 percent below median family income.

Objective Number Homeless #3	NSP Use Purchase and Rehabilitation	Funding Sources
HUD Matrix Code 14 E	CDBG Regulation Citation 570.202	CDBG Public Service \$0.00
Type of Recipient Local government	National Objective LMMH	CDBG General \$0.00
Compliance Period Variable	Performance Measures 1 property 80 total units (\$42,600 per unit) 2 units at or below 120 percent 14 units at or below 80 percent 64 units at or below 50 percent	ESG \$0.00
Projected Start Date 02/01/2009	Projected End Date 06/2013	HOME \$0.00
		NSP Funding \$3,408,225.00
		Other Funding \$0.00
		Total \$3,408,225.00

Responsible Organization Harris County Community Services Department	Activity Name NSP Administration
Address 8410 Lantern Point Drive Houston, TX 77054	Total Project Budget \$1,489,802.70
Key Contact/ Phone/ E-mail David B. Turkel/ 713-578-2000/ david.turkel@csd.hctx.net	Location Description N/A

Activity Description

NSP program administration costs. Harris County will provide project selection and oversight on all activities funded through the NSP.

Performance Indicators

N/A

Objective Number N/A	NSP Use Administration	Funding Sources	
HUD Matrix Code N/A	CDBG Regulation Citation N/A	CDBG Public Service	\$0.00
Type of Recipient Local government	National Objective N/A	CDBG General	\$0.00
Compliance Period N/A	Performance Measures N/A	ESG	\$0.00
Projected Start Date 02/01/2009	Projected End Date 06/2013	HOME	\$0.00
		Other Funding	\$1,489,802.00
		Total	\$1,489,802.00

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds \leq 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.
- (12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil

rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

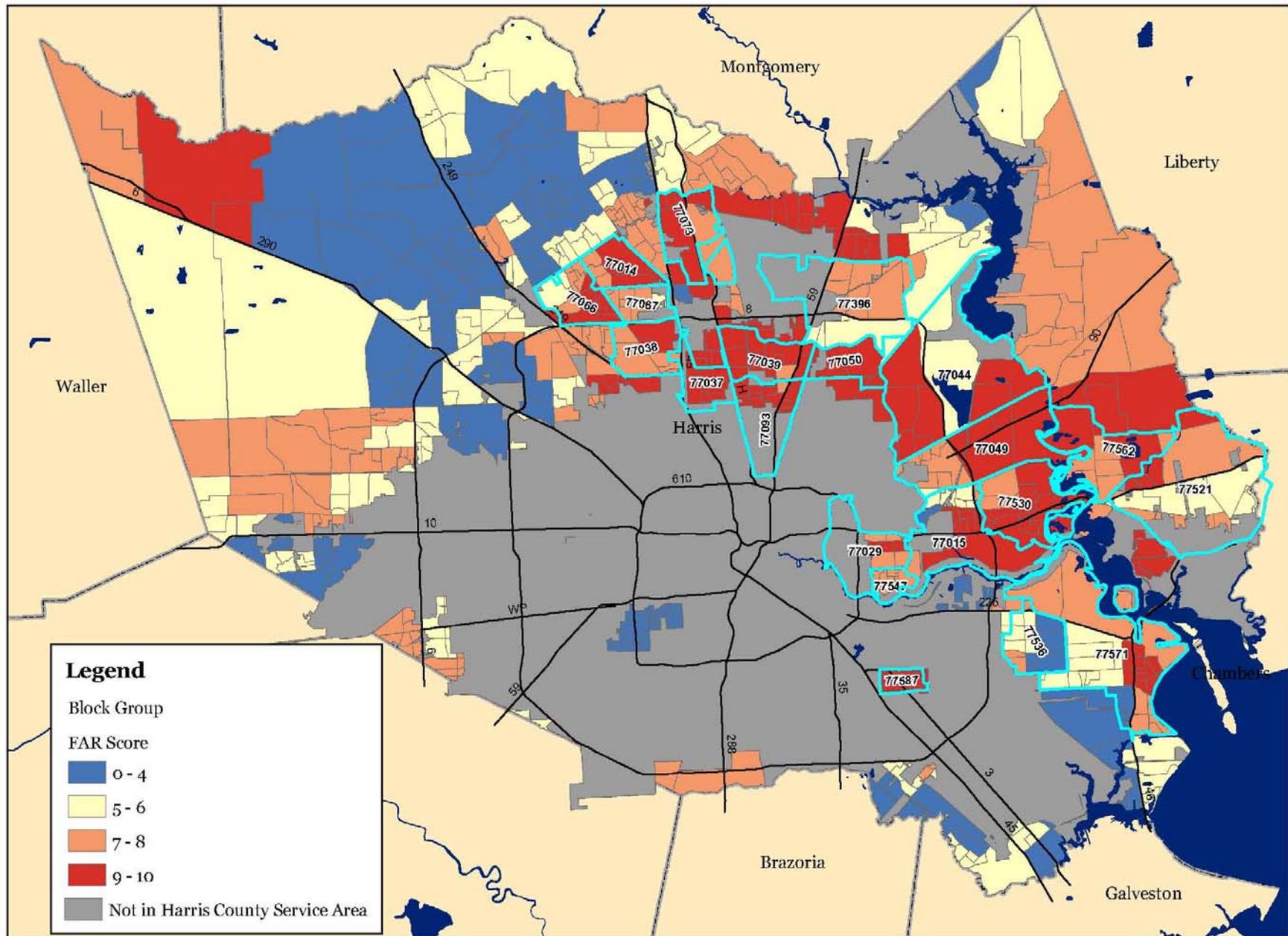
Director

Title

Appendices: Harris County Neighborhood Stabilization Program Amendment

Appendix 1	NSP Estimated FAR Score and Zip Codes
Appendix 2	High Cost Loans and Zip Codes
Appendix 3	Foreclosures in Harris County and Zip Codes
Appendix 4	Multi-Family Foreclosures in Harris County and Zip Code

Appendix 1: NSP Estimated FAR Score and Zip Codes

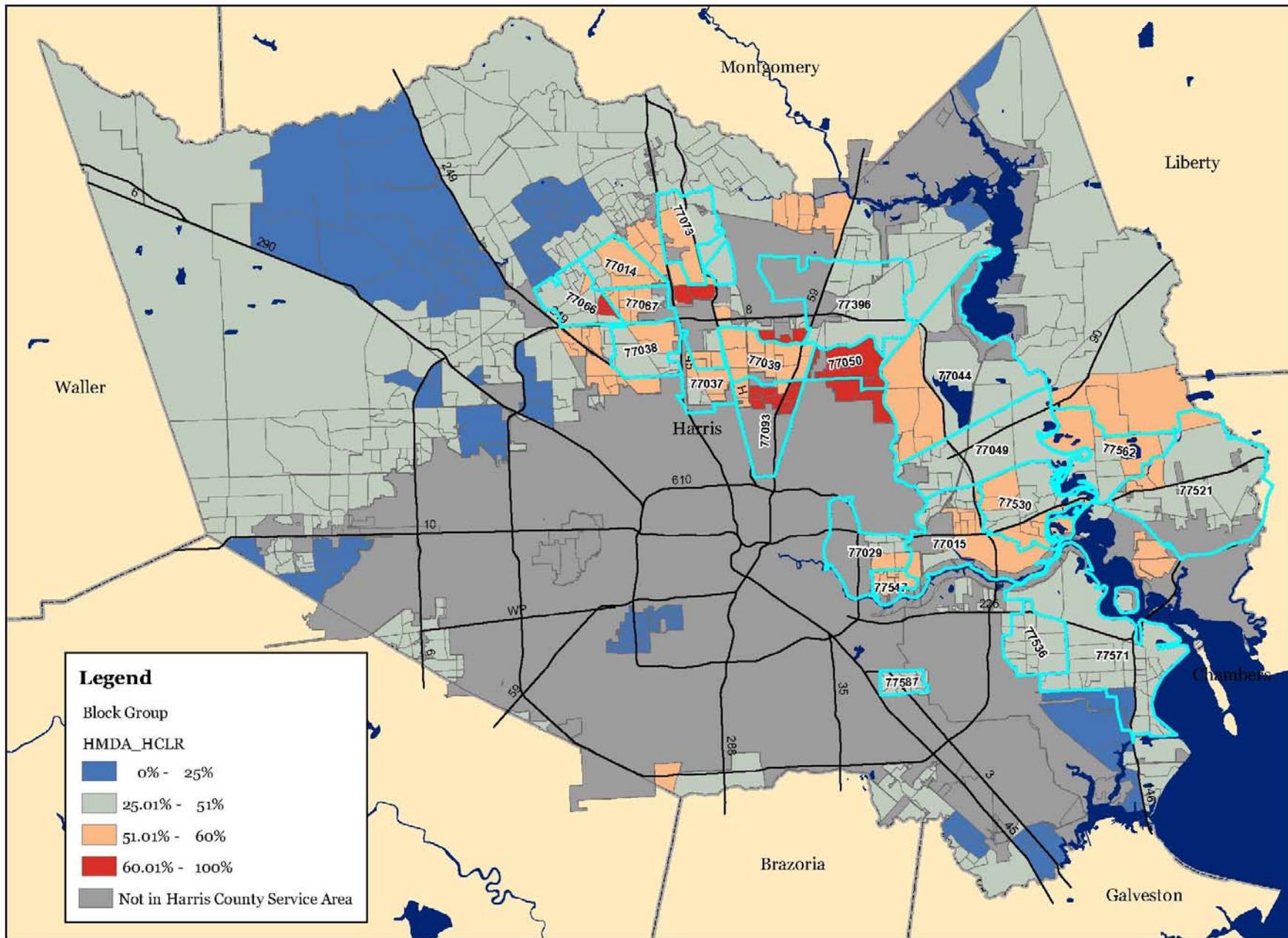


Source: HUD

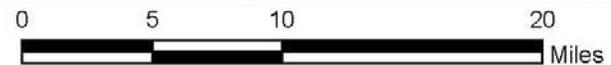
0 5 10 20 Miles



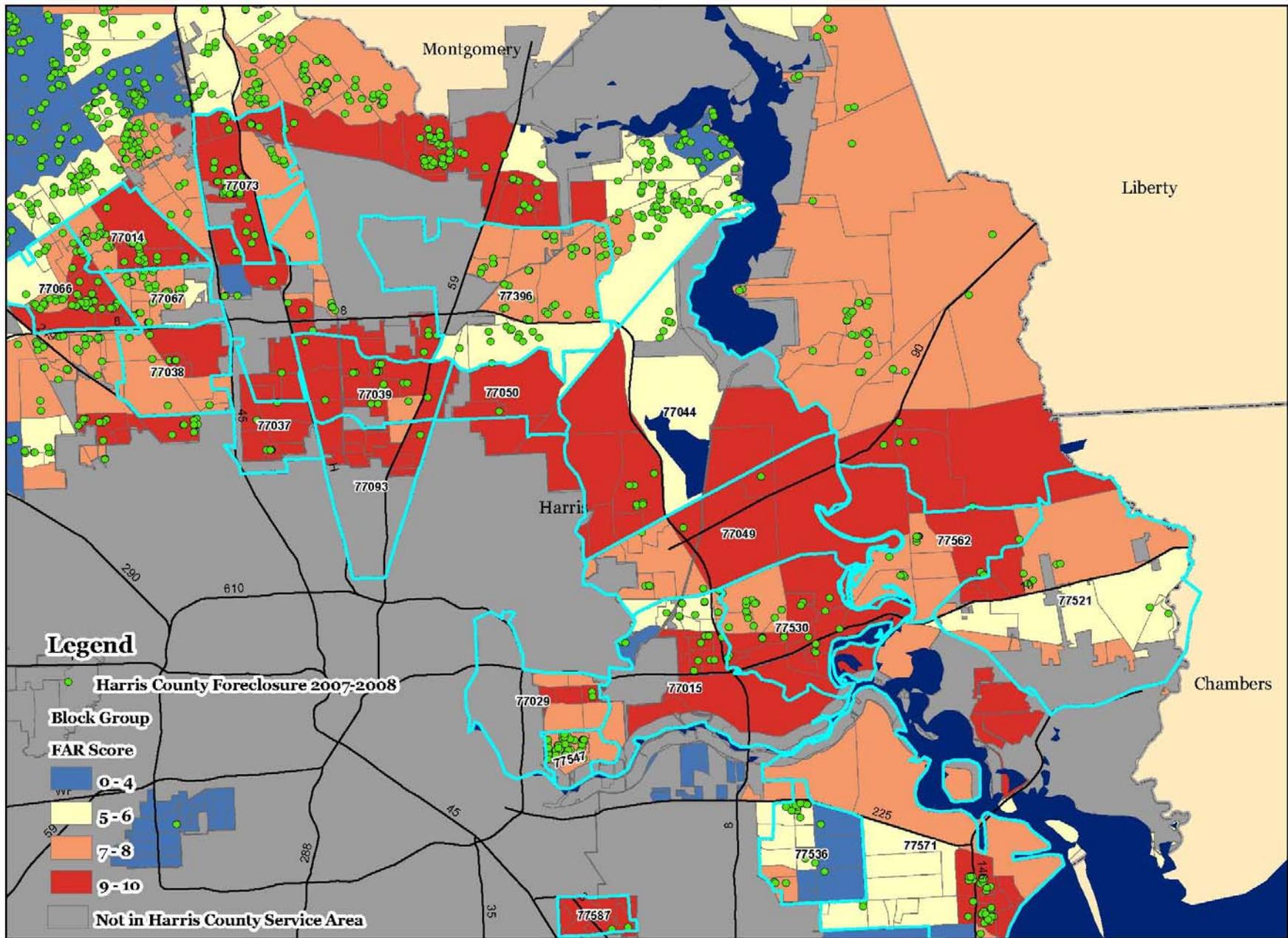
Appendix 2: High Cost Loans and Zip Codes



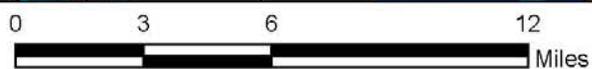
Data source: HDMA Rate of High Cost Loans in Block Group



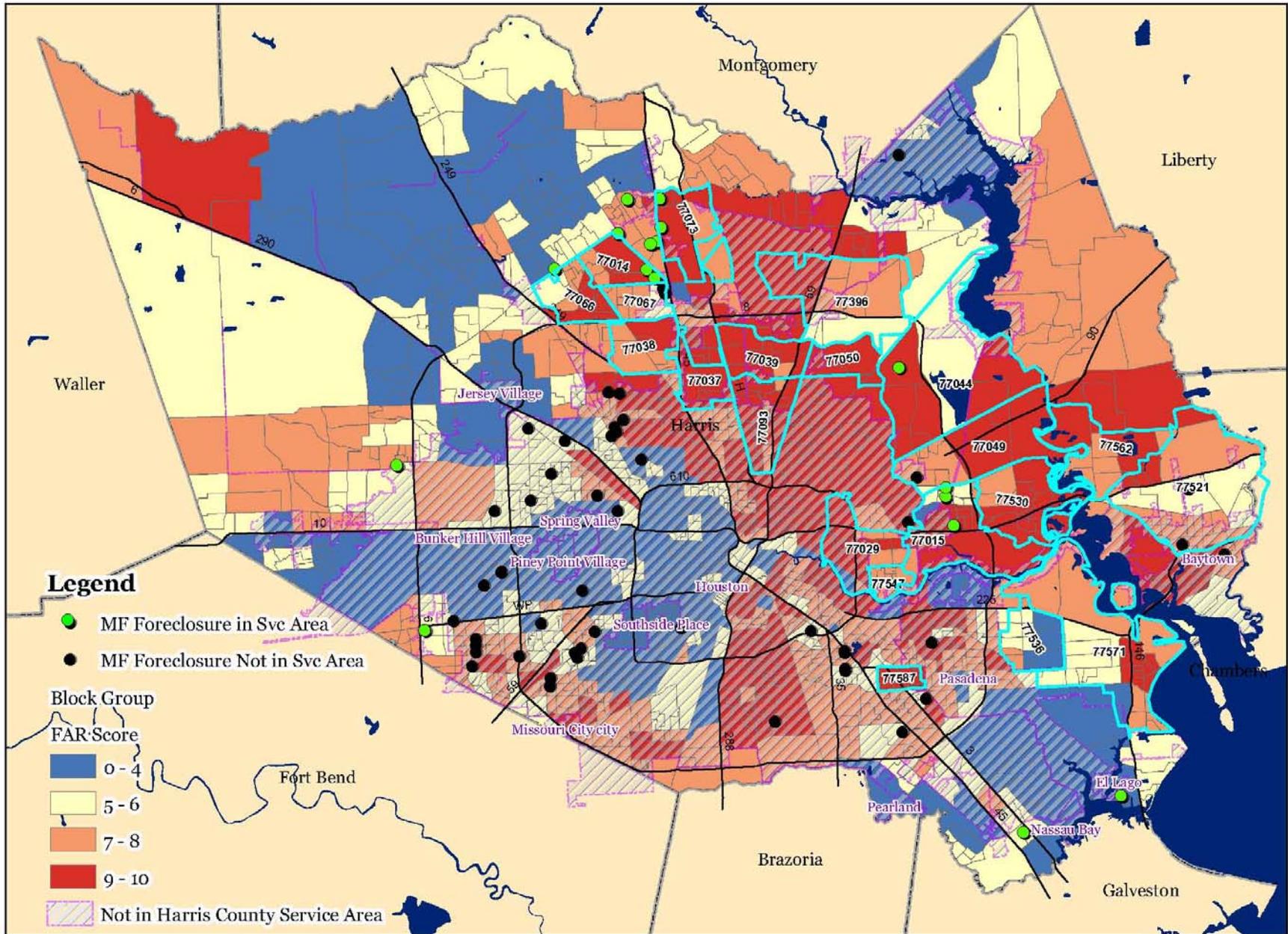
Appendix 3: Foreclosures in Harris County and Zip Codes



Risk source: HUD
 Map located 90% of all dwelling loan foreclosures 2007-2008 in Harris County Service Area, which excluded the cities of Houston, Baytown and Pasadena.
 Data source: foreclosurehouston.com, 10/20/2008.



Appendix 4: Multi-Family Foreclosures in Harris County and Zip Codes



Risk source: HUD

Multifamily foreclosures source: KET Enterprises Incorporated 10/19/2008

